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What If The Stock Market Did Not Exist?

If the stock market did not exist, our world as we know it might look very different. The average day-to-day financial economy and lifestyle will be affected. The gap between the rich and poor people will get wider. Opportunities for business shareholders will be very different also. The people who do not own shares in the stock market and those in the lower-income brackets will miss out.

Some people believe that the stock market is efficient, and no one can make money however other individuals believe that the market drives fear and greed.

In the past income inequality increase for individuals who own shares see the net worth grown. middle class. Anyone can invest in the stock market and become millionaires. If the stock market does not exist, then everyone would have to find their shares to purchase and oversee it themselves. To purchase company shares the transaction would be done directly with the company, attorney, and banker. To sell without an active stock market would require the individual to find their buyer also. The initial cost of the stock might be considerably higher as well.

We are accustomed to seeing the stock market growth over the years, but investing can go both ways. The stock market can climb, or it can decrease and be a risk for the investor. There is no risk for those who are not shareholders of any company. If an individual gave some money to start a company and there was not a stock market, then you will be stuck with that investment. When the stock market index drops severely in one day or days of trading it is called a stock market crash. These indexes are called the Dow Jones Industrial Average, the S&P 500, and the Nasdaq. Some argue that a sudden crash is more than the stock market correcting itself.

There is just no way to know when the stock market is going to crash or how long it would last. If the stock market disappears then the economy will not be strong and major corporations will not exist. The corporate taxes would be lost and employees for companies like Costco, Apple, Walmart, and Exxon will be hired. Perhaps that technology would not advance so fast if there was no stock market. Maybe people would be more self-sufficient if the stock market disappears. People can invest or save in banks or invest in their own companies. Warren Buffett was someone poor and became rich through investments. The stock market can be an equalizer for individuals who know how to play.