



HIGHTOWER

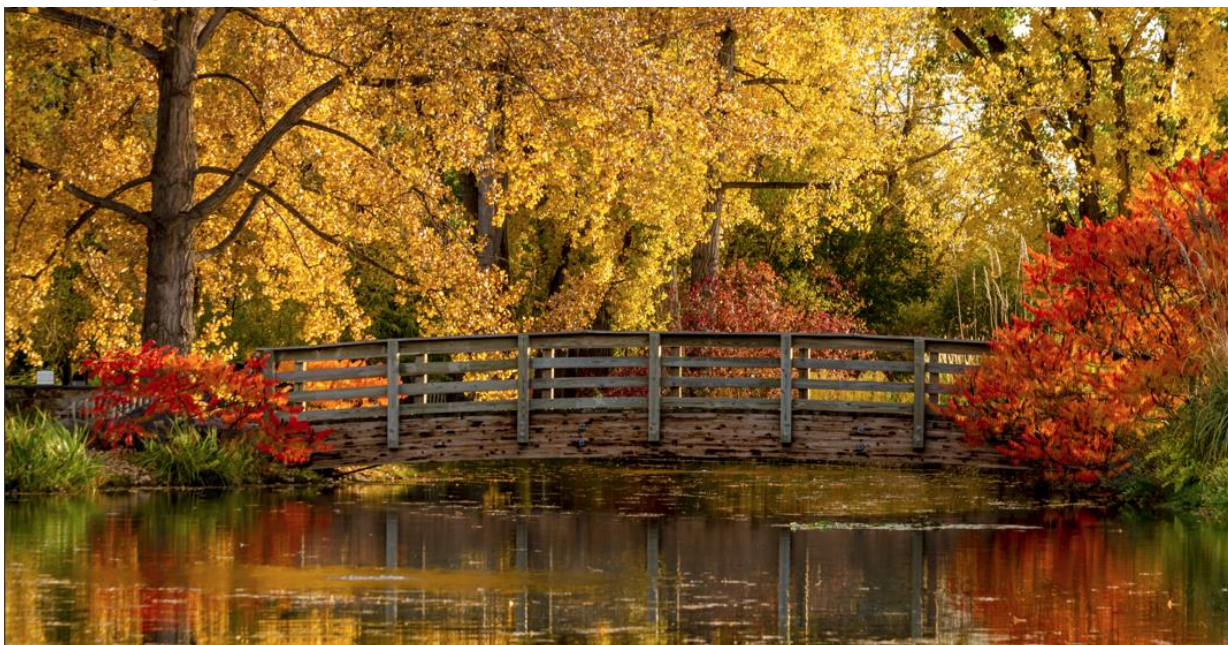
White Pine Wealth Management

October 2022 Newsletter



Some of us spend the whole year waiting for it, planning our leisure, clothing, food, and socializing around the best 31 days on the calendar, quietly suffering through the heat of September until the golden crisp arrival of October. The best month of the year. New England comes out swinging, showing locals and travelers alike just how magical nature truly is. So pull out your flannel shirts and pumpkin spiced lattes and get ready to October hard with us. It's going to be glorious.

All things fall...



Yankee Magazine publishes newengland.com, a website that actually has a “Foliage” tab on it. [Click on this magic portal](#) to autumnal splendor and you will find an absolute trove of information about how to enjoy the changing leaves, where to find the best apple cider doughnuts, the most festive fall fairs, leaf peeper tours, and more. [Pineland Farms has a lot going on](#) right now, including instructional classes on making wreaths, pumpkin carving, and applesauce making. And while it’s often associated with the summer, many of the [northeast’s clam shacks](#) are open through October. Pro tip: try a little lemon juice in your chowder to take it to the next level. We submit that nothing is cozier than a clam shack on a stormy fall day at the end of the season. Better yet, go alone and bring a [Stephen King novel](#).

