

What Do Psychics, Stock Pickers and Economists Have In Common?

Answer: People who seek their advice and "fortune telling" for picking stocks. Yup, it's true.

Come on, folks.

I can understand that people want to indulge in a little soothsaying now and then...well, especially now given the national malaise sludge we are encountering in the economy.

I have to admit that I'm a bit stunned that people actually believe that their psychic can pick stocks or predict any aspect of the economy.

Then again, I'm a bit stunned that anyone on Wall Street thinks they can pick stocks or predict any aspect of the economy either.

The facts just don't support that. In fact, no human being (yes, Dorothy, even psychics) can pick a winning stock or predict the future.

Don't believe me? William Bernstein does an excellent job of dispelling the myth of stock picking in his book, *The Four Pillars of Investing*. Get a copy and read it. Chapter 3, *The Market Is Smarter Than You Are* has many research citations about performance and the fallibility of humans in the stock picking department.

For now, if you must indulge in a psychic, go ahead. Stick to romance and other interpersonal matters. I'll leave you with this poignant comment from psychic Aurora Tower, "People will entertain the irrational when what they consider rational collapses."