Our Vision, Mission, Values & Principles

The SOF Way

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Preface

This is the most important document in Scholars of Finance.

It is something everyone involved in SOF should read, whether you're a candidate, member, donor, volunteer, partner, or team member. It describes the evolution of our socioeconomic system that SOF exists to create in our lifetimes. It explains how we go about changing the culture of one of the most powerful systems on earth. It is the core of everything we do—the basis of our culture as a community.

Culture is "the sum of our behaviors and actions that reflect our shared values and beliefs." Re-read that slowly... Then read it again... Continue reading once you've had a moment to reflect on it. Ultimately, culture is everything—how we act, what we say, how we think—as individuals forming a group. Culture can enable highly productive teams to create solutions to real-world problems and bring out the best in us. Culture can also foster short-sighted, self-centered, toxic behavior—bringing out the worst in us. And each of us individually can influence the culture we're in. *We shape our culture and our culture shapes us.*

At Scholars of Finance, our vision entails changing the culture of the entire financial system, which, we believe, would enable us to solve the world's greatest problems much faster than we are today. This document outlines how we do that. There are two main sections:

1. **Our Vision & Mission** summarizes the way we think about the world and why Scholars of Finance exists. It explains our vision and mission—our north-star at SOF guiding everything we do.
2. **Our Values & Principles** outlines what we teach and strive to live by ourselves. These are the behaviors that, if shared by all of us, would make our vision a reality. This is the culture we are trying to foster.

If you are considering partnering with or joining the Scholars of Finance community, you should take the time to read this and fully understand it. If you read this and are excited by what you see, you would likely love SOF and enjoy this community. If you read this and feel hesitant or apprehensive—for any reason other than believing SOF will challenge you to grow in positive ways—you probably would not. We've spent thousands of hours developing and refining our vision, mission, values, and principles—they are always evolving. So, consider this an ever-evolving document as we continue to learn and grow as an organization. If you continue reading on, know that we are grateful and honored that you have chosen to do so.

Our Vision & Mission

Changing Finance = Changing The World

The problems facing our world today are enormous. They often feel overwhelming. Poverty, hunger, climate change, the mental health crisis—we face global issues affecting billions and requiring vast resources to address. As of 2024, the World Bank estimates more than 4 billion people live on less than $10 dollars per day. If we invest just $250 per person, it's already $1T (trillion), and if we invest $25,000, it's $100T. And infrastructure, housing, education, healthcare—solving poverty will require more than that, it will require *hundreds of trillions of dollars.* Climate change alone is projected to cost $150T+ to solve. We must make *huge* investments to fix our problems. But who has that much capital? There are three places we typically turn to—nonprofits, governments, and businesses—but each faces challenges.

We often look at nonprofits first because we associate them with 'doing good'. But, nonprofits have a *scale* problem. They simply don't have enough capital to solve global challenges. Nonprofits receive less than 3% of GDP. The 10 largest charities in the world receive between $1-9B per year in funding, and they're all striving to solve problems that require between hundreds of billions and hundreds of trillions of dollars. At this pace, it could take centuries to make a dent in the issues.

Many look to governments because of their social mandate, but governments have a *speed* problem. They can't solve our problems quickly because most are mired in corruption or bureaucracy. They are also increasingly beholden to capital, captured by special interests. Research *McCutcheon vs. FEC* and *Citizens United vs. FEC* to start appreciating the grip that capital has on U.S. politics. Autocratic nations are much worse—they often keep their people in poverty and struggle to make social or economic progress. In more democratic nations, governments engage in a slow and gradual process of progress through compromise—it takes a lot of time to make change. Plus, governments still only account for just over ~20% of global GDP. Even if collaborative and efficient, they still don't have enough capital to solve our problems.

That leaves the private sector—businesses—which accounts for over 75% of global GDP. This is where the vast majority of the world's capital is. But, many businesses have an *incentive* problem. Many are driven by short-term profits, even at the expense of their customers, communities, or the environment. Social media companies addict us to our phones. Tobacco companies cause widespread cancer. The list goes on. The next section unpacks this in detail. The thesis of SOF hinges upon the reality that finance's *ownership of businesses*—and the massive capital it wields over the others—make it the single most powerful system for solving the world's problems.

The financial system is overlaid on top of all three of these systems. Nonprofits, governments, and businesses all *organize* capital to solve problems. But our financial system *allocates* capital. The financial system controls the world's capital and directs where it flows with the businesses it

owns, the nonprofits it funds, and the governments it influences. And the financial system's influence is enormous—today the financial system manages an estimated $300T+ in assets.

Given those facts, we believe the financial system is *the most influential system on earth* for effecting change. Change the flow of capital, and you change the course of society—where money flows, industries grow. Finance directs the existence, quality, and accessibility of the businesses, products, and services that shape our lives—and whether or not these hurt us or help us. The power of finance is staggering. And it is becoming more concentrated, with fewer large firms—banks, investment companies, and pensions—controlling more capital than ever before.

In essence, we're putting forth that our financial system directs the evolution of our economic system. Those who control the capital control our future. Economic systems distribute and allocate resources—and our financial system has been increasingly, explicitly charged with that huge responsibility. And this raises important questions… How have our economic systems evolved over time? And how are they continuing to evolve today?

Economic Systems Evolve To Drive Prosperity

In much of the developed world, Capitalism is the dominant economic system, and it has caught some flak recently. We are firm proponents of Capitalism. We fundamentally believe that calling Capitalism "bad" is simply to not know history, as it has proven to be the most effective socio-economic system to date for accelerating our shared prosperity. Nothing has ever created more security and abundance faster. However, we also believe calling Capitalism "perfect" in its current form is simply to not know history, as economic systems have continuously evolved as our knowledge grows and material circumstances change over time. We believe both of these positions (thinking capitalism is *bad* or *perfect*) are born of ignorance or hubris—simply not knowing all of the facts or thinking we already do. We're not judging anyone. If you're in either of these two camps, please give us a chance and read the next few paragraphs with an open mind.

Capitalism is the best economic system ever tested at scale. All experiments with communism or socialism at scale have failed—leading to poverty, degradation of human rights, and the near halting of innovation and social progress. China lifted hundreds of millions of people out of poverty in a few decades, but only after adopting many free-market principles (which it has dialed back in the last few years). The United States has led the charge of global development since its inception as a nation ~250 years ago, raising the standards of living for billions of people faster than at any other time in history. People having freedom to build products and services, everyone having the freedom to choose what they purchase—it aligns human effort with human needs. People need education, so education companies grow. People want to be healthy, so health companies grow. Capitalism enables that at speed and scale. It's a beautiful system.

But Capitalism today also has clear flaws. Adam Smith, the godfather of Capitalism, warned that if left unchecked, Capitalism would exacerbate socioeconomic inequality, which breaks down

societies. In recent years, when data is measured, the richest 10-100 people in the world control as much wealth as the poorest 50% of the planet. Capitalism also has other risks, like if profit-seeking is short-sighted and myopic—we build businesses that have distributed or long-term costs. People want to be entertained, so we build social media platforms that addict them to their phones. People crave convenience and flavor, so we end up with food options that are loaded with sugar and bad for our health. Like anything beautiful, Capitalism isn't perfect.

