

# THE EXPERTS GOT IT WRONG

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*Witt's  
Wisdom*



Do you personally know an expert? What is it that makes someone an expert? Do they have to be right 100% of the time? Do they need to possess an incredible knowledge of a certain subject or better yet, should they be able to predict unforeseen events in the future? The answer is actually yes and no.

Absolutely, experts need to be right often and they need to know a lot about their area of expertise. Would it surprise you to know just how often experts are wrong? Just turn on a financial channel and you'll see two experts disagreeing on which way the market will go next, while both are looking at the same data.

Warren Buffet is considered the greatest investor of all time. His \$70 billion net worth certainly suggests he is an expert, but even he has made some bad investments in his career.

Larry Sabato, Director of the University of Virginia's Center for Politics, speaking about the 2016 Presidential election said, "We were wrong. The entire punditry industry, the entire polling industry, the entire analyst industry – and I want to take this opportunity to take my fair share of the blame – we were wrong. We, the whole industry, have a lot to learn from this."

How did hundreds, if not thousands of polls, get this election so wrong?

Simple ..... experts are human. They are not infallible. They cannot, at all times, accurately predict the future.

*Market Watch* predicted a Trump victory would cause a stock market crash and plunge the world into recession. Just a few days after the election, the three major U.S. indexes (S&P 500, Dow, NASDAQ) are posting their best weekly gains of the year. So much for that prediction.

Remember Brexit? When the United Kingdom voted to withdraw from the European Union, pundits worldwide decreed it would be the death of the global stock market. True, the market was down for a few days then set record highs within days. So much for the experts!

Remember the Beatles? A record executive once said they had no future in show business. Yeah right!

Do you own a TV? A television executive, in 1948, said "Television won't last; it's a flash in the pan."

The Mayan calendar predicted the end of the world in 2012. How did that work out!

Thomas Watson, President of IBM, in 1943 stated, "I think there is a world market for maybe five computers." And, Robert Metcalfe, founder of 3Com, famously said, "The internet will catastrophically collapse in 1996." By the way, I conducted research for this article on the ..... internet!

It's entertaining to listen to experts discuss future movements of the equity markets. Just don't expect them to be right too often.