

# 3 THINGS

TO DO RIGHT NOW  
IN A VOLATILE  
MARKET



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When the stock market is doing well, you don't often hear about it. Life goes on as normal, and you have a sense of security that your financial future is in good hands.

But when the market starts to slide down, people tend to panic. That's a natural reaction to have when you see your hard-earned savings decline right in front of your eyes. You might start having second thoughts about how you could have allocated your money a little differently, but what can you actually do about it now?

First, take a deep breath. You have resources in your corner to help you stabilize your retirement income avenues. No matter how much of your portfolio is tied to the market's performance, here are three things you should consider doing when the market is volatile:

## 1.

### REFRAIN FROM MAKING EMOTIONAL DECISIONS, LIKE GOING TO CASH.

There's substantial research that shows market timing doesn't work. In fact, the best and worst days often happen very close to each other: from 1999 to 2018, six of the **best** 10 days for the S&P 500 fell within two weeks of the **worst** 10 days. The same held true in March as we experienced a level of volatility we haven't seen since 1987.\*

Successfully timing the market is impossible; however, **it is possible to mitigate the level of volatility you experience through effective portfolio design.** If your experience during the first half of 2020 was uncomfortable, now is an excellent time to reevaluate your investment strategy and adjust your risk level accordingly.

\*Source: <https://www.forbes.com/sites/carriemccabe/2020/01/09/market-time-now/?sh=2d0317f12007>

## 2.

### CONSIDER ROTH CONVERSIONS.

Depending on your circumstances, **some of the best times to execute Roth conversions are in a down market.** The whole reason to consider a Roth conversion is to pay less tax in retirement. If your account is down by 30% that equates to paying 30% less in tax than you would have paid on the conversion prior to the market downturn.

## 3.

### CONSIDER DOLLAR COST AVERAGING.

You've always been told to buy low and sell high, right? Sometimes that's easier said than done because when things feel crazy and there seems to be no end in sight, the last thing you want to do is invest money in an uncertain market environment. However, if you have more in savings than necessary or have guaranteed investments that didn't get beat up by the market downturn, then you might want to consider investing a portion of those accounts to take advantage of the buying opportunity.

IF YOU'D LIKE TO DISCUSS ANY OF THESE STRATEGIES FURTHER OR HAVE QUESTIONS ABOUT YOUR SPECIFIC CIRCUMSTANCES, WE'D LOVE TO SCHEDULE A 15 MINUTE RETIREMENT CHECK UP CALL!  
**515-278-1006**

