

Lessons Learned from 30 Years in Finance

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Today's volatile economic climate has created uncertainty among many clients, so we invited FinDec Co-Founder, Fred Lee, to share his advice and impart lessons learned from 30+ years of experience in financial management.

Lee has led clients through historic financial distresses—from skyrocketing inflation in the 70s, to the bursting of the dotcom bubble in the late 1900s. He reflected on the impact these, and other significant events had on the market, and he shared how the financial planning industry has changed over the years for the betterment of investors.

Lee delivered thoughtful reflections on long-term saving strategies as well as a list of key points to help viewers successfully navigate the current economic situation.

Fred Lee and his wife, Nancy, were schoolteachers in the 1960s, raising a family in the Midwest, when a second-career opportunity in insurance led Fred to the financial planning industry. He and Nancy eventually started their own “mom and pop” company, which grew into FinDec and now serves clients nationwide.

Lee has seen many changes throughout his career. He says the basic principles of economics haven't changed a whole lot since he started his career, but society has changed and the financial management industry has morphed with it. He says economies are alive, and in constant motion, adapting and changing to positive and negative impacts of world events, politics and technology. He has helped hundreds of clients weather economic turmoil over the past 30+ years, some of which changed lives and others that brought about significant changes to the financial planning industry. But from his lived experience, he notes, the market historically corrects itself.

The market most recently recovered from the devastating effects of 911 and the housing crisis, and Lee said, while everyone is feeling the impacts of inflation and the reverberations of the pandemic, the pendulum will swing back, it just may take a little longer. **Stay the course**, he advises.

In true teacher form, Lee provided the following tips, from his decades-long experience, on saving, investing and navigating market fluctuations:

- **A penny saved is better than a penny earned.** Save as much as possible, as soon as possible.
- **Always accept free money.** Take advantage of employer-match programs. They are giving you free money, so take it.
- **Budget**
- **It's never too late to learn.**
- **Fear is your enemy.** Educate yourself from trusted sources. The internet provides so much information but beware of misinformation and

understand that the media can also create unwarranted fear.

- **Patience pays dividends.** History repeats itself. The market will correct, and your patience will pay off.

- **Diversify and stick to your plan.** A good rule of thumb is to diversify to match your age. At age 60, 60% of your investments should be in bonds and 40% in stocks. Don't make knee-jerk decisions that will derail your plan. Stick to the plan, and it will work for you.

The financial planning industry has changed dramatically throughout Lee's career. He reflected on the three most significant influencers:

1. The transition from large computers in Fortune 500 companies to the advent of the PC, which allowed small businesses to utilize software enabling them to offer 401K plans in line with larger companies.
2. The SEC's role in moving financial advisors from commission-based models to fee-based models brought credibility and accountability to the industry; more oversight and increasingly

sophisticated products are also in the public's favor.

3. The launch of the internet, which not only increased the availability of information (and thus provided opportunity for people to educate themselves on the stock market), but it also provided a platform for misinformation from unqualified advisors.

Among the many highlights of his legacy at FinDec is Lee's unwavering commitment to personal service. He considers relationships with clients the most integral part of an advisor's role—a core value that remains intact at FinDec today.

He says an advisor should not only have the expertise find the best investments, they should also know their client personally and be there for them, particularly during challenging times like these.

Now retired, Lee remains engaged, serving on the FinDec Board of Directors.

Fred M. Lee is Chairman of the Board of FinDecSM Co.

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