



# Newsletter



## Beware the Media: Managing Emotions in Challenging Times

Janel Cross | August 7, 2024

Today's headlines may seem scary—so scary that playing it safe may seem like the only rational strategy. However, most headlines aren't exactly new.

Consider these headlines: "Is the US Going Broke," a March 1972 headliner from Time Magazine; or "Social Security's Coming Crisis" from The Washington Post, September 1974; or "Exploding Federal Debt – Why so Dangerous" from U.S. News and World Report, October 1984. Despite these crises, the market continued to rise.

Our 24/7 news cycle makes it easy to get caught up in the crisis du jour, filling us with worry and anxiety. A 2018 Nielsen study revealed that we are watching over 30,000 minutes of news annually. That's more than 500 hours of headline consumption most of which tends to be negative.

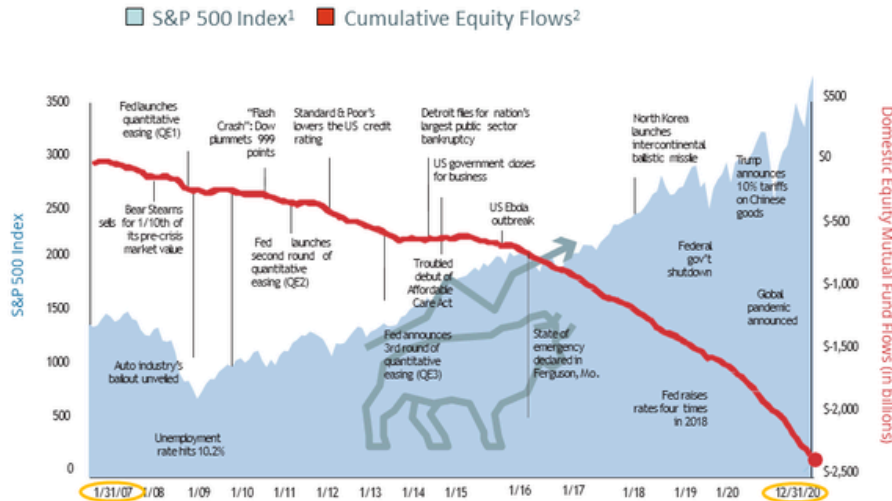
Evolutionary psychologists and neuroscientists say our brains evolved in a hunter-gatherer environment where anything perceived as threatening had to be attended to immediately for survival. These experts suggest this is why humans seek out news of dramatic negative events.

But our draw to negative news can lead us to make costly mistakes. When investors are exposed to a steady stream of negative news, they worry about losing money, and that fear hangs on long after the crisis has passed. During the longest bull market from 2009 to the beginning of 2020, the S&P index value rose more than 600%. However, many investors were focused on playing it safe rather than growing their money, missing out on substantial returns.

When the market drops, the urge to panic can be intense, but if you sell when the market is down, you lock in losses. ►



## The Urge to Sell During Crises



From the end of the financial crisis (2009) through the end of the COVID year (2020), the S&P 500 index rose by more than 600%. Over that time period, however, investors withdrew over **\$2 Trillion** from stock mutual funds.

ce: Factset, 12/20, <sup>2</sup>Source: Investment Company Institute, 12/20

PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS

(descriptions are included on last slide. For illustrative purposes only. Indices are unmanaged and not available for direct investment.

Despite the recycled news reel predicting dire global catastrophe or the end of the world as we know it, financial markets have been resilient. During the last 10 bear markets, a \$10,000 investment in the S&P 500 would have grown to nearly \$3.9 million but only for those investors who resisted the temptation to hit the panic button.

To avoid making mistakes, start by going on a news reel diet. Next, get your investment portfolio off the media-go-round. Diversification can help smooth out rough patches and keep you invested during turbulent times. And, if you're worried, call your advisor. We can help you regain perspective and stay focused on your goals.

The key to successful investing is to stay informed, stay diversified, and stay focused on your long-term goals. If you have any questions or would like to discuss your investment strategy further, please feel free to reach out. ■

## Emily is now a CFP® Professional!

On July 10th Emily completed extensive coursework and passed a rigorous 6-hour exam covering retirement planning, insurance strategies, investment management, tax strategies, and estate planning. But the Certified Financial Planner® certification means more than just passing tests—it's a commitment to delivering thoughtful, ethical advice that prioritizes your financial goals.

This significant achievement is the result of over a year of dedicated effort, fueled by countless cups of coffee and the unwavering support and encouragement from her colleagues at Align.

As Emily steps into her new role as a Paraplanner, her enhanced skills and knowledge will allow her to develop comprehensive financial plans and offer expert guidance on a range of financial matters. We're proud of Emily's achievement and excited about the added value she'll bring to our team and clients.





# Helpful Articles & Links



[Beware the Media](#) - If you found Janel's article at the beginning of the newsletter insightful, this 16-minute video that it was adapted from offers even deeper analysis and practical advice on managing emotions during market turbulence.

You'll gain a better understanding of how to stay focused on long-term goals and hear insights that can help you navigate financial uncertainty with confidence.

["In Laymon's Terms"](#) - If you looking for market updates be sure to check out Erik Laymon's monthly market commentary blog post. They are a brief and fun update on what's happening.

[How to Bounce Back Financially After Losing Your Job](#) - Sometime life throws you a curveball. In a recent article, Janel Cross shares a few practical tips that you can follow to minimize the impact of a job loss and hopefully bounce back to a better place than you started.

[Needs vs Wants](#) - If you have younger children that you want to start teaching financial literacy to, this video by Learn Bright might be a good place to start. In this video kids are taught the difference between needs and wants as well as how to decide between competing wants.

## THANK YOU FOR THE GREAT PRIVILEGE OF SHARING THE FINANCIAL JOURNEY WITH YOU!

This material is intended for informational/educational purposes only and should not be construed as investment advice, a solicitation, or a recommendation to buy or sell any security or investment product. Please contact your financial professional for more information specific to your situation. Investments are subject to risk, including the loss of principal. Some investments are not suitable for all investors, and there is no guarantee that any investing goal will be met. Past performance is no guarantee of future results.

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