



5 Ways to Reduce Behavioral Finance Bias When Making Good Financial Decisions

Behavioral finance plays a significant role in how we make decisions, particularly when it comes to investments and personal finance. Cognitive biases, emotional reactions, and psychological factors can often lead to poor financial choices. At Life By Design Investment Advisory Services, Monique Marshall works closely with each client to identify their unique biases, guiding them through financial planning tailored to their needs. Here are five effective ways to reduce behavioral finance bias and make better financial decisions:

1. Recognize and Acknowledge Your Biases

The first step to overcoming behavioral finance bias is awareness. Common biases include:

- **Overconfidence Bias:** When investors overestimate their ability to predict market movements, leading to excessive risk-taking.
- **Loss Aversion:** The tendency to prefer avoiding losses over acquiring gains, often resulting in holding onto poor investments for too long.

We help clients recognize these and other biases, ensuring that financial decisions are informed by awareness rather than emotion.

2. Set Clear, Long-Term Goals

At LBDIAS, we believe in the power of personal connection. As a boutique firm, we take the time to get to know each of our clients—understanding their stories, families, and dreams. Our approach ensures that your financial plan is uniquely tailored to you, helping you stay focused on your long-term objectives.

Even as your goals evolve over time, we believe in adapting to change and preparing for the unexpected. Our work is to guide you, keeping you aligned with your objectives while adjusting to life's transitions.

Action Tip: Regularly review your financial goals with us, and trust that we'll adjust your plan to ensure it continues to support your evolving vision.

3. Tailor Investments to Your Specific Situation

At LBDIAS, we design personalized investment strategies based on each client's unique situation, including their risk capacity and financial objectives. With over 30 years of experience, Monique monitors both your portfolio and market trends, ensuring your investments remain aligned with your long-term goals while accounting for market volatility.

It's important to remain confident through market fluctuations. Emotional reactions, like panic-selling during downturns, can lead to poor decisions. By trusting the long-term plan we've developed together, you can navigate market volatility with assurance, knowing we're here to guide you.

Action Tip: Rather than making impulsive decisions during volatile times, rely on Monique's experience and the tailored plan we've established for you. Trust that your portfolio is monitored and adjusted as needed.

4. We Handle the Diversification for You

A well-diversified portfolio is key to managing risk and reducing the influence of emotional biases. At LBDIAS, we take care of building and managing a diversified portfolio for you, incorporating your risk tolerance and long-term goals. We do the research, we implement the strategy, and we monitor your investments—so you don't have to.

Action Tip: You don't need to worry about diversification—we've got that covered. Monique ensures your portfolio is balanced and aligned with your unique financial situation, freeing you to focus on your life and goals.

5. Collaborate with a Trusted Financial Advisor

Working with an advisor can help reduce the influence of behavioral biases. We collaborate closely with each client, providing an objective perspective and ensuring that your financial plan remains aligned with your long-term vision, even through life's uncertainties.

Action Tip: Trust that your advisor is here to guide you. Monique's role is to help you stay focused on your goals, providing guidance and adjustments as needed, so you can achieve a life by design.

Our focus is on helping clients understand and manage behavioral finance biases while providing personalized, long-term financial strategies. By working with LBDIAS, you'll receive the experience, expertise, and individualized attention that ensures your financial decisions are not swayed by emotion, but are rooted in your long-term objectives.

For personalized advice on managing behavioral finance and aligning your investments with your life goals, reach out to Monique Marshall today.

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