

Hello Everyone,

Best T-Shirt of the Week: *I Wanted To Be A Monk, But I Didn't Get The Chants.*

That has nothing to do with today's missive, but I liked it!

Today we look at myths. I think I understand the allure of myths. We are all trying to make sense of the world around us---and myths can offer comfort backed by a hint of truth.

As an investor, however, myths are to be avoided. Harder realities are preferred over comforting myths.

Thus, today, we will link the Greek god of wealth, Plutos, to some of today's investment myths.

I hope you find it educational and a bit thought provoking.

Signed, Your-Got-Some-Of-Green Chile-This Weekend-And-Was-So-Happy Financial Advisor,

Greg

## **KKOB 09.09.2019 The Greek god of Wealth**

**Bob:** So, Greg, judging by what you sent me, this morning we are going to talk about myths. And we're going way back----to the time of the Greeks---to talk about the "god of money". I didn't even know there was a god of money.

**Greg:** Oh, yeah, the Greeks had a god for about everything. And the god of money was a fellow by the name of Plutos. He was the child of Hades and Persephone.

**Bob:** Wait. The god of wealth was the son of Hades? Wasn't Hades the god of the underworld? I mean what does that say about money?

**Greg:** I know. And it gets more interesting. Persephone, his wife, was associated with crops...planting, growing, dying. You know, cycles. Anyway, as the story goes, Hades kidnapped Persephone, married her, and together they become the king and the queen of the underworld.

Then along came their first son, Plutos. Plutos, however, was born blind. Though some stories say Zeus took his sight to punish Hades for stealing Persephone.

Anyway, according to the ancient Greeks, because of Plutos' handicap, Plutos tended to scatter wealth in indiscriminate ways. Thus, wealth did not necessarily end up in the hands of those most deserving...or the most virtuous.

Oh, and Plutos was said to arrive slowly---but leave quickly.

**Bob:** Sounds like wealth today. But I know you, you want to connect this this story to what is going on today. Right?

**Greg:** Right. Just as the Greeks embraced myths about money, we modern folk tend to do the same.

For example, one of the prevailing myths today is the stock market and the economy are linked. History is clear...they are not. You can go for 10-20 years and have solid economic growth and the stock market won't budge.

Conversely, there are times when the stock market soars while the economy limps along. This is what we have seen over the last 10 years. Since 2009, the economy has grown at about 2.5% per year. Meanwhile, the Dow has almost tripled.

**Bob:** But we're conditioned to believe the two go together. Every day we hear stuff like "GDP grew so stocks went up."

**Greg:** Right. Wall Street and the business media are very good at reinforcing myths.

Anyway, here are two more myths.

Number 1--- You can solve a debt problem with more debt.

Let's go back to Lehman 2008.

Even as the housing bubble burst, we knew the collapse was caused by too much debt and leverage. So, our solution was..... to double down. We added trillions more in debt and leverage.

We did this by transferring the debt from the banks to the American people-----and then we launched all the QE programs. All of that was debt driven.

But we didn't stop there. We also embraced myth number 2...the notion you could consume your way to wealth.

Bob, on its face, that's ridiculous. But still we constantly hear things like, *"70% of the economy is based on consumption, therefore if we encourage people to spend more, the economy will grow."*

Of course, over-consuming just leads to more debt, which is why student loans and credit cards are maxed out. But once you embrace this myth, it's hard to stop.

Of course, eventually peoples' credit limits max out. But ---not to worry.

That's when the government steps in and says, *"We'll take it from here. We'll spend for you to spur economic growth."* This is the foundation of the Progressives' economic policy today. And, yes, they really believe they can spend us to prosperity.

But you and your listeners know we must produce things to create wealth. We must invent & innovate. And, Bob, Americans are good at this. Plus, we are exceptionally good at changing paradigms from, *"Let's see who can produce things cheapest?"* to *"Who can produce things best?"*

**Bob:** But to do that we must first reject the myths. So, I guess we haven't changed much since the Greeks. People don't change much, do they?

**Greg:** We don't. And once you recognize that, you'll become a better investor.

**Bob:** Nice report. How do people reach you?

**Greg:** My number is (505) 508-5550. Or, go to my website at [zanettifinancial.com](http://zanettifinancial.com)

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