

Financial markets attract forecasts the way storms attract lightning. Every year, investors are told where markets will go, when they will crash, and what will be the next big opportunity. For the average investor, this constant stream of confident predictions often causes more harm than help.

John Kenneth Galbraith once captured this problem perfectly when he said "The only function of economic forecasting is to make astrology look respectable."

The Problem With Forecasts

Many forecasters become popular not because they are consistently right, but because they are consistently loud.

Robert Kiyosaki has warned of the biggest market crash "coming soon" for more than two decades. He predicted collapses in 2002, 2011, 2016, 2020, 2022 and again in recent years. Sometimes markets did fall, but never in the way or at the time he forecasted. Meanwhile, long term investors who stayed invested saw wealth compound quietly. The damage here is not that the forecast was wrong once. It is that repeated fear keeps average investors permanently underinvested.

Harry Dent built demographic models predicting market collapse as populations aged. His forecasts of Dow 3000 or worse came just before one of the strongest bull markets in history. The model sounded logical. The timing was disastrous.

Nouriel Roubini correctly warned about the 2008 crisis, but then continued to forecast global depressions that never arrived. One correct call created a reputation that did not repeat itself. Investors who followed him stayed defensive for years while markets moved higher.

Marc Faber Known as "Dr Doom", Faber predicted hyperinflation and market collapse for over a decade. Inflation eventually rose, but not in the catastrophic way forecasted. Markets adapted, businesses adjusted, and investors who waited for the perfect collapse missed years of compounding.

Forecasting rewards confidence, not accuracy. Media platforms amplify extreme views because fear and certainty attract attention.

Why Average Investors Suffer the Most ?

Professional investors can afford to be wrong. They diversify, rebalance, and manage risk. The average investor cannot. For the average investor, forecasts lead to:

- Waiting endlessly for the “right time”
- Selling after fear has already peaked
- Missing recoveries because they feel “this time is different”
- Constant switching between strategies
- Trying to predict markets turns investing into a stressful guessing game.

The Real Mistake: Trying to Hit the Ball Out of the Park

Most average investors do not need extraordinary returns. They need reasonable returns achieved consistently. Trying to time the market or make one big perfect call is like trying to hit every ball for a six. Professionals may attempt this. Average investors should not. The biggest enemy is not low returns. It is not staying invested long enough.

What the Average Investor Should Do Instead ?

Invest Incrementally

Regular investing smooths out mistakes. You buy when markets are high, low, and in between. Over time, the average works in your favor.

Accept Being Average

You do not need to predict recessions, interest rates, or market tops. Accepting uncertainty is a strength, not a weakness.

Focus on Process, Not Predictions

A simple, repeatable investment process beats a brilliant forecast that fails. Control what you can.. asset allocation, costs, discipline, and patience matter far more than forecasts.

The Quiet Truth About Wealth Creation

Markets reward time, not timing. Most wealth is built not by predicting crashes or booms, but by staying invested through boredom, fear, and noise. The average investor suffers not because markets are unfair, but because forecasts tempt them to believe they can outsmart uncertainty. Incremental investing may not sound exciting. But it works. And in investing, boring done consistently beats brilliant done occasionally.