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### Newsletter Rules

There are only two standing rules for this newsletter. The first is that the video of the month can be a repeat from previous editions, BUT only if it relates to professional wrestling or James Brown.

Here is the hardest working man in show business performing at a level no one else can comprehend:

- [James Brown performs "Please Please Please" at the TAMI Show \(Live\)](#)

The second rule is No Judgment as it relates to money. A person's relationship with money is a fascinating thing, molded over decades and countless interactions. Everyone has a unique story with personal finances. If you've done 3-4 questionable things when it comes to money or a thousand, there is no judgment. We are all human.

The No Judgment rule does NOT apply to market gurus, forecasters, and their market predictions. These things are ridiculous and never taken to task. So we will at least have some accountability in our little corner of the world.

Before we get to the condemnations of the prediction industry, allow me to introduce something I have been working on for a long time now.

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### My Exciting 2025 Rollout

I'd like to take this opportunity to announce my new expertise: coin flipping. Through extensive years of research and training, I can now nearly guarantee an outcome of Heads 50% of the time. My precise method to achieve this 50% is proprietary, but rest assured it is very smart. I

factor in many variables for this method: wind patterns, our precise distance from the sun, the year the coin was manufactured, the current cost of Big Macs, Price to Earnings ratios, and many other things.

By studying and understanding the trends in these numerous variables, I feel confident in my target of 50% Heads when flipping a coin. It takes an inconceivable amount of smarts and research to get near this 50%, so please just trust that I am the expert.

Though I don't want to, I'll stop the sarcasm here. Hopefully it's obvious that no one is an expert at coin flipping. It's either heads or tails. (maybe David Blaine can always get heads, but that's not the point of any of this).

It's also hopefully obvious that no one can predict the future nor how the stock market will react to future events. For some reason though, this just fails to connect with people.

Ask *anyone* if you can predict the future and they will say no.

But follow that up with "what will the stock market do this year" and way too many people will tell you what's going to happen without any self-awareness. I'm not sure how we get the disconnect.

It's been well documented here and elsewhere that market forecasters don't *even have a 50% accuracy rate with their predictions*. Heck, you could just predict that the market will go up every year and then have about a 75% accuracy rate.

At some point, somehow, some way, people decided it sounded smarter to try and predict an unknowable thing rather than to say that it is simply unknowable. I can't stop that. It's too far gone now. All I can do is remind you that it doesn't matter so long as you focus on **Preparedness over predictions**. Have planning in place that can respond to the unknowable and that focuses lots of energy on the things we can control. Trust me, there is always something in your overall financial planning that you control that can be improved.

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### Last Year's "Can't Miss"

The barrage of scary headlines and predictions won't ever stop. There will always be forecasting models that "can't miss" that we must pay attention to, right? Here is a favorite example I encountered in the past year. The "Sahm rule" was created by Claudia Sahm. It uses unemployment indicators to predict recessions. According to the article I read, the rule is "highly accurate and ***could predict every US recession since 1970.***"

- Wow! Maybe I should take back what I've said about predictions.

The article, just two flipping paragraphs later, goes on to say, "one reason why the rule's predictive power might not work right now is because of the factors driving changes in the unemployment rate itself."

Am I missing something? Did I just read that the rule is both 100% accurate and also not working right now? How do authors, editors, and publishers miss things like this? They wouldn't overstate headlines just to get our attention, would they? Maybe I'll just never speak the language of people that are smarter than me but not smart enough to realize what you can and cannot know.

As always I remain open to changing my mind when evidence indicates that I should. Show me any prediction technique that can, in the long run, outperform a rigorous method of buying low and selling high, and I will switch to that technique.

Until that happens, focus on what you can control, reread those last 6 words, and have a great 2025.

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## **Recapping my 2024 Predictions**

I did make some 2024 predictions at the start of last year, and they were useless as anyone else's. It still seems like I should recap my performance.

#1: Markets will have some normal times and some crazy ones too. Those prepared for both will have a more peaceful experience. Those also focused on all areas of planning, not just investing, will have an even better experience.

- I'd say I nailed that one.

#2: Roman Reigns will lose at Wrestlemania in April. It's been a great run, but I do not see how any champion can keep it up this long.

- And that's exactly what happened.

#3: Armed with a new mental toughness and much more practice time than me, my brother will win 20% of the disc golf rounds we play

- We didn't quite make five rounds. I think I won 2 out of 3 or maybe 3 out of 4. Either way I won the majority, but not quite 80%.

#4: Carlos Alcaraz will win 2 out of the 4 tennis Grand Slams.

- Yeah, that's exactly what happened.
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## **2025 Predictions**

So, purely for fun I will now make my 2025 predictions:

1) The stock market will bounce all around. If you are prepared to rebalance, tax-loss harvest, and take other wise actions at a moment's notice, you'll get through any scenario.

2) Cody Rhodes will retain his championship at Wrestlemania in Las Vegas. BUT he will go down a dark path to do so. Put another way, I think he is going to turn into a bad guy, a heel.

3) My brother will win 50% of the disc golf rounds we play. If I am being completely honest, I always want to win, but it's just fun and a blessing to be out there with my brother. (What is with me; did I fall down and smack my head on the concrete and no one told me)?

4) Grand Slams: Alcaraz takes two, Sinner takes one, Medvedev takes one.

## **Is he really watching?**

Santa Claus was very good to our girls. It was a little surprising in Annie's case. Maybe Santa isn't watching all year, or perhaps Alice was good enough for the both of them.



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