Market Volatility and Your Path To and Through Retirement®

Focus on your Future

Forget fear and focus on your long-term plan. If you suddenly feel yourself wanting to make changes to your portfolio allocations, contact your financial professional to review your plan to see if those changes align with your long-term goals. If those changes do not align with your long-term goals, you may be reacting to emotions driven by fear. Your financial professional can help you.

Be Prepared

How much cash do you need to have on hand to cover your monthly expenses? If you are in retirement, talk to your financial professional and get the guidance you need to make sure you have your basic needs covered in a product that is accessible and not related to stock market volatility.

Review your Time Horizon

If you are close to retirement, you may want to make sure that you have the right mix of investments to balance your need for growth and preservation. There are different types of products that are not affected by market volatility and can even help you create a guaranteed lifetime income stream. Talk to your financial professional to revisit your needs.

Keep Going

Contributions that you make on a regular basis take advantage of a concept known as dollar cost averaging. While dollar cost averaging does not guarantee a positive return, it can be a powerful way to accumulate wealth when the market is down. If you are contributing to your retirement account (e.g., 401(k) or 403(b)) on a regular basis, you have the opportunity to purchase shares at a lower price when the market is down. When the market rises, the price of those shares can rise creating an opportunity for an increase in value. This is because you paid less money for the shares and purchased more shares at that time than you would have if the prices were higher.

Staying the Course May Have Its Rewards

Short term market downturns may translate into long-term payoffs. The table below prepared by Morningstar Direct includes a rank of the largest monthly S&P 500® Price Return Index declines over the past 90 years and the cumulative returns for the ensuing 1, 3, and 5-year periods. While past performance is no guarantee of future performance, this chart shows how resilient the stock market has been in several instances and how it has rewarded the long-term investor using the S&P 500 Index as a guide.

S&P 500® Price Return Index - Lowest Monthly Returns since 1929 and cumulative returns 1, 3, 5 years later

Month - Year	1 Month Return	1 Year Later	3 Years Later	5 Years Later
September 1931	-29.94%	-16.79%	-6.28%	64.88%
March 1938	-25.04%	29.18%	17.18%	36.24%
May 1940	-23.95%	0.86%	30.64%	61.92%
May 1932	-23.33%	115.66%	114.32%	263.76%
October 1987	-21.76%	10.79%	20.74%	66.28%
April 1932	-20.25%	42.71%	59.18%	181.82%
October 1929	-19.93%	-29.86%	-71.18%	-63.52%
February 1933	-18.44%	90.11%	157.07%	100.35%
October 2008	-16.94%	6.96%	29.37%	81.32%
June 1930	-16.46%	-27.52%	-46.68%	-50.00%
August 1998	-14.58%	37.93%	18.42%	5.30%
December 1931	-14.53%	-15.15%	17.00%	111.58%
September 1937	-14.21%	-11.05%	-22.53%	-35.68%
October 1932	-13.86%	28.74%	79.02%	77.59%

May 1931	-13.72%	-65.67%	-26.19%	10.60%
March 1939	-13.54%	11.57%	-27.05%	9.47%
November 1929	-13.37%	-20.79%	-68.69%	-54.40%
September 1930	-13.01%	-47.77%	-47.12%	-37.65%
September 1974	-11.93%	32.00%	51.92%	72.05%
March 1932	-11.82%	-19.97%	15.87%	145.14%
July 1934	-11.52%	27.65%	95.62%	38.71%
November 1973	-11.39%	-27.08%	6.40%	-1.31%
September 1933	-11.36%	-7.43%	62.87%	24.52%
September 2002	-11.00%	22.16%	50.72%	87.27%
February 2009	-10.99%	50.25%	85.78%	152.95%
February 2020	-8.41%	15.15%	26.39%	N/A
Average	**-15.84%**	**8.95%**	**23.95%**	**53.97%**

Source: Morningstar Direct

The U.S. markets have experienced several periods of high market volatility and downturns through history. Work with your financial professional to develop a long term plan with a portfolio that fits your overall risk profile and financial goals to help you continue your journey along the path To and Through Retirement®.

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