Bear markets shouldn’t scare you

When in the middle of a bear market, it can feel like there’s no end in sight. In reality, however, bear markets tend to be short and are followed by longer periods of market growth.

History has shown that the market has recovered its losses after each bear market.

The S&P 500 Index has been used as a representation of the markets.

Hypothetical example for illustrative purposes only. Source: Morningstar Inc. Ibbotson SSBI US Large Stock Total Return Index. Assumptions: One-time investment of $1 on January 31, 1960 in the S&P 500 Index. Indexes are unmanaged and cannot be invested in directly. You should always keep in mind, though, that you can’t count on the market to behave the same way in the future as it has in the past. These comparisons, while a helpful way to evaluate your investment options, should not be considered predictors of future performance.
Bear markets are temporary setbacks

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Looking at two recent market declines, there was substantial growth as the markets recovered. It took about 50 months following the 2000–2002 bear market and 37 months for the markets to recover following the financial crisis. During these recovery periods, there were great investing opportunities, since the markets were steadily growing.

Over the years, markets have experienced times of poor performance, but, their natural tendency has been to rebound – sometimes quickly. This can be reassuring and keep you focused on your long-term investment strategy.