MARKETS NEVER FORGET

How Your Memory Is Costing You Money—
and Why This Time isn't Different

KEN FISHER

New York Times bestselling author

with Lara Hoffmans

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To Bob Hope—Thanks for the memory.

Preface

Hope Springs Eternal

Bob Hope (1903–2003) was huge when I was young. Funny, funny, funny! Whether in the *Road to* . . . movies with Bing Crosby (Hope was in 52 major flicks), with the US armed forces overseas wherever conflict occurred at his own personal danger, on TV, doing stand-up, etc., Hope was everywhere. And every performance since 1938 included his anthem, *Thanks for the Memory* (words by Leo Robin, music by Ralph Rainger and first recorded by Hope and Shirley Ross). Hope was huge and beyond great. And hope springs eternal. Then and now! But sadly, our memories aren't so functional. Fact is, our memories are beyond terrible when it comes to economic and market realities.

People forget. So much! So often! So fast! Stuff that happened not long ago—and more often than not. And it causes investing errors—pretty commonly humongous ones. Maybe Hope should have been singing, *Pranks for My Memory*. Because for a fact, our memories play pranks on us in markets, and always have and we never learn.

We forget facts, events, causes, outcomes, even *feelings*. And because we forget, we tend to be hyper-focused on the here-and-now and immediate past—behavioralists call it *myopia*. We tend to think what we see is new and different—and significant—when pretty often, we've seen the exact same thing before or something very close to it and history is littered with similar examples.

This species-wide tendency to myopia isn't accidental—it's evolutionary. Humans evolved over millennia to forget pain fast. If we didn't, we wouldn't do crazy things like hunt giant beasts with sticks and stones or plow our fields again after drought, hail, fire, what-have-you destroyed our crops. And for sure no female would ever have more than one kid. But we do forget, and fast.

Forgetting pain is a survival instinct, but unfortunately, that means we also forget the lessons. Then, too, though people individually forget, markets don't. History does not, in fact, repeat—not exactly. Every bear market has a distinct set of drivers, as does every bull market. But human behavior doesn't change—not enough and not very fast to matter. Investors may not remember how panicked or euphoric they were over past events. They may not remember they had the exact same repeating fears over debt, deficits, stupid politicians, high oil, low oil, consumers spending too much, consumers not spending enough, etc., etc., etc. But markets remember very well that details may change but behavior generally doesn't.

For decades, I've heard otherwise intelligent business folks express (as fact) opinions about current phenomena being extreme, when history shows they're not extreme or even unusual. Examples are plentiful and throughout this book. But if you point out to someone that his opinion-stated-as-fact is actually false, you will run into a brick wall because he simply won't believe it. They *know*. They read it in the media or online. Their friends agree. It's a fact to them. It may also be a false fact and one easily known if we didn't simply forget so easily. But because we forget as individuals, we do so as a society, too.

This is why investors, as a group, make the same mistakes repeatedly. Don't think investors are error-prone? CXO Advisory Group measures so-called gurus—folks who make public market forecasts in a variety of forums. Some also manage money professionally (as I do—they include me in their guru rankings); some don't and instead do newsletters, write columns, etc. But everyone on the list is a professional in some way at making public market proclamations.

And the average accuracy of this group, as measured by CXO? As I write, it's 47%.[1] (See Chapter 1 for how they rate me.) I can't ever recall seeing that average over 50%. And these are pros! This group of well-known, professional market prognosticators is, on average, right *less than half the time!* If that's the case, you know non-professional do-it-yourselfers can't have a much better record. (In fact, the average non-pro investor likely does much, much worse. See Chapter 2.)

We Can't Remember That We Forget

Why do investors fail to be right even half of the time? A huge single reason: We forget! And hence, we don't really learn from past mistakes. Investors get overwhelmed by greed or fear but also forget that being greedy or fearful didn't work out for them in the past. But they *also* forget they were wrongly greedy or fearful because feelings *now* seem so much stronger (even though they're probably not).

They get head-faked by what later turns out to be normal volatility—because they forget they've lived through volatility many times before. They overreact—either too bearish or too bullish—based on some widely dispersed media report that later turns out to be highly overstated or just plain wrong and often backward. Why? They forget the media is often and repeatedly wrong for the exact same reason—it's made up of humans.

