

PROBLEM SOLVING: DILEMMAS: TAKING CONTROL

How to stay up when reversals of fortune are getting you down

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Dear Susan,

I am a 48-year-old father of three teenage girls. I have spent the past 20 years in wealth management, which provided a fantastic lifestyle for my family. The last few months have been hell because I've lost a lot of my own savings and even more money for clients and friends. Last fall, I was worried but hopeful, but now I feel down and discouraged a lot of the time. Please advise.

- *Feeling Like a Loser*



Dear Feeling,

If you are a loser, then so are we all. As Peter Pan author J. M. Barrie put it, "We are all failures - at least all the best of us are."

The question is how you interpret such reversals of fortune, and if there are any other areas in your life where you feel like a success.

You need to answer these questions for yourself, perhaps with some assistance, but, for now, let me remind you that you didn't mastermind this credit crisis by yourself.

Nor is your resilience all within your control. I can't comment about your material losses, but the key to weathering your loss of confidence is to separate what's outside your sphere of influence from what's within it. And this time put more of your money on what's within your control.

After all, up until now luck played a powerful role in your successes and your failures - and it's not just Malcolm Gladwell, author of *Outliers: The Story of Success*, who says so.

The markets are a crapshoot and those drawn to them tend to be people mesmerized by risk, primarily men in the first act of their careers, whose youthful exploits on the floor can be thrillingly rewarding.

If, like you, they stick around long enough, they're sure to witness some dramatic fluctuations, partly due to external factors but also partly due to internal ones, like their own temperament - that is, their appetites for high risk and quick rewards.

For reasons of survival, the human brain's emotional headquarters, the limbic system, is perfectly designed to light up in response to rewards like sex, drugs, food and money, and some of us are built to react with more alacrity to one or another of these payoffs. Age, gender and a genetic predisposition to impulsivity and addiction all play a part.

So what happens when those physically attuned to quick, unpredictable rewards find that they are suddenly withdrawn? I don't have to tell you that the letdown feels visceral.

Though the markets carry us all along like flotsam and jetsam, the group whose fortunes were most buoyed by previously rising markets - alpha guys in investment and brokerage houses- now feel particularly vulnerable. The recent spate of suicides among male financiers and traders shows how closely their identities were tied to their profit margins.

Sadly, these men linked their competence and confidence to financial yardsticks and it remains to be seen if the correlation also goes the other way: how do male traders' psychological states affect the markets. Researchers are just starting to explore how much market volatility starts out with a certain type of male broker's unbridled (and often unregulated) zeal for rapid-fire trades.

One study published last year showed that an investor's level of testosterone at 11 in the morning predicts how much he'll earn for the rest of that day. The lead author, Canadian neuroscientist John Coates, once ran a trading desk on Wall Street and is now a neuroscientist at Cambridge University. Having witnessed mental states that shifted between zombie-like focus and wild thrills and chills at traders' screens, Dr. Coates was interested in how "waves of irrational exuberance and pessimism destabilize the markets," and so tracked men's testosterone levels while on the trading floor.

He discovered that spikes in a trader's morning testosterone meant that the fellow would outstrip his average daily earnings trading futures, a market where lightning-quick reaction times are crucial but little reflection is required.

It's hard to know exactly how hormones influence such picks, but Dr. Coates speculates that testosterone boosts a trader's confidence in his assessment of probabilities. If he's successful, awareness of an immediate payoff prompts the secretion of more testosterone, creating a feedback loop in which wins spark ever-riskier bets.

But the whole cycle can crash at a moment of uncertainty. That's when anxiety strikes and a stress related chemical (cortisol) kills one's appetite for risk. Such male hormonal volleys could lead to boom-and-bust market cycles, according to Dr. Coates, who came to "the intriguing possibility" that women might make better traders.

He won't be able to test the idea though, as just four of 260 London traders are female. That's not much of a sample.

How does this relate to you? It's a way to find meaning in what happened, and it's an object lesson about control.

Right now, you can no more challenge the direction of the markets than you can change your sex, your age or the ebb and flow of your hormones. But here's a list of what you can control:

See your doctor to determine whether you have a history or any symptoms of depression.

Seek satisfaction in your relationships: Take pleasure in your kids, be a loving spouse, connect with friends and spend time with aging parents.

Seek satisfaction and a sense of competence in other areas of your life: music, exercise, cooking, art, reading, fixing or making things.

Believe in your ability to cope and solve problems.

Have confidence in your strengths and abilities.

Hold on to the idea that you have something valuable to offer, perhaps by helping others.

Talk to your wife and close friends about your fears.

If you feel overwhelmed or have stopped enjoying activities you used to love, seek professional help.

Make realistic plans, find concrete ways to cope with stress.

Believe in your identity as a go-getter and a survivor.

Perhaps most important, find meaning outside of work and keep those fires burning once the market recovers.

*Susan Pinker is a psychologist and author of *The Sexual Paradox: Extreme Men, Gifted Women and the Real Gender Gap*.*

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