That's why Capitalism is evolving as a socio-economic system—because we know it can—*and must*—improve. Capitalism is the best economic system humanity has ever had*, and it can be even better.* Today, rather than focusing only on profit regardless of the costs imposed on society and people, businesses are increasingly thinking about, and caring about, *all* stakeholders. These include customers, employees, vendors, partners, clients, and the world. It is a shift from "Shareholder Capitalism" to "Stakeholder Capitalism", which the Business Roundtable, a group of hundreds of the most powerful CEOs on earth, endorsed in 2019. We are firm proponents of this evolution—*if done thoughtfully and done well.*

We are striving to create a future where the finance industry works to maximize prosperity and accelerate societal progress in all its forms, while minimizing societally-born costs and harmful direct, 2nd order, and 3rd+ order effects of the products and services our members one day invest in. We aim to inspire our community to allocate capital in a manner that serves the greater good—to avoid investing in things like tobacco, addictive drugs, or other products and services that *create human suffering*, and rather, to invest in things like education, healthcare, and other types of businesses *that maximize human flourishing.* We can embrace free market principles, and also freely choose to invest in things that make people's lives better and avoid investing in things that make the world worse.

In his TED Talk, renowned Harvard Business School professor Michael Porter said it well: *"There is no trade-off between social progress and economic efficiency in any fundamental sense."* This is true *in the long-run*. But, in the short-run, there can appear to be tradeoffs. We may need to sacrifice small amounts of short-term profit in order to create maximum long-term value. But, we are building an economic system for generations to come. We believe optimizing for efficient, long-term value-creation is *enlightened Capitalism.* It is finance "allocating capital to its highest and most productive use". *It creates the most efficient and durable economic growth because we build products and services that solve real problems for real people in the real world, and as we're doing it, we're not creating more problems now or down the road.* Everybody wins, we win more, and we win long-term. Embracing the best of Capitalism and further optimizing it as a system, we believe, is our best path forward for maximizing our shared prosperity.

But how do we improve this "system" of billions of people? A system that's been developing for millennia? It is so much bigger than any one of us… what can we possibly do?

Prosperity Requires Principled Leadership

The systems that make up our society, like finance, are ultimately created and run by people—leaders who have designed these systems over thousands of years, passed them on through the generations, and our current leaders who direct and change the systems today.

There have been great books written explaining this reality (*Sapiens* or *Guns, Germs, & Steel* are two good examples we recommend reading). They explain the notion of "intersubjective reality", where objective reality is "the facts", subjective reality is "our own personal experience of the facts", and *inter*subjective reality is "our *shared narratives* about the facts". Our financial system is a great example. 6,000 years ago there was no "financial system". We invented it out of thin air, over thousands of years, and passed it down through the generations. Today, we take it for granted and just trust that "it is what it is". But, the financial system that so many take for granted has *constantly evolved since we began building it*. And our financial system *will continue evolving*.

The question we need to ask ourselves is "what direction is it evolving in"? Is it evolving to better serve all of us? Or not? SOF is predicated on people *wanting leaders to drive our inevitable economic evolution in the right direction*. Creating a prosperous world where we've solved most of the problems plaguing humanity could take us mere decades if we're organized and have the right leadership. Otherwise, it could take us centuries, or just never happen. And remember, billions of people are suffering—right now as you're reading this. We need leaders who will create the best system possible as soon as possible. *Better leadership is urgent and important.*

We don't only need leaders in finance to allocate capital to its highest and most productive use; we also need them to keep the system safe—to avoid catastrophes that damage people's lives. When you study events like the Great Financial Crisis of 2008, you learn that just a small handful of professionals in the finance industry drove the meltdown of our global financial system and plunged millions of people into poverty. Too many short-sighted, greedy, or self-centered people can put the entire financial system at risk. FTX is a more recent example, whereby just a few people who had "altruistic goals", but did not act in a principled way, wiped out billions of dollars of value and harmed many thousands of people.

Movies like *The Wolf of Wall Street* portray the worst actors in finance. The bad actions of a few, the media, and the inequality we see in society have given our financial system—which is full of good people—a bad reputation for greed, and trust in the system is very low. Finance's reputation for greed is self-perpetuating. The stories of bad actors getting rich attract more bad actors who just want to get rich. And this negative reputation has been turning some of our best future leaders away from even considering finance as a career. Many of our best and brightest are turning away from the industry *where they could have the most impact and are most needed.* We need trustworthy leaders in finance to make this powerful system achieve its full potential. We need leaders who will make the financial system better. That's where SOF comes in.

The SOF Vision & Mission

At SOF, we teach leadership. We teach *purpose-driven, principled leadership in finance*. The two central components of our work are that 1) the motivation behind, and goal of, our careers should be to improve the lives of others, and 2) we should act with core values both in our investing decisions and in our day to day interactions with the people with whom we live and work. While our best path forward *collectively* is to optimize our economic system, our best path forward *individually* to achieve that is to *have "virtuous ends" with "virtuous means" to achieve them.*

Our vision at Scholars of Finance is: **A future where all finance leaders steward the world's capital to serve the greater good**. To make that vision a reality, our mission is to: **Inspire character and integrity in the finance leaders of tomorrow**.

Our Theory Of Change (or "Impact Model") illustrates how we make our vision a reality. We built it by studying the world around us, history, finance, and leadership, along with the help of hundreds of executives and experts who have mentored us. We've spent thousands of hours learning how systems evolve, how people change, and how to help drive both of those outcomes in finance specifically, both today and in the future. Our Theory Of Change, stated in one sentence, is: *If we teach leadership principles to undergrads, help place them in finance, and give them lifelong community, they will rise to become the executives and investors who allocate the world's capital and do so wisely to create a stable economic system better suited to solve our problems.*

So, we invest in college students through leadership development, professional development, and a life-long support community of peers, alumni, and purpose-driven investors. We help our members begin careers at top firms and funds where they can begin their journey of making a positive impact on the world with capital. We focus on college students because 1) research suggests age 18-24 is one of the most formative times in our lives for establishing our identity and values (who we are and how we act), 2) college is the entry point into finance today (via internship tracks), and 3) there is no other organization teaching principled leadership for college students seeking to enter finance at that critical juncture. We are the only organization fulfilling this urgent and critical need.

Ultimately, SOF is on a long journey of equipping a new generation of finance leaders. We are striving to develop *purpose-driven, principled, high-performing future finance leaders.* While we see immediate impact happening with thousands of students each year, we're playing a long game—an *infinite game*—as Simon Sinek calls it. We are sending thousands of our members into the financial system, and in 30-40 years, they will be running the system as its CEOs, CFOs, CIOs, Board Directors, LPs, GPs. We are grateful and honored for every single person who is on the journey with us, because by design, achieving our vision requires critical mass. It requires a *movement*, and *every single one of us is equally required* to form a movement. And like we said earlier, that begins with each of us individually striving to be the best leaders we can be—and that brings us to the shared values and principles we all strive to uphold in our community.

Our Values & Principles

We Shape Culture

First, we must return to culture. We are trying to drive a system-wide cultural shift in finance. As previously mentioned, culture is the "sum total of all of our actions", so there is nothing more important to improve in finance, because *improving the culture of the financial system changes everything within it*. Go out and study culture change and you'll learn that it appears the only way any one of us can influence culture is *through our own actions.* If we are to build an optimal culture in our finance system, it starts with us being able to change our behaviors individually.

The rest of this document explains what that looks like in action. Get comfortable and lock in. There is a lot to digest, and every word in this document has been carefully chosen. We hope you feel inspired and motivated as you read this, and we also hope you will join us in living out these values and principles in your work and life.

Values *Are* The Mission

At Scholars of Finance we exist to teach timeless values and principles to the next generation of finance leaders—a set of guiding values and practical principles that, if adhered to by everyone in finance, would yield the best financial system and the most societal progress. Our "curriculum" consists of four core values—Integrity, Humility, Compassion, Excellence—each reinforced by three actionable principles (12 in total). This section outlines those 12 principles.

We have invested an enormous amount of time and effort in 1) seeking input from executives and research experts, 2) finding wisdom from ancient or timeless sources, and 3) getting feedback from our students and alumni to arrive at these values and principles. We've updated them several times over the last decade as we continue learning more about finance, leadership, psychology, and all of the different vectors of our mission. These values and principles lay the foundation for how our members should act as future leaders in the finance industry.