They get terrified, for example, by huge market volatility in 2008 that's fairly consistent with the bottoming period of any bear market, though they lived through something similar in 2003 and more so in 1974. And they missed the huge boom off the bottom in 2009—never could imagine stocks could move up so fast—though we saw something similar (to a lesser degree) in 2003. (And 1975–1976—and again and again and again in past bear markets and new bull markets—but 2002 and 2003 were just a few years ago and investors should at least remember that!)

Yes, 2008 was volatile relative to recent history, but not compared with a bit longer history—but investors forget to check history, too. Learning from history is scant in our world. First, history is usually boring to most. And second, most folks can't quite believe in their myopic minds that what happened a few too many decades ago has any bearing on today. In reality, markets don't change much in the basics of how they function because the people whose interactions make them work don't change much over time. One of the most basic lessons of behavioral psychology is that humans are slow to change and learn.

More examples: Investors believe *their* favorite politician from *their* political party is just better for stocks, even though very recent history should teach that no one party is better or worse overall for stocks (Chapter 7). They think their favorite asset class is just better over time, forgetting the not-so-distant past when they were proven wrong (Chapter 6). And they forget that they forgot the last time because it is too painful to do otherwise! And the time before that! Repeatedly making the same errors based on the same misunderstandings and misperceptions.

Fortunately, you needn't be right 100% of the time to do well at investing. Such a thing is impossible. And if you're banking your financial future on being 100% right, you'll be sorely disappointed—for a fact—because no one is ever right all the time. Rather, you want to aim to be right more than wrong. The all-time best investors were wrong an awful lot. In investing, if you're right 60% of the time, you're a legend—and 70% of the time you're a god. Just being right slightly more than 50% of the time means you likely do better than most investors—including the overwhelming bulk of investment professionals.

In my view, a good way to improve your results is aiming to reduce your error rate. If you see the world more clearly and don't fall prey to the same misperceptions that plague most other investors, you can start making fewer mistakes. This is, in essence, what most of my books, *Forbes* columns and other writings are about and have always been about—looking at the world and trying to see it differently but more correctly (in my view) and then determining how to act or not act—all largely centered on error-rate reduction. And you'll still make lots of errors, but that's ok.

And one great tool for seeing the world more clearly and reducing your error rate is simply improving your memory by a steady and regular application of even just a bit of market history. This book shows you how.

History as a (Powerful) Lab

If you go to work tomorrow wearing a green shirt and say, "I'm going to win a million dollars today because everyone knows when you wear a green shirt on Tuesdays, you win a million dollars," your colleagues will grab a giant butterfly net. You're predicting an outcome that 1) has no historical precedent and 2) lacks any rooting in reality. You see that clearly.

Yet every time I talk about history's role as a powerful tool in capital markets forecasting, inevitably some say, "Past performance is no indication of the future!" Well, that's not why you should look at history. Use history as a laboratory—to understand the range of reasonable expectations. For example, when event X happens, the outcomes are usually B, C or D, but can be anywhere from A to F. So I know that anything could happen, but odds are greater something like A through F happens, with odds still higher on B, C and D.

And the odds of something outside that range happening is very, very low, so it would take exceptional extra knowledge to bet on something like that happening.

Then, too, you should consider other factors that might affect the outcome—the world of economic, political and sentiment drivers. Maybe Event Y is happening simultaneously, which likely reduces the odds of D happening and increases B. Heck, maybe Event Z is likely to happen soon, which usually near-guarantees a Q, so even though it's an outlier, I know to throw that into my bucket of probabilities. That's how I would have you think—in terms of the probabilities. At its basics, investing is a probabilities game; it's not a certainties game.

But what's interesting is the same people who huff that history isn't a useful guide will still say, with absolute certainty, things like: "This high debt will ruin the economy and drag down stocks." Or, "The economy can't recover with high unemployment." Really? And what's the basis for that?

Presumably, if you say with certainty some condition leads to some other condition, that's because you've *observed that in the past* or can otherwise measure it historically. Either that, or sound economic fundamentals says it must be so. Fair enough? And if a lot of people say Event X must cause Outcome Y, there's no harm in checking to see if that's what happened historically most of the time. Because if it hasn't happened before, it's unlikely to happen now whether most folks think it will or not.

Yet most people in the media, blogosphere or social circuit go nuts when I say there's absolutely no historical precedent—zero—for this particular thing causing that particular outcome once it has become socially accepted that it will. I'll not cite facts and history here—because we will later in the book. But more often than not, things people think of as new, bigger-than-ever, worse-than-ever and certainly causal of predictable outcome are things we've seen many, many times before and can document don't cause the outcomes that are widely and socially expected.