Financial Planning Month



October is National Financial Planning Month. Here at White Pine Wealth Management, financial planning is central to our work with you. The

information we glean from your plan informs allocation, risk tolerance, investment selection, distribution strategy, planning assumptions, and more. We have invested in both team member education and sophisticated planning technology that digs deep into every aspect of the financial planning process and allows us to customize every client's plan with their specific goals, considerations, and nuances. The time we spend creating a client's plan can be significant, but once it's in place, the plan can grow and adjust with your financial outlook, allowing us to show you the difference between various scenarios, help you make decisions about complex issues, and more. There are things you can do throughout the year to help us maintain a robust and accurate plan that helps eliminate surprises as you approach your life goals and milestones. These things include:

1. Maintain a file of any and all financial-related documents that you receive in the mail or email. Create a file in your email that you can drag and drop e-statements and other notifications in for easy access. Keep a paper file near your mail station at home where you can quickly store important information that we may need.
2. Keep a running list on your cell phone of things you want to address when you meet with us. When you hear from us to schedule your regular review, you'll be asked if there is anything in particular you'd like to go over. Giving us a heads up before a meeting can make it more productive.
3. Analyze your spending, list your expenses, and create a budget. Make note of the various income sources you receive. Have this information available at our meeting, or send it to us ahead of time, so we can use the most up to date information possible.
4. Talk openly with your significant other and family members about goals, lifestyle, and potential challenges. Having a clear picture of what you want to plan for and to achieve will help us prioritize and organize your specific needs.
5. Meet with us annually to take *stock* of your progress. Regular reviews help us ensure we are *harvesting* all the fruits of your labor. See what we did there? Even financial planning is autumnal.

Explore Maine – Brunswick



Maine has more charming towns than we can possibly report on, but we're going to try. This month, Brunswick has won our favor. If you haven't been there in a while, you might find it's grown from a small college town into a lovely destination perfect for day trips where you can walk the tree lined sidewalks through the Bowdoin College campus, check out the [Bowdoin College Museum of Art](#), visit the [Harriet Beecher Stowe House](#), take in a show at the [Maine State Music Theatre](#), have lunch at [The Great Impasta](#) (garlic knots are a must!) or one of the [many dining options](#), shop the little stores and boutiques (we love [Nest on Main Street](#)), and don't forget to check out [Cabot Mill Antiques](#) at the Fort Andross Mill Complex. A visit to [Fat Boy Drive-In](#) is a fun blast from the past, and then head on over to Brunswick Landing (the former Naval Air Station), which has been converted to commercial and retail space housing, among other things, [Wild Oats Bakery & Café](#) (buy a pie!) and the [Brunswick Naval Aviation Museum](#). [Thomas](#)

[Point Beach & Campground](#) offers ocean-front camping, and well, we could go on, and on, and on...

Best Wishes



It is with mixed emotion that we announce that Teri Conley will be retiring from the financial services industry in November. Many of you have gotten to know Teri over the 7+ years she has been with us. Teri has given us the gift of many months' notice and has been working closely with [Natalie Munn](#) and [Casey McClurkin](#) to make sure that the same service you've come to expect is continued on after she departs. She has made a great contribution to our office and to our clients and we will be forever grateful for the care and

attention to detail she put into everything she did. She will be missed by all and we wish her the very best in her next chapter!

Social Security Seminar



[An official invitation](#) went out in September for our popular Social Security Seminar on Wednesday October 26th at the Falmouth Memorial Library at 5 Lunt Road in Falmouth, Maine. If you're nearing retirement, or just nearing social security age, this is a quick and easy way to get a lot of information in not a lot of time. We've been working with Robert Clark for many years and have found him to be an invaluable resource to our practice and our clients. He is the principal in [R.E. Clark Consulting](#), providing Social Security information and resources to financial professionals. He started the business in June 2014 after concluding a 38-year career with the Social Security Administration (SSA). Robert served as SSA's Public Affairs Specialist for Northern New England from 1999 until his retirement in 2014. He was responsible for enriching the public's understanding of Social

Security programs and was a frequent speaker at events and served as liaison to governmental and non-governmental agencies and organizations. You'll hear his presentation first, and afterward, you will be able to ask questions or schedule time with him for a one-on-one consultation. Coffee, tea, and refreshments will be served. Check your inbox for the invitation to this event. Clients, friends, and professionals are all welcome to join – just [make sure to register here.](#)

Country Kitties



We were poking around on the Animal Refuge League of Greater Portland's website recently and noticed that they have a [new program called Country Kitties](#). The goal of the program is to provide a permanent location for non-indoor cats. Here's some information in case you have a barn, shed, or other outdoor housing area that would be suitable.

