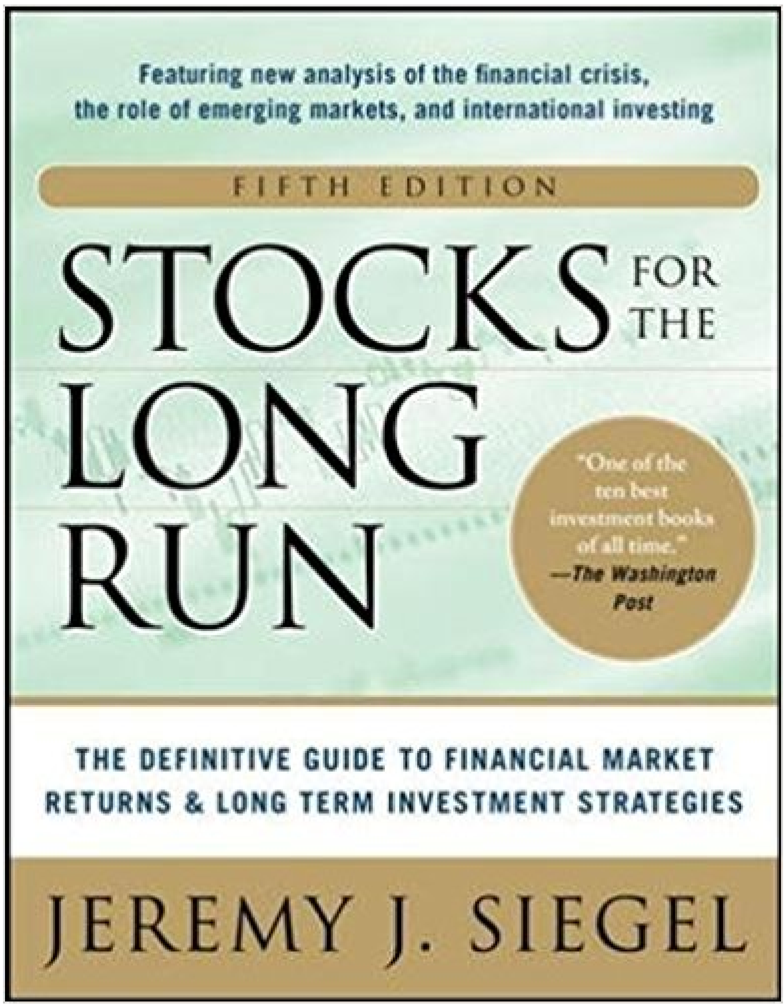
Stocks For The Long Run 5/E: The Definitive Guide To Financial Market Returns & Long-Term Investment Strategies (Management & Leadership)



Synopsis

The stock-investing classic--UPDATED TO HELP YOU WIN IN TODAY'S CHAOTIC GLOBAL ECONOMY Much has changed since the last edition of Stocks for the Long Run. The financial crisis, the deepest bear market since the Great Depression, and the continued growth of the emerging markets are just some of the contingencies directly affecting every portfolio in the world. To help you navigate markets and make the best investment decisions, Jeremy Siegel has updated his bestselling guide to stock market investing. This new edition of Stocks for the Long Run answers all the important questions of today: How did the crisis alter the fi nancial markets and the future of stock returns? What are the sources of long-term economic growth? How does the Fed really impact investing decisions? Should you hedge against currency instability? Stocks for the Long Run, Fifth Edition, includes brand-new coverage of: THE FINANCIAL CRISIS Siegel provides an expertÃ¢â ¬â„¢s analysis of the most important factors behind the crisis; the state of current stability/instability of the financial system and where the stock market fits in; and the viability of value investing as a long-term strategy. CHINA AND INDIA The economies of these nations are more than one-third larger than they were before the 2008 financial crisis; you'll get the information you need to earn long-term profits in this new environment. GLOBAL MARKETS Learn all there is to know about the nature, size, and role of diversifi cation in todayÃ¢â ¬â„¢s global economy; Siegel extends his projections of the global economy until the end of this century. MARKET VALUATION Can stocks still provide 6 to 7 percent per year after inflation? This edition forecasts future stock returns and shows how to determine whether the market is overvalued or not. Essential reading for every investor and advisor who wants to fully understand the forces that move today's markets, Stocks for the Long Run provides the most complete summary available of historical trends that will help you develop a sound and profitable long-term portfolio. PRAISE FOR STOCKS FOR THE LONG RUN: Ã¢â ¬Å“Jeremy Siegel is one of the great ones.Ã¢â ¬Â• Ã¢â ¬â ¢JIM CRAMER, CNBCÃ¢â ¬â„¢s Mad Money Ã¢â ¬Å“[Jeremy SiegelÃ¢â ¬â„¢s] contributions to finance and investing are of such signifi cance as to change the direction of the profession.Ã¢â ¬Â• Ã¢â ¬â ¢THE FINANCIAL ANALYST INSTITUTE Ã¢â ¬Å“A simply great book.Ã¢â ¬Â• Ã¢â ¬â ¢FORBES Ã¢â ¬Å“One of the top ten business books of the year.Ã¢â ¬Â• Ã¢â ¬â ¢BUSINESSWEEK Ã¢â ¬Å“Should command a central place on the desk of any Ã¢â ¬ËœamateurÃ¢â ¬â„¢ investor or beginning professional.Ã¢â ¬Â• Ã¢â ¬â ¢BARRONÃ¢â ¬â„¢S Ã¢â ¬Å“SiegelÃ¢â ¬â„¢s case for stocks is unbridled and compelling.Ã¢â ¬Â• Ã¢â ¬â ¢USA TODAY Ã¢â ¬Å“A clearly written, neatly organized, highly persuasive exposition that lifts the veil of mystery from investing.Ã¢â ¬Â• Ã¢â ¬â ¢JOHN C.