Our Values At A Glance

To provide a clear and concise view of the values and principles, we want to share our values and their corresponding principles at a glance. These values and principles are not just words, but actions we commit to embody:

Integrity is the cornerstone of leadership in finance. It requires us to act ethically and responsibly in every situation, whether others see the decisions we make or not. We do the right thing, even when it's difficult, and hold ourselves accountable to our decisions. Building trust through honesty and transparency is fundamental to how we lead, knowing that integrity fosters an environment of respect and mutual reliance. We are committed to continuously cultivating this trust by being candid and forthright, ensuring our actions align with our values at all times.

Humility guides us to understand ourselves deeply. It calls for an honest appraisal of our strengths and areas for growth, helping us stay grounded in our pursuits. We resist the temptations of money and power and guard against greed and hubris, knowing that true leadership requires a commitment to continual vigilance and self-reflection. Remaining intellectually curious is vital to this pursuit, as it keeps us open to feedback, new ideas, and fuels the ongoing development of our skills and character.

Compassion moves us to serve a greater purpose, placing the needs of others at the forefront of our decision-making. In our leadership, we strive to build relationships with respect, treating each person as an equal and fostering connections based on empathy. We believe in the power of radical generosity—going beyond what is expected to invest our time, energy, and resources into the well-being of others. This commitment to compassion shapes the way we interact with our communities and inspires us to lead with heart, ensuring our impact is meaningful and lasting.

Excellence requires us to continuously strive to be great at what we do, committing ourselves to the highest standards of performance. We understand that excellence is not just about hard work but also about working diligently and planning wisely with a long-term perspective. At the same time, we recognize the importance of maintaining a healthy balance in life, prioritizing our physical, mental, emotional, and spiritual health. This holistic approach to excellence ensures that we can sustain our efforts and continue growing as leaders over many decades.

Now, the following pages will unpack each principle for each value in depth, exploring how these guiding tenets translate into actionable behaviors for effective leadership, both at work in finance and in our personal lives. Note, there are some of our favorite quotes interspersed throughout the principles, as we thought it would be fitting to invite great leaders from the past and present to emphasize these.

"...healthy moral ecologies don't just happen. They have to be seeded and tended by people who think and talk in moral terms, who try to model and inculcate moral behavior, who understand that we have to build moral communities because on our own, we are all selfish and flawed. Moral formation is best when it's humble. It means giving people the skills and habits that will help them be considerate to others in the complex situations of life." - David Brooks

Integrity

Do the right thing

We must do the right thing, *always*. It is imperative that we don't make even small concessions on our values, because the "slippery slope" concept applies to our integrity. This phenomenon is called Ethical Fading. What begins as a couple of small acts of omission or "white lies" becomes a habit of utter dishonesty over years. Lack of integrity ages like a disease, progressively infecting

more and more of our actions over time. And it poses a grave risk to our character, because we may not know we're "sick" until it's too late.

Enron is a famous example. Andy Fastow, the once-imprisoned former CFO involved in one of the largest corporate frauds of all time, explains that it was a gradual process of them lying to the world and destroying billions of dollars of value. If you're a student thinking, "I'd never do something that bad," in 2019, a first-year analyst at a top financial firm (who graduated from a university where we have a chapter) was indicted for insider trading just six months out of college, and their career was forever ruined as a result (the student was never an SOF member and the firm is not a partner of ours).

Our actions and our words must be driven by our core values, ensuring we consistently act ethically and responsibly at all times—especially when it's hard. Integrity requires courage. It doesn't take courage to do the right thing when it's easy. C.S. Lewis famously wrote that, *"Courage is not simply one of the virtues but the form of every virtue at the testing point."* This sums it up perfectly. Everything that is outlined in this document requires courage—the courage to stand up for what we believe is right and to stay true to our principles.

We often have students ask us "How do we ensure that we do the right thing in our future careers?" The answer is simple: *Prepare*. When questionable moments are in front of us, we need to have been developing courage and integrity for months or years to rise to the challenge in the moment. Think of it like a muscle that needs to be trained to become stronger and stronger. We need to get more and more reps of having integrity in increasingly difficult or uncomfortable circumstances. We need to practice so that when there is billions of dollars on the line, our income, or even potentially our job, our integrity is strong enough to withstand the test.

"It takes 20 years to build a reputation and five minutes to ruin it." - Warren Buffett

People sometimes say the right thing to do isn't always clear. When we say "do the right thing", we mean "the morally right thing"—avoiding lying, cheating, stealing. In this sense, what is right is intuitive. However, much of finance, and of life, is in a "gray area" of trade offs—different options with pros and cons. The right thing may not be completely obvious. In these cases, we start by asking ourselves what decision is in line with our values and principles. We can ask ourselves, "Would I be comfortable with what I'm about to do or say being made public?" Also, reaching out to mentors or colleagues who share our values can be incredibly helpful. Sometimes a fresh perspective helps us see a situation more clearly. Sometimes another person may have more experience with situations like the one we're in. And sometimes, we may just need another person to affirm our intuition—to give us the courage to do the right thing when it's scary or hard.

For young finance professionals, that often comes in the form of speaking up when you disagree. It takes courage to express disagreement with someone more senior or to try to change the culture of a team. But, we owe it to our leaders to share our thoughts or concerns to help make

the best decision possible for the people we serve. This principle applies even more to morally questionable actions being considered. If we believe something is morally wrong, we are never silent or complicit in it. Even if speaking up could cost us our standing on a team—or even our job—we speak up to maintain our integrity.

"Our lives begin to end the day we become silent about things that matter." - MLK Jr.

Be accountable to your decisions

We are not victims; we have agency. We are not reactive; we are proactive. We recognize that the only thing in life we can control is ourselves. Though we have influence, we can't control other people or the markets. We can only control our own reactions and decisions. In short, we live by the wise words, "accept the things you cannot change, and change the things that you can". We assume full responsibility for our actions—and we take full accountability for their results too.

A very common reason people evade responsibility or accountability for their decisions is because they make a mistake or one of their shortcomings is called out. That's usually our ego trying to defend us. When we get defensive, make excuses, or blame others, we appear immature, others trust us less, and importantly, it severely stunts our own growth and development. We avoid these common traps. If we fall short, we own it; we don't wait for someone else to notice, or hope they don't notice at all. When we make mistakes, we own them too. No excuses. No evading the facts. Being accountable means we set our pride aside. We don't worry about "losing credibility" by saying we're sorry for a mistake. Rather, we see that owning our shortcomings *builds credibility*, and that admitting our mistakes openly empowers us to move on to the real value of failure—*learning*—not only for ourselves, but for others as well.

One of our favorite authors, Jim Collins, captures this well in his book *Good to Great* when describing "Level 5 Leadership" (the best leaders). He calls it the "Window Mirror Principle". It posits that when things go well, the best leaders share and give away credit (they look through the window), and when things go wrong, they take responsibility for it personally and sincerely ask themselves what they could have done better (they look in the mirror). We encourage all SOF members and partners to take the same approach. We look in the mirror to learn and grow from our failures, which is necessary for becoming the best leaders we can possibly be.

"It is not a sign of weakness, but a sign of maturity, to rise to the level of self-criticism." - MLK Jr.

We proactively "act like owners," as if the success or failure of whatever company we work at is dependent on us. Each of us is personally responsible for achieving our company's mission. We can't rely on, wait for, or expect others to make that happen. We take responsibility for problems, big and small, and work hard to solve them. When we see a tragedy of the commons occurring, we don't stand by and wait—instead, we step up proactively to resolve things. Ultimately, our superiors will notice this reflex and how much we are helping the firm, and we'll be rewarded for

that. People who proactively own and solve problems get promoted faster and are the ones who eventually become leaders. Scholars of Finance don't "coast" or "wait to retire". We drive results.

