

Client Adventure: Dan Stobbe’s Màoxiǎn Zhī Lǚ (Mandarin for “Adventurous Journey”)

When Dan arranged his second trip to China, his primary goal was to have an adventurous journey where plans could be changed at a moment’s notice. His first trip, which involved a teaching experience at a hospital, did not leave much time for him to explore the national parks or visit the monuments. However, he did learn a few things to help him prepare for the second trip, such as to always carry a business card of his current hotel. The people of China do not cater to tourism. Therefore, most do not speak English. If you happen to be lost, the hotel business card will allow others to point you in the right direction - otherwise, you best believe you are very lost!



For this particular trip, Dan and his three friends avoided purchasing a pre-arranged, packaged deal. In order to have the desired flexibility, they instead opted for a private guide. Not only was a flexible schedule possible with a private guide, but it was also cheaper and they were able to learn much more. The guide, Wei, also knew how to maneuver through the cultural norms. For example, she was able to negotiate prices for them, such as hotel rates, which would have otherwise been missed.

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How much of what you read today will you still care about a year from now?

I was lucky enough to stumble upon a blog post by Morgan Housel of Collaborative Fund that proposed that very question. In the post, “Expiring vs. Long-Term Knowledge,” he challenges us to consider: what is the quality of all the *stuff* we read, and how much does it really benefit us?

With access to the internet, television, and radio, we are flooded with information. Media content is chopped down into bite-sized portions so we can consume more and more. Newsfeeds constantly update us on every bit of information, on any topic we want. How much of that content will you care about years from now?

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Pathways Announcement:

We are proud to announce that our very own Whitney Knod (previously Operations) has been promoted to the role of Paraplanner! She plans to attend school and take the exam to become certified as a financial planner.

Congrats Whitney!

Staff Adventure: Forestiere Underground Gardens

A few times each year, we try to break out of the office and do something together. Recently, we ventured to the Forestiere Underground Gardens. A couple of us had been there before, most had not. It was a fairly warm day in May (nothing compared to these July scorchers though) and as we made our way underground, we appreciated the coolness of the deep earth.



Sicilian immigrant, Baldassare Forestiere purchased this land back in 1906 for citrus farming. Finding our valley's infamous "hard pan" soil instead of fertile ground, and desperate to get out of the summer heat, he turned his sights downward and began his descent into the earth. What resulted was a breathtaking maze of dwellings, carvings and agriculture hidden beneath the ground's surface.

If you haven't seen this hidden Fresno gem, we suggest you put it on your Summer Bucket List. If your experience is anything like ours, you may find yourself surprised at all there is to see!

FORESTIERE UNDERGROUND GARDENS

5021 W. SHAW AVENUE, FRESNO CA 93722

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[HTTP://WWW.UNDERGROUNDGARDENS.COM/](http://www.undergroundgardens.com/)

Staff Adventure: Katie's Farewell

For the past two years I have been working on a second degree, a Bachelor's in Business with an emphasis in Accounting. This June, I completed my degree and was able to secure a staff accountant position at a very respectable CPA firm in Visalia. I plan to take the CPA Exam later this year. Although I am very sad to leave Pathways, I am excited (and nervous) for this new adventure.

As my time here at Pathways comes to an end, I would like to thank all of you, our clients, for being the amazing people you are. I can honestly say that without this experience, I would not be pursuing this career path. This position has given me invaluable information and knowledge, as well as the opportunity to speak and work with each one of you. In turn, these factors have motivated me to do better, and want more for my family and future. So, thank you. I am forever grateful to you, and to Pathways.

