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How to manage times of market turbulence.

The ups and downs of financial markets are historical and virtually unavoidable. Stock and bond values change every single day—it's a fact that most people who invest understand and accept.

Making smart decisions during prolonged periods of uncertainty can be challenging. Each of us has our own investing time frame, financial goals, and comfort level with risk. You may get the sense that the market will never go up again or that you need to do something to help preserve your investments. So what can you do?

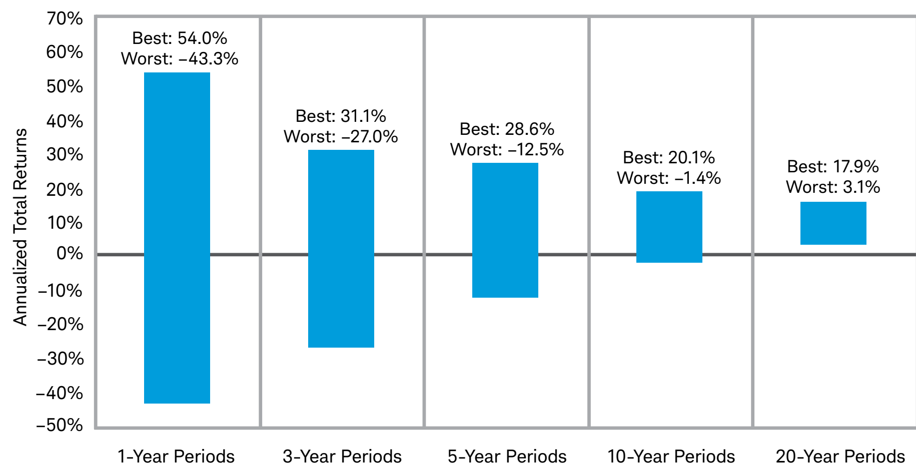
Stick to your long-term plan.

It's completely natural to want to pull out of the market during tough times. The classic case of this is the investor who buys high and sells low, thereby severely limiting the opportunity for gains.

While past performance has no guarantee of repeating itself, historically, in spite of temporary losses and periods of volatility, both the stock and bond markets have gained in value, although this increase in value hasn't been in a straight line. By keeping your emotions in check and focusing on your long-term goals, you can put yourself in a position to benefit from the market's historical overall upward trend.

Lengthening holding period may reduce downside risk.

Diversified equity portfolio as represented by the S&P 500® Index (1926–2019)



Source: Schwab Center for Financial Research with data provided by Standard and Poor's. Every 1-, 3-, 5-, 10-, and 20-year rolling calendar period for the S&P 500 Index was analyzed from 1926 through 2019. The highest and lowest annual total returns for the specified rolling time periods were chosen to depict the volatility of the market. Returns include reinvestment of dividends. Indices are unmanaged, do not incur fees or expenses, and cannot be invested in directly. For additional information, please see Schwab.com/IndexDefinitions. **Past performance is no guarantee of future results. Diversification strategies do not ensure a profit and do not protect against losses in declining markets.**

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Want to talk? Just call **1-800-724-7526** or visit **workplace.schwab.com**.

Keep contributing to your retirement account.

Some people try to “time” the market by not investing when returns are down and then jumping back in when they perceive the market shifting upward. Unfortunately, timing the market consistently has proved difficult for even some of the most experienced professional money managers.

Also, by continuing to contribute to your retirement account, you can give yourself the advantage of dollar-cost averaging. This can lower the average price per share you pay for investments over time, because during down markets your investment dollars buy more than during upswings.

This strategy does not ensure a profit and does not protect against loss in declining markets. Since the investment strategy involves continuous investment in securities regardless of fluctuating price levels, you should consider your financial ability to continue investing during economic downturns in the market.

Match asset allocation to risk tolerance.

An appropriate asset allocation doesn’t mean the value of your holdings will never go down, but it can help you strike the appropriate risk level given your goals. Often, just knowing that your portfolio is properly allocated can help you weather changing market conditions from an emotional standpoint. Most likely, you’ve already determined your allocation on our website, workplace.schwab.com. If not, now is a great time to do so.

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The information provided here is for general informational purposes only and should not be considered an individualized recommendation or personalized investment advice. The investment strategies mentioned here may not be suitable for everyone. Each investor needs to review an investment strategy for his or her own particular situation before making any investment decision.

Investing involves risk, including loss of principal.

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