Fulfilling promises and obligations is also essential to maintaining our integrity. We do what we say we will do—and do it when we say we will. Members in our community of all ages often spread themselves too thin. Scholars of Finance are aspirational and ambitious, so this is *extremely common* for us. But we all know that when we overcommit we ultimately let people down. When we decide to commit to something, we should first consider the implications. We should be confident that we can and will deliver on our commitments. When we do this, people see they can depend on us. Our maturity to know our limits builds trust from others. We earn more responsibility over time, because we deliver, every time.

"Watch your thoughts, they become your words; watch your words, they become your actions; watch your actions, they become your habits; watch your habits, they become your character; watch your character, it becomes your destiny." - Lao Tzu

Develop trust with candor

We also build trust by being honest, transparent, and candid. Honesty can be hard at times. It's easy to slip, and we're in a culture where many people seem ok with not being fully honest, as long as it doesn't harm anyone. At SOF, *we commit to speaking the truth at all times*. We remember that lying is a slippery slope and *make no exceptions*. There is no justification for even small, seemingly harmless lies. Philosophers may ask, "What if lying would save someone's life?" If you're in a situation where lying would literally be the difference between life and death for an innocent person, sure, hide the truth. However, we will never experience such a situation in our day-to-day work. So, default to being honest—always. It is an absolute requirement for trust.

Being transparent and candid means we share our real thoughts with others. We tell them what we're thinking, even if it means having an uncomfortable conversation. Uncomfortable conversations are often some of the most important, formative moments in peoples' lives—they are our greatest opportunities for learning, growth, and for deepening relationships. Researchers tell us we grow the most when we're outside of our comfort zone, and that applies fully to our interpersonal interactions. What's more, they don't only help us grow stronger and closer, but transparency and candor help us avoid miscommunications and misunderstandings—they help us work together more effectively. They also help us work together more efficiently—no time is wasted guessing what someone is thinking or trying to "read between the lines".

Going even further, sharing our honest views with each other helps each of us see more of the picture. We have more data and can more clearly see reality. This is because reality is both "objective" and "subjective". Objective reality is what truly happened—the facts of a situation a camera would replay—and our subjective reality is our own experience of them—how we interpret those facts. Our subjective lens is informed—or biased—by our life history, experiences,

how we slept, what we just ate, etc. Recognizing that, we strive to see the facts objectively. Together, we can see more of reality than any one of us can see on our own.

"Every person has a right to his opinion, but no person has a right to be wrong in their facts." - Bernard M. Baruch

Of course, there are times where saying exactly what is on our mind at this very moment may not build trust—and can even destroy it. For example, if someone said something that upset us, we're much more likely to say something that damages the relationship in the heat of the moment, which we'll later regret. It's important that we learn how and when to share our candid thoughts when they may be difficult for someone to receive. There are books like *Crucial Conversations* or *Radical Candor* that help us learn how to do this. We take time to think before we speak to hedge this risk, and again, we can always seek advice from someone we trust if we aren't sure.

When we are candid with people, they will see we won't hide things. Good or bad, they know we will be direct and real. Again, being honest, transparent and candid *builds trust*—and research shows trust is the single most important factor in creating high-performance teamwork. Trust is also the foundation for any close relationship. Without trust from others, we will find ourselves alone, or at least ineffectual in our work. If people don't trust us, we will have little to no impact whatsoever in this world.

"I'm struck that there is one lesson I learned early and then relearned over and over: Trust is the coin of the realm. When trust was in the room, whatever room that was — the family room, the schoolroom, the locker room, the office room, the government room or the military room — good things happened. When trust was not in the room, good things did not happen. Everything else is details." - George Shultz

Humility

Understand yourself deeply

Each of us is uniquely and incredibly complex. Our motivations, fears, desires—our conscious and subconscious—take a lifetime to understand. It's critical that we make the effort because the more we understand ourselves, the better we can manage ourselves and the more likely we are to be successful. Acknowledging both our strengths and our areas for growth is vital for personal and professional development. So, we cultivate humility and seek to understand ourselves deeply. Self-awareness can be gained quickly, slowly, or never come—it depends on how much time and effort we invest in doing the work it requires. Early in our lives we have a lot to learn about ourselves, and as we grow older, "who we are" changes. It truly is a lifelong process.

Humility, often confused with "modesty", actually means "accurate self-appraisal", or knowing the truth about ourselves. Humility is at the center of a spectrum between arrogance (thinking too

highly of ourselves) and modesty (thinking too lowly of ourselves). Humility is the balanced center where we see ourselves accurately—and in perspective. We see our strengths *and* weaknesses. We also recognize we're one of 8 billion people on earth. We recognize we're not perfect and the world doesn't revolve around us, while also seeing how much potential we have—that even among billions of people, a few leaders can make a profound impact on humanity.

Pride, and in some cases, self-doubt, can impede our ability to see ourselves accurately and, as a result, hinder our ability to learn, grow, and reach our potential. We strive to have a clear, accurate understanding of our growth areas and weaknesses so we can constantly improve. Just a 1% improvement every day leads to a 37x improvement in a year (read *Atomic Habits* by James Clear!). We also reflect on our strengths amply. What are we incredible at? How can we pursue opportunities that enable us to leverage these strengths to make the most impact? What should we double down on?

"The world will ask you who you are, and if you don't know, the world will tell you" - Carl Jung

In order to understand ourselves fully, *we treat feedback as a gift*, because self-awareness is a team sport. We all have blind spots—things we can't see about ourselves. Asking for feedback can uncover ours, and sharing feedback can help others see theirs. It's a fact that none of us can fully and completely see ourselves objectively, and feedback from others helps us fill in our gaps in awareness. Without feedback we will never reach our full potential.

It's not only critical because it opens our eyes, but also because we humans are a social species. Our work is inherently *interdependent*—we work together and depend on each other. We work in teams, not alone. How we are perceived by others determines our impact. If people don't want to work with us, we won't accomplish much. If people don't find us persuasive, we won't affect change. So, we need to understand how we impact people and are perceived in order to achieve our goals. While we can try to infer our impact via other people's body language or external reactions to us, no one is a mind reader. The only way to truly know how we impact others is to ask them, and the only way others will know how they have impacted us is to tell them.

However, meaningful feedback can be difficult to accept. That can stem from pride or old wounds. Just because feedback is hard to hear doesn't mean it's wrong or the other person is attacking us. If someone is providing feedback, it's an opportunity to grow. Feedback can also be difficult to give. This usually stems from us not wanting to be uncomfortable or hurt someone's feelings. Author Kim Scott refers to this as *Ruinous Empathy*—we end up letting people ruin themselves because we don't want to tell them something that they're doing isn't working.

We can make both giving and receiving feedback easier. Back to feedback being a *gift,* when receiving feedback, we are gracious and express gratitude, even if "the sweater doesn't fit", and when sharing feedback, we try to be thoughtful and give the other person something they will accept. Even if we do that, it takes courage and selflessness to ask someone what we could be

doing better or to ask ourselves what we have yet to share with someone. But, because we work with others every day, positive and constructive feedback should be a part of everyday life—not just an annual event. We will grow the most if we ask for and share feedback often and whenever necessary. Giving and receiving feedback often gets us practice and makes it easier over time, and it will help us and our team grow to achieve better results and make more impact.

"In a growth mindset, challenges are exciting rather than threatening. So rather than thinking, oh, I'm going to reveal my weaknesses, you say, wow, here's a chance to grow." - Carol Dweck

Guard against greed and hubris

Greed is one of the largest threats to our character in finance and it is all around us today. It's hurting people by making them unhappy, and it's hindering our financial system from achieving its full potential for doing good in the world. Greed is an insidious force within and around us that creates pressure for us to constantly "want more". It leaves us permanently unhappy because *we never think we have enough* and are always striving for the next thing to make us happy, only to continue remaining unhappy because we're looking for happiness in the wrong place.

