

Why Do You Trade

The other night at a family get together one of my cousin's friends came up and asked me the lamest of icebreakers: *"what do you do?"*.

I'm not a fan of that conversation starter and it's partly because I never know how to answer it. Am I a trader, researcher, writer, business owner, money manager etc? All answers sound pretentious and nobody really cares anyways.

Well it didn't matter because I could tell by the look on her face that she already knew what I did, or at least thought so, something to do with "finance and Wall St". I could tell she wanted to lecture me on the failings of capitalism and how my profession is a drain on society.

So I didn't waste time and figured I'd let her get on with it; I told her I'm a trader. She then started her prepared bit where she asked me rhetorical questions about what *exactly* traders contribute to society. And if I feel that many "market people" just exploit the ignorance of others. And isn't the market just a mechanism to transfer wealth from the many to the few and blah blah blah...

I nodded, smiled politely, and let her finish, and then enthusiastically agreed with her on every point before I extricated myself from the conversation and walked off for a drink.

I didn't care to debate the subject because I knew that somebody like her couldn't understand.

The thing is, I've heard her argument many times before. And what irks me is the ignorance behind the base assumption that a trader's primary drive must be money or greed.

I'm sure that is true for some market players, just as it's true that some doctors practice medicine because of the large paycheck and high status; not because they love caring for people.

But for me that couldn't be further from the truth.

I'm a minimalist and practitioner of Stoicism. I view money simply as a tool (like a hammer), not an endpoint. And I know that people who view money as an ends generally never arrive at their intended destination. They often end up walking in circles.

I was lucky enough to learn this valuable lesson early on. Years ago, I worked in executive protection (bodyguarding), to pay my way through college. It was an interesting job.

I worked for actors, musicians, producers, and billionaire business tycoons. And some I got to know on a very personal level. That's a picture the paparazzi took of a younger me with one of my clients to the right.



One of the more surprising realizations I got from doing this work, was that these people who “had everything” were on the whole, terribly miserable.

Of course there were a few exceptions. But for the most part it seemed the more money they had, the more dissatisfied they were. And this inverse relationship was even more true for fame. The more famous they were, the more lonely.

And I think that's because as a society we've mistaken the act of accumulating money for that of having virtue. We've sold ourselves on the false belief that success can be calculated in dollar terms regardless of the means in which those dollars are made.

This is an easy thing to believe when you don't have much. It's appealing to think you just need X amount more and *then* you'll be content.

The real misery sets in when you finally get that X amount only to find yourself right where you started. Only this time, you don't have the comforting belief that things would be great if you could only get a bit more.

And that is, I believe, what happened to many of my clients.

They thought that accumulating a lot of money would bring them happiness. But really they were just accumulating a lot of hammers. And without a purpose, carrying around a bunch of hammers is just tiring.

So if not for money then why trade? Why devote and sacrifice so much time and energy to a lonely endeavor that boils down to executing entry and exit orders on a computer?

I remember watching a Charlie Rose interview with Stanley Druckenmiller a while back. Charlie asked him why, when he has so much money, does he still spend 60 hours a week trading. Druck replied, “I **have** to, I love the game... I just love winning”.

James R. Keene — one of the trading greats from the turn of the 20th century — was asked the same question and his response was, “Why does a horse chase his thousandth rabbit? All life is speculation. The spirit of speculation is born with men.”

To be a Keene, a Druck, or a Soros, the process of trading *is* the goal. You don’t get to that level if you’re driven by money, status, or fame... that level simply demands too much sacrifice, too much passion to be propelled by anything other than a unadulterated love for the game itself.

For me, there is no end or destination in trading. It’s just something I do because I can’t imagine doing anything else. My goal is mastery but I know that’s not a singular point. It’s a lifelong path.

I play the game simply because it’s an extremely fun game to play and I work extremely hard at it because I like to win. That is reason enough for me. After all, life itself is a game, and like Vonnegut said, we’re all just here on Earth to “fart around” anyways. So we might as well play a game we enjoy.