BOGLE, founder and former Chairman, The Vanguard Group "A book that all investorsÃ¢â ¬â ¢nervous Nellies in particularÃ¢â ¬â ¢should read." Ã¢â ¬â ¢Investing.com

Book Information

Series: Management & Leadership

Hardcover: 448 pages

Publisher: McGraw-Hill Education; 5 edition (January 7, 2014)

Language: English

ISBN-10: 0071800514

ISBN-13: 978-0071800518

Product Dimensions: 7.6 x 1.5 x 9.5 inches

Shipping Weight: 2 pounds (View shipping rates and policies)

Average Customer Review: 4.7 out of 5 stars 179 customer reviews

Best Sellers Rank: #20,431 in Books (See Top 100 in Books) #35 inÃ Â Books > Business & Money > Investing > Stocks #43 inÃ Â Books > Business & Money > Management & Leadership > Training #54 inÃ Â Books > Business & Money > Biography & History > Economic History

Customer Reviews

"[A] heavily researched book that cites historic and contemporary sources to support [its] thesis, but it is accessible to the average person." Chicago Tribune 20140109

Jeremy J. Siegel is a professor of finance at the Wharton School of the University of Pennsylvania. Professor Siegel received his Ph.D. from M.I.T. and taught for four years at the University of Chicago before joining the Wharton faculty in 1976. He has written and lectured extensively about the economy and financial markets, monetary policy and interest rates, and stock and bond returns. Along with heading the macroeconomics module of the Morgan Bank Finance Program in New York, he is the academic director of the U.S. Securities Industry Institute and is on the Advisory Board of the Asian Securities Industry Association. Professor Siegel is courted by nearly every Wall Street firm as a consultant and lecturer and has appeared on CNBC, PBS, Wall Street Week, and NPR.

As an experienced investor who has read over a hundred investment books, Stocks for the Long run has always been in my top 5. Eager for updated data and analysis, I read the new 5th edition, but sadly, it added some uninsightful reviews of the credit crisis and took out some really good stuff, including data on returns following high sentiment, fed cuts, and economic cycles. One of my favorite items omitted was about the justified PE on the nifty fifty and what growth rates justify stock stock prices. Still a great book, but I think the 3rd edition is much better.