Research shows that our perception of how much we have is relative. Once our basic needs are met (food, water, shelter, etc.) we only feel like we're "lacking" when we see others with more than us. This phenomenon is captured in Relative Deprivation Theory. Growing research is also showing us that 1) people can't find happiness with wealth after a certain level of household income, and 2) relationships are ultimately what matter most for our own happiness. The data is clear. After a point, "more money" will not make us happier.

Beyond that, people who are driven by the constant need for more often don't only fail to get what they're chasing (inner peace), but they also bring about additional risk and stress in their lives. Think of the stories of pro-athletes overextended financially. They buy the big houses, expensive things, and eventually go broke. And when we're in a financially precarious position we're much more likely to act unethically.

Overcoming greed requires becoming confident and comfortable in who we are, deriving our sense of value or self-worth not from how much money we make or what possessions we have, but rather, from who we are and the content of our character. That takes deep inner work to achieve. If we're in the SOF community, it's almost certain we will reach, or are already at, a point where *we don't need more*—but the culture we're in may influence us to believe we do. Once we're aware of this, we can break free from unbridled desire and start to find peace. We can take back control of our lives. But, how do we do that?

"We do not see things as they are. We see things as we are." - Rabbi Shemuel ben Nachmani

Contentment is our first step in the fight against greed—recognizing we don't need more and that *we have enough*. A simple first step in cultivating contentment is to distinguish "needs" from

“desires”. When we recognize a desire for something, we can remind ourselves we don’t actually “need” that thing. We benefit from practice releasing unnecessary desires. Cultivating contentment is a process that requires time, intentional effort, and thousands of mindful reps of “letting go”. We can develop contentment by not only letting go, but also by celebrating—by practicing gratitude.

Gratitude helps keep greed at bay by celebrating what we already have. Gratitude is not only being content and satisfied with what we have, but reveling in it and recognizing we’re blessed. It’s finding joy in what we have. We cultivate gratitude by recognizing what we are grateful for constantly—whether family, friends, work, health, education. There are 4 billion people living on less than $10/day. If you’re reading this, you have a lot to be grateful for, no doubt.

Expressing our gratitude to others cultivates it too. We recommend sharing with people around us when we’re grateful. We say thank you often and sincerely. The more we express gratitude the more it becomes naturally ingrained in our psyches, plus it goes a long way for deepening relationships too. Generosity is another even more powerful mechanism for combatting greed, which we will discuss later—that is so important we believe it warrants its own principle.

“Content makes poor people rich; discontent makes rich people poor.” - Benjamin Franklin

Hubris is the other biggest risk to our character in finance. People often say “power corrupts”, but, *hubris is what corrupts, not power.* We actually need to seek a position of power to drive change in the world. However, as we gain power, there is a risk we start to think we are “more important than others”. When we enter finance, it’s easy to think we’re better than other classmates who didn’t land as high-paying a job or get recruited at as prestigious a firm. When we’re at the top of the firm’s hierarchy—as an MD, Partner, in the C-Suite or on the Board of Directors—we can fall into the trap of believing we matter more than others. We don’t.

People can lust after power, just like they can lust after money. Becoming arrogant is easy, because hubris, like greed, is insidious. It can poison our motivations subconsciously—below our level of awareness. It gradually grows and grows and takes over completely—a virus that has infected what we think, say, and do. We invest heavily in guarding against hubris which requires a lifetime of intentional effort in finance. Finance is notorious for people being motivated by money or power. People in finance often will flex their exclusive vacations, expensive assets, or the important people they know, and this leads to a vicious cycle where others feel they are lacking. There are ample stories of people amassing power and abusing it or being unethical because their wealth or power got to their head. Any of this could become us if we aren’t vigilant. We need to guard against greed and hubris proactively, systematically, strategically, and intentionally.

Being proactive means we must make the first move in tackling the darker side of our human nature. *We have to drive our formation* and development. We must *choose and become who we want to be*. Being systematic means we analyze every aspect of our lives—like media, friends, or

habits—and make any changes necessary to avoid getting inflated egos. We prune our "information diet", for example, not following people or accounts on social media that hype overt wealth (we've all seen the accounts that post supercars in front of a mansion). Being strategic means we think through our goals and build a plan to achieve them. We determine what we *will and will not do.* And being intentional means we remain disciplined and put in the effort. We don't take our values for granted. And, importantly, we are intentional about building relationships with people who share our values and will keep us on course.

"We do not rise to the level of our expectations. We fall to the level of our training." - Archilochus

Remain intellectually curious

Humility helps us recognize that knowledge is infinite and that we individually know very little. Humility also helps us understand that learning and growth are essential to success. We recognize there is *always* more to learn. When we read about the most successful or influential people in history, we will find out that almost all of them *constantly studied*. They read hundreds of books or spent thousands of hours asking questions. In a variety of ways (we all learn differently), they learned for their entire lives. They were "lifelong learners".

We often talk about the "10,000 hour rule" in relation to learning. Research found that "masters" of their craft share something in common: they have spent at least 10,000 hours practicing. At SOF, we believe that the level of leadership finance needs requires the same amount of time and practice. We must learn voluminously to be the most effective leaders. And we also need to learn across disciplines to be well-rounded as future executives.

We want to help our community learn as fast as possible, because the earlier we learn and grow, the more time we have for the gains to compound. We invest heavily in developing both hard skills and soft skills in Scholars of Finance. We need to understand finance, risk, compliance, investing, and balance sheet management, while also learning etiquette, social norms, management, communication and so much more.

"As the area of knowledge increases, so does the circumference of darkness." - Albert Einstein

We accelerate our learning process by frequently seeking mentorship. At SOF, we are huge proponents of mentorship—seeking advice from those with more wisdom. *Wisdom* is the ability to make good decisions, and we strive for wisdom. It's critical we recognize that *wisdom comes from experience over time*. To use an AI analogy, more senior people have decades of more data—maybe 2-10x more data—with which they've trained their "organic LLM" in their head (their brain). They have seen more and learned more, and they can help us avoid common mistakes—including mistakes they've made themselves. They've also been around longer to *observe what works*, and show us the path now so we don't have to wander through the forest by ourselves. Simply put, mentors can help us avoid mistakes and discover healthy shortcuts.

We also recognize that we can learn something from every person we interact with, both at work and outside the company. As we said, each of us individually can only see a partial view of reality. Even if someone isn't "older and wiser" than us, each person views situations differently due to unique upbringings, mental models, and lived experience. It is our responsibility as leaders to invite many different stakeholders to the table to elevate the group with their perspective when making decisions—so we can all see the most comprehensive reality possible.

Because of all of this, we see immense value in people's thoughts and contributions, *especially when we disagree.* So, we proactively welcome disagreement, learning from others' differences to emerge stronger and wiser as a team. When we navigate those disagreements, we also avoid a posture of debate—battling to be right. Rather, we strive for *dialectic—trying to get it right*—seeking to get to the right answer together, no matter who or where the right answer comes from. *In debate, someone loses. In dialectic, we all win.*

It's important to note that, sometimes, we are upset by what someone says because we made assumptions about their intent. Sometimes, when we ask about their intent, it turns out we made incorrect assumptions. In these cases, we just let go of our initial reaction and move on, since we now know the truth. We start by asking questions. We "seek first to understand, then to be understood", because being relentlessly curious with and about others is a surefire way to have strong, positive relationships both personally and professionally.

