

The New Pandemic in Reading and Math Ability

Thomas Schneeweis

July, 2022

In recent months, we have found that an increasing number of Americans have refused to make themselves available for employment. We may have to ask ourselves if the increasing number of Americans refusing to make themselves available for employment may not be due to a new form of 'disease or virus' that is passed down from one member of a community to another. In short, the increasing number of Americans who are not available for work itself be viewed as a pandemic of sorts. Perhaps we as a country and a people need to ask ourselves if this increasing number of American's who are not willing or capable of working may be due in part to our increasing inability to read, write and understand basic levels of mathematics. The following are only a few examples of how we as a people have not faced up to our inability to read, write, and use math.

According to the National Center for Education Statistics (NCES), 21% of American adults (approximately 43 million) are "functionally illiterate," meaning they have only a basic or below basic ability to read.

One can continue.

Half of U.S. adults can't read a book written at the 8th-grade level. (Organization for Economic Cooperation and Development) ... According to Pew Research Center, roughly a quarter of American adults don't read books at all. In fact, in 2018, the research group released figures suggesting that 24 percent of American adults say they have not read a book — in part or whole, in print or electronically or audibly — in the past year.

Hopefully the book, if they do read it, has very little math.

In numeracy proficiency — defined as "the ability to access, use, interpret and communicate mathematical information and ideas" — the United States ranked third from the bottom with a mean score of 253, just below France at 254. Japan's top mean score was 288 and Finland's 282. Spain scored at the bottom, with 246. (Organization for Economic Cooperation and Development, 2015).

Do we have to prepare ourselves for a world in which literacy, the ability to write, and to do math is increasing lessened and will become increasing less. Perhaps the 'the Reading and Math' Pandemic is already here and we have decided to lessen our attempts to combat it.

Our Own Little World

Thomas Schneeweis

August, 2022

Last week, I took the opportunity of having lunch with a number of my colleagues from many years past. Now for full disclosure, I am not a young man, and my luncheon companions are not either. All of us are in our mid 70's. It was an interesting event and while we felt a common bond from a set of common experiences, there was much that has set us apart over the past almost 60 years. Certainly, each of us had our own set of unique events impacting us. For myself, I was the only one in the group who had gone away to a private high school and a private college. I got an MA in History at Madison Wisconsin, and a PHD in Finance from the University of Iowa. I was fortunate to get a position as the head of a research center at the University of Massachusetts and spent the next fifty years traveling the world.

Certainly, the rest of our luncheon crowd had a different set of experiences. Most of them never left our local town but each of them had the opportunity to raise a family, enjoy their life's work and in many ways had a more involved life (church, community, family) than I. As we looked at each other, I saw in each of us what we were as kids. Involve in each of our lives then and we would now, going forward, become increasingly helpful. Between then and now each of us had a brief interlude, worthy of discussion, but certainly not what defined us. That happened years ago. I would hope I could continue to learn from them and if they wished perhaps they would learn from me.

However, in all honesty, we would view the world differently. The real question is how we would come to accept or learn from those differences.

How Simple is Too Simple?

Thomas Schneeweis

September, 2022

As we move toward tax time, I note an increasing number of advertisements promising a simple solution to my financial and tax issues. For many these promised solutions start with one's personal income scenario, move into one's investment and savings issues, and perhaps find their way to one's family and our business activities. Many of the services I learned of were offered as ads on television. Many others came through a variety of communication and or interactive venues but all of them offer simple solutions to your daily complex problems. Often, they had a famous actor or noteworthy individual who maintains that with these new services their world was never simpler, and your world could also be made even simpler. These systems can easily lead you to an individual who has already done the hard work. These programs have already chosen the stocks to purchase, the bonds to buy, and the insurance that will protect you,...

To make you feel even better about this process, the programs will make you feel at ease with the names of these firms. Peoples' Choice, Family Funds, Each of them gives you an address, an email, a phone number and you are on your way. Moreover, they offer you an individual who can answer any of your inquiries and promises to be there every step of the way. Of course, you have very little real information either of the firm or of the individual on the other end of the line. I appreciate these firms' efforts, but the simple solution is often "Too Simple". Who really chooses the basic material, who decides that you should choose stocks when every study shows that one should put your money in portfolios. I understand their promises, but in truth it all sounds "Too simple". Sometimes you just have to ask is this 'Too Simple' or to understand that their approach is not "Hard enough".

