

Check this out. According to Behind the Numbers, in the last 50 years in the stock market, 53% have been up days and 47% of the days have been down. But in spite of this near every other day volatility, in that same 50 years, the S&P 500 gave us an 11.1% annual return. I think one of the things about investing is to not get caught up in the short term. The short term is always going to be volatile according to those stats. But, if we focus more on our goals, what we're trying to accomplish, the long term, things kind of work themselves out. I think one of the nice things about investing is that, when we focus about our goals, we tend to put aside our fears and a lot of the short term volatility that is just going to remain constant for as long as we are investors in the market.

Here's a chart that we like to use a lot when we teach. What this chart is basically showing is that, by coming out of the market and missing the best five to 25 days over a 20 year period, shown in this example, you could be punished drastically in your returns. Had you invested \$100,000 in 2002 and just left it alone, that \$100,000 20 years later would've grown to \$616,000. But, the issue with investing, and we hear it all the time, is that because of the short term volatility, people want to come out. Well, when you come out, and if you were just to miss the 10 best days of that 20 year period, your \$100,000 only grows to \$282,000.

One of the things that we try to get people to understand is just to relax, chill out, and let's just focus more on the goals, your situation, and managing the risk within the portfolio. We can always stay invested, but while we're invested, we could always de-risk the portfolio. But, the notion of coming out entirely because things are volatile is really, really punishing to an individual's long-term goals. This is a macro view. We're trying to slowly get you comfortable with volatility. We don't lose sight of the fact that each situation is different, but hopefully this is a video that helps, and if there's anything that we can do to help, you know where to find us.