



## Are You Up or Down?

There's nothing like a dramatic move in the stock market to make people who are otherwise not very financially involved stand up and take notice – every day. Suddenly, everyone is talking about whether the market is up or down. It's good to become more financially aware, but what do these daily market swings mean to the average person? How is the daily movement of the stock market translated into day-to-day financial decision making? If it wasn't a daily topic of conversation a couple months ago, then does the up and down yo-yo of late have any relevance other than creating more fear and uncertainty?

Uncertainty comes from lack of knowledge. You gain knowledge through personal experience and/or learn from others who have experienced it before you and can teach you. If an uncertain stock market is causing you concern, it puts a tremendous amount of pressure on you to learn the technical reasons and possible outcomes in a volatile economic environment. The uncertainty and need to understand in order to feel more in control creates the emotional swings that just make the situation worse – for you and the market. The sense of urgency to understand creates more pressure; and more pressure creates more stress – not the type of situation that is conducive to good decision making.

Because more and more people are nonchalantly discussing whether the stock market is up or down, more people are also asking more questions of financial professionals in their attempt to understand. The 'quick question' type discussion, or the 'what do you think?' inquiries are rampant sending a huge red flag that the investor who is not totally comfortable with their knowledge of financial markets is trying to gain back some sense of control. They are desperately seeking opinions and advice and knowledge from any where they can get it hoping for the magic pill that will calm their fears that somehow disaster is just around the corner, or that they'll make a wrong decision.

Is this the time to decipher the thousands of opinions based on different experiences that all financial people have? Is it prudent to make decisions based on the culmination of all these opinions and media analysis and hearsay information? Or is it time to reconnect with what's important and what you do understand and what's important to you?

Here's what you can do to avoid the emotional ups and downs that come from desperately trying to make decisions under pressure, with only partial knowledge:

1. Stop randomly asking 'quick questions' of people you barely know and who don't know your financial situation or your personal life goals.

2. Step back and reconnect to your priorities and your dreams.
3. Make sure your goals and dreams, and your current financial needs, are all related to income.
4. If you find yourself down, either emotionally or financially – stop and ask how you can make up the difference from someone who will offer some positive encouragement. You don't want opinions or crystal ball recommendations. You're looking for support so that even if your portfolio is down, your attitude and your confidence are up.
5. And finally, listen to the opinions and write them down. All those conflicting messages and phrases, recommendations and ideas that you hear from professionals, media and your friends and associates have great value when you can see them on paper. When you write them down, you have a collection of items you can use to take to your advisor who knows you and can help you make sense of them. It all needs to be in writing – your goals, your questions, your fears, questions and concerns, and the opinions and recommendations you are using to make your decisions.

Finally, remember, you will always be up and down, and both are great opportunities to take control of your financial destiny. Give yourself some tools to use the situational ups and downs to learn from without being forced into emotional decisions based on hearsay and opinions of people who barely know you.

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