

Navigating Financial Fear In Economic Downturns

When markets are down, it's easy to feel anxiety about your nest egg. However, by maintaining a steady investing habit and vowing not to hit the panic button, you can weather market storms with ease. Here are a few simple steps to follow in times of economic turmoil:



- > **Check Emotion at the Door.** Successful investors recognize that money is a tool. Although it represents freedom and security, it's easy to let our fear of its potential loss trigger irrational behavior. Make a plan to place reason above all else when making investment decisions.
- > **Keep Contributing.** Staying invested in times of market downs will help you participate fully in market gains. Remember that you are purchasing shares at a low price. Resist the temptation to "suspend" your contributions. If you stop your contributions, you also miss out on your company match!
- > **Don't Tap Into Your Account.** However appealing it might sound, there are consequences that come with taking your money out early or borrowing against your balance. Aside from double taxation and other penalties, you are taking money from your future self to spend today.
- > **Stay Diversified.** Putting all your money into a cash-type investment is not the solution to weathering market storms and in most cases, this makes things go from bad to worse. Instead, one of the best ways to reduce risk is to invest in different asset classes. Appropriate diversification is based on your own risk tolerance and time horizon to retirement.

For more information, please contact Hub International at 805-879-9533 or at 401khelp@hubinternational.com.