

Contents

Preface		ix
Acknowledgments		xvii
Chapter 1	The Plain-Old Normal	1
	Yes Sir, Sir John	1
	The Normal Normal	5
	The Jobless Recovery	14
	The Always Feared, Rarely Seen Double Dip	23
Chapter 2	Fooled by Averages	31
	Bull Markets Are Inherently Above Average	32
	Viva the V	36
	Normal Returns Are Extreme, Not Average	47
	The Pause That Refreshes (and Confuses)	49
	Getting Average Returns Is Hard—Really Hard	53
Chapter 3	Volatility Is Normal—and Volatile	57
	What the Heck <i>Is</i> Volatility?	58
	Volatility Is Volatile	61
	The Daily Grind	65
	Stocks Are Less Volatile Than Bonds?	67
	Economic Volatility—Also Normal	69
	Volatility Isn't Inherently Bad	71
	Never a Dull Moment	74

Chapter 4	Secular Bear? (Secular) Bull!	81
	Seeing the World Through Bear-Colored Glasses	82
	Two Secular Bear Markets?	84
	Stocks—Up Vastly More Than Down	90
Chapter 5	Debt and Deficient Thinking	101
	Deficits Aren't Bad, but Surpluses Will Kill You	105
	The History of Big Government Debt	110
	Just Who Is at Default Here?	116
Chapter 6	Long-Term Love and Other Investing Errors	123
	No One Category Is Best for All Time	124
	Long-Term Love Is Like Long-Term Forecasting— Both Wrong	129
	It's Still Heat Chasing Even When It Seems Safe	134
	Use History to Your Advantage	146
Chapter 7	Poli-Ticking	151
	Enter the Ideology-Free Zone	152
	Your Party Isn't Better	153
	Presidents and Risk Aversion	155
	Perverse Inverse—it's Four and One	160
	Poli-Tics Go Global	170
	Poli-Tics Versus Entrepreneurs	172
Chapter 8	It's (Always Been) a Global World, After All	177
	It's Always Been a Small World	179
	Seeing the World Right	186
	Conclusion	194
Appendix		197
Notes		201
Index		211