



An Unfortunate Fable

April 05, 2024

One day, in a town not far from here, a young man faced a vexing dilemma. He was broken, and the normal ways of solving this problem were not compatible with his temperament.

He could have earned money by working on one of the local farms, but the work would be laborious, and this young man was extremely lazy.

He could work as a teller at the local bank, but that would require him to be at his station at 8:30 in the morning, and this young man liked to lie in his bed until the early afternoon.

He could work as a salesperson at one of the local stores or car dealerships, but the young man wasn't inclined to be pleasant toward strangers all day long.

This young man thought long and hard about his dilemma, and finally arrived at a creative solution. He took out a piece of paper and wrote down a bold prediction: that there would be a terrible storm on a certain day the following week. He put the paper in an envelope, attached a stamp and mailed himself the letter.

The following week, there was no storm. But where some might be discouraged, the young man persevered; indeed, the failed prediction spurred him to greater action. He began sending himself one letter a day, each of them predicting a terrible storm on a different day of the following week.

Eventually, as these things happen, the town was engulfed in a veritable tsunami of rain and thunder. Lightning damaged the power lines, there was flooding along the banks of the creeks and the wind knocked over trees, damaging houses and automobiles.

The following morning, the young man called a meeting to announce that he had foreseen exactly this storm, on exactly this day. A few curious citizens gathered in the town square to hear about his prediction, and in front of all, with a grand flourish, the enterprising young man opened the self-addressed envelope, with a postmark clearly showing that it had been mailed a week earlier. Everyone could clearly read the proof that he had made this miraculously accurate prediction.

The people who witnessed the opening of this magical envelope were so impressed that they told their friends and neighbors about the young man's remarkable ability to foresee future events, and before long, a few of the farmers in the area began giving the young man a monthly salary in return for his foresight on various matters of interest.

Encouraged, the young man redoubled his efforts and began sending himself dozens of additional predictions, discarding (of course) the majority that didn't come true. He predicted the outcome of the mayor's race by sending himself letters that predicted victory for each of the three candidates, and with great ceremony unveiled the accurate letter in the town square immediately following the election. He predicted the weather, rain or shine, with perfect accuracy. He predicted the harvest, the outcome of local and national sporting events and when there would be a burglary in particular neighborhoods.

Every time he opened a new letter and read aloud the prediction, he drew a larger crowd than the one before, and more people signed on to receive his insights into the future. His income grew accordingly.

It would be satisfying to report that the people who paid for his young man's predictions began noticing that they weren't getting their money's worth. But in-fact, for every citizen who dropped off his list, there were five new ones to take their place, and the enterprising, creative (and lazy) young man achieved the singular goal of retiring a wealthy and esteemed member of the community—without having worked a productive day in his life.

But of course, there's more to this story. This ingenious young man had proven that there is an unlimited demand for a cure to uncertainty, and an almost universal willingness to believe that there might, somehow, be a window into the unknown territory ahead of us. He became the model for a new class of professional parasites, men with impressive economic degrees and fancy Wall Street titles, who dressed in expensive suits and appeared on television and radio and social media, making somber 'expert' forecasts about next week or next year's stock market behavior, future interest rate movements and shifts in the economy, speaking to breathless audiences who craved a quick fix for their uncertainty about the future.

Few of their predictions came true, of course, but the false predictions were quickly forgotten because nobody ever bothered to check the track record of these economic soothsayers and vendors of foresight. And on those rare occasions when the men with impressive credentials did happen (entirely by accident) to arrive at an accurate prediction, they wonder about your prediction and the world, and point to the news clip where they made the prediction, and share a thousand times over their ability to pierce the darkness of future events.

And although that creative young man did quite well for himself in his little town, he never saw even a small fraction of the riches that the economists with impressive degrees and analysts with fancy Wall Street titles were able to gather from his example. And unlike the honest working people of the small town, and the honest workers who are everywhere saving and investing for retirement, these people—the young man and those who followed him—managed to leave a consistently negative impact on the people who believed their predictions, making people a little less anxious about all the things they didn't know about the unknowable days to come, and giving them consistently bad advice at the same time.

This nonsense has a name in the financial planning profession. We call it financial pornography.

If you have any questions about this article or want to discuss your family finances, investment portfolio, or financial planning advice, please call on me anytime at my number [\(215\) 325-1595](tel:2153251595) or you can [click here to schedule a meeting](#).

Please feel free to forward this article and offer to anyone you know who might have financial questions or need some unbiased advice. Most financial advice is sales advice. In stark contrast, we are fee-only (non-commissioned) fiduciary advisors. We just provide truthful, unbiased advice to our clients.



Jeffrey Broadhurst
MBA, CFA, CFP
Broadhurst Financial Advisors, Inc.



****PRIVACY NOTICE****

This message is intended only for the individual or entity to which it is addressed and may contain information that is privileged, confidential, or exempt from disclosure under applicable federal or state law. You are hereby notified that any dissemination, distribution, or copying of this communication, except in accordance with its intended purpose, is strictly prohibited.

Our physical and mail address:

1911 West Point Pike
P.O. Box 301
West Point, PA 19486-0301

Contact us:

Phone: (215) 325-1595
Email: jeff@broadhurstfinancial.com