The Sounds of 'Sound' Finance

Thomas Schneeweis

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In physics, sound is a vibration that propagates as an acoustic wave, through a transmission medium such as a gas, liquid or solid. In human physiology and psychology, sound is the reception of such waves and their perception by the brain. Only acoustic waves that have frequencies lying between about 20 Hz and 20 kHz elicit an auditory percept in humans. So, what are the 'sounds' of finance or of particular investments. If one listens to the opening of a national stock markets one is often met with the cheers of the operational floor members who use the opening as a chance to create a scenario in which other potential traders and market participants feel they are part of an actual activity. There are, of course, less positive examples of the Sounds of finance. When firms go bankrupt or when markets are met with issues of trading one is often welcomed to the sounds of the executives on the evening news. In short, operational finance, event-based finance, or any aspect of finance that creates an event that humans may respond to in a way that forms an acoustical wave may be a 'sound of finance.'

In short, actual sounds find themselves in the financial world, it maybe in financial markets, it may be in corporate arenas, it may be in the associated areas such as the music industry where 'money and music' are linked both auditory (actual music – e.g. can't buy me love – Beatles) or non-auditory (sense of sounds around money activity). Research evolves on sounds and money (e.g., Adriana Knouf - *How Noise Matters to Finance* (University of Minnesota Press, 2016), traced how the concept of "noise" in the sonic and informatic domains of finance mutated throughout the late 20th century into the 21st.)

What research is required is if the sounds of finance are associated with the 'Soundness of Financial Decisions.' In fact, the sounds surrounding money are often associated with the actual 'soundness' of a financial decision. This is a different meaning of 'sound.' A **Sound** understanding implies a thorough grasp of something. I look forward to your 'sound' response to the soundness of money and the use of sound in determining how a 'sound' monetary decision is made. Whatever your feelings just call us at Yes Wealth to 'Sound off' on your feelings.

Why, When, Where Have We Been?

Thomas Schneeweis

November, 2022

According to new research of 2,000 Americans, an amazing 11 percent of survey respondents have never traveled outside of the state where they were born. That might explain why well over half of those surveyed (54 percent) say they've visited 10 states or fewer. Moreover, as many as 32 percent of those studied in the poll said they either don't own or can't actually remember ever buying any travel luggage. The lack of interaction with others throughout the United States, is further illustrated by the fact that as many as 13 percent say they have never flown in an airplane at all.

This is not to say that there is not a desire to expand outside of the local environment, explore the nation's travel experiences and the barriers preventing people from exploring more. Results from the new study show significant percent want to travel more than they do currently, but a lack of finances or simply feeling unprepared and ill-equipped to take the plunge. What does this mean for all of us? Obviously, the primary issue remains how we view ourselves and others. Do we regard wider domestic travel as well as international travel as a basis for individual's greater employment opportunities? Is wider international travel a necessity for greater interactions between individuals and the movement away from more domestic focus on growth? The lack of travel and interaction even within the United States may indicate that despite the verbiage, many younger Americans remained focused on regional development. How we learn to interact with others domestically must remain a primary determinant of how we may learn to work with others outside of the United States.

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Math Awareness Month: April Each Year

The Wizard of Oz

Oh, no, my dear; I'm really a very good man, but I'm a very bad Wizard, I must admit." — L. Frank Baum

Thomas Schneeweis

December, 2022

Mathematics and Statistics Awareness Month is held each year in April. Its goal is to increase public understanding of and appreciation for mathematics and statistics. In order to more fully understand investment and firm valuation, one must have an appreciation of math and statistics in determining firm valuation and asset management. For most of us, investment management is based on a series of widely held beliefs on the underlying valuation of various financial assets. Those beliefs are often based on everyday experiences with certain investment products and sectors. Over recent years, data supporting these everyday experiences are increasingly being linked together by computer systems and mathematical analytics which offer signals as to current and future cashflows as well as the uncertainty of those cash flows. In short, the existence of new forms of artificial intelligence systems and math and computer supported data tracking and evaluation is increasingly providing estimates of asset valuation.

In short, beware of the person behind the curtain, he or she must increasingly be aware of the math and computer systems used to determine the future of asset valuation. For the others for whom a bright smile and a friendly hand have provided the means of offering investor security, the reality is that they may be very good men and women but unfortunately, they are often just very bad wizards or in this case financial advisors very bad advisors. Increasingly the numbers behind the numbers and the means of evaluating them will form the basis of how the investment world works. This is as good a month as any, to start the process.

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Sample Math Based Models