-Katie Nelson, Client Services

Dan Stobbe's Màoxiǎn Zhī Lǚ (Mandarin for "Adventurous Journey")

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(Hotpot with peppers)

Leaving from San Francisco, the four friends took a direct flight to the Szechuan city of Chengdu. (For those travelling to China in the future, Dan highly recommends using a direct flight as it cuts down on time and stress from layovers.) Chengdu is about the size of Fresno, but with at least 20 times the people! Chengdu has also made its way onto UNESCO's Cities of Gastronomy list (translation: the food is amazing!). A very well-known Szechuan dish is Chengdu Hotpot. The idea is to serve boiling broth to customers who then choose from different meats (served on a stick) and vegetables to add to the hot broth. Dan recalls that the Szechuan cuisine calls for a surprising amount of bacon. Meals were surprisingly cheap; dinner for the four friends (including full meals and drinks) often cost around \$25 bucks!

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(The meats and veggies available)



(Squid on a stick!)



Hiking consumed much of the trip. The group spent 6-10 hours per day for 10 days (of the two-week trip) hiking to various locations. One of the locations, Huanglong Scenic area near Jiuzhaigou National Park, has an elevation of 18,250 feet! No big deal, right? Dan, who had blown a knee a few years prior, wore a knee brace and used trekking poles to make the journey. He reports that if he had not attempted to push the limits, he would have never seen the beauty of this land. The truly

amazing characteristic of this area is the incredibly high mineral content. So high, in fact, that natural pools form from calcium carbonate build-up and other natural occurrences (such as earthquakes and rockslides). The high calcium carbonate content keeps the water crystal clear.



Dan and his friends hiked up to Mount Emei to visit the Golden Summit Temple. To reach the temple, the group hiked to an altitude of over 10,000 feet up many, many stairs. While basking (and resting) in the presence of the temple, Dan and Wei took the opportunity to practice yoga. On another day, they trekked to the Lashan Buddha. Standing at about 300 feet tall, the Lashan Buddha is the largest

left in the world since most were destroyed by the Taliban in the early 2000s. The group also made their way through the Bifeng Gorge. The total hike is 6 miles long (3 miles each way) and the gorge is completely surrounded by waterfalls.



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Dan Stobbe's Màoxiǎn Zhī Lǚ (Mandarin for "Adventurous Journey")

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As every country is different, it's always entertaining to observe the cultural differences experienced when abroad. For instance, the Chinese are fascinated with Americans. They will ask for or try to take your picture (and may even sneak in a selfie with you!). However, in most cases, it is very offensive to the Chinese to ask for their picture. They feel watched or spied on. Transportation is also interesting. According to Dan, the picture on the left portrays a "Chinese Mini Van".

translate some things to English. The always accurate. So, the contest was this: the worst Mandarin to English translation particular hotel, Dan found a light switch settings on it. Seen right, the very last switch reads "Bring Forth Ark". As it was raining on that group wasn't too sure what to expect from pushed it anyway. What they found was a turned off all the lights. If you haven't the switch should have said "Bring Forth say, Dan won the contest.



translations are not whoever could find won. In one with different switch reads "Bring particular day, the this switch - but Dan master switch that guessed it already, Dark". Needless to

If ever planning to explore China, Dan highly recommends hiring a private guide. It gave him and his friends the ability to explore the country freely. He also suggests avoiding the month of August due to the pollution. In the larger cities - Beijing, Shanghai, and Chengdu - the pollution is typically too heavy to see the sun on most days. But most of all, Dan advises pushing beyond the limits as there are some pretty amazing sights and history that China has to offer.

Book Review: The Richest Man in Babylon

So here is something that shouldn't be too surprising... when you have 4 kids under age 6, you rarely read. And by read, I mean books. There is no time (especially uninterrupted) for that during awake hours and good luck reading at the end of the day when your eyes are so heavy you'd be lucky to get through a paragraph.

But, one thing you can do is listen to other people read, and I have found so much enjoyment with my subscription to Audible. You receive an audiobook credit each month, and many times you can receive free books as well through free download specials which pop up here and there.

One of these free books was George S. Clayson's, *The Richest Man in Babylon*. I had never read these classic tales and was intrigued. Over the course of a few days, either while cleaning dinner dishes while everyone slept, driving home from a trip while everyone slept, or sorting closets while everyone slept (notice a theme here?), I listened to financial parables of ancient Babylon, read by the melodic and endearing voice of Grover Gardner.