From the arlgp.org website:

Country Kitties are generally independent cats, in need of little interaction from their human landlords. Country Kitties are spayed/neutered and up to date on their vaccinations.

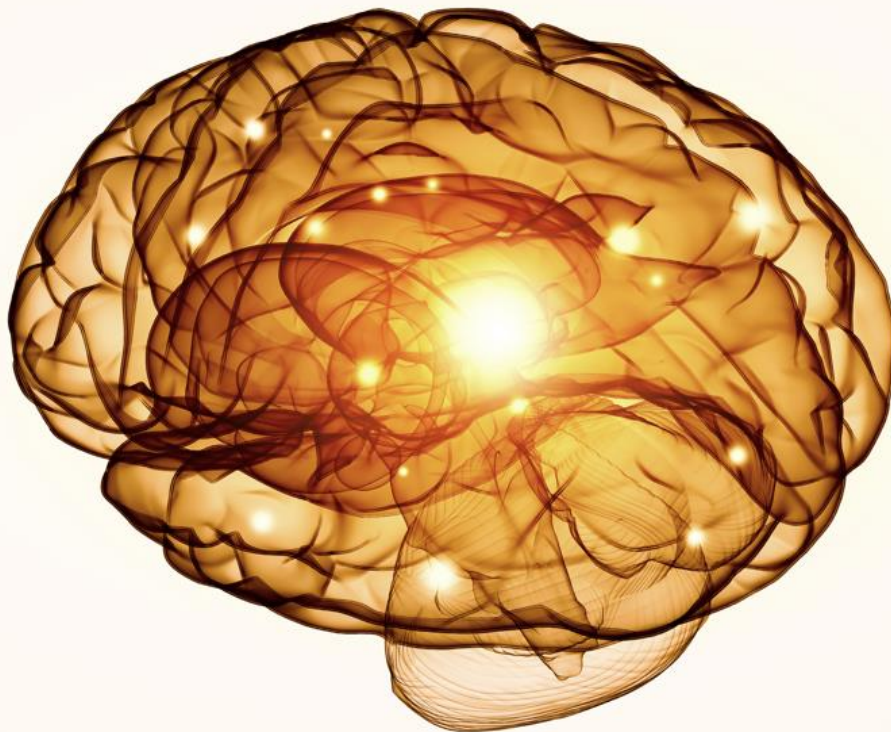
What are the criteria for adopting a Country Kitty?

- An outdoor housing area, such as a barn or stable.
- The ability to provide long-term veterinary care, when needed.
- The ability to provide food and water in your outdoor housing area.

Contact cats@arlgp.org or call 207-854-9771 for more information.

Market Commentary by Matt Emery

Continuing our series on Behavioral Finance



Last month, we introduced a series on Behavioral Finance. This relatively new field of research has revealed numerous ways that our [psychology and emotions](#) can have an outsized influence on how we

make decisions, including investment decisions. History is brimming with examples of psychological blunders by investors that can be attributed to things like overconfidence, herd mentality, loss-aversion, mental data-filtering, and more. There is an inherent conflict between sound investing and human nature. We believe that understanding and maintaining an awareness of some of our innate psychological mechanisms and biases can have a positive impact on our investment results in the long run.

“There is an inherent conflict between sound investing and human nature...”

