Brandon Averill ([00:09](https://www.rev.com/transcript-editor/shared/aBVHsJeSfDh845xr8T1VhWNMyIFGd8o5oroJwQY9aqLEf_g2VZYmvjCl658v36RrVD8h-To4MeZDGc-poEpQ_98nKyw?loadFrom=DocumentDeeplink&ts=9.84)):

Hey everybody. Welcome back to another episode of AWM Insights, Brandon and Justin here. And we're coming to the end of this series that we've been doing, really just talking about how does your portfolio relate back to your life? And for those clients listening, we probably sound like a broken record at this point, but repetition is key. "Forced repetition," as our good friend Brian Kane says. But really what we want to do is put a little bit of a summary to this and then take out some of the key points. But really I think what hopefully you took away from this series is that you can oftentimes look at an investment portfolio, look at your overall financial structure and find other areas in life that they really relate to. And we made a couple analogies back to health, for instance, and I think that's really where we want to start today, is when we think about building our financial structure, when we think about the small daily habits that go to being successful, certainly as most of us know on our health side, if you eat well on a daily basis, if you put the work in on a daily basis, you're going to be healthier, stronger over time. And we're in a very similar spot with investment portfolio, right?

Justin Dyer ([01:20](https://www.rev.com/transcript-editor/shared/F72370sgepQqCvcNxQi61k7f7usXxuRaqfE5wUpwxb1hBVoeva_HZ3jePwGAHanN_ylzY3Eh-YL45ew3O4oVAAUpmiY?loadFrom=DocumentDeeplink&ts=80.97)):

Yeah. You can sum all of this up really with one simple word or one simple concept. It's compounding. It applies to what you're talking about on the health side. Little changes, little improvements, developing habits. Start with one small step and then they compound into much bigger impact, whether it be on your personal life, your health, your wealth, etc. The same thing can be said for your investment portfolio. Compounding Albert Einstein's famously attributed with making the quotes it is the strongest power in the universe, something along those lines. I think I've got it up here right here. "The most powerful force in the world is compounding interest," according to Albert Einstein. And it's one of the most amazing things. If you can take a step back, you don't see the impact of it necessarily day-to-day. I think we've mentioned on a day-to-day basis, there's almost a 50/50 probability that the market goes up or down, but you start to stretch that over longer periods of time, so long as you stay invested, you really start to see the benefit of much higher upside than downside. And that's the effect of compounding, keeping your money at work year in and year out, being disciplined and keeping those good habits at play.

Brandon Averill ([02:34](https://www.rev.com/transcript-editor/shared/CrEMOmtxj7urkZ1s3gPMDQFM1YA0xGRKnES_ap_YxwZAaVkABOZrfcd3sLgdtiYruhW4_AIo_XsHCl6qsJ-OY8ZzVlQ?loadFrom=DocumentDeeplink&ts=154.77)):

And I think that's the hard thing we often hear, "Hey, compounding is the free lunch. It's the most powerful deal out there." There's probably actually a good reason to this too, is it's incredibly difficult, right?

Justin Dyer ([02:45](https://www.rev.com/transcript-editor/shared/5t5ZIJ9bReduQNvdei2gLf-3ngpAeVqYExeRHrZUYA1WnF6nxlt-9FjWx7k441YB-3SfNglDPnwpxE47NrCgSkPtRKY?loadFrom=DocumentDeeplink&ts=165.39)):

It is hard.

Brandon Averill ([02:45](https://www.rev.com/transcript-editor/shared/nh9g9OJWseng8y5Xc2kWgXiFpj8A5FVe4le5l7pPzf5y3SjKzEH8yR4pwiT-fccw9Y2RwrxdIFolVYrMlep4FK3IW7k?loadFrom=DocumentDeeplink&ts=165.72)):

It's hard to, on the physical side, to make sure you get your butt in the gym every day. It's hard to make sure you eat the right foods every day. It's just as hard to stay focused in a world of noise on what is the right financial structure. You get bombarded with these quote/unquote, "Opportunities," and sometimes they're fantastic, but sometimes they're not. But oftentimes they're exciting. And so I think it's really having that daily discipline, that discipline to look and say, "Okay, what are the priorities?" We're revisiting this, but, "What are the priorities I'm trying to achieve for my family?" And now let's not get distracted by that. I think that's oftentimes me personally, what I got to come back to is oftentimes it seems like there's this abundance of opportunity and there's famous sayings on what to say no to and really where to be focused. And hopefully what this series has done is help to lay out this is why we spend so much time on your priorities. This is why we build the structure in the way that we do because hopefully at the end of the day, it's all a tool to come back and help you to make daily decisions to lay out the best course of action.

Justin Dyer ([03:51](https://www.rev.com/transcript-editor/shared/-XkZLtD6JyrCulwFzTuDOXushFxZzNsJ3hx627zHjWjjaycEa4cLfFqxD5AD1N1BsAL9P5c7wC4lDOfLMICSvTbNPMA?loadFrom=DocumentDeeplink&ts=231)):

Yeah. That is right. And I mean, there are a ton of amazing opportunities out there. Your statement is correct, but what we're here for is a kind of accountability, partner coach, and something we'll continue to repeat on throughout, but certainly within this little series we've done, is give you the tools or the little nuggets to go back to have a decision-making framework, or to take a step back and say, "Oh, no, I'm allocated in such a way. I don't need to chase this little bright shiny object over here because I understand what's going on and implement it, and the long-term benefits that I will likely see." We should see. We have a high conviction that you'll see them if we're disciplined, if we're, we stay put, if we understand the behavioral aspects of it. But then also, I think we talked about either last episode or the episode before is, taking the behavioral acknowledgement with the science of it, the art and the science, if you will, and bringing those together to hopefully give you better understanding.

