I did myself a favor last week and I think the outcome will help you too. It was really quite simple, I didn't watch television. That's not completely true because I did watch a few sporting events, but what I meant was I didn't watch CNBC, Bloomberg, Fox Business, or any other program.

It was much harder than I thought. TV's are always on at the gym, usually at home in the evening, and almost always in my office. It may sound simple to do, but it's not easy. It has been my suggestion for others to tune the media out, but honestly, until this last week, I never tried it myself.

Here are a few things that happened:

1.) The world didn't end and not one company that I am familiar with went out of business.
2.) I spent more time with my family.
3.) I worked out more than I usually do.
4.) I ate less.
5.) Not completely sure about this, but I think my stress level went down.
6.) I read more and even finished a book I started several months ago.
7.) I think my wife and I actually finished a full conversation in one sitting.
8.) Knocked off a couple of items on the 'honey-do-list.'
9.) Spoke with my parents and brothers at length for the first time in a while.
10.) Met my neighbors across the street for the first time. I moved in two years ago.

The reason I tell you this isn't because I expect you to give me a trophy, but because I think we all get caught up in the day to day volatility of the market and taking a break from it is useful. What I am starting to witness is downright tragic. Most investors, and the general public, are giving up; giving up on ourselves, our bright future, and the tremendous opportunities that potentially lie ahead. We're all developing a case on selective attention, much to the delight of media outlets.

More specifically, many investors are walking away from stocks, fearing a fundamental shift in the opportunities ahead. It seems for many investors any alternative to stocks will suffice, including investing in long-dated fixed income instruments yielding less than 3%.

Try this exercise. Find out what the value of the S&P 500 was when you started investing. If you can't find it online, email me and I will send it to you. Let's say you started investing in January 1973. I pick that month for two reasons. One, if you were born in the 1940's-1960's you probably remember the 1970's, and second because that was the market high of that decade. On that month the S&P 500 closed around 120.

It took until the middle of 1980 for the market to reach these levels again; making the 1970's a 'lost decade' for most investors. Sound familiar? Economically the 1970's and the current environment have similarities as well. Furthermore, the nominal *price* of the index went down to the low sixties in the mid 1970's which equates to a roughly 50% drop, something we just experienced. See chart.

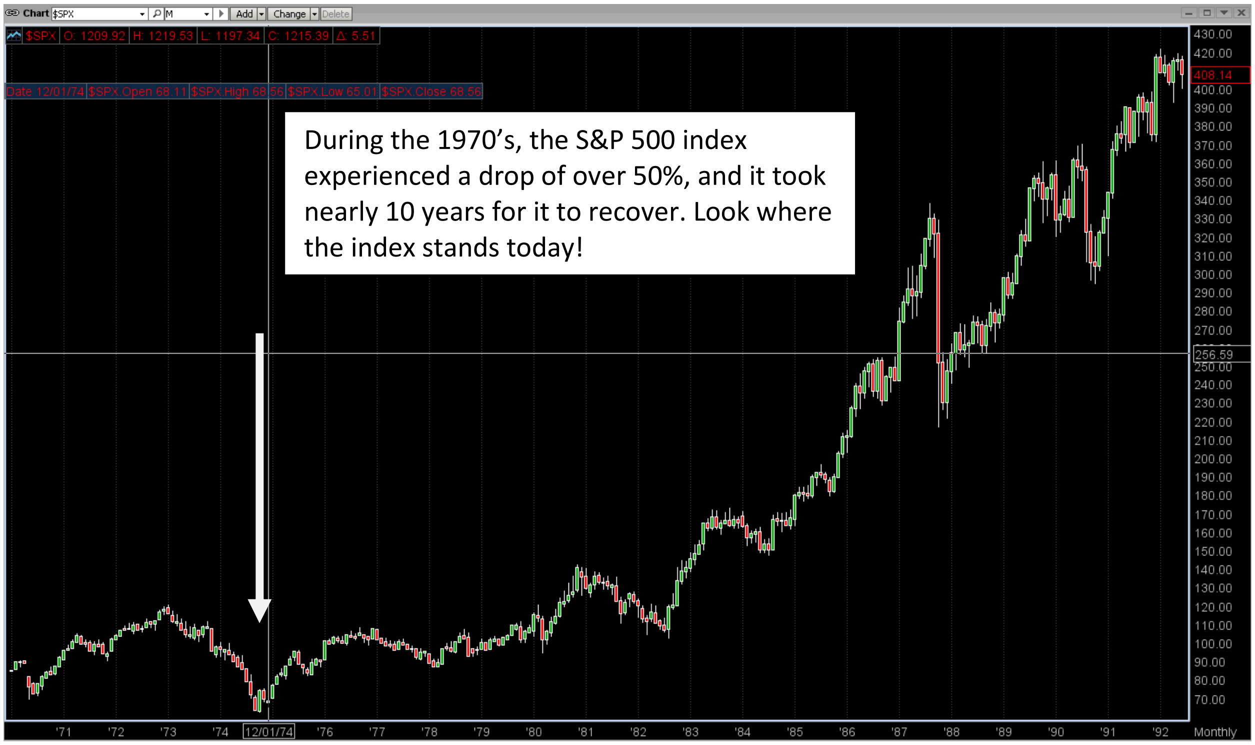

*Chart Source: MaketQ

Why am I telling you this? Because the stock market **IS NOT** broken, and it **IS NOT** different this time. Your return, just on price, not including dividends, from January 1983 to today (around S&P 1200) is roughly **1000%.** I do not know of any other investment vehicle more suited to hedge against rising costs of living than stocks. Remember, retirement is potentially a 30 year, or more, income problem that needs to be addressed with a rising, real income.

While I hope this puts recent volatility and dire headlines into a longer term perspective, it won't do anything for those who let fear win. Don't give up and don't be a trader. Instead, be an investor, be patient, and oh yeah, try tuning out for a week!

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