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## Are You Following the Financial Herd?

Hello, this is David Ramey, Partner with Boyer Ramey Wealth Management Group.

Are you following the herd when it comes to your finances? In behavioral finance, herd mentality bias refers to investors' tendency to follow and copy what other investors are doing. It's a hard bias to overcome for many reasons:

- Some of those reasons are: Fear of Missing Out (FOMO): It's hard not to jump on the "hot" stock everyone's buzzing about.
- Safety in Numbers: It feels safer to do what everyone else is doing, especially in shaky times.
- Social Proof: We often look to others to determine the right course of action. If a large group of people is making a particular investment decision, it can seem like the correct choice.

However, participating in herd mentality could have some potential negative consequences to your portfolio. Here are three to be aware of:

- One: Buying High, Selling Low: Chasing the crowd often leads to buying when prices are high and selling when they're low.
- Two: Increased Volatility: When everyone buys or sells at once, prices swing wildly.
- Three: Missing Long-Term Goals: Short-term moves can throw off your long-term plans.

When it comes to your investments, it's important to not do anything rashly. Focus on your long term goals, not necessarily what everyone else is doing.

If you have any questions or if there is something we can help you with, please give us a call or reach out by email. We would be happy to help.

**The following disclosure will be added to the end of the video:** Investment products and services are offered through Wells Fargo Advisors Financial Network, LLC (WFAFN), Member SIPC. Boyer Ramey Wealth Management Group is a separate entity from WFAFN