THE FED SAGA

WHO BUYS THE FUTURE?

Human Behavior as Story



FERDINANDO FREGA

WHO BUYS THE FUTURE?

THE FED SAGA — 02

Nobody buys the future.

That is the official answer.

The respectable one.

The one you would find in an economics textbook written by someone who has never sold anything door to door.

The truth is slightly different.

Everyone buys the future.

Every day.

A young man who enrolls in college buys the future.

A woman who sets aside a hundred euros buys the future.

A man who opens a business buys the future.

A couple who decide to have a child buy the future.

Even those who do nothing buy the future.

They simply purchase whatever comes their way.

The difference is not between those who buy the future and those who don't.

The difference is between those who know they are doing it and those who don't.

For many years I thought money was the protagonist of the story.

Then I looked more closely.

Money comes in.

Money goes out.

Money changes owner.

Money changes name.

Sometimes it even changes nationality.

But underneath the money I always found the same thing.

Waiting.

A mortgage is waiting.

An investment is waiting.

A pension is waiting.

A degree is waiting.

A medical treatment is waiting.

Even love is waiting.

You wait for an answer.

You wait for a person.

You wait for something to become real.

The extraordinary thing is that no one has ever seen the future.

No one.

And yet billions of people make decisions based on something they have never seen.

From a rational point of view it is almost insane.

From a human point of view it is perfectly normal.

Because human beings live much more in tomorrow than in today.

Today is narrow.

Tomorrow is infinite.

Today holds limits.

Tomorrow holds possibilities.

And possibilities are a very powerful drug.

Wall Street sells possibilities.

Banks sell possibilities.

Insurance companies sell possibilities.

Governments sell possibilities.

Experts sell possibilities.

Consultants sell possibilities.

Even fortune tellers, when you get down to it, sell possibilities.

The outfits change.

The product does not.

A piece of the future.

The more I watch the world, the more I realize that the true global market is not the oil market.

It is not the gold market.

It is not the stock market.

It is the market of expectations.

Everyone is trying to buy a better version of tomorrow.

The trouble is that tomorrow never signs the contract.

It does as it pleases.

I remember one of the most important lessons of my life as a manager.

It did not come from a CEO.

It did not come from a business school.

It did not come from a bank.

It came from reality.

Reality has an irritating habit.

She does not read our forecasts.

You draw up a five-year plan.

She smiles.

You draw up a ten-year strategy.

She smiles again.

You draw up a budget.

She changes the rules.

You draw up a forecast.

She changes the ending.

That is why I distrust anyone who talks about the future with too much certainty.

The future is a land nobody has visited.

And yet there are people selling extremely detailed maps.

The Federal Reserve does something extraordinary.

It tries to find its bearings in this fog.

It does not control the future.

Nobody can.

But it keeps trying to understand how much it costs to wait for it.

And this is where the story gets interesting.

Because the price of money is nothing but the price of time.

If time becomes more expensive, money becomes more expensive.

If time becomes cheaper, money becomes cheaper.

All of a sudden interest rates stop looking like formulas.

They begin to look like clocks.

And every human being owns at least one clock.

Even when he doesn't wear one on his wrist.

Maybe that is why the world is so curious about the Federal Reserve.

Not because it is the custodian of money.

But because it tries to measure something we all feel and no one controls.

Time.

In the end, though, the question is not economic.

It is personal.

Very personal.

When you ask for a loan, which future are you buying?

When you begin a relationship, which future are you buying?

When you change jobs, which future are you buying?

When you decide to stay, which future are you buying?

When you decide to leave, which future are you buying?

Most people think decisions are about the present.

It is an illusion.

Decisions are almost always about the future.

The present is where we sign.

The future is where we pay.

Or collect.

And maybe this whole story comes down to a very simple question.

A question that holds for a central bank.

It holds for Wall Street.

It holds for a family.

It holds for a man looking at himself in the mirror.

Which future are you buying today?

Ferdinando
THE FED SAGA — 02
Human Behavior as Story

We don't sell books. We build relationships.