



# ENDOWMENT

WEALTH MANAGEMENT®

## Intellectual Humility

Humility, or I should say the lack of humility, is quality that is easy to identify in others, yet difficult to see in ourselves. **Humility is a difficult quality** to develop because it may threaten our sensitive egos. Ego is important; we all have one. Our very survival depends on what “I” do or what happens to “me”. In addition, a healthy ego gives us a sense of purpose, value and confidence.

However, our ego oftentimes dominates our thoughts and decisions as the desire to be right becomes our main prerogative. And whenever our intellect is on the line, we become even more **protective of our ego**. This is a completely normal and natural response, but just because it is normal doesn't mean it is beneficial.

### Developing Intellectual Humility

The most important part of developing intellectual humility is **to acknowledge and respect uncertainty**. This is true in all aspects of life, especially within the investment realm. This does not mean we can't have strong opinions; it just means we need to recognize we could be wrong.

Being wrong doesn't mean we are ignorant or less of a person; it doesn't have to hurt our ego. There are **many things outside our control** that may influence an outcome. There is the role of luck/chance in outcomes. Information we rely on may be incomplete or misleading. And sometimes we simply misinterpret or misperceive a situation (we are human after all).

### Investing Humbly

Acknowledging uncertainty, that we don't know it all and that we could be wrong, helps us take **a more thoughtful approach** to decision making. It encourages greater due diligence, conservative assumptions and sharpens our focus.

Humility can help us stay true to our personal investment plan and it reduces the likelihood of making costly mistakes. And in my experience as an investment advisor, **the greatest risk to reaching financial goals** is making costly mistakes.