



What worried investors really want to know when the market is in turmoil

People like to talk about money and investing, at least in general. But when it comes to their own finances, especially where their lack of knowledge might make them look uninformed, they're much more reticent.

During the weeks of market volatility at the end of 2018, Marketwatch was looking for the kinds of questions nervous investors were wanting the answers to, but maybe were too afraid to ask. They found them on Reddit, the freewheeling social platform that's come to be known as "the front page of the Internet."¹

Unlike Facebook, which requires several steps of authentication to ensure you're a real person, Reddit is built on anonymity. You don't use your real name or give identifiable information in your profile. And for the most part, nobody knows who you are. (Someone with high level investigative skills could probably eventually identify you.)

Any abuse of this anonymity is counteracted by the ability of other Reddit users to vote your postings up or down. Leave an offensive remark, and your post will be consigned to oblivion.

For the most part Reddit is a good place to see the kinds of difficult questions people really want to know the answers to, but are afraid to ask in person.

Near the end of December 2018, after one stretch of ten trading days where the Dow fell 350 points or more six times, investors were naturally worried.² Marketwatch financial reporter Alessandra Malito searched Reddit for some of the most common questions being posted, and then asked financial experts how they would answer them.

Here are three we thought were especially good, with their answers condensed.

Q: Does volatility affect all retirement accounts?

A: If they're investment-based, yes. (The questioner may also have been wondering if there's a retirement account that's volatility-proof, the elusive free lunch.)

Q: When should I pull out my investments?

A: For long-term goals such as retirement, the answer is later.

Q: How much longer should I wait to buy?

A: You shouldn't try to time the market. Today may be the bottom of the market with everything "on sale," or further corrections may come.

Summing up the professional advice, Chris Chen, CEO of Insight Financial Strategies, said, "When we act with insecurities, we end up selling low and buying high, and that reduces overall returns."³

Your heart goes out to the people asking these questions. They're obviously deeply concerned about their retirement savings. If only they had sought out the answers to these questions *before* they experienced market volatility, they would have spared themselves a lot of anxiety.

Since the market is virtually certain to go through future volatility, it's prudent to know the answers to the tough questions ahead of time. Your trusted advisor is there to help you be emotionally and strategically prepared.

Sources:

1. <https://www.theatlantic.com/technology/archive/2018/06/reddit-anonymity-privacy-authenticity/564071/>
2. <https://www.cnn.com/2018/12/28/investing/stock-market-december-volatility/index.html>
3. <https://www.marketwatch.com/story/reddit-users-have-questions-about-the-stock-market-and-we-have-the-answers-2018-02-07>

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