



## Changing Weather Conditions

By *Bella La Rosa*

I used to believe that I understood the concept of humidity. Born and raised in San Diego, you could say that I was a bit spoiled by the Southern California weather. Three years ago, I flew 1,600 miles away from my home state and was greeted with true heat: first name, “Humidity,” last name, “Mississippi.” It turns out, 90 degrees in Southern California compares to around 70 degrees in Mississippi. The weather, as we know, is all relative. Now I’m thrilled if it hits under 80 degrees in the South.

To introduce myself briefly, my name is Bella La Rosa, and I am interning at New Perspectives during my last year in college. Almost four years ago, I made the wild decision to move over halfway across the country to attend a small private university, which half of my friends from home still believe is in Missouri or “You go to Ole Miss, right?”

At Mississippi College, I am the president of the Investment Club, which in 2013 was given \$100,000 for the club members to invest. Since joining the group three years ago, I’ve only seen the stock market rise. On top of that, my age means that I’ve only read about and listened to investors share their experiences of the 2008 financial crisis. With the recent market dip in the first half of October, however, I’ve been able to get a taste of what investors felt ten years ago. On Wednesday, October 10<sup>th</sup>, the Dow dropped 832 points.

While an 832 point decline seems foreboding at first, it’s actually only a 3.2% drop. That compares to a 7% drop in September of 2008, a drop of 22.6% (508 points) on Black Monday in 1987 and a 12.82% drop on October 29, 1929 (Black Tuesday).

In October of 1987, the dow hit 2,246 before the drop. The Dow on Tuesday, October 9, 2018, closed at 26,430—a significant difference from 1987! While my thoughts darkened on Wednesday, Nancy reminded me that it’s important to focus on the overall percentage change rather than a points comparison.

While I wish I could see into the future and tell you whether or not recent market activity is an indicator of a downturn in the economy, I can confidently say that we will make it through no matter what. Ten years ago our country faced the worst recession since the Great Depression. In March of 2009, the low for the Dow was 6,443.27. We are now at 25,250.55. When watching the stock market, remember it’s much like the weather. What may feel like a stifling 90 degrees, may actually be only 70. This novice investor is glad to have experienced professionals around me to remind me that it’s all relative.



**What does a bee do when it’s hot? He takes off his yellow jacket.**