Critics love to criticize the use of market history to debunk widely held views. Yet when people claim things like the economy can't expand because unemployment is too high, *they too are trying to make a historical claim*. Just so happens theirs doesn't hold up since we have a long history of levels of unemployment here and around the world to measure the claim against. In effect, saying high unemployment causes economies to slow or stocks to tank is identical to the magic green shirt claim. It provably isn't so. It's not observable in a lab (i.e., history), and it makes no economic sense for a firm to start aggressively hiring if its sales haven't recovered.

Sometimes, weird stuff happens. You wear your magic green shirt and you *do* win the lottery! Hooray! But no one in their right mind would bet on you winning the lottery again, even if you wore your green shirt and bought 1,000 lottery tickets. Winning the lottery is a *possible* outcome—the odds are just near-immeasurably low. And there's not good evidence the green shirt was a material driver in the previous win. And that you may feel good in green (my favorite color) doesn't change the odds one iota.

That's why history is powerful. Investing, as said earlier, is a probabilities game, not a certainties game. No one can ever say with any certainty what will happen. (Anyone claiming otherwise is probably trying to sell you something very bad for you—or just rob you blind.) Just so, while investing is a *probabilities* game, it's not a *possibilities* game. It's possible you wear a green shirt and win a million dollars! It's possible an asteroid hits Earth and obliterates life as we know it. It's possible you buy a penny stock that turns out to be the next Microsoft. There are endless, almost infinite possibilities. But you can't bet on things just because they are possible. You can’t build an investment portfolio around endless possibilities—whether good or bad. (You probably wouldn’t get out of bed in the morning if you dwelt on every possibility.) You must instead consider the range of likely outcomes and then form forward-looking expectations based on probabilities. You will be wrong—a lot. Expect it. But if you can craft reasonable probabilities, you likely start getting better results over time (while still being wrong an awful lot).

If you suffer memory loss, that gets very tough to do. But if you remember that you have a lousy memory and can train yourself to use history to understand probabilities, you can better understand what’s likelier (or not at all likely) going forward. And you can begin reducing your error rate.

A Walk Down Memory Lane

Throughout the book, I use quotes from old news stories. They’re meant to be illustrative, not comprehensive. For example, if I want to show that people frequently fear a double-dip recession early in a new recession—and this isn’t a new phenomenon indicative of uniquely new trouble—I show a selection of historic quotes from older news stories. They’re meant to show the sentiment existed. Could I have found quotes saying, “No way! Double dippers are crazy! There’ll be no double dip,” to counter every instance? Sure! But I don’t think that’s useful to you.

Typically, people tend to seek things reconfirming what they already believe and ignore or discount things not supporting their worldview. This is a known cognitive error people who study all forms of behavioralism (including behavioral finance) call *confirmation bias*. We find evidence to confirm our biases and make ourselves blind to evidence contradicting them. Behavioralists have documented why this is basic to the human condition of successful evolution.

It makes us more confident and willing to try harder repeatedly in the face of the brutishly difficult conditions we've faced in normal human evolution. But it hurts in markets.

Further, more investors are prone to be naturally skeptical—bearish—than are prone to be naturally optimistic. Not always and everywhere, and even the most dug-in bears can have times when they're euphorically bullish (though it's usually a bad sign when dug-in bears become bullish). But overwhelmingly, since stocks rise much more than fall (over two-thirds of history), folks counterintuitively tend to be bearish more than bullish. That concept—that people overwhelmingly tend to be fearful when they shouldn't—is at the very core of why so many fail to get the long-term results they want. It's behind the quote Warren Buffett is famous for (though it's not his—he just made it broadly popular): You should be greedy when others are fearful and fearful when others are greedy.

I'm not advocating contrarianism. That doesn't work, either. Just because people mostly think one thing doesn't necessarily mean the opposite will occur, which is the pure definition of contrarianism. Instead, I advocate not blindly following the herd.

The fact is, most people, if already bullish or bearish, usually seek out and believe news stories and pundits supporting their existing view. So yes, you can find plenty of news stories that rationally say at any given time, for example:

- A recession isn't likely.
- This is likely just a correction.
- Global growth is fine.
- Corporate profits are healthy; don't panic.
- And so on.