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The Richest Man in Babylon

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Each story interested me, and drove home significant morals that can be applicable to anyone, especially in our day. However, I wanted to focus on the 7 Cures for a Lean Purse, the 5 Laws for Gold and The Luckiest Man in Babylon.

In *7 Cures for a Lean Purse*, Arkad (the richest man in Babylon) teaches a financial class at the request of the King in an effort to grow the financial prosperity of the citizens of Babylon. Arkad teaches this class of 100 men by advising the men to do the following:

1. Start Thy Purse to Fattening: For every 10 coins you earn, keep one for yourself. You pay out most of the other coins to other men, for their goods and services. Doesn't it make sense to pay yourself something too? In other words, save at least 10% of your earnings.

2. Control Thy Expenditures: Well this is one that certainly applies... The line between desires and necessities can get quite blurred for some. Arkad asks the 100 men who among them has a lean purse. All 100 men raise their hands, even though the amount of income each makes compared to one another varies. As our income increases, it is sometimes easy for our "desires" to turn into "necessities". A good reality check occasionally on our expenses can be beneficial. As I try to teach my children (and also try to remind myself), there is a difference between needs and wants.

3. Make Thy Gold Multiply: As that one-tenth you have paid yourself begins to pile up, it makes sense to have it work for you as well in the form of interest and dividends that continue to increase your savings. As mentioned more than once through the book, your gold has "children" through its earnings and then you have the children work for you also (earnings on the earnings).

4. Guard Thy Treasures from Loss: Arkad tells the story of his first investment... trusting a bricklayer to invest his money in Phoenician jewels. This drives home the point to guard your money against uneducated risk. As your assets grow, you may be approached about the next "big thing". But as Arkad learned the hard way, risks should be taken only after much research and thoughtfulness.

5. Make of Thy Dwelling a Profitable Investment: The beauty and security of home ownership should be a goal!

6. Insure a Future Income: Modern day, this means saving for retirement. Arkad also alludes to the idea of life insurance to protect the future of those who depend on you. Today, disability insurance can protect against the risk of losing your earning power through accident or illness.

7. Increase Thy Ability to Earn: Never stop learning and growing. Work hard learning and improving your skills. Take care of those people and interests that are important to you.

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Is Your Knowledge Expiring?

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Citing an observation by MIT's endowment fund, Housel describes two types of knowledge: expiring knowledge, which has no long-term value, and long-term knowledge, which is valuable over time. He lays out the differences:

“Expiring knowledge catches more attention than it should, for two reasons. One, there's a lot of it, eager to buzz our short attention spans. Two, we chase it down, anxious to squeeze out insight before it loses relevance.”

Long-term knowledge is harder to notice because it's buried in books rather than blasted in headlines. But its benefit is huge. It's not just that long-term knowledge rarely expires, letting you accumulate it over time. It's that compounds over time. Expiring knowledge tells you what happened; long-term knowledge tells you why something happened and is likely to happen again. That “why” can translate and interact with stuff you know about other topics, which is where the compounding comes in.”

There's an abundance of expiring knowledge! I count four applications on my cell phone alone dedicated to giving me short-term, mostly useless content. What does this information really teach that I can use far into the future? Sadly, not much.

Contrast that to the truly useful information buried in books, research papers, journals, and podcasts. Consider some of the greatest books to have been written - knowledge to have stood the test of time. Consider Benjamin Graham's *The Intelligent Investor* (originally written in 1934), Nick Murray's *Simple Wealth, Inevitable Wealth* (Published 1999), Dale Carnegie's *How to Win Friends and Influence People* (1936), Robert B. Cialdini's *Influence* (1984) and Michael Gerber's *The E-Myth* (1986).

