

Surviving the Holidays on Wall Street

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The days get shorter and the weather gets worse. At this time of year, you leave for work when it's dark and return home when it's dark. It would be easy to feel a little depressed (psychologists call this seasonal affective disorder). In fact, since ancient times people have been getting depressed on the short days around the Winter solstice and for this they invented holidays. In the United States, in barely over a month we celebrate Thanksgiving, Christmas, Hanukkah, and New Year's Day (and you might even celebrate other holidays like Boxing Day or The Feast of St. Stephen). It's a time of great hope and rejoicing and a time to be with family...except maybe not a Wall Street.

Wall Street has its own demands for the holidays. The holiday period is the stretch run to the end of the fiscal year when your performance numbers really will become part of your permanent record. It's bonus season in which a very large percentage of your yearly salary might depend on how your boss feels about your recent performance. Year-end portfolio changes need to be made for taxes, proper window-dressing, and to prepare for the new fiscal year. In short, when everyone wants to spend time with their families enjoying the holidays, you have lots of work to do. And then there's the office holiday party...

What can you do about it:

- Recognize that this is a stressful period

First, this will be a demanding time for you and there is no good way around it. You will need to set limits, care for yourself, and maintain perspective. Going to your children's middle school holiday play is important; going to your neighbor's bash may not be.

- Take care of yourself

Being under stress when you are supposed to be enjoying the holidays can cause you to forget about taking care of yourself. In particular, drinking too much holiday cheer is a terrible idea. None of those end-of-year tasks at your job are any easier when you are hung-over. Eating right, continuing your routine of stress-reducing activities, exercising, are all more important during the holiday season but tend to be the first things to go.

- Try to forget about the bonus and just keep working diligently

Last minute attempts to manipulate your bonus almost never work and just look foolish to the boss. Giving your boss an excessive Christmas gift; hinting that if your bonus isn't good enough, you might look for another job; introducing "new" ideas in

mid-December so that your boss thinks you are entrepreneurial, all fall within the category of bad plans.

- Don't do anything really stupid

A trader on an execution desk once forgot to trade out of a very large position immediately before bonus time. When he discovered the error several days later, the position had moved big against the firm. He reasoned that bonuses would be out in a few days, the position might come back, best to just sit on this error for a few days. And in a few days, bonuses still weren't out, the position had moved further against the firm and compliance and risk had picked up on the error.

- Don't shorten your time horizon

If you get to make trading decisions, it's very natural to start thinking that your time horizon ends on December 31. Letting the calendar influence your trading is almost always a bad idea (unless you are trying to minimize taxes or have some other specific year-end goal). In particular, maintain your risk parameters. Dropping risk to ease your holidays isn't good for your firm. Taking on more risk to rescue your year won't work and will cause you trouble.

- Be careful at the office holiday party

Besides being off-the-charts stressors, office holiday parties cause all kinds of damage. Be careful about consuming alcohol. Behave professionally and respectfully around all your colleagues. Show up a little late, shake hands with everyone while smiling, drink tonic and lime, and leave with the first wave.