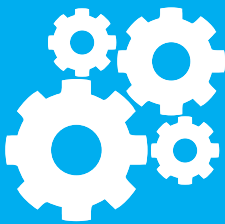




CFA Society  
Los Angeles

# E-Newsletter

## February 2019



*In This Issue....*

- New Ambassador Program Launches with Pilot
- Intimate Chat Series Enjoying Success
- California Council on Economic Education's Annual Report
- The Impact of Jack Bogle
- John C. Bogle: Profile of an Industry Leader
- Time for Happiness
- The lesson from Acorns and Stash
- Advisors are not doing enough to meet millennial prospects
- Swedroe: Reviewing 2018's predictions
- Here are the 20 busiest ports on the planet





# New Ambassador

# Program Launches with Pilot

By Andrew Elmers

In September 2017, after a strategic planning session of CFA Society Los Angeles' Board of Governors, staff and other Society leaders, CFALA's official 3-year Strategic Plan was adopted. Discussions were centered around how to improve overall engagement among Society volunteers, members and the local investment industry. One suggestion to improve engagement from both members and the investment industry was to create an Ambassador Program, primarily to develop stronger relationships with the employers of the Society's members.

Governor Mike Tully, CFA, stepped up to oversee the implementation of this new initiative, and along with CFALA's Executive Director Laura Carney, defined what exactly the Ambassador Program seeks to accomplish:

"Ambassadors will become key allies in helping raise awareness of the Society and the value it delivers to members," Tully explains. "Additionally, Ambassadors will

help inform their respective firms about Society events, programs, continuing professional development, thought leadership and other activities."

The Ambassador Program is ready to kick off with a pilot program of seven ambassadors from seven different firms, including Tully, who works at KPMG. The full list of ambassadors and their representative firms can be found at [www.cfala.org/Ambassador-Program](http://www.cfala.org/Ambassador-Program), which includes top area employers like Payden & Rygel and TCW.

"The firms in the pilot program were primarily selected based on the number of charterholders and CFA candidates they employ, and their history of engagement with the Society," Tully says. The ambassadors themselves are comprised of current and past Governors, committee chairs, and other Society volunteers.

While the program is still in its infancy and the exact nature of the relationships

*See AMBASSADOR, on Page 5*

## CFALA | Ambassador Program



CFA Society  
Los Angeles

- Learning & Development
- Networking
- Thought Leadership
- Designation Support
  - CFALA/USC CFA Review Program
  - Study Groups
- Mentors



### Employers

- Ideas
- Participation
  - Event Speakers
- Membership
- Volunteer Interest
- Leadership
  - Board of Governors
  - Committee Chairs



# Intimate Chat Series Enjoying Success

By Susan Drozdowski  
Chair - Women's Member Community  
CFA Society Los Angeles

Thanks to the generosity of our local women leaders and the support of volunteers like Arielle Bittoni, CFA, and Jeanne Bankson-Arab, CFA, the Women's Group Intimate Chat series has been a great success. Attendees at these small format events have given nothing but rave ratings and reviews. Here are some of the comments we have heard from attendees: "Love this small format." "Thanks for starting a forum for discussing things from a woman's perspective." "Great inaugural event." "So glad we are doing this." "Love the small number of guests and the intimacy of the forum." "Learned a lot."

We have held events downtown, Pasadena and Century City. Members are encouraged to sign up early as we limit the size of the event and we also ask that you proactively cancel if you can not attend as we have had folks on a waitlist in the past.

Other planned activities: It seems like women's groups across industries are looking to connect with us so we are working on some joint events. We are talking to the local CFP women's group to set up both a volunteer event and a social event. We are in early talks with the local Female Attorney's group as well. We have also heard from other CFALA member communities who want to meet with us. We'll need volunteers to help coordinate some of these activities, so please reach out if you are interested.