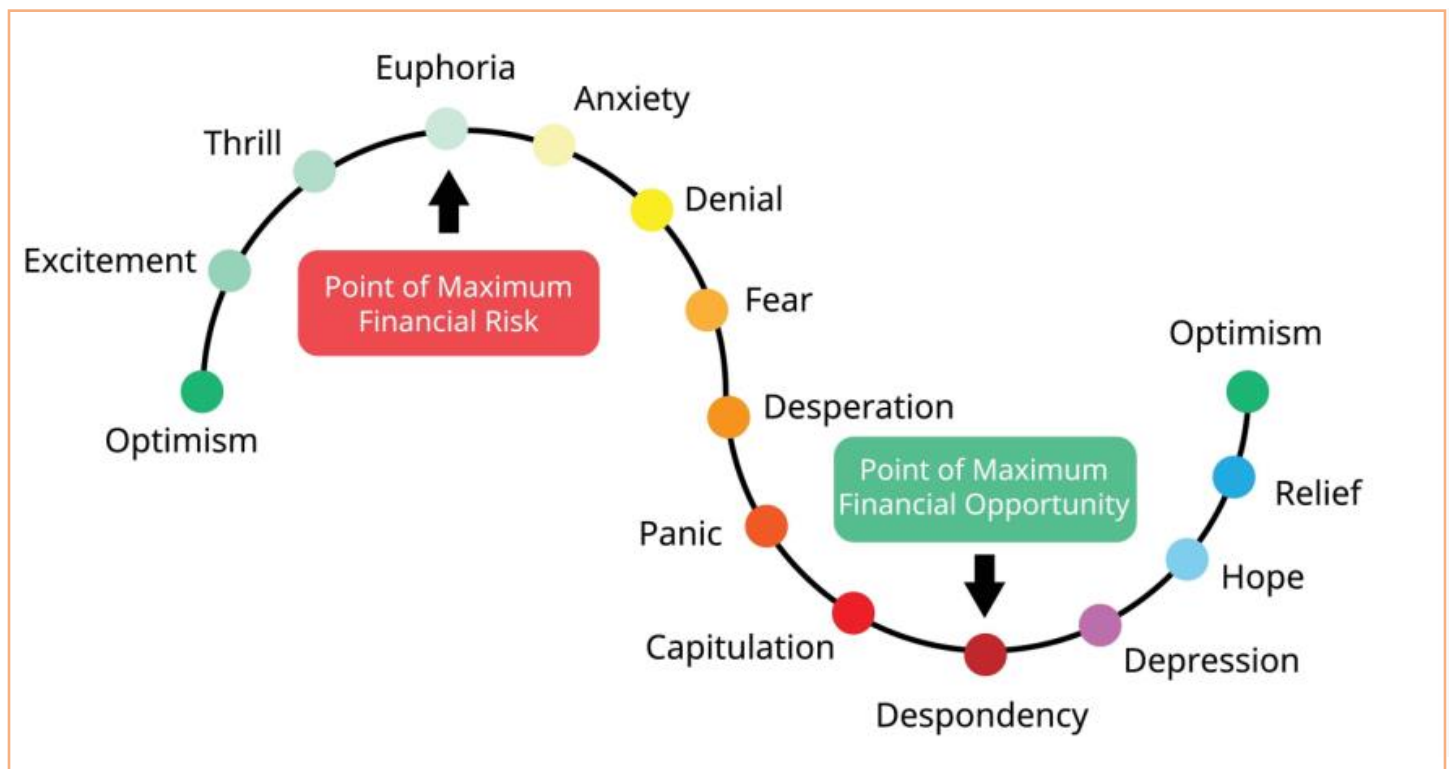
Traditional Economic Theory does a very good job explaining what humans *should* do, but seemingly turns a blind eye to what humans *actually* do. The assumptions underlying many classic theories is that, in every decision we make - like what to eat, how to spend our spare time, how closely we obey the speed limit, which shoes to buy, who to marry - we humans will always make the “optimal” choice, free of bias, that will maximize our happiness, safety, future wealth, etc. Not only does such an assumption make little sense intuitively, but the existence of car accidents, buyer’s remorse, and panics or bubbles in the stock market, indicates that humans frequently, if not constantly, choose sub-optimally. Here enters Behavioral Economics and Behavioral Finance, which provide insights into human behavior in the real world where spending and investing decisions are made. Given the backdrop of the current investing environment, [where nearly every major asset class has fallen in value](#) this year, we feel that the most appropriate branch of Behavioral finance to discuss first is [Prospect Theory](#) because it helps to explain typical investor behavior when money has been lost.