([04:47](https://www.rev.com/transcript-editor/shared/ESzuhypqYPBjBHlHlR2wTqrMkOggthlnXMJqMnr7-ecYBgkCHjZzoXi0q9BosqY96mLOPM7B5PueN8Q1LFho9NjTeOA?loadFrom=DocumentDeeplink&ts=287.52)):

One or three actually points I hope we hit on is there's no one size fits all solution to this. This can also be said when it comes to your own personal health. Everyone's built a little bit differently. Everyone has different muscle structure, muscle types, metabolism, etc. So you do need a tailored approach that is specific to you and your priorities. There are no quick fixes. I think that's the big piece that kind of ties to your point about these amazing opportunities that come up on a daily basis. We see them too, but really there's no quick fix to the long-term game, if you want to call it, the long-term plan in which we are trying to accomplish here. It is really be disciplined, be thoughtful, don't get distracted by these little bright shiny objects, and then it's better to prevent problems. I think this is really, really true when it comes to health, especially as you start to get older like we are. But certainly when it comes to investing, you can make this statement as well.

([05:44](https://www.rev.com/transcript-editor/shared/MP9FMaqxhDY0khr77ITkfJqPUBqyYQ6Tvrki8d8VDikg7kUEwGHs5r6d0pFYafExG9D1rHwA9JHeesthbDVxAV3PPeE?loadFrom=DocumentDeeplink&ts=344.52)):

Have a solution that takes into account a wide variety of potential outcomes. We don't know what the future unfold, but we know we can structure a portfolio today that does really well in up markets, and then we have things in place to accommodate down markets, whether it be a protective reserve to make sure you have a certain amount of living expenses covered in super safe, super secure assets that match your specific needs or take advantage of tax loss harvesting, and really, when the market gives you lemons, make lemonade to an extent, right?

Brandon Averill ([06:20](https://www.rev.com/transcript-editor/shared/S08BH4VTcz6qkuVjYaWhll8j-q6GAiCwtxHWJMyc22-6LYj35x3jutzODAqVwMGXpM5_3N722jBONdipOgFLMhUT4R4?loadFrom=DocumentDeeplink&ts=380.01)):

Yeah.

Justin Dyer ([06:20](https://www.rev.com/transcript-editor/shared/r1rqhpV_8jcFwLGqoSJhlxnH1K-d5fEK0FPNUbo517aZZsIuiuLcakNgFo4kVrADDPwXMk5Flp131qZuByEjdN70chA?loadFrom=DocumentDeeplink&ts=380.1)):

Control what you can control, have a plan in place that works with a variety of outcomes, both good markets, bad markets, and that's custom to your specific family needs.

Brandon Averill ([06:31](https://www.rev.com/transcript-editor/shared/bLsXoLw_BrhWZAEKSCj0Vuagl81QBcTcGcwqN1-aMP0JmAMrkU7An4FWkegkeHgbDdKEN7ZMQ5cLEGqjjzGros1ngBQ?loadFrom=DocumentDeeplink&ts=391.95)):

And maybe we will end even with just a little encouragement on some of the really boring stuff that you can do. And these illustrations drive me crazy. I was just mentioning it before we got on, but let's take it away from kind of the holistic nature and we'll kind of hone in on a very specific topic. But if you took some money just to show the power of compounding, if you took some money and contributed to your child's 529 college education plan, right when they were born, and let's say you were able to get $35,000 in there, and by the time they got around to it, they didn't use that money and there's $35,000 sitting in there. They took that $35,000 under some new rules that are existing, and they put it into a Roth IRA, and they left it there for 50 years and it gained 10% a year, which never happens to be very clear, but 10% a year. Over that 50 years, it's pretty remarkable that $35,000 could turn into $4.1 million, roughly.

([07:31](https://www.rev.com/transcript-editor/shared/AuKvNQFu8OQ71WspBQuch-VY9fpUNxakp1S0OkfRNoANZ1oM4C9qj1d1c1VTa2s6LBz26YwGfw4G0LOJWunY2aUVItk?loadFrom=DocumentDeeplink&ts=451.2)):

And let's take all the numbers out of it because it's nuanced and misleading in a lot of ways, but it should illustrate just how massive, some very boring steps that you could take. This is just putting your money in the S&P,the US stock market, and letting it compound over time. It's not chasing the shiny object, it's not getting involved in something that potentially could blow up your financial structure. It's really just having the discipline to show up every day and do the basic things really well.

([08:02](https://www.rev.com/transcript-editor/shared/TepMvEyp0IRu2ws2D9_Y-toGu65ZTajDiw_RkcbGLPgwRpgOQwVNDJXRHfjFcuOM5d2erTSCV3Sr2fTnw6D5K5tTiVU?loadFrom=DocumentDeeplink&ts=482.76)):

So this compounding effect does have massive implications all the way across the board. And I think having that right financial structure, really understanding those priorities you're trying to achieve allows you to really participate in this and make sure that you are being disciplined on those daily steps, and then giving yourself the opportunity here and there to go after those big shiny objects, those bigger opportunities that you do want to take a shot at without putting your whole financial structure at risk.

([08:29](https://www.rev.com/transcript-editor/shared/nQIIsUlbsGn3YzuYOqY_SmUH4BdBvONxVlvWRbQLmUNQIN5ekcYIXRGsn4MDP2IAQRDhTzboYIeOb1aHBzd4sECW0Xo?loadFrom=DocumentDeeplink&ts=509.52)):

So hopefully this series has been really helpful for you guys. We enjoyed doing it for sure, and we'll look forward to getting on some future topics here. But if you have anything you want to recommend to us, we'd love to hear it from you. So shoot us a text at (714)-504-7689, and until next time, own your wealth, make an impact, and always be a pro.