

Don't Stress About Your Stock Portfolio

by Russell Wild

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Back in the go-go years of the stock market, when it seemed that everyone was getting rich, a certain recently retired rabbi started buying shares in a handful of high-flying Internet stocks. The shares skyrocketed. The man bought more. Within no time, he became a millionaire many times over. Well, we don't have to tell you what happened next. The bear market came, and stock selling for hundreds of dollars a share began selling for pennies.

"I had lost it all," the rabbi said. "I went into depression. I even wondered if my life was worth living."

Today, Rabbi Benjamin Blech, author of "Taking Stock: A Spiritual Guide to Rising Above Life's Financial Ups and Downs" (AMACOM, 2003), wonders mostly how he ever got so frenzied about money — both its gain, and its loss. Of course, he is not alone. Perhaps you didn't sink your nest egg into dot-com stocks, but chances are very good that money — or lack of it — sometimes throws you off kilter.

"Money is, without question, one of the biggest causes of anxiety and stress in our society," said Dr. Robert Jaffe, a psychotherapist in Encino. "Fortunately, there are tools we can use to conquer that anxiety."

Start with: What does money mean to you?

"Stress, of whatever kind, comes from fear. Stress over money is no exception. To deal effectively with that stress, you must know what it is you are truly afraid of," Jaffe said. "For some of us, money represents security, so losing it would mean a loss of security. But for others, money may symbolize happiness, freedom or power."

Question your core beliefs.

After you've made the connection between say, money and security, or money and happiness, ask yourself where that notion comes from.

"Many of our beliefs about money come from our parents," Jaffe said. "Others come from the constant bombardment of advertising which says that our lives are somehow deficient, and that only by buying 'stuff' will we be fulfilled. But 'stuff' won't ever fulfill you."

In fact, a number of studies show that the rich — even those who own mansions, private jets and polo ponies — are, at best, only slightly happier than the rest of us.

"And many people with a lot of money are very unhappy," Jaffe said.

Imagine the worst-case scenario.

Money can often tap into our fear of survival. But for most of us, even a sudden loss of most of our wealth — ouch! — would not jeopardize our survival.

“Try to picture a worst-case financial scenario, and be honest with yourself,” Jaffe said. “Say, for example, you were to lose your house. Could you still rent an apartment? OK, visualize yourself in that apartment. It’s not the end of the world. You’ll have less space, but you’ll also have less cleaning and straightening, and no lawn to mow, and no trash cans to blow away.”

Pinpoint the anxiety.

Brent Kessel, president of Abacus Wealth Partners, a fee-only financial planning firm in Pacific Palisades, is also an avid yoga practitioner. To combat money stress, Kessel suggests an exercise often used by yogis: “Sit quietly and ask yourself where in the body you are feeling the stress. Is it in your shoulders? Your gut? Is it a weighty kind of pain or a stabbing pain? Is it static or moving? There’s no answer in the observation,” Kessel said. “The answer is in the observation itself.” That may sound odd, he admits, but pinpointing the anxiety can often help control it.

Set the alarm clock.

“The very worst time to make a financial decision is when you are under financial stress,” Kessel said. “You may make a bad decision, which will then inevitably lead to more stress.”

He suggests that if you are feeling anxiety-ridden about money, put off all big decision making until tomorrow. If the decision can’t wait until then, at least wait five minutes. Set an alarm clock. Use the time to roll through the exercises above.

Value yourself for what you are.

“One day, back when my portfolio was a crazy obsession, my wife asked me why I was calling my broker so often. I told her that I wanted to know what I was worth. Right there, I had a revelation,” said Blech, the former dot-com millionaire. “I repeated those words to myself: ‘to know what I was worth.’ Ridiculous! I’m a rabbi, a parent, a teacher, a mate and lots of other things. I’m worth much more than my portfolio, regardless of its size.... And that’s true for every one of us.”