DON'T LET A DECLINING STOCK MARKET LEAD TO EMOTIONAL VOLATILITY.

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BIG RED ARROWS, PANICKED CABLE NEWS EXPERTS, AND THE ECHO CHAMBERS OF OUR SOCIAL MEDIA FEEDS CAN MAKE STOCK MARKET VOLATILITY SEEM MUCH WORSE THAN IT ACTUALLY IS.

If you've ever had trouble keeping a cool head about your own investments, take a moment to reflect and consider these three key points about market history and the true purpose of your investment plan. Stock market volatility might seem scary, but if you can clear your head of all the noise and stay focused on what's really important, your investments will yield a greater Return on Life.

1. Stock market declines are normal and expected.
In March of 2009, the US markets finally bottomed out at the end of the Great Recession. Since then, investors have enjoyed a ten-year bull market, by some measures the longest ever.

You might suspect that after such historic growth, what goes up must come down. Market history tells us that's exactly the case. The chart below from Capital Research and Management Company illustrates this point well.

A History of Declines (1949-December 2018)

Type of Decline	Average Frequency[1]	Average Length[2]
-5% or more	About 3 times a year	44 days
-10% or more	About once a year	114 days
-15% or more	About once every 4 years	270 days
-20% or more	About once every 7 years	431 days

(https://www.americanfunds.com/individual/planning/market-fluctuations/past-market-declines.html)

Recency bias convinces many people that the next downturn will be as deep and damaging as the last one. Making matters worse is the constant amplification of the latest headlines with non stop cable news and social media feeds. The old journalism school adage, "if it bleeds, it leads" is constantly in play. Sensationalism sells and attracts attention. To put things in perspective, think about some of the things that have happened since the beginning of this chart in 1948: Europe putting itself back together after World War II; the tumult of the 1960s, culminating in the Kennedy assassinations and Vietnam; the gas shortages in the 1970s; the Black Monday market crash in October

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Source: RIMES, Standard & Poor's. [1]Assumes 50% recovery rate of lost value. [2]Measures market high to market low. [3]The average frequency and average length rows exclude the most recent decline in December 2018 because the 50% recovery of lost value occurred after 12/31/18.

1987; two major wars in the Middle East and countless other military engagements; 9/11; natural disasters like Hurricane Katrina and the Indian Ocean Tsunami; the Lehman Bros. bankruptcy and subsequent housing crisis in 2008.

Through all these events, and many more, the market experienced short-term declines. But viewed through a wider lens, the long-term trajectory of the stock market has continued to point upward, no matter what the world and panicky investors throw at it.

2. You're planning for tomorrow, not today.
We're working with you towards long-term goals, including a secure and rewarding retirement and a significant legacy that will benefit your family, friends, and community.

The people who are most affected by today's stock market numbers are people who make a living buying and selling stocks every day. These traders are operating on a timeframe that's much narrower and much more volatile than the investments in your retirement portfolio.

Take the 1987 market crash as an example. Many day traders lost their shirts on Black Monday. But just 23 months later, the market was back at its previous breakeven point.

Now, of course, those 23 months were nervous times, especially for folks who were nearing retirement. But viewed over the course of a typical 30-year retirement savings program, these kinds of normal market corrections are typically minor blips.

3. Return on Investment is less important than Return on Life.
Still, there's more to your money and the investment strategies we're working on together than just your ROI.

Real meaning in life comes from focusing on all the things money can't buy. If you spend your entire working life chasing after the next dollar, then when you retire, money is all you'll have. You won't have a network of personal relationships to enjoy. You won't have a connection to your community and local causes that improve it. You won't have a personal routine that keeps you healthy, active, and engaged. You won't have hobbies that put your skills and interests to their highest uses. You won't have a spiritual or aesthetic center you can cultivate through art, nature, religion, or giving back.

In retirement, you also won't have that next dollar to chase anymore because ... you're retired! What are you going to do with all your new free time?

Fretting about normal market volatility only leads to bad financial decisions and a distorted view of what your money is really for. We've found that the sooner folks start focusing on living the best life possible with the money they have, the greater their Return on Life is throughout the planning process.

If you're worried about how market corrections could affect your investment plan, let's schedule a meeting to discuss. We'll run through our checklists to make sure your plan is on track to deliver something more important than money: a happy, secure, and fulfilling life.

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