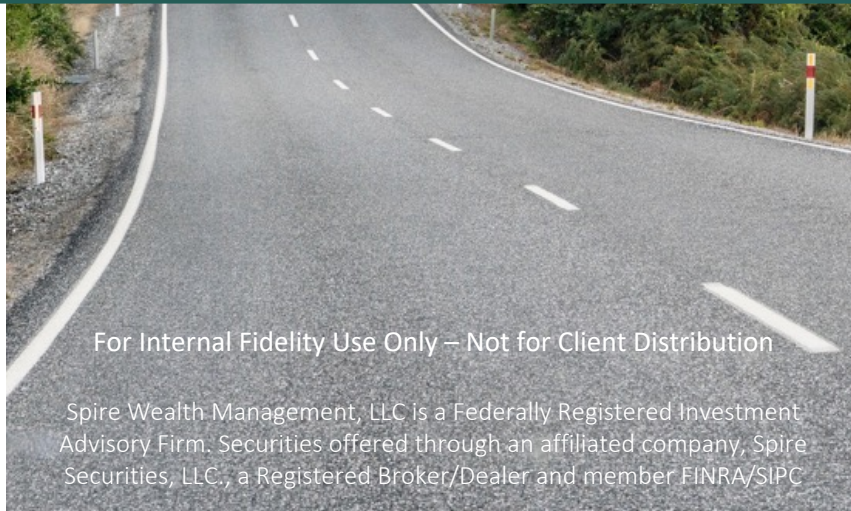




When Do Investors Freak Out? Machine Learning Predictions of Panic Selling

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Study conducted by MIT's Laboratory for Financial Engineering



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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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