



OCTOBER 2023 CLIENT QUESTION OF THE MONTH

## WHAT DO SHERPAS AND FINANCIAL ADVISORS HAVE IN COMMON?

*By Francesca Lanza | Associate Portfolio Manager*





***What do Sherpas and financial advisors have in common? What is the objective of the mountaineer – is it to get to the top – or – is it to get up and down safely?***

Sherpas are a Tibetan ethnic group, residing in the Nepal Himalayas, who have established global recognition for guiding experienced mountaineers to the summit of Mount Everest – and more importantly –back down. Their experience and knowledge, gained through years of navigating unpredictable and treacherous terrain, helps ensure the safety of those who venture with them. Many successful climbs (defined as an ascent and safe decent) are led by a Sherpa.

In the scope of personal finance, many individuals perceive reaching the summit—whether it be financial independence or retirement—as the ultimate goal. However, the truth is that this is merely the midpoint of the journey. The true destination lies in successfully descending down the mountain, synonymous with financial confidence **during** those retirement years. The descent, much like the ascent, presents a multitude of ongoing challenges (e.g., weather changes, deadly avalanches, crevasses, etc.). Indeed, of the 192 deaths recorded above base camp on Mount Everest between 1921 and 2006, 56% occurred during the descent from the mountain<sup>1</sup>. For retirees, financial missteps can also lead to tragic results! Navigating market turbulence along with ongoing income tax and tax law changes may benefit from experienced and disciplined responses (versus reactions). Responding involves a rational and strategic approach to maintain a long-term perspective, while a reaction is categorized by impulsivity and emotion, potentially resulting in sub-optimal financial outcomes. A knowledgeable financial advisor can provide the professional coaching to help respond strategically to the abundant financial obstacles that lie ahead. Without a Sherpa or financial advisor, many investors may find themselves out in the cold. *Please remember that no strategy assures success or protects against loss. All investing involves risk including loss of principal.*

Consider, for instance, the urgency required when facing a sudden avalanche. According to the American Avalanche Association (AAA), the chances of survival stand at an impressive 92% if extricated within 15 minutes, but plummet to a mere 37% after 35 minutes of burial time<sup>2</sup>. It's obvious that one would not want to be caught in such a situation (alone). Experienced Sherpas are great at helping their climbers avoid avalanches, but if something unexpected happens they are great at extraction. Similarly, experienced financial advisors may be talented at helping their clients avoid problems, but if something unexpected happens they must be prepared to help dig their clients out.

Managing one's finances is a similarly dynamic endeavor, much like climbing a mountain. When guided by experienced advisors and planners, individuals may benefit from making well-informed financial decisions that can profoundly impact their financial well-being, not only for themselves but also for their families, businesses, and overall net worth. *No strategy assures success or protects against loss.*

We believe successful financial professionals should place significant importance on mentoring their teams to provide ongoing generational support for their clients and families. Remember that the descent can be as important, if not more important, than the ascent. At Winthrop Wealth, our dedicated team is committed to guiding clients and their loved ones past the financial turbulence they encounter throughout their lives.

1. *Avalanche Victim Resuscitation* (2017) Sierra Avalanche Center. Available at: [https://www.sierraavalanchecenter.org/avalanche-victim-resuscitation#:~:text=The%20American%20Avalanche%20Association%20\(AAA,15%20minutes%20of%20burial%20time](https://www.sierraavalanchecenter.org/avalanche-victim-resuscitation#:~:text=The%20American%20Avalanche%20Association%20(AAA,15%20minutes%20of%20burial%20time) (Accessed: 26 September 2023).

2. Firth, P.G. et al. (2008) *Mortality on Mount Everest, 1921-2006: Descriptive study*, *BMJ (Clinical research ed.)*. Available at: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2602730/> (Accessed: 26 September 2023).

## DISCLOSURES

The opinions voiced in this material are for general information only and not intended to provide specific advice or recommendations for any individual. There can be no guarantee that strategies promoted will be successful.

Securities offered through LPL Financial, Member FINRA/SIPC. Investment Advice offered through Winthrop Wealth, a Registered Investment Advisor and separate entity from LPL Financial.