But if you fail to remember history and are misguidedly bearish more often than not, you likely discount the nonalarmist stories and seek out those who bolster the views you want to have anyway. Ditto if you're misguidedly bullish. Which is why I decided to highlight just a smattering of quotes instead of turning this into an 800-page academic tome. (Plus, it's just fun to see how in history, people have the same exact fears we have now and will have 1, 3, 7, 23 and 189 years into the future.)

So feel free to quibble with the quotes I pulled. I don't expect to change most readers' views because I know most readers are hard-wired to find evidence that confirms their prior biases and make themselves blind to evidence that contradicts them.

But you should feel free to have fun with your own hunt for past stories, headlines, quotes—Google's timeline feature is simultaneously useful and insanely fun. The *New York Times* also has a huge archive of past issues you can access online. And any decent-sized library will have tons of back publications on microfiche—a bit less high-tech than Google but will surely bring back memories of study carrels in the college library (if that's your thing). My point is, none of the sentiments or behaviors I write about here are anything new. And you can use that to your advantage if you can start using history as a tool to counteract what can sometimes be a faulty memory.

Also, this is my eighth book—which I can hardly believe. Though my outlook from year to year changes based on my expectations for the next 12 months or so, my overriding worldview changes much less. I'm a firm believer in capitalism and the power of the capital markets pricing mechanism. As such, I believe supply and demand are the two primary determinants for stock prices—though there are myriad factors impacting both supply and demand.

Therefore, if you've read my past books, you may notice some charts are repeated in some books (though updated with the most recent data). And that's intentional—if there's a powerful way to illustrate some concept, I don't mind re-using that. However, I may describe the chart in a new way or use it in an entirely new context. In fact, in this book I use quite a few charts from my 1987 book *The Wall Street Waltz*—many of them were too good to not use again. After all, in a book about the usefulness of history, I think it's only fair I use a bit of my own history. So I hope you'll forgive me if you've seen some images before—some market truths endure not just the decades of my 40-year professional career but much, much longer.

So let's get to it!

And thanks for the memory.

1. CXO Advisory Group, "Guru Grades as of 06/30/2011." www.cxoadvisory.com/gurus/.

Acknowledgments

I'm a history buff. I'm a maniac over nineteenth-century steam-era redwood lumbering history—which links to my love of tall trees, particularly redwoods. But I'm also a fan of market and economic history. The redwoods are a hobby, whereas the latter is a hobby that is also a profession I love dearly. So the idea of writing a book (another hobby) about using history seemed like an idea whose time had come. I've written two before (*The Wall Street Waltz* in 1987 and *100 Minds That Made the Market* in 1993), but not for a long, long time and not one like this.

Not only that, but as I write this in 2011, we've just been through a period many called *historic* and *unprecedented*—the 2008 credit crisis, recession and the big 2007–2009 bear market. In many ways, it was historic—a big bear market and an above-average recession. But in many other ways, it was just another bear market. The differences tend to be over-accentuated in our social psyche and the similarities downplayed. The causes were different—they almost always are. But investor behavior into and out of the bear market was pretty standard. In 2010 and even 2011—after the recession was long over—investors were still saying, "This time it's different," and fearing all the same events that had triggered the recession three years prior—though the market had a historically huge surge from its low and global GDP was at all-time highs. But investors almost always disbelieve the recovery and routinely believe the world is irrevocably and fundamentally changed—though it almost never is.

So I decided now was as good a time as ever for a primer on how to use history—not as a silver bullet for forecasting the future (such a thing doesn't exist) but as one additional

tool investors can add in the non-stop query session that is capital markets forecasting.

A book is never the work of one person. And a book written by the CEO of an investment firm with tens of billions in assets under management by definition requires a strong supporting cast. Books are a leisure time activity for me, and as the years pass, I find I have ever more demands on my non-working hours. So I must thank Lara Hoffmans—who not only writes endlessly for me and my firm, but manages a group of writers and is managing editor of my firm's daily webzine, *MarketMinder*. For this, my eighth book and our fifth book together, she once again did the grunt work in drafting outlines from my specifications and guidelines for my approval, then providing very polished drafts. She does the hard work, and I have all the fun of conceiving it and then stylizing it—an ideal situation. Not as good as grandchildren—nothing better than that—but pretty darned fun, nonetheless.

