

## **As recession panic grows and stocks TANK, experts reveal what you must do NOW to protect your money**

By [TILLY ARMSTRONG DEPUTY CONSUMER EDITOR FOR DAILYMAIL.COM](#)

**Published:** 09:56 EDT, 11 March 2025 | **Updated:** 13:01 EDT, 11 March 2025

The stock market has been on a rollercoaster ride in recent weeks, sparking panic among Americans about the fate of their investments and 401(K)s.

Wall Street was flying high in the early days of the new Trump administration, bolstered by the President's promise of a pro-growth agenda which would be good for business.

But stocks have taken a battering since the administration began proposing sweeping tariffs on the nation's largest trading partners.

While Trump has delayed tariffs on Mexico and Canada (again) until the beginning of April, investors remain spooked and any euphoria around a 'Trump bump' for the stock market is fading fast.

A weeks-long stock market sell-off intensified on Monday, with the S&P 500 falling 2.7 percent, and the Dow Jones Industrial Average losing 2.08 percent at close.

The tech-heavy Nasdaq shed a huge 4 percent, marking its worst session since 2022. Elon Musk-owned Tesla plummeted 15 percent - its largest fall in five years.

The S&P 500, which tracks the 500 biggest companies in the US, is now down 8.7 percent from its all-time high on February 19.

Investors are worried uncertainty around tariff policy could push the economy into a recession, something Trump himself refused to rule out in an interview on Sunday.

And investment providers have told the Daily Mail they are now starting to receive messages from clients panicking about their retirement savings.

But fear not. To help guide you through the storm, we asked the experts to break down what you should do with your money amid stock market turmoil...

### **What to do in a stock market decline**

**The most important thing that Americans should remember is to 'stay the course' and, effectively, do nothing, said Peter Gallagher, managing director of Unified Retirement Planning Group, who has worked as a retirement planner for 30 years.**

**Savers should focus on the long-term, and avoid pulling money out of the market during a dip.**

**'It's normal to be concerned, especially if you're watching the market carefully. But as long as you have a long-term timeframe within your retirement planning, then there is no need to panic,' Gallagher said.**

**He reminded people that the average 'intra-year decline' - the largest drop from a peak to a trough within a single calendar year - for the stock market over the last 20 years or so is negative 14 percent.**

**'It's kind of healthy to have a pullback like this once in a while, even if it's very painful to watch,' he added.**

**Gallagher also stressed that you will only lose out on valuable gains on your investments or retirement accounts if you pull your money out.**

**Historically, most of the stock market's gains are made in just a few days each month. The S&P 500 averages a gain of around 9 percent every year, but if you pull your money out and miss one of those key trading days, your average return will drop dramatically.**

**'People that try to get in and out of the market just fail drastically,' Gallagher said.**

**Stocks are cheaper during a slump, so keep investing and you will benefit in the long run when the market recovers.**

**He also recommended not checking your retirement investment accounts every day during a time of volatility.**

**'You don't need daily valuations for something you might need in 15 or 20 years.'**

Bret Kenwell, US Investment Analyst at eToro, agreed that it is imperative investors know their timeframe and objectives.

'That advice sounds like a broken record, but it's true,' he continued. 'Those who are long-term, consistent investors with a long-time horizon shouldn't worry too much about the current market turbulence.'

Passive investors with 401(K)s fall into this category.

Kenwell also pointed out that compared to the average intra-year correction of 14 percent, the current 9 percent pullback doesn't seem too bad.

**Should Americans turn to 'safe haven' assets?**

In times of market volatility, it serves as a reminder that diversification can help shelter an investor's portfolio when times get tough, said Kenwell.

For instance, silver and gold are still up about 10 percent on the year, he explained.

Gold has traditionally been seen as a 'safe haven', or as a hedge against inflation and the potential volatility of other assets.

'Those who are long-term, consistent investors with a long time horizon shouldn't worry too much about the current market turbulence,' said Bret Kenwell, US Investment Analyst at eToro

**But as Gallagher pointed out, holding gold in your portfolio can present obstacles. For example, you need to have a buyer for your gold if you plan on selling it.**

**'I don't know why people think that there's always going to be a market for it - it's not really true,' he said.**

Some investors also see cryptocurrency as a hedge against inflation. It is in limited supply, which means it isn't hit by inflationary pressures like other currencies are.

But Americans should be aware that crypto, including Bitcoin, is volatile and prone to extreme price swings.

It can be part of a diverse portfolio, if investors exercise caution, but should not be seen as a safe haven during a stock slump.

**For Gallagher, the key is holding the correct proportion of stocks in your portfolio for the amount of years you have left until retirement.**

Younger Americans can invest more heavily in stocks as they have longer to recoup any losses.

If you are a few years off retirement, or are supposed to be retiring this year, your plan should not be relying heavily on the stock market. You should be relying on more conservative investments.

Kenwell pointed out that despite the current sell-off, eight of the 11 S&P 500 sectors - including utilities - are in fact still in positive territory so far this year.

'It just doesn't feel like a majority of sectors are still higher on the year given the decline in tech and consumer discretionary stocks, two sectors that investors have a lot of exposure to, either directly via individual stocks or indirectly through the indices,' he explained.

## **Can you cash in on the volatility?**

'Capitalizing on volatility can be difficult, but can be done in a number of ways,' Kenwell told the Daily Mail.

The first, and most straightforward approach, is buying desirable assets at a discount, he said.

'Whether that's index funds or individual stocks that investors have had their eye on, these types of market declines can be great for long-term buyers.'

Some more advanced investors have also been looking outside the US, Kenwell said. 'For instance, European and German stocks have done well lately, helped along by lower valuations at a time where many view US equities to be fully valued.'

In the last six months, the benchmark Stoxx Europe 600 index is up 7.52 percent. Some experts have said in recent months that many US stocks, particularly tech companies, may be overvalued.

However, Kenwell warned that it is key for investors to know what they are investing in and more specifically, why they are doing so, before they flock to markets outside the US.

'Simply chasing a market because it's doing well could land them in trouble when the winds eventually shift,' he said.

###