

It is that time of year when forecasts abound. There are a lot of experts telling us what they expect the market to do in 2025. The most popular forecast is how the stock market will perform in 2025.

We love forecasts – we eat them up. Our brain may contain a lot of gray matter, but it hates gray areas. So, whenever we hear a forecast, especially if it is given confidently with some “evidence”, we tend to take them at face value. But we should ask questions.

For example, we should ask ourselves whether a given forecast is likely to be accurate and reliable. Forecasting the sun rising tomorrow is one thing. Forecasting how the stock market will perform next year? Unfortunately, the evidence strongly indicates that market forecasts are not accurate and therefore not reliable.

## A History of Forecasting Follies

In December 2023, many of the top Wall Street firms put forth their 2024 forecast. Several of the firms were predicting a loss for the market. And yet, here we are up 28% through Nov 26, 2024. The forecasts were off by between 10% and 43%.<sup>[1]</sup>

For 2023, Wall Street firms did a bit better. They were “only” off between 6% and 30%.<sup>[2]</sup>

And for 2022, a survey of 16 Wall Street Firms had forecasts between a loss of 3% and gain of 19%. That year the market lost 19%. The forecasts were off by 16% - 36%.<sup>[3]</sup>

With that information, why do we listen to forecasts?

## Ignoring Forecasts

Forecasts are notoriously and consistently wrong...sometimes by a lot! It is best to view forecasts as “For Entertainment Purposes Only.” While our brain may be naturally attracted to forecasts, it is essential that our investment decisions are driven by our plan and not by unreliable market forecasts.

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<sup>[1]</sup> Tker by Sam Ro. “Wall Street’s 2024 Outlook for Stocks” Published Dec 3, 2023

<sup>[2]</sup> Tker by Sam Ro. “Wall Street’s 2023 Outlook for Stocks” Published Dec 4, 2022

<sup>[3]</sup> Tker by Sam Ro. “Wall Street’s 2022 Outlook for Stocks” Published Dec 5, 2021

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2018, 2019, 2020, 2021, 2022, 2023, 2024 Forbes Best-In-State Wealth Advisors  
Source: Forbes.com (Awarded 2018, 2019, 2020, 2021, 2022, 2023, 2024). Data compiled by SHOOK Research LLC based 12-month time period concluding in June of year prior to the issuance of the award. [Awards Disclosures](#)

2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024 Forbes America's Top Next-Gen Wealth Advisors & Top Next-Gen Wealth Advisors Best-in-State (formerly referred to as Forbes America's Top Next-Gen Wealth Advisors, Forbes Top 1,000 Next-Gen Wealth Advisors, Forbes Top 500 Next Generation Wealth Advisors) [Awards Disclosures](#)

Source: Forbes.com (Awarded 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024). Data compiled by SHOOK Research LLC based on 12-month period concluding in Mar of the year the award was issued. [Awards Disclosures](#)

2015-2023 Five Star Wealth Manager Award [Awards Disclosures](#)

Source: fivestarpromotional.com (Awarded 2015-2023) These awards were determined through an evaluation process conducted by Five Star Professional, based on objective criteria, during the following periods:

2015 Award - 11/30/14 - 5/18/15  
2016 Award - 11/30/15 - 5/18/16  
2017 Award - 9/26/16 - 4/28/17  
2018 Award - 10/24/17 - 5/21/18  
2019 Award - 10/22/18 - 5/3/19  
2020 Award - 10/27/19 - 4/24/20  
2021 Award - 11/30/20 - 6/25/21  
2022 Award - 12/31/21 - 6/10/22  
2023 Award - 11/14/22 - 5/31/23

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CRC 4115592 12/2024