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Tune In, Turn On, Outperform?

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THERE MAY NOT BE A MATHEMATICAL WAY to beat the market, but early returns of an intriguing new study show another way could be possible—better returns through active consciousness-raising.

It all relates to the effect produced when a critical mass of people gets together to practice advanced Transcendental Meditation, producing an underlying field of “pure consciousness,” known as the “Maharishi Effect,” after the physicist who introduced TM in the U.S. nearly 50 years ago.

It so happens such a group has been gathering once again in the Fairfield, Iowa, home of Maharishi University of Management, to deal with a threat to world peace. But the positive vibes extend to other aspects of society, including the financial markets.

“We didn’t come together to boost the markets, but it’s a nice side effect,” says John Hagelin, a physicist who directs the Institute of Science, Technology and Public Policy at MUM. “Sociologists as well as economists are aware that markets are an extremely nimble and sensitive barometer [of] the collective mood.”

So far, the mass meditation seems to be having a beneficial effect on the market. In the weeks since the meditation began July 23, both the S&P 500 and the Domini 400 Social Equity Index have risen on average 0.7% per week, to say nothing of the Nasdaq, says Ken Cavanaugh, a professor of applied statistics at MUM who has been researching the meditation’s market effects. That compares to a weekly decrease of an average of .06% going back to 2000, when Bush took office.

“If you maintain that rate of increase for awhile, you’re going to have a phenomenal effect,” says Cavanaugh. And if the method does away with all the sellers? World peace. And then, who cares?