"It is impossible for people to learn what they think they already know." - Epictetus

Compassion

Serve a greater purpose
The purpose of our career is to contribute to the greater good—to help others. We don't live our lives solely for wealth, power, or ego. We only need enough money to have security and enjoy life. We only seek power to affect positive change in the world. And we aim to control our ego so it doesn't control us. We exist to solve problems or help people we care about. Whether climate change, poverty, or geopolitical stability—and whether family, our community, or the world—we serve something greater than us. Yes, we have to ensure our basic needs are met, and we have to advocate for ourselves in our careers, but we don't live a life for ourselves, we live a life *for others.* We exist to help other people.

Doing so begins with knowing 1) what problems we are passionate about solving and 2) what groups of people we want to help. Do we want to help prevent climate change globally? Do we want to help improve healthcare accessibility in the town we grew up in? Do we want to provide security for our family? First, we must identify our purpose. It doesn't just "come to us", we have to do the work to discover it. Then, we start testing. We go out and work towards helping the people or solving the problems we identified. What gives us energy? What project makes us want to

work long hours and brings us into flow state? What work do we do that leaves us feeling energized at the end of the day and excited to go back to work tomorrow? Reflect, test, learn, iterate, and repeat—and you'll find your purpose.

Once we find our path, we then need to stay on course. We always run the risk of veering off course and losing sight of our purpose in our work day to day. Back to greed and hubris which can corrode our foundational sense of purpose and helping others—this requires checking our motivations often. Is our desire or behavior driven solely or largely by ego and self-interest? Or motivation to help others? Our motivations can evolve swiftly so we have to stay constantly vigilant, frequently checking in with ourselves honestly. And we ask others to keep us grounded.

The irony, and beauty, of this approach to life, is that *focusing on helping others actually helps us have the best life possible.* The happiest and most fulfilled people are those who feel a deep sense of purpose or calling in their work and who spend more of their time thinking about other people than they spend thinking about themselves. Some people call this "enlightened self-interest". We just call it doing what makes the most sense for everyone.

"Humility is not thinking less of yourself; it's thinking of yourself less." - CS Lewis

Applying this concept to the finance system more broadly, we strive to allocate or participate in the allocation of capital where it will most efficiently drive human prosperity. The UN has 17 Sustainable Development Goals. In 2021, Bank of America estimated that just one of them—Carbon Net Neutrality—will cost $150T. As discussed in the Vision and Mission section of this document, the scope of the problems that face humanity and cause suffering for billions of people is enormous, and the financial system is critical for solving them. It is our duty to allocate capital to its highest and most productive use.

Profit in itself is not a worthy "end." It is a means to an end. The end we work toward is maximized prosperity and flourishing and minimized suffering. Profit is the incredible, magical element in our Capitalist, free-market economy that enables a solution to a need or problem to scale and self-sustain. We invest in *real solutions that are meeting real needs, for real people, in the real world*, and that are imposing minimal externalities—societally or individually born harm.

"Issue by issue we start to learn there is no trade-off between social progress and economic efficiency in any fundamental sense." - Michael Porter

Build relationships with respect

The world, and especially finance, runs on relationships. In a relationship, either person can leave at any time. If we want to be effective as a leader, we must master the art of building relationships to be able to build and lead teams, get deals done, and effect change. And relationships require respect. Respect looks like being kind and patient with others, and viewing and treating others as our equals. It is honoring their fundamental worth and dignity as a human being. We treat others

the way we would want to be treated—or even better, the way *they* want to be treated. Simply stated, we insist on respect, empathy, and kind interactions.

Being effective with others has been reduced to well-researched science. The study of Emotional Intelligence (EQ) offers hundreds of pages of insights on it. To become excellent at working with others, we invest across all four pillars of EQ, which are 1) self-awareness 2) self-control, 3) empathy, and 4) social skill. We strive to bring our best, authentic version of ourself into our interactions, and we strive to actively listen and truly understand others to collaborate with them effectively.

Building relationships takes time and effort. We heavily prioritize genuine interpersonal connections over temporary gain and material success. We don't just show up, put in our time, and leave. We don't keep our teammates and colleagues at arm's length. We don't flex our success and walk away. We commit to deeply understanding others, including how they work, what drives them, and how to be effective with them. We get to know others and make ourselves known to foster meaningful relationships—and in some cases, lifelong friendships or mentoring relationships. This is us respecting their personhood in the deepest sense.

"People will forget what you said, people will forget what you did, but people will never forget how you made them feel." - Maya Angelou

All of that said, sometimes, we will not be completely respectful, either in our impact, our intent, or both. Dialectic can quickly devolve into debate or even argumentation. Egos and conflicts inevitably flare up. When these moments occur, we quickly diagnose what happened, everyone involved in conflict finds their own learnings, we make sincere and complete amends, and execute on agreed upon next steps to repair damage done. When we feel frustrated or hurt by the words or actions of another, we don't hold grudges, assert power over them, or act out of malice or a vindictive spirit. Instead, we forgive: we let go of the anger so resentment does not fester and undermine our leadership. To avoid having to exercise this muscle unnecessarily, we are also generous in our assumptions about others' intentions and actions, assuming positive intent or "giving the benefit of the doubt".

We recognize that actions have consequences and believe we can forgive others without necessarily releasing all accountability for malicious actions. That said, there is nothing we'll experience in a professional setting that we can't forgive. People have forgiven murder, theft, and grievances much worse than anything we can expect to encounter in the workplace. We forgive our own mistakes and shortcomings too—exercising self-compassion—without compromising our high standards for ourselves. If we aren't nice to ourselves, we can't be nice to others.

"The weak can never forgive. Forgiveness is the attribute of the strong." - Mahatma Gandhi

We believe it's critical to treat all people equally and foster inclusivity for all, regardless of race, color, national origin, religion, political leaning, gender, age, or sexual orientation. Recognizing that biases exist within us all, we actively work to counteract them. We spend time identifying our own biases and striving to understand the experience of people who are different from us. It's become increasingly important in our polarized society to seek to understand people who have different views than us, and that's critical for effective leadership.

We don't ever remain complicit in people being disrespectful. We take immediate action through proper channels if anyone discriminates against a colleague. We don't tolerate bullying, name-calling, or people gossiping or speaking poorly about colleagues who aren't present. If someone on our team or in our life tries to engage us in gossip or badmouthing, we disengage, and if we have a strong enough relationship with the person, even consider letting them know why that behavior isn't something we want to indulge—and we share that respectfully. And if someone is chronically disrespectful and won't learn and grow, it may even mean we have to ask them to leave our team or our company. Respect is a must-have, not a nice-to-have.

"To be free is not merely to cast off one's chains, but to live in a way that respects and enhances the freedom of others." - Nelson Mandela

Be radically generous

Generosity is another antidote to greed—the seemingly ever-present craving for "more" which we discussed at length earlier. When we say be "radically" generous, we mean, ultimately, that generosity should spearhead counter-cultural change. We ought to be so generous that people stop and rethink their own utilization of their time, energy, and resources, and feel inspired to be more generous themselves. We are asserting, plainly, that *our society is not generous enough*, and that we want to inspire the world to be a more generous place. Make no mistake, there is a *lot* of generosity in the world. Finance is probably the most generous industry on earth. We can be proud of that—and we can keep doing and giving even more.

We believe the highest and most noble form of generosity (and the form our world urgently needs more of) is helping and serving those who are less fortunate. More than 4 billion people live on less than $10/day, and they urgently need our help. If we're reading this document, we likely do—and at least, in the future, will—make much more than that, and we are—or will be— in a position to help those people. Investing our time, energy, and resources in people who have fewer means, are in poverty, or are suffering in some way alleviates the most abject human pain

Helping the less fortunate also keeps our empathy active, and we need empathy to have and utilize our moral reasoning faculties—because any moral view of what is "right" or "wrong" stems from assessing its impact on others, which requires empathy. Many people reading this have never experienced true destitution—poverty in its most raw forms—life without a home, food, water, sanitation, education, healthcare... the list goes on. Many of our members of our community did grow up in these conditions—and we seek to learn from them and understand

how to be a part of the solution to these real-world problems. We build empathy. And we show respect for their grit, resilience, and strength.

