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THE WALL STREET JOURNAL.

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Wall Street Got You on Edge? Join the Club

ON MONDAY NIGHT, after a day when stocks took their worst hit in years, Don Case bought a lottery ticket on his way home from work. Mr. Case, a 42-year-old data analyst in O'Fallon, Ill., is worried about the stability of the life-insurance policy he bought a few years ago from American International Group Inc., which reached a deal for a massive "bridge loan" from the government yesterday. He's also concerned about the state of his 401(k) retirement savings plan and his 529 college savings plan.

With a venerable institution like **Lehman Brothers Holdings Inc.** crumbling, "I'm sure all

companies are vulnerable," he says. "If I win the lottery, I won't have to worry."

As stocks swoon and financial titans teeter on the edge of insolvency, the market turmoil trans-

*By Eleanor Laise, Jennifer Levitz and
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lates into emotional turmoil for many people. Some are experiencing sleepless nights and random bouts of crying, while others hope for a miraculous windfall.

Lucy Claroni, 59, assistant superintendent for

curriculum and instruction in the Vidalia, Ga., schools, is concerned because all of the investment options in her retirement plan are provided by AIG. Though an accountant told her the funds would be secure, "I'm still nervous," Ms. Claroni says. "I have almost \$90,000 in there, and I would hate for it to be lost."

Some of her colleagues are talking about pulling money out of the plan even though they'd have to pay a penalty on the withdrawal, says Ms. Claroni, who says the AIG crisis "sounds like the Great Depression—kind of scary."

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Wall Street Got You on Edge?

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At the San Diego Zoo on Tuesday, a group of volunteers—most of them retirees—were preparing for an annual fund-raiser, but their conversation kept turning toward the mayhem in the markets, says Ham Beardsley, a 77-year-old retired accountant and zoo volunteer. "We've been talking about it all morning," he says.

For many, the uncertainty sparks insomnia. In Memphis, Tenn., 48-year-old Joseph Weibel says his financial ordeal, which includes having his \$300,000 savings account "frozen" in a now-illiquid security, has caused him "many sleepless nights."

"You just lay awake," says Mr. Weibel, who owns a TV-repair shop. "You can't get it off your mind: 'What's going to happen? What about my son's education? What about all the things we've saved for?'" He says he and his wife have most of their savings in an auction-rate security, which they believed was nearly as safe as cash. Since last February, though, the market for such securities has been frozen, a casualty of the credit-market turmoil. **UBS AG**, the underwriter of his investment, recently offered to let him and other investors cash out, beginning Oct. 31.

Eating Out Less

Some investors are making plans to slash unnecessary expenses. Milton Norman, an 83-year-old attorney in New York who owns some mutual funds from Neuberger Berman, a unit of Lehman Brothers, is trying to keep calm. But he called his wife from work Tuesday morning to tell her that they should consider eating out less.

When Michael Nixon, co-owner of Wandering Goat Organic Coffee Roasters in Eugene, Ore., first saw the headlines about the Dow Jones Industrial Average tumbling on Monday, he knew he would have to continue cutting back on personal expenses such as child care, driving and dining out, which he had started to do months earlier. Yet he did find a measure of relief after the bad news of the last couple of weeks: "I'd rather something bad happen now than 10 years from now and have it be much, much worse," he says.

Some investors are hitting

the panic button. Yaacov Teplow-Phipps, a New York landscaper, moved all his investments into cash on Friday. "There's too much uncertainty," he says. "It's pretty distressing." After Monday's grim news, Larry Coleman, a retired school administrator in Fayetteville, W. Va., began making plans to move his nest egg from stock mutual funds into a savings account that is insured by the Federal Deposit Insurance Corp. He says his son is planning to do the same thing.

"We're not rich folks," Mr. Coleman says. "When you see all of these banks going under, and the market in such disarray, it's a little bit frightening to think that these are the people handling your small amount of money."

Taking the Long View

Less likely to flee from stock funds are younger investors who are years away from retirement and have time to make up for downturns. "I actually see the market dips as a potential buying opportunity," says Peter Ching, a 29-year-old Web designer in New York. He allocates 80% of his 401(k) account to stock mutual funds, and says that his balance has dropped 16% over the last year. "It's been distressing to see my account balances steadily decline over the past year, but I try to take the long view," he says.

Stephanie Smith, a clinical psychologist and the Colorado public education coordinator for the American Psychological Association, says Americans overwhelmed by the financial crisis should focus on what they can control. "We can control how much we are spending on eating out," she says, "or getting our latte or getting our new fall clothes."

Taking a break from reading or watching all the bleak financial news can be beneficial, too. "We don't need to know the gory de-

tails" because this can increase anxiety, Dr. Smith says. Families should consider a five-minute rule for discussing the banking crisis and then move on to less anxiety-inducing topics, she says.

'It's All I Have'

Many investors are dealing with the turmoil by monitoring their investments much more intensely. Mr. Case, the data analyst, now checks his daughter's 529 account every couple of days, instead of just once a month, and he's checking his 401(k) every day instead of every couple of weeks. "Before, I would just gloss over it, but now I go in and see what's up and what's down," he says. "I don't have a huge amount of assets, but it's all I have, so it means a lot to me."

Some people are getting anxious calls from elderly parents who are living on fixed incomes. Lynnda McCoy, 62, and her husband got a call from Ms. McCoy's 89-year-old father, who has an annuity worth about \$30,000 with AIG. That represents about a third of her parents' savings, says Ms. McCoy, an organizational trainer in Fort Worth, Texas. While she and her sister can help her parents, "that's not the point," she says. "The point is the emotional distress that they might be in if they were to lose the whole thing."

Pittsburgh-based financial consultant Kathy Jo Pollack has seen an increase in clients calling and emailing with frantic questions recently. To combat the stress, Ms. Pollack has increased her workouts from once or twice a month to five times a week. "Thinking about the economy and hearing my clients, it's easy to get caught up in it," she says.

—Mary Pilon and Joseph De Avila contributed to this article.