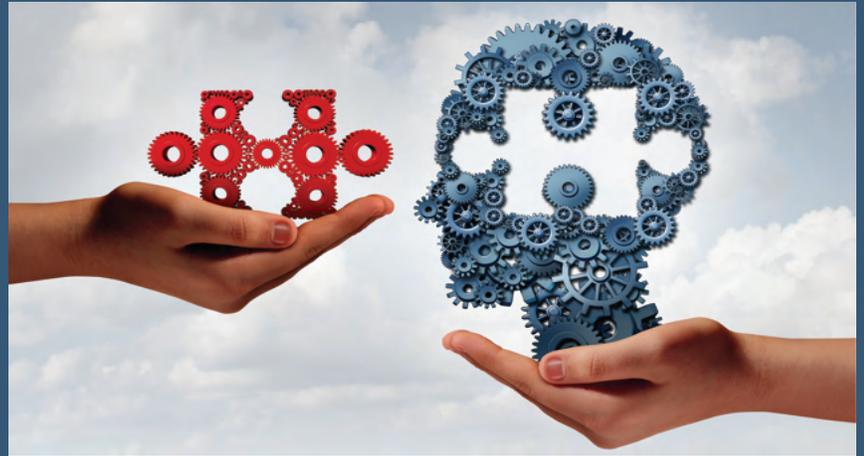


BIONDO WEALTHsense MONTHLY

INTELLECTUAL HUMILITY



The lack of humility is a quality that is easy to identify in others, yet difficult to see in ourselves. Humility is also a difficult quality to develop because it may threaten our sensitive egos. Ego is important and 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.

Our ego oftentimes dominates our thoughts and decisions, as the desire to be right becomes our main prerogative. 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

Intellectual humility is simply the recognition that the things you believe may in fact be wrong, understanding the limits of one’s own knowledge and being open to learning from the experience of others. This is true in all aspects of life, especially within the investment realm.

There are many things outside our control that may influence an outcome. This has certainly been illustrated by the pandemic and recent market

volatility. We also need to consider the role of luck or chance, that the information we rely on may be incomplete or misleading, and sometimes, we simply misinterpret a situation. We are human after all.

Investing Humbly

Some investors like to believe simple cause-and-effect explanations, rather than accepting that many market moves are complex or caused by information they simply don’t have.¹ Acknowledging that we don’t know it all and that we could be wrong, helps us take a more thoughtful approach to decision-making. Embracing uncertainty can help investors succeed by preparing instead of just predicting. It encourages greater due diligence, conservative assumptions and sharpens our focus.

Humility helps us stay true to your personal investment plan and it reduces the likelihood of making costly mistakes. At Biondo Investment Advisors, our team acknowledges uncertainty, which allows us to prepare and be resilient, when facing the unknowns ahead.

Source: @2021 The Behavioral Finance Network. Used with permission.
¹ Jocum, M. “Intellectual Humility and Knowing What You Don’t Know,”
Stockspot (blog), August, 2020.

www.TheBiondoGroup.com

Milford, PA Office: 540 Route 6 & 209 | Sparta, NJ Office: 55 Main Street | Tel: 570.296.5525

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