When Do Investors Freak Out?

Machine Learning Predictions of Panic Selling

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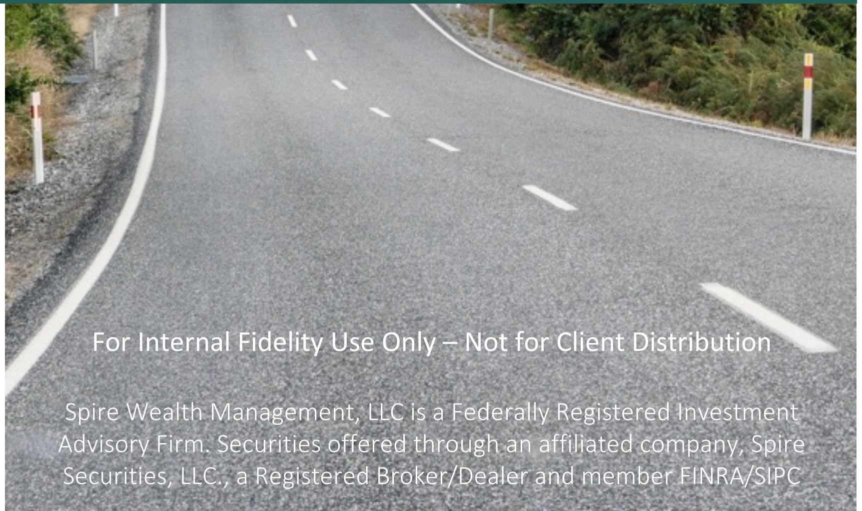
Study conducted by MIT's Laboratory for Financial Engineering



01 **Age** – People older than 45 have a "heightened tendency to make panic sales... Younger investors are less likely to make panic sales by a wide margin."

02 **Marital Status** – "Investors who are married or divorced are more likely than other groups to freak out."

03 **Gender** – "Males are slightly more likely than females to... panic sell during periods of high financial stress."

04 **Number of Dependents** – "Investors with no dependents are least likely to panic sell."

05 **Self-declared investing experience** – "The likelihood of panic sales and freak-outs is most pronounced when the investor has self-declared good or excellent investing experience."

06 **Self-declared investing knowledge** – "Similar to investing experience, we find that investors who describe their investment knowledge as good or excellent panic sell or freak out in higher proportions."

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