"This disposition to admire, and almost to worship, the rich and the powerful, and to despise, or, at least, to neglect persons of poor and mean condition, though necessary... to establish and to maintain... the order of society, is, at the same time, the great and most universal cause of the corruption of our moral sentiments. That wealth and greatness are often regarded with the respect and admiration which are due only to wisdom and virtue; and that the contempt, of which vice and folly are the only proper objects, is often most unjustly bestowed upon poverty and weakness, has been the complaint of moralists in all ages." - Adam Smith

That said, we do want to be generous with *everyone* around us—and in multiple different ways. Back to time, energy and resources. Being generous with our time can look like volunteering, helping a nonprofit with pro-bono advising, or even helping a younger colleague at our firm who is struggling with a problem or task. And being generous with our resources can look like donating to charity or sharing our assets with those who are in need. It can even look like buying from companies who have ethical supply chains so we're not complicit in issues facing our world like child-labor or environmental destruction.

We also approach work relationships with a mindset of generosity. Being generous with our energy can look like helping someone on the team when we are tired, it can look like going the extra mile for our firm when the stakes are high. We have so much to give, and the more we give, the better off we are. We make time to help others around us succeed. Many professional cultures are marked by information hoarding and asymmetry. Our goal is to share information and resources as much as we can, and as broadly as our mission and goals require. We invite others into our activities and conversations, and share opportunities presented to us, in order to achieve the best results together as a team.

"Those who are happiest are those who do the most for others." - Booker T. Washington

Excellence

Become great at what you do
We strive to do our best at all times. Striving for excellence is a requirement for leadership in finance. Finance is an incredibly competitive industry and it demands excellence at every stage. Whether to secure an internship, a return offer, get promoted to Associate, or become the CEO of our firm, we must do our best at all times and strive to become great at everything we do.

We increasingly hear that many students today aren't meeting the standards of excellence that finance and investing teams hold. The feedback has been hard to hear: students lacking work ethic, emotional intelligence, the ability to handle feedback, polished communication, entitlement,

and that it is getting harder to find young talent that hits the mark. This isn't us putting forth our opinion, it's only us sharing what we've heard from executives and recruiters in the industry. As we said, we actually need positions of power to affect positive change in the world. Before we can do that, we need our first internship, our first job, and to ascend in a career over decades and decades. Our goal is to be and inspire the next generation of finance executives, and we can only do that by operating at the level of excellence necessary to become them.

The obvious limitation here is that time and energy are finite. We have so much to do but not enough time to do it all perfectly—and we need sleep, right? To be our best, we have to start with being incredibly intentional about our lifestyle and habits (more on this soon). With all we have to do, we can "do our best" with the time we can allot to everything. By trying to give 100% of our focus and attention to every given moment and task, over time, we become excellent. Attention to detail, organization, and clarity can all be cultivated and made increasingly natural and habituated by doing so. What was once a "conscious incompetence" becomes an "unconscious competence". We stack up hundreds of new reflexes and instincts and we become well-versed in many things and can handle significant responsibilities.

This principle also applies to the teams we serve on and the companies we work within. When we work on a team, we strive to contribute to the team's evolution and impact. Everything around us in our work—our processes, systems, strategies—can all be optimized forever. They are never done or perfect. They can be good enough for now, but they can always be enhanced. Of course, we can't let "perfect be the enemy of done". The Pareto Principle (also known as the 80/20 principle) helps us achieve superior results in finite time—we prioritize doing the work that is most impactful for achieving our goals.

"We are what we repeatedly do. Excellence... is not an act, but a habit." - Aristotle

Every situation we experience offers us data points that we can use to improve our pattern recognition—they are learning and growth opportunities. We strive to embrace new situations, opportunities, and challenges since we learn and grow most when we're outside our comfort zone. Discomfort is our friend. Every new challenge is just another step toward even more growth, more learning, and becoming better. It's a lifelong process. Our potential is asymptotic, meaning we'll never reach our "full" potential. We can just keep growing—for the rest of our lives. We believe that's incredibly exciting.

And again, mentors and teachers play a critical role in the process. Mentors can help us avoid common mistakes—which we're more likely to make in situations we've never experienced before. Beyond just avoiding mistakes, the more time we spend with mentors who are wiser and more experienced than us, *the more we start to understand how they think* and *the more we begin to think like them.* As we talk with them about the situations we're navigating, we're actually *seeing it through their eyes*. Over time, we start to see every situation, even the ones we can't call them about, through a wiser lens. We make better decisions. We think it's critical to

recognize the same is true for professors and teachers. Most professors are people who were very successful in their career or who are experts in their field. They can often be invaluable sources of insight.

While mentors, teachers, managers, and friends can give us feedback to help us grow, ultimately, our own growth is in our control. We must take ownership of our growth journey. No one else can do it for us—not our manager, not their manager, not HR. We have to vigorously drive our development by studying, asking to be challenged and constantly looking for growth opportunities. Doing so will yield us more career advancement, and not doing so will lead us to simply stall in our careers or never get far up the ladder in the first place. Of course, we will make mistakes along the way—many of them. We will fail again and again. With grit and tenacity, we learn, move forward, and we reach new heights.

"I have not failed 10,000 times—I've found 10,000 ways that will not work." - Thomas Edison

Work diligently, plan wisely

We need to work hard and think long term. Diligence means that we work with urgency, consistency, and while applying our best effort. Wisdom is the ability to make good decisions, and planning wisely means making our immediate-term decisions through a long-term lens, in proper perspective, with clarity on our goals, options, and values.

To be successful in finance, one must work hard. There is no way around it. If we complain about it, we're not going to last in the industry for long—or get into finance in the first place—because there are many others who are heads down and willing to do the work required. For every person that doesn't have the endurance and discipline to do the work, there is someone else who does that is eager to take a spot. We need to work hard for decades to earn and keep our seat at the table in finance and affect real change in the world.

All of that said, finance has a bad reputation for oppressing analysts and interns, but hard-work environments can be navigated and they are getting better over time. For students reading, this document is a comprehensive, evidence-based, heavily researched picture of how to *work hard, sustainably, without sacrificing our life.* Our hope is that by practicing these principles, we can do more work in 50-60 hours than someone else does in 70-80—while understanding that in finance there will be some long weeks, and we must hustle.

"It is impossible to produce superior performance unless you do something different than the majority." - Sir John Templeton

Working hard without clarity on what we're working for is a recipe for burnout and subpar performance. In our daily lives, we must think long-term. We make career choices, life decisions, and day-to-day decisions by considering our purpose greater than ourselves. We take intelligent and informed risks that advance our goals. We don't take risks that could blow up our company,

our community, our financial system, or ourselves. A common saying that summarizes this is “A career is a marathon, not a sprint”. Another glow-up for mentorship here too: mentors can help us plan more wisely.

Long-term thinking applies not only to our daily lives, but also to how we think about our financial system. We aim to make finance a system that maximizes long-term value that is shared and sustained. Quarterly profit pressure is a bug, not a feature, of our current manifestation of Capitalism. Short-termism is one of the most oft-cited problems CEOs face in public markets. At Scholars of Finance, we encourage and support long-term innovation and thinking. We hustle, operate patiently, and maintain alignment with a long-term vision guiding us both individually and institutionally.

