

# Stock Doc: Bullish Thinking Cap

***Even if you're a bearish investor, think bullish thoughts when bouncing back from adversity.***

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**BY ALDEN CASS**

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The wealthy and successful clients I treat in my clinical psychology practice in New York are not particularly good at dealing with setbacks or rejection.

Their thoughts and ideas have never really been challenged by subordinates when faced with tough situations or failure, because, after all, they are the admired leaders.

They feel uncomfortable talking about depression and anxiety, as they believe having those feelings might be considered a sign of weakness. But the reality is that everyone faces difficult issues in their lives and must deal with adversity in an adaptive fashion. The No. 1 quality that differentiates someone who bounces back after a disappointing event from one who crumbles and remains passive is perception.

"Bullish thinking" is the ability to see the sun through the clouds. It is a cognitive technique that I teach my clients to help them maintain emotional discipline in the face of adversity. It helps them get back to the top of their game and prevents them from bringing their bad moods home. Mastering this style of thinking allows them to improve their overall quality of life and reap the financial rewards that they feel they deserve.

How an individual perceives his or her past successes or failures can determine the outcome of similar scenarios in the present. Take the following example of two fictional financial advisers with different reactions -- one bullish, one bearish -- to the same problem.

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Alden Cass is a performance enhancement coach and clinical psychologist for Catalyst Strategies Group ([www.catsg.com](http://www.catsg.com)) who specializes in working directly with individual and teams of senior investment executives, including high-profile CEOs, top hedge fund and prop traders, investors, and financial advisors to help them achieve their financial and personal goals. He works to modify behaviors that are hampering their performance and to give them the mental edge within competitive work environments. He is a licensed clinical psychologist and an expert on the use of psychology in the financial services industry. He has conducted behavioral healthcare studies on retail stockbrokers that indicated that 23 percent of the group measured met criteria for major depression. His research has been presented at both national and international conferences (APA, ICPP). He is a major contributor to columns in *On Wall Street Magazine* and *Traderdaily.com*. Cass has also conducted workshops with the Securities Industry Association, Money Management Institute, *Trader Monthly Magazine's* Peak Performance Workshop, The Wall Street Branch Managers Meeting at the Federal Reserve Bank of New York, and the London Bullion Market Association, the Silver & Zinc Association, the Investment Management Consultants Association (IMCA), and the Investment Products Association (IPA).

He has appeared in the following media: *The Today Show*, *Fox News Live*, *New York Magazine*, *Businessweek*, *Lou Dobbs Moneyline CNN*, *CNN money.com*, *CNBC London*, *Financial Times*, *London Financial Weekly*, *Washington Post Radio*, *NY Newsday*, *On Wall Street Magazine*, *E-Trade "On Air," BBC Radio*, *Reuter's Business Newswire*, *New York Times*, *Boston Globe*, *Absolute Return Magazine*.

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"Doubtful Dan" and "Proactive Paul" both lost new and wealthy clients on the same day because recent investments into volatile mutual funds went sour.

Paul viewed losing the client as a normal part of his job and an isolated incident. Dan, on the other hand, experienced a vicious cycle of negative thinking that he had been wronged and victimized. He started validating irrational and bearish thoughts such as, "I am incompetent or a fraud. All my clients will start jumping ship soon. I am completely to blame for this problem. I should have predicted that this fund would falter."

Paul's attitude allowed him to continue to seek new clients with optimism and tenacity, and without fear. He experienced lower levels of anxiety and anger. He felt he had control over rebounding from a bad situation and preventing a similar one in the future. Consequently, Paul moved on with his day and was able to enjoy his time away from work later that night.

It might seem simplistic, but for many self-critical, perfectionist individuals, thinking bullish thoughts after experiencing an unanticipated negative work or life event is very tough to do. It is often much easier to give in to self-defeating, absolute thoughts that can be catastrophic and irrational in nature.

When you notice that you're experiencing that churning feeling in your stomach after you experience a setback, that's the first sign of bearish thoughts entering your mind. What you say to yourself at that point is critical to your success.

If "Doubtful Dan" or someone like him sought my help, I'd have him sit down in my office, close his eyes and think back to some of his successful days. I'd ask him to recall rebounding after losing a big client by landing a particularly difficult new account. I'd also help him write out evidence-based challenges to the irrational, bearish thoughts that occupied his mind. For example, it is clear that other, external variables contributed to losing his client, and thus, Dan was not the only cause.

I'd encourage Dan to make more adaptive and healthy statements such as, "This is an isolated setback, and I have overcome obstacles in the past. I will get through this and learn more about the fund I recommended. I will find a better investment vehicle for my risk-taking clients." Coming up with positive, solution-focused statements can help someone sidestep a crisis.

Sometimes, the thoughts and perceptions of successful people faced with adversity are their own worst enemies. When they drill down on their bearish thoughts and challenge themselves with rational, bullish perceptions that stem from real-life data, they can manipulate a rut into something positive. They can think of proactive solutions for overcoming a brief setback.

Perception is so important to your overall level of happiness and quality of life. Make it your business to check in with the quality of your thoughts more regularly. Remember that even if you are a bearish investor, you can still think bullish about your life -- even when your expectations don't match up with your reality.

*Please write to the Stock Doc with your trading, emotional or investing dilemmas. Dr. Cass*

*always welcomes comments and stories, for which he'll try to offer valuable solutions in later columns.*

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