Psychologists Daniel Kahneman and Amos Tversky introduced the concept called “Prospect Theory” in a [paper published in the academic journal *Econometrica* in 1979](#) and later won the 2002 Nobel Prize in Economics for their work related to it. Kahneman and Tversky’s experiments found that essentially, people like gains, but they hate losses even more, and how much money they had to begin with plays an important role. The negative feelings derived from losing, say, \$100 is greater than the positive feelings from gaining \$100. Furthermore, the difference between losing \$10 and \$20 feels much greater than the difference between losing \$2,150 and \$2,160.

“Remaining *less* emotional about your portfolio is critical to weathering the storm of a bear market...”

This might all seem a bit esoteric, but this quirk of human cognition can have a profound effect on investment performance. For example, assume an investor holds a certain number of shares of a stock and their investment has fallen in value today by \$100. It could very well fall in value by another \$100 tomorrow. The pain of losing the second \$100 will be less, according to the findings, than the pain of losing that first \$100. Our investor would therefore not only be willing to take the risk of losing *more* in an attempt to recoup their previous losses, but they would be willing to take bigger risks than they ordinarily would take in an attempt to do so. Or, as Kahneman and Tversky noted in their paper, “This analysis suggests that a person who has not made peace with his losses is likely to accept gambles that would be unacceptable to him otherwise.” Kahneman and Tversky further characterized this behavior as “risk-seeking” with respect to losses. Conversely, they found that subjects tended to be “risk-averse” with respect to gains and they described the

investing behaviors corresponding to each condition as either gambling or buying insurance.



An increased appetite for risk, in the immediate aftermath of losses, is one of the areas where investors tend to make matters worse for themselves with astonishing regularity. This highlights the need for an investment process that is both unemotional and consistent, developed during a time of market stability, in anticipation of the inevitable market volatility that has yet to come. Remaining *less* emotional about your portfolio is critical to weathering the storm of a bear market. If you're feeling emotional right now, we hope you'll reach out to discuss your concerns. It's easy to advise clients in a good market, but it's during these difficult markets that we feel we can be of the greatest value to you. We'll be continuing this series on Behavioral Finance next month.

[Matt Emery](#) is our Director of Research & Portfolio Management.

Boo!



No October would be complete without a little ghoulish fun. If you're not sure what to be on fright night this year, [this article has a few of-the-moment ideas](#) that are sure to get a chuckle. For a fun day trip with the family, [Salem, Massachusetts](#) is always a win. Town and Country Magazine [offers this list of 40 classic Halloween movies](#) to watch, and you can make it extra bootastic with some of [these fun snacks and treats](#) from Country Living. Try [this website](#) for your guide to Maine haunted house and Halloween attractions, and the hall monitor in us wants to offer you and the kids [these thoughts on staying safe](#) while still having all the fun. While there are also some precautions to take [when celebrating Halloween with our pets](#), Chewy.com has [some great costumes](#) if you happen to have a four-legged friend who actually enjoys (or seems to tolerate) dressing up. Make sure to keep the chocolate (and any candy with sugar substitutes) completely out of reach to dogs, but in case the worst happens, call the [emergency vet](#). This [Toxicity Meter](#) can help you judge how it might affect your pup. Stay safe and have a frighteningly fun night!



Duffy girls with Samantha from Bewitched in Salem, Massachusetts.

See you in November...



As October ushers in the holiday season, leaving behind the lazy days of summer and its warm repose, we are breaking out our sweaters, cheering on the home team, arranging our mums and pumpkins, and preparing for the coziest season of all. Wherever the falling leaves find you this season, White Pine Wealth Management is particularly grateful to help you get there.



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