The basic theme throughout is simply that stock returns (in all developed nations, though at differing slopes, pp. 88-90) regress to a mean, as bonds, and all other investment alternatives, do not. ThatÃƒÂ¢Ã â ¬Ã â„¢s one point. By taking the long historical view (from the dawn of the American republic), Siegel also demonstrates (Chapter 6, pp. 93-103) that in this country over periods of five years and longer, real stock returns (after inflation) stray from our mean return (6.5%) less and less, until at thirty years the observed deviations are half what standard statistics expect. So stocks are both much more volatile short-termÃƒÂ¢Ã â ¬Ã â •cf. Mandelbrot and Hudson, The (mis)Behavior of MarketsÃƒÂ¢Ã â ¬Ã â •and much less volatile long-term, than Modern Portfolio Theory says they should be. ThatÃƒÂ¢Ã â ¬Ã â„¢s point #2. And, his third crucial point, value strategies (Chapter 12, pp. 173-193, on low-P/E, high-dividend stocks) consistently surpass the market indices by 2% or more in annual compounded returns. I know of no other book which has made any one of these three points so clearly and demonstrated them so forcefully with historical data and mathematical analysis. Ben Graham, to be sure, made the case for value investing decades ago, and does a better job of understanding and presenting the process than anyone else before or since, but of course he couldnÃƒÂ¢Ã â ¬Ã â„¢t come close to the range and depth of modern databases and computing power to undergird his argument. Siegel has written the one book since GrahamÃƒÂ¢Ã â ¬Ã â„¢s Intelligent Investor that everyone should read and re-read before presuming to buy any security other than an index fund.So, for instance, I needed to know that stocks have never failed to offer a positive real return over any period of seventeen years or more. Long-term bonds, in contrast, since the Civil War have outperformed stocks in just one 30-year period (by a minuscule .05% per year!), as interest rates fell from 16% in late 1981 to 2% in 2011ÃƒÂ¢Ã â ¬Ã â •but the real return on these ÃƒÂ¢Ã â ¬Ã Å“safeÃƒÂ¢Ã â ¬Ã Â• investments was negative for the entire post-war period before that, and likely will be for years to come. And Siegel repeatedly makes the point that especially when we think about retirement the only safety that matters is the assurance of rising purchasing-power over spans of decades.The book is not without its limitations. I donÃƒÂ¢Ã â ¬Ã â„¢t think Siegel understands options or other derivatives; his faulty discussion of stock index options in the 4th edition has been abbreviated, but his remaining remarks are misleading at best. Consequently the major new sections in this edition, which deal with the recent financial crisis, while fairly sound (e.g. showing how slight a role Fannie and Freddy played), understate the impact of synthetic credit default swaps, which by the time the fever broke had made the subprime mortgage market five times larger than the mess the bankers and mortgage brokers had created in the first place. Hence next to no one had any idea how immense the problem really was, though a few (see M. Lewis, The Big Short) saw enough to profit hugely.Other material in SiegelÃƒÂ¢Ã â ¬Ã â„¢s 378 pages adequately and sensibly covers major areas of historical interest (the primary stock indices, money, monetary policy and the gold standard), analyzes other financial and economic crises, surveys current issues (the business cycle, market responses to current events) and concerns (the developed worldÃƒÂ¢Ã â ¬Ã â„¢s retirement ÃƒÂ¢Ã â ¬Ã Å“crisisÃƒÂ¢Ã â ¬Ã Â•, on which he is quite optimistic), and I could cavil here and there or suggest other specialized treatments. But what he has to say on these topics is sufficient (and his history of the S&P 500 is excellent) for firmly embedding the three points with which I began, which are points every investor should ponder long and hard.But how many of us will profit from them? On p. 97 he mentions the allure of ÃƒÂ¢Ã â ¬Ã Å“saferÃƒÂ¢Ã â ¬Ã Â• alternatives which do after all outperform stocks, over periods of one or two years, nearly 40% of the time. I donÃƒÂ¢Ã â ¬Ã â„¢t know that he sees how deep the pain goes for individuals watching dollars vaporize by the thousands, dollars which a bank account would at least have preserved and guaranteed. Nor, I think, does he see how hard it would be for asset managers to follow his principles when markets soar and ÃƒÂ¢Ã â ¬Ã Å“irrational exuberance" reigns triumphant; sticking to a long-term strategy is impossible when benchmark risk means your assets are marching out the door. SiegelÃƒÂ¢Ã â ¬Ã â„¢s work will most benefit those who know not just the concepts but themselves. It hurts to play from behind, alone, trusting the odds, trying to trust yourself. Long-term investment is a discipline less of intellect than of temperament and character. But the discipline of study and thought is still part of it, and SiegelÃƒÂ¢Ã â ¬Ã â„¢s history and mathematics keep me mindful of what the true odds are. In this and earlier editions, Stocks for the Long Run is one of just six books (cf. my review of M. Mauboussin More Than You Know) which have decisively shaped how I think about what I do.

