

Swatantra Kumar Explains: Fear of financial loss

Fear of loss refers to a tendency to strongly prefer avoiding risk during investing. Here, investors prefer choosing low return investments. They are afraid of losing their money. The fear of loss overpowers the excitement to gain. This results in irrational investment decisions. However, not taking risk is also a type of risk. By not taking a risk, you are at a risk of not being able to meet your financial goals. You are also at a risk of uncertainties eating out your savings.



You can take note of the following tips to overcome this fear:

- Set financial goals before you start investing.
- Choose your investments according to your risk appetite.
- Do your research. Study the company's profile carefully before investing in it.
- Be a disciplined investor even during volatility. Re-align your investments when needed.
- Seek financial advice. Don't bank on other people's opinion.

Don't let the fear of financial loss affect your investment decisions. Such fears can be dealt with through awareness about investments.