

# Disregard Short-Term Forecasts

*"The function of economic forecasting is to make astrology look respectable."*

**John Kenneth Gailbraith**  
Economist and Author

*"Where is the Market headed from here?"*

While an important question, the short-term direction of the market is unknowable.

The folly of forecasting is shown in the chart below, which tracks Wall Street's top strategist's average market predication versus the actual return for the market.

The result? The forecast was wrong every year.

Making investment decisions based on market forecasts and predictions is a fool's game.

Instead, base your investment decisions on variables that are knowable: your degree of diversification, your true time horizon and the amount of money you need to invest to reach your goals.

