

**Denise Shull does not believe anyone should fear their fears.**

“Fear in its pure form is meant to help you,” The Rethink Group’s founder and CEO said in a January 2021 podcast with Barron’s. “It’s meant to help you prepare.”

Because of that, Shull said fear need not be an impediment to making sound decisions. Acknowledging fear and recognizing the reasons for it can lead to wiser decision-making.

That approach is wrapped up in the fundamental elements of The Shull Method, a neuroscience-and-psychology-based approach that shows decisions are based on feelings, and recognizing those feelings is foundational to sound decisions. Shull explained how decisions are based in feelings [in the Barron’s podcast titled \*How to Manage Your Personal Finances, Investments and Taxes\*](#).

She said that when fear is involved, it’s better to acknowledge the feeling, to see where it’s coming from, and why. In high-stakes situations, being able to separate real fear (that is protective) from irrational fear will help minimize risk.

“Not a single person would have ever graduated from college if it weren’t for fear, right?” Shull said. “Because who would have done the work? Fear in its pure form, as all negative emotions, has some helpful things. It’s a matter of sorting out which part of the feelings is giving you information and which form is something else in life that’s irrelevant.

“That’s a skill to learn to do that.”

That skill requires separating valid intuition from noise, a science-based principle that is not acknowledged or studied enough, Shull said. In speaking with Beverly Goodman, Barron’s editorial director for investing and asset management, Shull said it’s proven scientifically that flawed decisions are made based on unexamined emotions. Acknowledging those feelings helps with risk assessment and perceptions, which leads to sound judgment, which leads to sound decisions, especially in stressful or high-risk situations.

“We all think we make the decision based on the analysis,” Shull said. “We actually make the decision based on our confidence in the analysis, or our fear that something may happen. We make a decision on the feeling about the thought.”

**The key is understanding the feeling, and using the learned skills to gain perception.**

“Our brains are always predicting a feeling, and they’re predicting a feeling based on our past experience,” Shull said. “There’s this really Indescribable amount of information that anybody can get about themselves by understanding that basically they are making decisions on a future feeling.”

This is especially true in the tumult of the times. The pandemic has changed daily lives and work environments. There is new leadership in the national government. Schools are adjusting to a different reality. Meanwhile, we all wait for a vaccine. In that environment, Shull said it's vital for anyone making a decision that involves risk to simply write out their fears.

"Get them on a paper, sit with them," she said. "Then ask: 'What's the likelihood this is going to come true?' That exercise actually helps you mitigate what would typically be called irrational fears."

Irrational fears clutter the mind. Legitimate fears are worth recognizing. When it comes to investing and investors, the irrational fears spring from another part of life and are counter to positive thinking, Shull said.

Understanding these concepts and learning the skill to recognize feelings can allow a decision-maker to grasp the difference between intuition -- a valid form of knowledge that produces a calm, quiet sense that something is right -- and impulse, which can be driven by irrational fears. Separating the two matters.

When advising clients, Shull focuses on her time-tested process:

- What do you want?
- What are you afraid of?
- What does it take to get what you want?
- Who do you trust?
- What are your real feelings about it?

"I know a handful of really good individual traders that I've frankly met through Twitter, and what will they tell you?" Shull said. "They do know how to use their confidence, or their fear, or their lack thereof, or their intuition. And they've learned it the hard way, right? They've learned it through 20, 30 years of practicing and losing money and figuring out you really do make a decision based on how you feel.

"And the more you know about how you feel, the better you can make market-predictive decisions."

#### Upcoming Events with Denise

##### **February 3<sup>rd</sup> at 1:05pm EST**

Denise Shull will take part in the **MarketWatch Mastering Your Money Event Series**. Register [here](#) for the live online panel.

##### **February 9<sup>th</sup> at 11:30am EST**

Shull also will be giving a presentation to the [HFM Connect Emerging Managers Summit](#). She will speak on "The most recent information in the science of decision-making: How to access your intuition, sharpen your convictions and mitigate risk."

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