

THOUGHTS FOR THE WEEK

PLANTING TREES YOU MAY NOT SEE

June 27, 2025

There's a Greek proverb that sometimes swims in my head: "A society grows great when old men plant trees whose shade they will never sit in." It's about doing things now that won't pay off until you're long gone, or at least too old to care. In investing, it's the ultimate long game – wise, yet painful to get there.

Investing is about delayed gratification. You put your capital into an asset – stocks, bonds, real estate – and wait. Sometimes you wait a little, like for a quarterly earnings report. Sometimes it's a long wait, like starting the permitting process for a nuclear plant that will take a decade to complete. The Greek proverb is about the extreme end of the spectrum: the kind of investing where you're not even sure you'll live to see the payoff. But you do it anyway.

Infrastructure comes to mind. Think boring, like bridges, tunnels, dams, or even forests. The real returns might not kick in for years. The startup costs can be huge. But the payoffs can endure. Pensions and sovereign wealth funds love this stuff – they have the time horizon, the capital now, and the ability to shoulder the risk of failure. A bridge built today can provide decades of economic returns; that nuclear power plant can eliminate years of emissions. It's tree planting.

Or take venture investing. Real unicorns take time. Amazon went public in 1997 and didn't turn a profit for four years. Early investors sweated through the dot-com crash, wondering if they'd ever see a return. But if you held on, you'd be sitting under a forest of gains. Investing in a venture fund is a 10+ year commitment. That's starting when your kid is in second grade and wrapping right around the time she's off to college. It's tree planting.

But the long-term is hard. We're not wired for it. We like instant gratification – casinos are built around this; social media has perfected it. Behavioral finance even invented a term for this – hyperbolic discounting. People prefer smaller, immediate rewards over larger, delayed rewards. That gauntlet of small, cheap goodies you must wade through to get to the checkout at Trader Joe's? Their store planners understand hyperbolic discounting. It's instinctual. Planting that tree, instead, is hard. Especially when you may never enjoy the shade.

Look at the stock market. It's a machine for pricing the future, but a noisy one. Headlines are dominated by quarterly earnings, this or that deal – the short-term. But the real wealth, the tall trees, are built over time, by planting capital and letting it grow for decades. Some companies are still reaping rewards from investments made several decades ago. The S&P 500 has compounded ~7% annually *after inflation* since 1928, through wars, depressions, and pandemics (Source: Bloomberg). Trees grow, even in storms.

There's a moral angle here, too. Andrew Carnegie funded construction of 2,500+ libraries worldwide, 1,689 of those in the United States. He believed access to books and learning was crucial for societal progress. Betting on society – planting trees for the future's shade – is a bet against stagnation. Stop planting trees and you eventually stop progressing.

There's nothing wrong with the short-term, investing or otherwise. Markets need liquidity and people willing to bet on those quarterly earnings. But greatness – whether in investing or society – comes from those that think beyond their own horizon. You buy or build now, and let time do the work. Decades later, someone – maybe your kids – are sitting in that shade.

So, think like an old person. Plant a tree you whose shade you may never enjoy. When investing, buy assets that will outlast you. Compounding is boring, but it works. Sometimes, the shade isn't for you, it's for the next person. And that's okay.

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Awards:

2024-2025 Barron's Top 250 Private Wealth Management Teams

Source: Barron's.com (Awarded 2024-2025). Data compiled by Barron's based on 12-month period concluding in Dec of the year prior to the issuance of the award.

2024-2025 Forbes Best-In-State Wealth Management Teams

Source: Forbes.com (Awarded 2024-2025). Data compiled by SHOOK Research LLC based on 12-month time period concluding in March of year prior to the issuance of the award.

Mike Burbank | 2017-2025 Barron's Top 1,200 Financial Advisors: State-by-State

Source: Barron's.com (Awarded 2017-2025). Data compiled by Barron's based on 12-month period concluding in Sept of the year prior to the issuance of the award.

Mike Burbank | 2020 & 2022-2025 Forbes Best-In-State Wealth Advisors

Source: Forbes.com (Awarded 2020 & 2022-2025). Data compiled by SHOOK Research LLC based 12-month time period concluding in June of year prior to the issuance of the award.

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