



OHIO DEFERRED COMPENSATION

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

OHIO457.ORG

•

877-644-6457

Avoid Emotional Investing

Just about everyone sees financial news, sometimes more than once a day. You can't help but notice the headlines and the extreme reactions that often go along with them. When you see sensational headlines and outrageous predictions, it's only natural that you're going to have an emotional reaction to them. When you do have these reactions, it's important that you not allow an immediate emotional response to influence your investing strategy and behavior.

Making an emotional decision to change your retirement savings plan can be just like sending an email when you're upset. When you first fire it off, you may have a sense of relief or accomplishment, but as often as not, you end up immediately wishing you could unsend it, or regret it later once you've had a few minutes to think about it.

The same is true with investing. Switching up an investment or eliminating a deferral because of an emotional reaction to something you saw in the news, may cause you some serious financial repercussions. An example of how making emotional decisions when investing can be dangerous, Figure 4. in the White Paper "If it's greed, it leads" shows that if an investor sells their investments at the wrong time and misses out on just the 10 best days of returns in the stock market over a period of 20 years, they cut their gains by more than half. You can read more about these sorts of outcomes in the White Paper "If it's greed, it leads" [here](#). Read the entire White Paper to learn more about how emotions and irrational decision-making affect investing.

If you would like to discuss your account, call an Account Executive today at 877-644-6457. You can also learn more at Ohio457.org.

Neither Nationwide nor its representatives provide tax, legal, or investment advice. Please consult your professional advisor for such advice.