Well researched and supported by 200+ years of data, Professor Siegel’s book makes a compelling case that stocks historically have provided far higher returns with (this is surprising) less risk that other asset classes for the patient investor with the right time horizon. I, for one, have never understood the conventional wisdom that someone like me, 10+ years from retirement should have 45% of my nest egg in bonds, which have their own risks as rates rise. I’ve read pretty much every investing book there is, and this is in the top 6 along with A Random Walk Down Wall Street (start with this gem), Unconventional Success (Yale Endowment superstar David Swenson's primer for the rest of us), Robert Shiller's Irrational Exuberance, The Intelligent Investor (still interesting after all these decades but not as readable as the others), and Warren Buffet's Berkshire Hathaway Letters to Shareholders 1965-present. Now, if you have found yourself up at night, or worse yet, selling, during the latest big market sell off that is currently going on, then yes, the stock market may not be for you. If however, you look at the historical data Jeremy Siegle provides, you may see it as an opportunity. No matter what you decide to do based on your own temperament and time horizon, the information provided in the classic should prove educational.

Five stars isn't enough. The new fifth edition of Jeremy Siegel's classic is even wiser, deeper, and conceptually richer than previous editions. It offers an expanded set of ideas to get one's mind around. It also seems somehow wiser to me--thoughtful, nuanced, highly informed, and very balanced--without mincing words or failing to make clear recommendations. It is the work of a mature mind coming to grips with a complex and still imperfectly understood subject that has enormous implications for the well-being of individuals and families. It makes pointed recommendations and also provides a full background understanding of the basis for the recommendations.In reading the book, one has a sense of Professor Siegel's decency as a human being. The voice is gentle, modest but not lacking in authority or force. He is always intellectually curious and concerned for the welfare of his readers to whom he is making important recommendations. Completely absent is any sense of bombast or self-aggrandizement. The book is a pleasure to read on many levels--intellectual, practical, and for the engagement with an attractive personality, mind, and character.I highly recommend it.

An outstanding examination of the stock market for the past century. It does not examine the financial vehicles that no one understands; but to paraphrase Warren Buffet, one should not invest in vehicles that one does not understand. Findings are very highly data dependent-- just the way I like them. I rate the investment advice in this book to be of equal or better quality than those by Daniel Solin, Ken Fisher, and Jane Bryant Quinn. This is the book I was looking for,

Stocks for the Long Run 5/E: The Definitive Guide to Financial Market Returns & Long-Term Investment Strategies (Management & Leadership) Who Will Care For Us? Long-Term Care and the Long-Term Workforce: Long-Term Care and the Long-Term Workforce Long-Term Dynamics of Lakes in the Landscape: Long-Term Ecological Research on North Temperate Lakes (Long-Term

Ecological Research Network Series) Dividends: Dividend Stocks Investing - Creating Passive Income Machine with Dividend Investment Returns Penny Stocks: Beginner’s Guide to Penny Stock Trading, Investing, and Making Money with Penny Stock Market Mastery; How to Find Penny Stocks, Day Trading, and Earning Big Money Online Penny Stocks: How to Trade and Invest in Penny Stocks to Achieve Financial Freedom The Coming Renewal of Gold’s Secular Bull Market: Dump US Stocks and Prepare for Gold’s Final Run Penny Stocks: The Ultimate Guide to Mastering Penny Stocks for Beginners in 30 Minutes or Less! Penny Stocks: How to Find Penny Stocks That Can Make Millions The Ask Suze Financial Library, Comprehensive Answers to Essential Financial Questions - 9 Book Set, Ask Suze About Social Security, Love & Money, Stocks & Bonds, Mutual Funds & Annuities, Insurance, Real Estate, Planning Future, Debt, Wills & Trusts (9 Book Set) Who Will Care For Us? Long-Term Care and the Long-Term Workforce International Investment Law and the Global Financial Architecture (Frankfurt Investment and Economic Law series) The Complete Guide to Option Selling: How Selling Options Can Lead to Stellar Returns in Bull and Bear Markets, 3rd Edition (Professional Finance & Investment) Runner’s World Run Less, Run Faster: Become a Faster, Stronger Runner with the Revolutionary 3-Run-a-Week Training Program Super Mario Run:Diary of Super Mario: Super Run for coins! (Unofficial Super Mario Run Book) How to Make Money in Stocks: A Winning System in Good Times and Bad, Fourth Edition (Personal Finance & Investment) Strategic Digital Marketing: Top Digital Experts Share the Formula for Tangible Returns on Your Marketing Investment (Marketing/Sales/Adv & Promo) The Intelligent Asset Allocator: How to Build Your Portfolio to Maximize Returns and Minimize Risk (Professional Finance & Investment) How to Make Money in Real Estate Tax Liens: Earn Safe, Secured, and Fixed Returns - The Unbeaten Path to Secure Investment Growth The Complete Cardinal Guide to Planning For and Living in Retirement: Navigating Social Security, Medicare and Supplemental Insurance, Long-Term Care, ... Post-Retirement Investment and Income Taxes