Lara has a day job, too—and it seems each year I yank her from it. So I must thank her team for backstopping her while she works on my book. That includes Dave Eckerly, Group Vice President of Corporate Communications, who helped Lara's team load balance, and also Todd Bliman and Amanda Williams—also firm writers who shouldered some of Lara's non-book writing responsibilities with aplomb (and very fine writers in their own rights). Thanks also to Naj Srinivas, Elisabeth Dellinger, Ashley Muth and Evelyn Chea—also members of Lara's team who took on many more of her offloaded tasks. Jake Gamble assisted Lara in running down many of the quotes in the book. My sincere thanks also go to Aaron, Lara's husband, who must deal with her being preoccupied at night and on weekends during what's become annual book season.

Leading the team that provided all the graphs, tables and every datapoint you see in the book was Matt Schrader, Team Leader of our Research Analysis and Production team. Handling most of many day-to-day requests was Danielle Lynch. It's no easy feat providing data for one of my books—we (mostly Lara) double check, triple check, question, challenge and demand duplicate and triplicate confirmation. Theory is fine but doesn't hold water if you can't somehow prove it—and for that we want our data to be sound. Danielle gamely handled it all and never broke a sweat in what is inherently a very sweaty process.

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I’ve saved the most important for last. Sherrilyn, my wife of 41 years. Time on the book is time away from her and my family. I’m eternally grateful for her patience and eternally grateful for her.

Ken Fisher

Woodside, CA

CHAPTER 1

The Plain-Old Normal

Yes Sir, Sir John

"The four most expensive words in the English language are, 'This time it's different.'" So saith Sir John Templeton (1912–2008), forever and ever, amen. Of course, he was only talking about investing. Or maybe spirituality—or maybe both.

To say Sir John is legendary is an injustice to the word *legendary*. He was a mutual fund pioneer—founded and built one of the first big firms. He was a global investing pioneer, too—doing global for clients before anyone did. Sir John had ice water in his veins and really lived the idea: Don't follow the herd. He knew to be greedy when others were fearful and vice versa before Buffett made that his. He never believed in chart voodoo, no matter how trendy it was. He was firmly grounded in fundamentals. He believed in what he called *bargains*.

I was fortunate to meet Sir John several times, and always paid him a lot of attention (not just because I realized we shared the same birthday almost a half century apart). To me, he was personal. He was also humble, understated, unflappable, soft-spoken, courtly, civil and gentlemanly in all circumstances. He was and is an ideal role model for almost anyone—I don't care who you are.

Sir John was simply an all-around great guy. He gave heavily to charitable foundations (many he established himself), among other things the world's largest financial prize, the Templeton Prize in Religion. He was thrifty—

preferred driving junky used cars instead of being chauffeured in a limousine. He flew coach. He was knighted (through no fault of his own) but down-to-earth. He played a mean game of poker—put himself through Yale on his winnings. He, like me, thought the US government was a lousy steward of his, yours and his employees' money, so he bolted for the Bahamas. He also built an ongoing business interest, which itself helped launched many thousands of good careers in a well-paying industry—lots of smart folks learned the business at Sir John's knee—not to mention the countless numbers of investors who got wealthier investing with him. It was his success that first made me envision building a big investment firm.

He was a stunning spiritual thinker. If you can ever get your hands on a copy of his long-out-of-print spiritual book, *The Humble Approach*, I assure you, whatever your spiritual views, it will impact them somehow. Sir John was a deep, deep thinker.

But to my mind, one of his greatest contributions was that admirably short admonition. That if you think, "This time it's different," you're in all likelihood dead wrong and almost surely about to cost yourself dearly.

This isn't to say history repeats perfectly. It doesn't—not exactly. That's not what Sir John meant. But a recession is a recession. Some are worse than others—but we've lived through them before. Credit crises aren't new, nor are bear markets—or bull markets. Geopolitical tension is as old as mankind, as are war and even terror attacks. Natural disasters aren't new! And this idea that natural disasters are bigger, badder and more frequent now simply isn't true. Only human arrogance allows us to believe we're living in some new, unique age. Sure, we are—just like every previous generation did. And in that sense, Sir John understood the great value of studying and remembering history. Without that history anchor, you have no context to understand the here-and-now or any way to determine what's reasonable to expect in the future. Sir John was a historian in a world in which most market practitioners' sense of history is largely limited to their career span.