## 17th Annual Forecast Dinner





ORIGINAL CONTENT

# California Council on Economic Education's Annual Report

By Tom Derse, CFA

For 13 years, CFA Society Los Angeles (CFALA) has been a proud contributor to the California Council on Economic Education (CCEE). During this partnership, CCEE has been the beneficiary of the proceeds—up to 25%—from CFALA's Annual Economic and Investments Forecast Dinner. The California Council on Economic Education provides economic and financial literacy training and resources to K-12 teachers, students, and their parents, throughout California. CCEE's overarching mission is to help California's students gain a real-world understanding of economics and personal finance so they can make better decisions and compete and succeed in the global economy. The financial literacy program is especially important to underserved communities.

Besides the monetary contribution by CFALA, Society members are involved with CCEE in other ways. The main collaboration CFALA has had with CCEE is providing volunteers for their annual Financial Advisors Contest, which is a competition for local high school students (mainly from LA County) to present a financial plan to a mock, prospective client. CFALA volunteers serve as mentors to the teams, offering guidance and feedback on their presentations. CFALA members also serve as volunteer judges who grade the final presentations the day of the competition.

A study by the FINRA Foundation estimated that nearly two-thirds of Americans couldn't pass a basic financial literacy test. According to the study, Americans have low levels of financial literacy and have difficulty applying financial decision-making skills to real-life situations. The consequences of this systemic financial illiteracy can be impactful before children get out

of high school, and the effects of poor financial decisions can haunt individuals for decades. Even though CFALA members are among the most financially literate, it is important to step back and realize many children have no background in finance and thus are less likely to obtain adequate financial services.

In 2008, the President's Advisory Council on Financial Literacy defined personal financial literacy as "the ability to use knowledge and skills to manage financial resources effectively for a lifetime of financial well-being." Although we all appreciate how important it is to be financially literate, in the United States there are only five states that require a personal finance curriculum for high school graduation: Alabama, Missouri, Tennessee, Utah and Virginia. Given the lack of urgency by the school curriculums, programs like the ones provided by the CCEE become even more important for California students.

CFALA members understand the time value of money. We know how important it is to properly allocate capital. And we are aware of behavioral biases that can affect sound economic decisions. Thanks to CCEE and CFALA volunteers, many students, who would otherwise not have an opportunity to get financial skills, can get the education necessary to build a future based on knowledge from experts, instead of learning a lesson after it is too late.

[Click here for a link to CCEE's Annual Report for the 2017-2018 fiscal year.](#) The report details the various programs CCEE provides to teachers and students, and their financial breakdown.



**ORIGINAL CONTENT**

*From AMBASSADOR, on Page 5*

created between CFALA and various employers is still evolving, the hope is that the program will be mutually beneficial for both sides. CFALA would continue to offer the same professional development and networking opportunities for charterholders and CFA Program support for candidates as it has for decades to a firm's employees. In return, the firm could offer suggestions for event content and speakers, and even help cultivate future Society leaders, with the Ambassador serving as a direct conduit.

"I'm really looking forward to seeing the ideas come from the Ambassadors on how to better provide and receive value from their employers," Tully says. "I'm not sure what those ideas will be yet."

These ideas will help the Ambassador Program meet its goals as defined in the 3-Year Strategic Plan. By the end of the current fiscal year (which ends August 31, 2019), the Strategic Plan calls for 10 Ambassadors to be part of the program, with the hope to grow to 20 by the end of FY-2020.

In addition to those plans for growth,

Tully envisions that there will be "measurable contact and interactions with our employers" at the end of this 3-Year Strategic Plan.

"I think it would also be impressive if other Societies start similar programs based on our future successes," he adds. "Laura and I have already had a few calls with CFA Institute and other Societies."

"I'm most excited about the new Ambassador Program because it helps bridge the gap between the work communities," says Heydi Lu Chen, one of the ambassadors in the pilot program who works for Western Asset Management. "Western Asset is located in Pasadena—which isn't downtown nor Santa Monica where most of the finance firms in Los Angeles are located—so I do feel like we are, to a certain extent, at a disadvantage. I do hope that this program can invigorate more Western Asset employees to become involved within CFALA."

For those who are interested in learning more about the Ambassador Program, or how to become involved, please contact Laura Carney at [laura@cfala.org](mailto:laura@cfala.org).

---

## *The Impact of Jack Bogle*

By Dan Pomerantz, CFA  
Member - Advocacy & Ethics Committee  
CFA Society Los Angeles

**A**s many of you are aware, Jack Bogle passed away in January.

He was the founder of the Vanguard Group and a passionate advocate for the average investor, or "the little guy".

