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Risk and Joy and the Sweet Smell of Hay **Kristin Poole**

I think about risk a lot. I think about how to protect my clients from risk, and when they need to accept the risks associated with owning stocks to fulfill their future goals. I am a risk-processor, and the act of analyzing the rewards and risks of mundane and significant aspects of life is a part of my work I'm passionate about, and a skill I am constantly honing.

Most people think of themselves either as risk-averse or risk-tolerant. I believe, though, that risk tolerance is situational. We should be risk-tolerant only when we are likely to be highly compensated for taking the risk. And while I've discussed risk tolerance many times in relation to investments, it turns out that compensation takes many forms. And compensation is almost never merely about investment returns. The best financial planning is less about money than it is about what we want money to do for us.



For the first time in 15 years, the author was back in the saddle at a competitive show last month in Tennessee.

Last year, the issues of "what we want money to do for us" and balancing risks came up for me, personally. I needed to analyze whether the physical risk of riding horses and the financial risk of owning one were worthy risks for me to take. Horseback riding has been a lifelong passion of mine, but given a 15-year hiatus and the cost of showing and owning horses today, I needed to be thoughtful about the decision to return to the sport I loved. I have a three-question process that

integrates values and quality of life into the consideration of which risks are worth taking. So I asked myself:

- 1. How could my life be enhanced by taking a given risk, and what could be lost?*
- 2. Is the risk likely to end with a positive outcome?*
- 3. How does the action or activity align with my personal values, and how will it affect my quality of life?*

The first two questions are pretty straightforward when considering whether an action or activity is worth the risk. It's the complex question of how an action or activity stands up to my values where I often linger. Usually, the consideration of how positive or negative outcomes will affect my quality of life leads me to a clear decision. Many people don't consider asking that last question as a necessary part of a risk/return equation. I believe it is actually the most important.

At age 7, I performed no analysis when I cantered my horse for the first time at a summer camp. No, I just kicked, tried to hold on, got rocked out of the saddle and then climbed back on. As a teenager, I didn't analyze whether it was wise to buy and train a young ex-racehorse with an earnest spirit, who never totally shed the racetrack instinct to transition instantly from standing to galloping. Though he knocked me over more than once, he was usually considerate enough to avoid actually stepping on me.

I even entertained (to my parents' great concern) training horses as a profession. That would have been a bit like having the life of a minor league baseball player. It is physically punishing, and if you don't make it all the way, you often have little to fall back on. Even at 16, I knew the risk was too great, because the likelihood of building a profitable business with my limited resources was not high, and could potentially leave me with a quality of life that would be less than ideal. Since the risks outweighed the dream, off I went on a path to business school, hoping I would one day earn the necessary financial resources, through a successful career, to ride once again.

The dreams of riding never faded. Quite literally, I have dreamt of horses, and of riding and showing competitively since the day I sold my horse. I would awaken after the dreams longingly wishing I could be back at the barn, in the camaraderie of my fellow horse addicts, wondering at the end of a long day if there was one more horse in the barn they would let me ride. Last year, I knew I had to consider bringing that joy back into my life, and I needed to use my three-question process to consider the risks:

- 1. How could my life be enhanced by taking a given risk, and what could be lost?*

My life would be enhanced in so many ways by riding. My fitness level would be enhanced by the rigors of consistently caring for, riding and jumping horses. I would regain the cherished sense of community that comes from working and riding with talented trainers and the other equestrians who commit themselves to the sport. I would have the opportunity to mentor kids as they discover their own passion for horses. I would be spiritually fulfilled by connecting with such magnificent animals, building a partnership with them over time, and coaxing and supporting their own

individual paths to peak performance as animal-athletes. So the benefits were clear, but the costs were significant, too.

The financial commitment of weekly lessons, showing and buying all the necessary equipment would erode my deliberately aggressive level of savings. The cost of buying and caring for a horse could fundamentally alter my current financial plan. Furthermore, the physical risks of riding horses could result in a range of injuries from torn tendons to broken bones. This risk would be further heightened by riding young horses, who were often my favorites.

2. Is the risk likely to end with a positive outcome?

The likelihood was strong that my life would be more joyful with horses than without, though the risk of injury was real, as with almost any sport.

Through modeling numerous scenarios of current spending and retirement needs, I found that the risk of immediately buying a horse was too high. But weekly lessons and occasional horse shows could work without weakening my financial plan. Although there was a small change in outcomes of the projections when I incorporated lessons and horse shows, I would not have to sacrifice any of my important future goals.

3. How does the action or activity align with my personal values, and how will it affect my quality of life?

Because many of my personal values were formed by my very experiences and relationships in riding and competing, the alignment was strong. Tenacity. Commitment. The balance of strength and compassion. I still strive for those values, and they are enhanced by the sport I love so much.

My quality of life would also be enhanced when I could, once again, feel the rhythmic thrill of jumping with a horse, not diluted by the subconscious of a dream, rather enhanced by my wakened five senses: the feel of soft hair over powerful equine muscles, the peripheral view of other riders quietly supporting me, the taste and smell of country air and grass connecting me to nature, the timeless sound of the cadence of hooves carrying me to our obstacle.

With answers to my three questions, I knew the risk was worth it. I would ride again.

The key for me was to create a plan for spending and saving. I decided to pay down all my debt, however small; reduce or eliminate some unessential recurring costs; and recraft my budget to make room for additional monthly savings. Within two years, I knew I could accumulate enough to buy and care for a young horse.

My plan integrated my values with reasoned analysis, and having the plan gave me the confidence to pursue my passion with little sense of the guilt we so often associate with spending discretionary money on expensive things. Because I performed a thorough and nuanced analysis of risk, I had a plan that would allow me to responsibly invest in my happiness.

I called my trainer of three decades (minus those 15 years) and scheduled time to take a lesson. On that first Saturday morning, when I got out to the barn, I didn't wonder if I would still be able to

guide a horse the way I once did with only the subtle pressure of my lower leg. I didn't wonder how long I would be sore after the first time I fell off now that I am in my 30s (turns out, about two weeks). I didn't think about how stiff and awkward I would look in the saddle in my decades-old equestrian attire. I just walked into the barn, took a deep breath of the same air breathed out by the horses around me, perfumed with the hay they savored and casually kicked around their stalls, and I felt like I was home again.

Risk in my life is usually about quantified goals, calculations and probability. Sometimes, though, when the planning pays off, the need for analysis fades and makes way for joy and the sweet smell of hay.

About Kristin Pool, Wealth Advisor, Buckingham, St. Louis, MO

As a Wealth Advisor, Kristin Poole works with clients to deliver on Buckingham's promise of true Wealth Management. Kristin has extensive experience overseeing the firm's wealth advisory teams across the country and has worked throughout her advisory career to deliver personalized service that exceeds clients' expectations. In recognition of her investment expertise, she was named to the firm's Investment Policy Committee in 2014.

Kristin holds a bachelor's degree in Spanish and English from University of Missouri-Columbia and an MBA in International Business from Saint Louis University. She has taken the opportunity for additional study throughout her life in China, Mexico and Costa Rica.

She has been involved in the Saint Louis University Alumni Association, serving as the current president of the International Institute and as a former board member for the business school. Other community involvement has included speaker and volunteer of Habit for Humanity and mentor for SLU Business School. Kristin is a board member for Healing Hearts bank, a local micro-lending program, and a volunteer for the Kids Community Closet. Both are National Council of Jewish Women programs, of which she is a member.

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