Sir John also knew then what every good investor should know now (but they don't because they forget): Humans don't evolve fast. We don't! The same things that freaked us out during the early Mesopotamian market days are the types of things freaking us out in the twenty-first century. And because human nature is a slowly evolving beast, the scenery can change, but we still have the same basic reactions to things.

We have the same reactions because *we don't remember* very well at all. My line on this subject is that societally, we're like chittering chimpanzees with no memories. We chitter about whatever without any sense of history, data or analysis. Sir John was exquisite with all three and knew we falsely believe every recession that hits is more agonizingly painful than the last. Every credit crisis we live through we think beats all the rest. (Anyone who thinks the 2008 credit crisis was history's worst knows zero about nineteenth-century history. Zippo!) Behaviorally, this is evolution's gift to humanity so we don't give up in despair.

And that's why Sir John's admonition that *it's never different this time* is so eternally useful. No matter how big and scary something seems, we've almost always been through something similar before. And if you can remember that and find those times and learn the lessons from them, you can know better how to react—or not react. You can know that it's never as bad or as great or as lasting as your Swiss-cheese monkey's memory makes you think.

What's also not different this time is how resilient economies and capital markets are—particularly in more developed countries. People forget that. Sir John never would. There's this nonsense notion about secular bear markets lurking around every corner (Chapter 4). But if that's true and if capital markets aren't remarkably resilient, how can it be the value of all publicly traded stocks globally keeps rising over time—currently $54 trillion?[1] Global economic output is now at $63 trillion![2] It was $31 trillion in 2000.[3] (For all the 2000s being frequently referred to as a "lost decade," somehow the global economy doubled.) It was $19 trillion in 1990.[4] It will be higher still in 2020 and 2050 and 2083 and 3754. Exactly how much? I don't have a clue. Neither would Sir John, were he still alive. But I only heard him say about 40 times over the decades it would be much higher and at about the same growth rates as we've seen before—maybe a little more or a little less. Almost no one ever believed him on that—particularly not when he said it in the midst of a bear market or recession. Yet he was always right.

Side note: One reason folks fall prey to the notion of long-term stagnancy now, I believe, is the death of journalism. Once upon a time, journalism was a serious pursuit. To be a journalist, you went to school, you interned, you learned your five W's and your H—who, what, when, where, why and how. You put all the pertinent information in the first paragraph: Man bites dog in Tulsa suburb because dog stole his rib-eye steak. Then you elaborate. Editors knew they could "trim from the bottom." Don't need the details about the dog's breed or creed (purple Pekinese with three legs and no tail) in paragraph seven? Trim that. Don't need to know it was the man's birthday party from paragraph five? Trim that.

On magazine and newspapers' mastheads, there used to be a roster of staff writers. Some new, but many older and grizzled. They were the best and the core of the organ. They'd seen things. So when the young pups would say, "Golly gee! This Tech bubble is the biggest thing ever! The world is ending!" the Grizzled Veterans would say, "You don’t know anything. The Energy bubble in 1980 was just as bad or worse!” They’d been around the block—lots of times.

Now, traditional journalism is dying. Blame the Internet, blame cable, blame whatever you want. Doesn’t much matter! Traditional media is bleeding money. Pick up any newspaper or magazine. The masthead has been obliterated. Maybe there are just a few staff writers. Maybe those staff writers weren’t there five years ago. They let all the grizzled guys go a long time ago to hire cheap guys and often kids who write for pennies. Or maybe for free! Online blog sites get tons of free contributors—they’ll print any nonsense folks write. Or maybe they print just wire stuff and have a few go-to editorialists for some spice.

But most of the folks writing news today haven’t been around the block. Maybe 2007 to 2009 really *was* the biggest thing they’d ever seen. Maybe they were in college during the last recession and bear market or (eek!) high school. Maybe they weren’t even born for the one before that! They have no context. To them, the world really is ending and they can’t fathom how we get past this bad time (whenever it is) because they’ve never seen that happen before—not as an adult.

I’m not saying that’s it 100%. And there are still a very few old grizzled journalists around, but precious few. As a whole, we don’t remember even very recent events. But it doesn’t help when media confirms our worst nonsensical monkey memory fears.

Compounded by no-memory no-context journalism, it’s harder to pause, take a deep breath and ask, “What am I forgetting? Has this happened before? Have I seen this or something like this before?” Because, except for the truly young pups reading this, you probably have.

Believing “this time it’s different”—when it isn’t—is more than just seeing the world wrong. It can lead to serious investing errors. In my world, people make bets—bets with