INTUITION
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Has the world gone mad, or have we lost context?

Has the world really gone mad, or have we simply lost perspective? Every day we are bombarded with news of wars, political upheaval, economic uncertainty and seemingly endless predictions of impending disaster. It is easy to conclude that the world is becoming a progressively worse place. But what if the evidence tells a completely different story? In this week's article, we explore the extraordinary power of context, examine some remarkable statistics that challenge our perceptions of the world, and consider five practical ways to avoid allowing the noise around us to dictate our decisions, particularly when it comes to our financial futures.



Robin Gibson

I heard a man telling a fascinating story about a young lady who went off to university back in the day when letters were the only form of communication between such a child and their parent. The story went that the first letter the parents received was well into the latter part of year. (I also had a lot of questions on the content but go with me here for the point is no less valid).

The letter started by asking the parents to sit down, then repeated the very great need for them to read the letter seated. What followed was a fantastic tale of woe that started with the need to jump from a burning dormitory window, followed by a broken leg, and then the rescue by a young man walking by. This rescue became a friendship and then a relationship, and with damaged accommodation, was followed by a shared residence.

The daughter then explained that one thing followed another and that she was now with child and betrothed to marry. The young lady appealed to her parents' better natures in accepting a son-in-law from a different culture and religion.

Then the letter stopped and reeled backwards to say there was no son-in-law, no impending marriage, no expectant mother, no broken leg and finally no dormitory fire. However, there was a small matter of failed half year examinations!

The story makes you laugh and you realise that the young girl crafted a very clever context that made the failed exams seem completely minor versus what may have happened. Context shapes so much of our attitudes and responses, so maybe it would be appropriate to examine some of the contexts we currently face and maybe where we see burning dormitories, broken legs or untimely pregnancy, we could rather start to evaluate them in a better context and they may become nothing more than a failed exam. Serious, yes. However not nearly as catastrophic as we may think.

SPEED READ

- **Is the world really getting worse? Despite the constant stream of negative headlines, historical evidence suggests that humanity has made extraordinary progress over the past 75 years.**
- **Context changes everything. The way information is presented, together with our natural biases, can make relatively minor problems appear catastrophic.**
- **The statistics tell a different story. We live longer, fewer children die, extreme poverty has fallen dramatically, and travel, technology and everyday conveniences have transformed our lives.**
- **Perspective is a powerful investment tool. Learning to distinguish genuine threats from sensational headlines helps us make better decisions, remain focused and avoid reacting emotionally to short-term events.**

On Saturday 14th November the Welsh Rugby side, ranking 12th in the world, unseated the All Blacks for the first time since 1953. To put that in context – the last time Wales beat the All Blacks (1953), Winston Churchill was Prime Minister of Britain! This made me think, is the world worse or better than it was back then, and do we need a context reset? It has been said that our grandparents had fewer headlines to worry about, and more diseases to fear, which begs the question: is the real problem too much instant information or the state of the world itself?

I have often spoken about people's bias and the unconscious

part of our brain that trips us up constantly. Consider the following less well-known but well-documented biases:

1. **Selection Bias** – a plane crash killing 400 people is news. The millions of safely completed flights are not. A financial scandal is news, but what about the billions of successfully completed transactions?
2. **Availability Bias** – this is a mental shortcut where our brain assigns the probability of occurrence or even frequency of an event based on how easily they remember it.
3. **The absence of historical comparison** – it is easier to reflect on history without any personal experience. The percentage of the population who lived through the 1950s is small. We can easily have an idealised notion of what life was like almost 70 years ago. In the 50s you probably never heard about what happened in Poland on any given day. Today a man drives a car into a square and shoots 6 people, and you know about it within minutes!

Let's go back to our plane crash example. In 2025 there were 548 total aviation fatalities according to the Aviation Safety Network. Probably the highest profile accident was the Air India 787 that crashed into the medical dormitory. In the same year, approximately 10,500 pedestrians were killed in just the USA, Europe and UK. I think I can safely say though, that you are probably more nervous to fly than to cross the road. Now let's take that context further. It's estimated by the United Nations that globally, overnight international tourist arrivals totalled 1.5 billion in 2025. This excludes domestic flights. In the correct context, flying commercially is one of the safest things you can do.

Let's consider 5 things from the 50s (or earliest recorded statistics) to 2025 and see how far we have really come:

