

COMMENTARY: Approach investing with age-old wisdom of Aesop's fables

By [Joe Matthews](#) on February 23, 2016

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The Ansonia Nature Center is offering a course now through March 26 for participants to create their own hand-illustrated book of Aesop's fables.

For centuries, children and adults alike have enjoyed the great truths in the tales written by Aesop, a slave and storyteller thought to have lived in ancient Greece between 620 and 560 BCE. Aesop used humble incidents to teach great truths. Of course, financial advisors can just as easily extrapolate investment wisdom from those same fables.

The Fox and the Grapes: Fox came upon a bunch of grapes hanging on a high vine. "Just the thing to quench my thirst," said he. Fox ran and jumped and just missed the bunch. Again and again he tried after the tempting morsel, but at last gave up, saying: "I am sure they are sour."

Moral: It is easy to minimize what you cannot get. In the same vein, it is easy to look at today's stock market and say "I missed out on some great opportunities over the past few months."

Rather than sour grapes, you can recognize that there are new opportunities that can be just as rewarding. It's not too late to get into the stock market. If you have been sitting on the sidelines until now, being ultra-conservative, now might be the time to jump in.

The Tortoise and the Hare: Hare boasted of his speed to the other animals. "I've never yet been beaten," said he. "I challenge anyone here to race me." Tortoise quietly accepted his challenge.

"That's a good joke," said Hare. "I could dance round you all the way." "Keep your boasting till you're beaten," answered Tortoise. A course was fixed. Hare darted out of sight but soon stopped and, to brag, lay down for a nap. Tortoise plodded on and plodded on, and when Hare awoke, he saw Tortoise near the winning-post and could not run up in time to save the race.

Moral: Slow and steady wins the race. Most investors will have better success looking for long-term results. While day-trading often gets lots of media attention, such an approach is extremely risky. Better to create a long-term financial plan and periodically modify your portfolio so that it continues to meet your objectives.

Belling the Cat: Long ago, the mice had a meeting to consider what measures they could take to outwit Cat. Some advocated this, some that. At last Young Mouse proposed: "Our chief danger consists in the sly and treacherous manner in which the enemy approaches. If we received warning of her approach, we easily could escape. I propose that a small bell be attached by a ribbon round the neck of Cat. Then we would always know when she is near." This met with general applause, until Old Mouse said: "That is all very well in theory, but who is willing to bell Cat?" Nobody volunteered.

Moral: It is easy to suggest impossible remedies. There are countless high-risk, often far-fetched investment schemes that someone wants you to believe in and buy. True, a certain amount of your funds exposed to growth – if tempered with good judgment and solid information – can be hugely rewarding over time. Despite what some may claim, though, there really is no way to predict the stock market. No bell will ring when it's time for action. All the better to have a carefully thought-out investment plan that you adjust as needed.

The Lion and the Mouse: Mouse mistakenly wakened Lion, who placed his huge paw upon him, and opened his big jaws to swallow him. "Forgive me this time and I shall never forget it," cried Mouse. "Maybe I will do you a turn one day?" Tickled at the idea of Mouse being able to help him, Lion lifted his paw and let him go. Sometime later, Lion got caught in a rope trap. Just then happened by Mouse and, seeing the sad plight of Lion, soon gnawed away the bindings.

Moral: Little friends may prove great friends. Your financial advisor, accountant, and attorney can be your best friends. They may even pull you out of a financial snare at some point in your life.

The wonderful thing about fables is that they are just as relevant in adulthood as in childhood. Perhaps they reveal different lessons to different people, but the morals they suggest can guide us to live more productive – and financially sound – lives.

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