Market volatility and your retirement savings

If you are putting money away in your retirement plan, then there will be times over your life when you experience more market volatility than others. If you're wondering about how to protect your retirement savings, here are a few tips to give you peace of mind when it comes to your financial wellbeing.

1. Stay the course

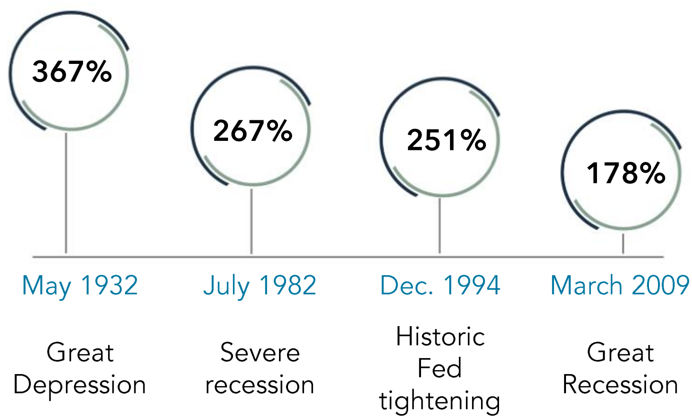
It's hard to predict exactly when the market will turn and begin going up consistently. That's why it's likely better to stay the course so that you're invested and don't miss out on any of the recovery.

2. Review your goals, risk tolerance, and time horizon

The longer you have until retirement, the greater your tolerance for risk. Make sure that your asset allocation (i.e. investment strategy) remains in line with your long-term goal.

3. Try not to check your balance

If you know you want to stay the course, then why check your balance every day? It's better to focus on your long-term goals and let your account be.



We've been in similar market situations before. In the U.S., we've been through wars, pandemics, and political changes in the last 150 years. With each downturn, the market has met its floor and then recovered. Even the worst market declines are usually followed by a significant recovery.

This chart shows S&P 500 Index returns for the five-year time period after some of the great downturns of the modern era.

Source: Ibbotson, Factset, FMRCo, Asset Allocation Research Team as of Jan. 1, 2019. See footnote 4 for details. U.S. stock market returns represented by total return of S&P 500® Index.

ONEDIGITAL

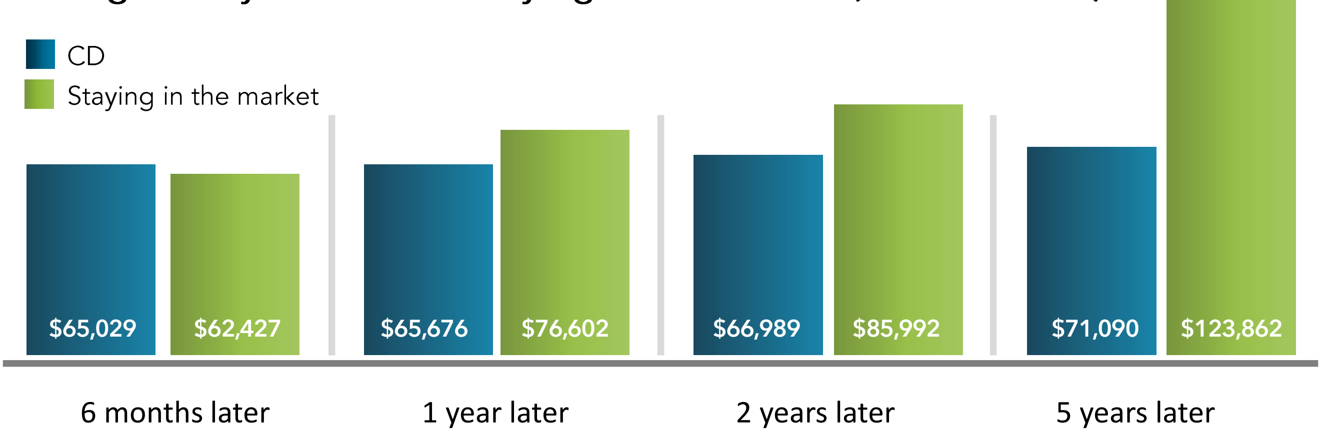
4. Focus on what you can control

You're in charge of your day-to-day finances. Setting up a budget, building up your emergency fund, and paying down debt are all things you can do now to help your family's financial picture, regardless of what the stock market is doing.

5. Invest, if you can

If you have money to spare from a tax refund or a bonus, it may be a good time to invest. As they say: Buy low, sell high.

Putting money in a CD vs. staying in the market (2009 to 2013)



While staying invested can be hard, it pays off in the long run.

Imagine it's 2008 and you have $100,000 invested in the market. After a bumpy year, your balance falls to $64,388 early in 2009. Hypothetically speaking, what do you do?

This chart shows that those who kept their money invested in the market were far better off five years later. Based on S&P Index returns at that time, their balance would have had grown to $123,862, a gain of nearly $60,000 and a full recovery of what they'd lost in 2008.

Confident and In Control

If you have questions about investing or want the most up-to-date resources to help simplify your finances, visit onedigital.com today. Our team of advisers has helped thousands of people, each with unique needs and preferences, take charge of their finances.

Investment advice offered through OneDigital Investment Advisors, an SEC-registered investment adviser and wholly-owned subsidiary of OneDigital.

ONEDIGITAL