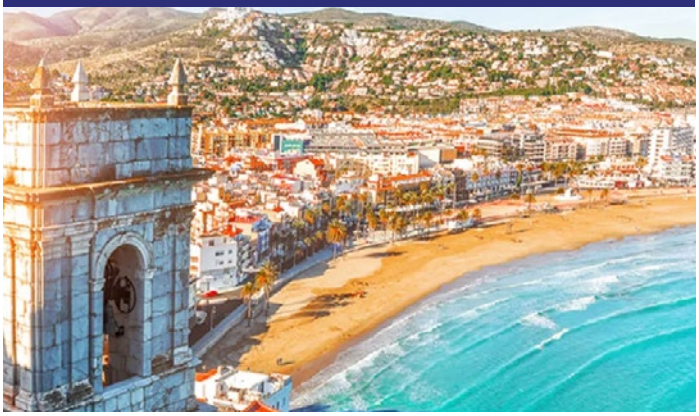
1. **Global Life Expectancy:** According to World Health Organisation Data, global life expectancy has risen from 46.5 years in 1950 to around 73 years in 2023. That's a mammoth 27 years. This is due to two factors, the reduction in child mortality and the advancement of medical interventions.
2. **Child Mortality:** In 1950 approximately 23% of all children never made their 5th birthday. By 2023 this was 3.6%. Even in Africa this number has dropped from 33% to 6.3%. (Source: United Nations)
3. **Extreme Poverty:** The World Bank defines Extreme Poverty as living below $3 per day (2021 purchasing-power-parity). In 1950 it was estimated globally that 60% of the global population lived in extreme poverty. In May 2026 this figure was estimated at 10.1% (Sub-Saharan Africa is the worst region at 44.2% in Extreme Poverty). Further context to this is the absolute population number. In 1950 humanity totalled around 2.5 billion people. By 2026 this is estimated at 8.3 billion. That means that in 1950 around 1 billion people were better than extreme poverty, whereas this figure sits at close to 7.5 billion today.
4. **Global Travel:** We have touched on the figures of international travel already with the 1.5 billion overnight arrivals in 2025. In 1950 this figure was just 25 million. If you express this as a percentage of total population at the time, this represents 1% in 1950 versus 18% today. (The statistic doesn't differentiate on an individual basis. An individual may make multiple international flights.)
5. **Banking**: In 1950 you needed to visit a branch to deposit money and payment was made by cheques or cash and all records were paper. Today we have internet banking and we can almost instantly transfer money around the world. (Author note: I have not carried a wallet for close to 3 years!)

> *"In 1950 approximately 23% of all children never made their 5th birthday."*

We could carry on into communication, information, navigation, shopping, photography, entertainment and even household chores. The point is we have much to marvel at in our progress over 75 years. Yet it probably doesn't feel that way, and if we are honest, we are easily spooked by some cleverly crafted headline or the latest reel on Facebook telling us the drink we had at lunch is killing my brain! So here are five quick pieces of advice to address this situation:

1. **Remember, newsflow is distributed by businesses not charities.** They are selling advertising based on the number of readers. There is a perverse incentive to

TOURISM IS UNSTOPPABLE



Global travel to exotic destinations continues to climb to record numbers as tourism becomes more accessible to a far wider group of consumers than ever before.

hype the story or the headline. As the saying goes in the trade, "If it bleeds, it leads!"

2. **If something is free, then you are most likely the product.** This is especially true in the age of social media where an individual will plough a field with a Ferrari (yes, it happened) just to get views, because views bring money. The "influencer" economy is estimated at $250 billion to $300 billion and growing fast. Remember, don't take news as fact because it is well crafted and explained. There may be an element of truth that is being amplified to attract your attention.
3. **Some things never change.** I have often considered what it must have been like living in Europe during World War II. The war dragged on for six years. It must have been easy to lose hope and think a better future will never come. Yet in 1943, 1944 and 1945 the Dow Jones Industrial Average produced returns in the teens followed by three years of zero or negative returns from 1946 to 1948. Markets will always be volatile, not quite what you expect, yet will remain your best bet of beating inflation over time. Your anxiety level is likely to be even better if you adopt the Harvard House approach to only live on income produced rather than some expected growth. Experience tells us that in the fullness of time, you will be rewarded.

"In1943, 1944 and 1945 the Dow Jones Industrial Average produced returns in the teens followed by three years of zero or negative returns from 1946 to 1948."

4. **Politicians usually mess up everything.** They are not going to rescue us anytime soon. Today especially, politics is a career. The human behind it has his or her own perverse incentives. They are there to protect existing incentives or to create current and future income. Like anyone in business some are more ethical than others while some are more successful than others. They are certainly not some magical breed!
5. **Sometimes the best thing you can do is take yourself away from the noise.** Whether it is newsflow, television, social media or Chicken Little (you know, the guy who says the sky is falling), absence can be particularly soothing. Take the chance to retreat into the most beautiful environment you can find and remind yourself that nobody has successfully worried a problem away. The most successful have usually ignored the noise and actioned the behaviours that have worked for many for generations.

While it may be another 70 years before Wales beats the All Blacks again, what is more certain is that context will always impact our thinking and behaviour. Knowing our biases and reactions will help us guide what is likely to be an even more confusing and hectic world into the future. Harvard House is here to help you along the way.



During the Second World War, Wall Street actually rose but afterwards fell for several years.

Or next seminar series will be held in November, when we traditionally review the past year and cast our eyes forward to the new year. We will do some with some trepidation, as we try to unpack whether 2027 will bring clam or chaos.

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Topic:	Outlook for 2027 – a more normal year?
Natal Midlands	
Date:	3rd of December, 2026
Venue:	Christ Church Howick, 23 Mare Street, Howick
Morning Time:	10am for 10.30am
Evening Time:	5.30pm for 6pm
Johannesburg	
Date:	24th of November, 2026
Venue:	Rosebank Union Church, Cnr Winne Mandela Drive and St Andrews Road, Hurlingham
Time:	7am for 7.30am
Cape Town	
Date:	26th of November, 2026
Venue:	J&J Belmont Square, Belmont Road, Rondebosch
Time:	7.30am
Venue:	Helderberg Village Lifestyle Estate, 63 Bakkerskloof Rd, Helderberg Village, Cape Town
Time:	5.30pm for 6pm

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