"Without a sense of purpose, no company, either public or private, can achieve its full potential. It will ultimately lose the license to operate from key stakeholders. It will succumb to short-term pressures to distribute earnings, and, in the process, sacrifice investments in employee development, innovation, and capital expenditures that are necessary for long-term growth... And ultimately, that company will provide subpar returns to the investors who depend on it to finance their retirement, home purchases, or higher education." - Larry Fink

If we’re planning, whether for our customers or our own lives, we must recognize that change is constant. Meaningful, intentional, strategic changes (innovation) are what keep businesses and companies alive, thriving, and delivering value to customers and shareholders. But, many people do not like change because it unnerves them or makes them feel insecure. It is our duty as leaders to embrace the necessity of change and to help others embrace it too. When driving or advocating for change, it is our responsibility to explain our rationale and logic as well.

Changing also keeps us competitive personally and professionally. If we don’t embrace change proactively, it can cost us our career, and accordingly, our impact. Because the world evolves and changes constantly, and our peers are striving for advancement, we may regress on a relative basis as others evolve past us. So, we keep evolving and changing as we work and plan.

"If you don't like change, you're going to like obsolescence even less." - Kewsong Lee

Stay healthy and balanced

We must take care of ourselves to be as effective as possible for the long term. We can’t achieve our mission and work toward solutions to the world’s greatest problems if we’re burnt out or on the path to burn out. Simply put, if we don’t manage our health, we won’t last long, and if we aren't healthy, we aren’t at our best. Spend some time researching how Olympic athletes tend to their health. At SOF, we’re essentially trying to be olympic-level finance leaders, so we take our health extremely seriously, because it is required for excellence now *and* long-term.

We have an acronym we often use—SEMP—which stands for spiritual, emotional, mental, and physical health—the four dimensions of health to optimize. Spiritual health includes finding purpose and meaning in our work and life, and feeling connected to others. We encourage our community to stay in touch with their purpose greater than themself and with loved ones. Emotional health looks like overcoming fears, insecurities, and feeling joyful and peaceful. We encourage people to get a therapist—a coach for our mind—and we encourage getting in touch with our emotions. Mental health includes being cognitively sharp—being able to get complex mental work done quickly. It can be the difference between a project keeping us until 2am or getting it done before 10pm. Sleep is crucial for this. So are mental breaks. Physical health includes having energy and stamina for the demands of life. Exercise and nutrition are critical to maximize our energy.

“If you don't make time for your wellness you'll be forced to make time for your illness.” - Anonymous

There are many habits we encourage our members to adopt. We’ve shared several in the paragraphs above. Sleeping 7.5+ hours per night is one that is especially critical, and like exercise and diet, affects all vectors of health. And sleep is one that notoriously gets deprioritized in finance. Growing research is showing us that being chronically sleep deprived severely impairs our cognitive performance, brings down our mood, and makes us low energy.

As we stated previously, it takes time and effort to understand ourselves fully—and that includes understanding what gives us energy, what drains us, and what recharges us quickly. Even just taking a few weeks to reflect on our energy patterns to see what lights us up or what brings us down can be extremely insightful. We might learn that we’re at our best at a certain time of day, or that certain activities make us exhausted. And we’ll likely identify some immediate changes we can make in our lives to reap quick benefits and feel—and perform—better.

That reflection may affect our relationships too. We will see some people lift us up and help us achieve our potential. Conversely, if we surround ourselves with people who have poor lifestyles, they will drag us down with them. As we stated, we seek to help people around us who are struggling or suffering, but we avoid trying to “fit in” with people who aren’t operating at the level we’re striving to reach. If we do, we will significantly damage our career prospects and lifetime impact. We don’t try to fit in with “Wolf of Wall Street Wanna-be’s” or the “cool kids”.

"It is impossible to produce superior performance unless you do something different than the majority." - Sir John Templeton

However, research shows our relationships are the single largest predictor of quality of life and happiness in life. Many SOF alumni have told us they struggle with maintaining relationships while working long hours. Our advice is to optimize for quality over quantity—in two ways. First,

quality of relationships over quantity of relationships, which we just covered. Spend time with people who make you better and bring out the best in you.

Secondly, and less intuitively, is *quality of time spent over quantity of time spent*. 4 hours of small talk will be less fulfilling than 1-hour of talking about what really matters in life. So, consider skipping the late-night partying and small talk (which will also help your sleep and mental health) and opt for lunches or coffee meetings and guide conversations toward subjects that are more meaningful like family, goals, challenges, and relationships.

“You are the average of the five people you spend the most time with.” - Jim Rohn

As leaders, it is especially important to have a healthy and balanced mind. We must remain calm and rational. If we take the time to cultivate mental health and fortitude, our steadiness is contagious and helps bring others to a steady state where they can also be the most helpful—especially in difficult situations. Staying calm demonstrates our capacity for leadership to our management and peers. It demonstrates grit and resilience.

When we get upset, we render ourselves less effective. Our amygdala, the center of our fight, flight, freeze response, “hijacks our brain.” When we are afraid or angry, our body literally diverts blood away from our brain and directs it into our muscles (to fight or run). In short: when we are upset, we aren’t thinking clearly. We need to keep ourselves centered so we can remain rational and grounded in our values. The scientific consensus is that mindfulness meditation is one of the best ways to strengthen our prefrontal cortex—the executive center of our brain responsible for decision making—so we encourage meditation as a regular, if not daily, practice. It’s essentially taking our mental executive function to the gym every day.

"If you are patient in one moment of anger, you will avoid 100 days of sorrow." - Chinese Proverb

We can’t stress the importance of optimizing our health enough. Not only will failing to do so potentially cost us our career and impact because we won’t perform as well, but we’re also much more likely to slip on our values and make decisions we’ll regret. To be ethical leaders, we have to be in peak mental, emotional, physical, and spiritual condition at all times.

"The ultimate measure of a person is not where they stand in moments of comfort and convenience, but where they stand at times of challenge and controversy." - MLK Jr.

Servant Leadership

That wraps up our values and principles. We hope you found reading these inspiring and motivating. We believe if we all embody these values and principles, we will transform our financial system and accelerate human prosperity. It turns out there is a leadership framework that captures a lof these values and principles, and we believe it's important to conclude this document by sharing it. "Servant Leadership" is our favorite and most influential leadership model at Scholars of Finance. We're trying to instill a culture of servant leadership throughout finance.

This framework explains that as a leader, our job is to serve those we lead, not the other way around. Too many leaders seek "yes-men" and people who will serve them. However, this leads to self-centered behavior and sub-optimal outcomes. Robert Greenleaf, who coined the term Servant Leadership, made a clear and strong case for the effectiveness of its approach. If we serve the people we lead, they will thrive and serve those they lead, and they will do the same, and so on and so forth. Integrity, humility, compassion, excellence will "diffuse downhill". Eventually, it will diffuse all the way down to our front-line associates (customer service, deal teams, sales reps, etc.) serving the client or customer to help them meet their needs. *That's our company helping real people in the real world—making the world a better place.*

We all strive to be servant leaders here. We serve each other in SOF. Chapter leaders serve our members. Our donors serve our students and our team. Our alumni serve our students. Our CEO serves the entire community. We're building an ecosystem of servant leaders supporting each other to drive systemic change in the world, and it's an honor and privilege to do it with you.

Conclusion

There will be people who read this document and are skeptical or cynical. They will tell themselves (or others) that what we're aiming to do is a lofty, pie-in-the-sky, idealistic dream—well intentioned, but we won't actually achieve our stated aims. We've heard that from people since day one of building the SOF movement. Fast forward to $10M+ raised, thousands of leaders in our community, and SOF becoming a known brand in finance. We have incredible momentum and there are no signs of it slowing down. On the contrary, we're growing faster than ever.

History has been shaped by leaders who have had bold dreams for a brighter future. We're grateful and excited to be on the journey with you to create it. Creating a better finance system—and a better world as a result—is within reach. If each of us live out these values and principles, we can make our audacious dream a reality.

"It always seems impossible until it's done." - Nelson Mandela