The advice and knowledge within these books are still as relevant today as they were when first published - and those are on business and finance alone! Not to mention subjects such as history, construction, engineering, automobiles, music, faith, art, and science.

Many of us may not remember the newspaper articles we read in 2011, but - like Housel, we may remember details of great books we read in 2011 and how it affected our thinking.

Even some of the greatest entrepreneurs of our time attribute their success to reading good content. Warren Buffett once remarked, “Read 500 pages like this every day. That's how knowledge works. It builds up, like compound interest. All of you can do it, but I guarantee not many of you will do it.”

As Housel writes, it's not just that long-term knowledge rarely expires, but that it *compounds*! It begins to spread into other areas in your life! Skills you learn from one piece of writing can carry over to other hobbies or work. Long-term knowledges gives you the deeper *why's*, *what's* and *how's*. It helps to sort through the expiring *stuff*, to know what to pay attention to and what to ignore. In the same way, relying on short-term knowledge for decision making can compound in your life as well.

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Is Your Knowledge Expiring?

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Investing is a great example - the hottest market headlines are always fighting for attention, and yesterday's headlines are forgotten. Even data from companies - such as quarterly earnings, performance, expenses, and cash flow - expire in short-term value once the next quarter comes. These bits of information compete against long-term research and discipline. How easy it is to make quick, emotional decisions from an article we've read - forgetting about the long-term plans we've established.

So, what are we to do? Housel writes:

“I try to ask when I'm reading: Will I care about this a year from now? Ten years from now? Eighty years from now?

It's fine if the answer is 'no,' even a lot of the time. But if you're honest with yourself you may begin to steer toward the enduring bits of knowledge.”

As for me, I think I'll go ahead and blow the dust off the stack of books I've been neglecting. News on the latest Donald Trump tweets will have to wait.

-Evon Mendrin, Paraplanner

The Richest Man in Babylon

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Closely related, but varying slightly, are the **5 Laws for Gold** also described in the book:

1. Gold cometh gladly and in increasing quantity to any man who will put by not less than one-tenth of his earnings to create an estate for his future and that of his family.

An exact replica of Lean Purse Cure #1. Seems pretty simple but as the book says, the truth is often simple.

2. Gold laboreth diligently and contentedly for the wise owner who finds for it profitable employment, multiplying even as the flocks of the field.

Work hard, increase your skills, never stop learning

3. Gold clingeth to the protection of the cautious owner who invests it under the advice of men wise in its handling.

Don't trust your money to just anyone. Seek out wise counsel. (Anyone know a financial planner???)

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The Richest Man in Babylon

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4. Gold slippeth away from the man who invests it in businesses or purposes with which he is not familiar or which are not approved by those skilled in its keep.

If something is confusing, you probably shouldn't invest in it. Work with a financial planner. Verify they are educated and be sure you understand where your money is going.

5. Gold flees the man who would force it to impossible earnings or who followeth the alluring advice of tricksters and schemers or who trusts it to his own inexperience and romantic desires in investment.

If it sounds too good to be true, it probably is. Slow and steady, think long-term. You didn't save that money overnight and it likely won't double overnight either. As I tell my clients, "Stay in your seat".

One of the parables I enjoyed the most was **The Luckiest Man in Babylon**. This was the last section of the book, and I loved the message. A wealthy merchant attempts to change the philosophy of a young man, who believes work was "made for slaves" by relaying the story of his rise to wealth. By the end, the young man's personal connection to the story is revealed and his eyes are opened to the value of work and the importance of family legacy. Interestingly, it appears in most cases a man makes his own luck, even the "luckiest man in Babylon"...

I skipped so much in my summary of this book, including an inspiring story of debt payoff (during a time where unpaid debts led to prison or worse). I loved the simple messages of financial freedom told in a biblical vernacular. The entire book was so charming and inspiring, and a reminder how financial responsibility leads to confidence and security even when life's troubles come your way.

Highly recommend!

-Michelle Carter, CFP®
