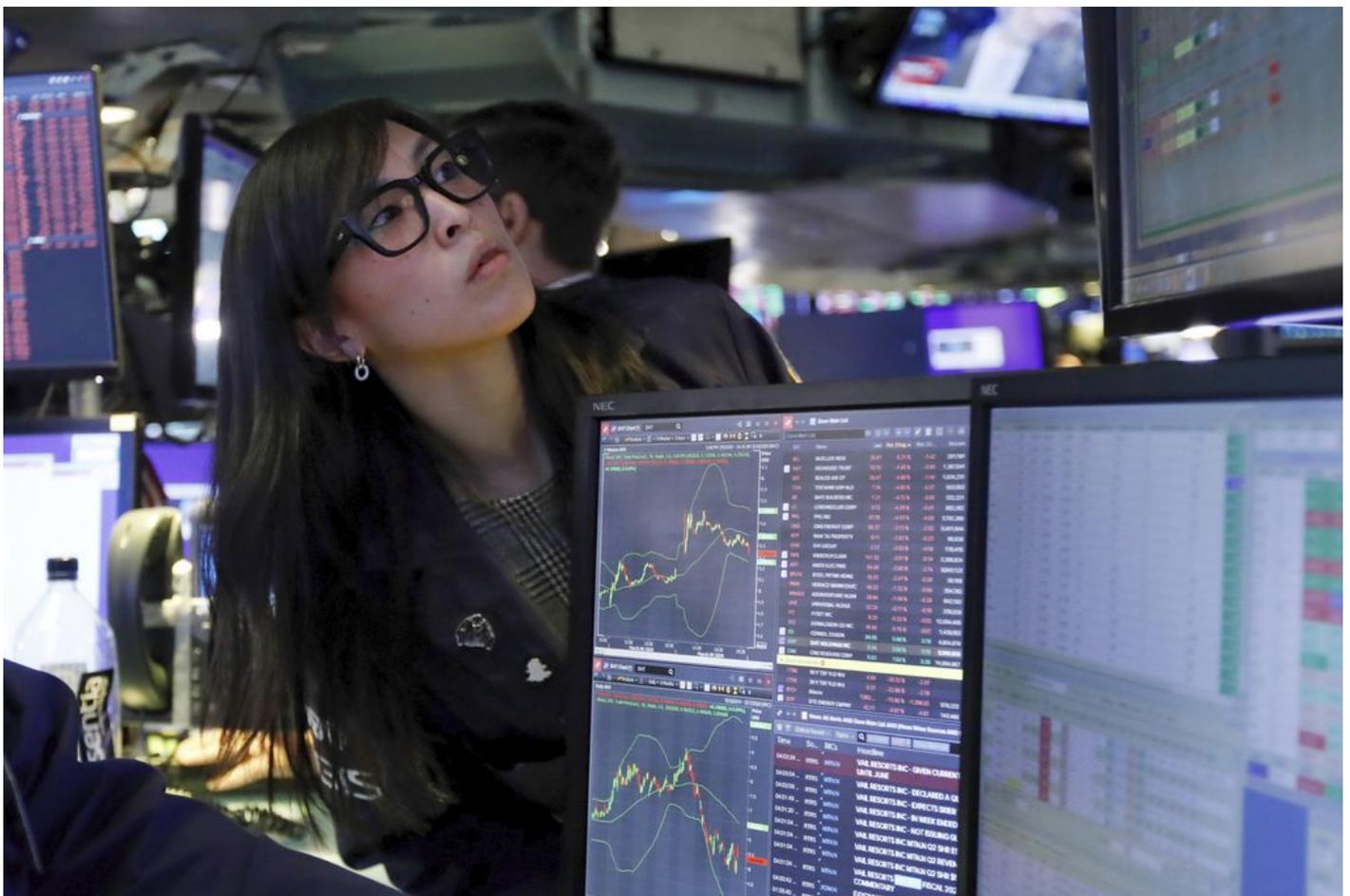


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# The stock market's in turmoil. The economy feels shaky. What do I do?

By **Tim Logan** Globe Staff, Updated March 9, 2020, 5:36 p.m.



Specialist Erica Fredrickson worked on the floor of the New York Stock Exchange on Monday. RICHARD DREW/ASSOCIATED PRESS

The stock market is plunging. Whole industries are on hold as the Covid-19 disease spreads around the globe. The US economy, after years of growth, suddenly feels shaky.

So what's an everyday investor to do?

Sit tight. Maybe even stick a little extra in your retirement fund. Don't stuff your savings into your mattress.

That's what financial planners were saying Monday, even as the S&P 500 fell nearly 8 percent to record its worst day since 2008. Markets, they note, rebound, and when that happens patience is rewarded — just as it has been over the last 11 years, during which time the S&P 500 has tripled in value since it crashed in 2008.

“Don't panic,” said financial adviser Bill Driscoll at Driscoll Financial in Plymouth. “What comes down goes back up.”

That said, here are a few things to think about amid the turmoil:

**Count your savings.** None of what follows matters if you don't have a cushion, or the cash flow of a steady income. And while the US economy added a healthy 273,000 jobs in February, economists warn that job cuts could come fast if consumers, wary of Covid-19, stay home en masse and stop spending. Financial experts recommend having three months' worth of living expenses on hand as emergency savings, and maybe more.

“If you want to be safer, have six,” said Jake Northrup, the founder of Experience Your Wealth in Bristol, R.I. “It also ties back to how risky your career is. If you think you could get laid off, you'll want more savings.”

**Sock away that 401(k).** That said, if you have a steady income, think about increasing your 401(k) contribution, or shifting more of it into stocks. Why? Stocks are cheap right now, relatively speaking, and that regular contribution will buy more than it did even a couple of months ago. If retirement is decades away, you can ride out any dips yet to come. Even if you're close to retiring, or recently did, there's plenty of time for recovery, unless you need to spend down a good chunk of your portfolio in the near future.

“If you're a long-term investor, this is a good time to put your cash to work,” said Northrup, whose firm focuses on younger workers. “We're hardwired to buy less of things that bring us pain. But you're OK.”

**Think about refinancing.** Interest rates are at rock-bottom. If you have a mortgage, or a lot of student-loan debt, this could be an opportunity to refinance and cut your monthly payments or extinguish debt faster, said Kristin McKenna, managing director at Darrow Wealth Management in Boston. Refinancing can be complicated, and it may take time for the Federal Reserve's rate cut last week to translate into lower rates at banks. But now's the time to get started, she said.

"It's just a really good time to be aware of what's going on and get your ducks in a row," McKenna said. "Don't wait until the last minute."

**If you don't have a plan, make one.** Tumultuous days like Monday are a good reminder that saving and investing is a long-term game, said Chris Chen, a wealth adviser in Waltham, and it helps to have a goal. Maybe that's paying down debt, or saving for the kids' college educations, or retiring. But if you know what your money's for, he said, it's easier to know how to react to short-term swings.

"It's important when you're investing that you have a purpose," he said. "And that purpose translates into a timeline."

And once you have that timeline, stick to it, said Kash Ahmed, the president of American Private Wealth in Bedford, no matter how big those red numbers get on the stock ticker on TV.

"It may sound really stupid, but don't do anything," Ahmed said. "If you have to do something, go for a walk. It's a nice day out."

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