His impact on the investment industry has been tremendous. Contributions include (1) introducing the first retail index mutual fund in 1975; (2) creating an investment company that is owned by the clients themselves; and (3) chal-

lenging the "tyranny of compounding costs".

This six minute video is worth watching. Jack Bogle was a friend of CFALA and last made a presentation to us in 2007.





**CURATED CONTENT**

**CURATORS: STUART FUJIYAMA, CFA**

**SONA SHAHINIAN**



## **John C. Bogle: Profile of an Industry Leader**

The CFA Institute first compiled the John C. Bogle Collection in early 2017. The included Industry Leader Profile, written nearly two years before the late Mr. Bogle's passing, recounts his extraordinary "quest for average," as well as his lifelong commitment to education and professionalism within our industry. [Read More...](#)

[And More....](#)

## **Time for Happiness**

In this first part of a six-part Harvard Business Review series, Harvard Business School Assistant Professor Ashley Whillans explores the negative consequences of valuing money over time, and the positive consequences of valuing time over money.

[Read More...](#) [And More....](#)



## **The lesson from Acorns and Stash**

To what extent did Neobanks deliver on their potential to displace legacy banks? Did the big banks who jumped on the digital bank bandwagon focus their efforts on the right generation? A deeper dive explains why fintech savings apps like Acorns and Stash have seen more success than others who have looked for disruption in all the wrong places. This Forbes piece by author and Cornerstone Advisors Fintech Research Managing Director Ron Shevlin brings us up to speed on the demographics of fintech adoption. [Read More...](#) [And More....](#)



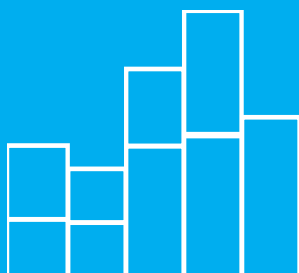
## **Advisors are not doing enough to meet millennial prospects**

In this article, Financial Advisor magazine Executive Editor Dorothy Hinchcliff reviews the findings of a study, sponsored by Broadridge and The Center for Generational Kinetics, that was designed to test widely held assumptions about the wealth advice preferences of millennials. [Read More...](#) [And More....](#)



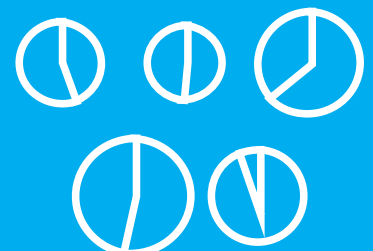
## **Swedroe: Reviewing 2018's predictions**

Gurus (finally) got it right! In this ETF.com blog post, author and Buckingham Strategic Wealth Principal and Director of Research Larry Swedroe provides his annual retrospective on the accuracy of predictions made for the previous year. We've also provided a link to Swedroe's 2019 list, published on 1/16/2019, for those who might be interested. [Read More...](#) [And More....](#)



## **Here are the 20 busiest ports on the planet**

According to the most recent data from the World Shipping Council, only five of the top twenty ports in the world are now located outside of East Asia. An estimated two-thirds of container traffic passing through Chinese ports, or ports that have received Chinese investment, makes China the heavyweight champion of world shipping. This World Economic Forum article by Visual Capitalist Creative Director and Writer Nick Routley uses data visualization to succinctly list and compare the world's busiest and largest ports.



[Read More...](#) [And More....](#)



**CFA Society  
Los Angeles**

# **E-Newsletter February 2019**



*The CFA Society Los Angeles (CFALA) e-newsletter is a periodic publication with stories about noteworthy events and programs sponsored or hosted by the society, guest articles by members, book reviews, and other items of interest to CFALA members. If you'd like to contribute a story suggestion or write an article, we'd love to hear from you. Please email Executive Director Laura Carney at [laura@cfala.org](mailto:laura@cfala.org).*

*\*Please note that the content of this e-newsletter should not be construed as investment advice, nor do the opinions expressed necessarily reflect the views of CFA Society Los Angeles.\**