

CORONAVIRUS

WHAT YOU NEED TO KNOW

As the coronavirus spread causes dramatic market swings, the uncertainty can feel scary.

While market conditions continue to evolve, there are still many unknowns. But rest assured, we're here to help you navigate these challenges.

REMEMBER, THE MARKET IS RESILIENT

Throughout history, there have been many events that have created market volatility. And each time the market has proven resilient, with stocks recovering from these short-term crisis events to move even higher in the long term.

While no one likes market declines, they're part of investing. In fact, volatility is normal. Investors who endure these episodes of decline and maintain their long-term strategy are often rewarded for their patience when the market rebounds.

MAINTAIN LONG-TERM PERSPECTIVE

While passion and emotion can be valuable character traits, they can work against you when investing. That's because the average investor tends to sell when markets are low and buy when markets are high — the exact opposite of a successful strategy.

By cashing out or transferring out of lower performing funds when the market is down, not only are you potentially locking in losses, you're also missing out on any upswing that follows.

Remember, saving and investing requires a long-term perspective. Rather than reacting emotionally and potentially undermining a sound investment strategy, stay the course with a diversified mix of stocks, bonds, and cash.

TAKE ADVANTAGE OF DOLLAR COST AVERAGING

When prices are low, you can purchase more shares. Dollar cost averaging — making consistent contributions on a regular schedule — allows investors to reduce timing risk. And in a fluctuating market, the average cost per share is generally lower.

Keep in mind that dollar cost averaging does not guarantee a profit or protect against a loss in a declining market, so you should consider your ability to continue investing through periods of adverse market conditions.



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CONSIDER ALTERNATIVES TO LOANS AND WITHDRAWALS

Taking a retirement plan loan or withdrawal can have a substantial impact on your financial future, so it should only be considered as a last resort.

Remember, when you take money out of your retirement plan account, it's no longer invested, and you may lose potential growth needed to help fund your retirement.

Each plan is different, so if your work situation has changed, we encourage you to discuss the details with your HR representative or plan sponsor, so you can determine the best course of action.

RETIRING SOON? KEEP THE FOLLOWING IN MIND

Even if you're retiring in a few years, a good retirement strategy would have your allocations shifting to more conservative investments over time. And remember, you won't need access to all of your money right away. You still need your investment strategy to work for you through your lifetime, which means some of your assets may be invested for another five, 10, or 15 years and can weather short-term volatility.

REMAIN CALM AND STAY THE COURSE

Ultimately, it's your actions — not the market — that have the greatest impact on whether or not you'll reach your retirement goals. Rather than focusing on what's happening today, determine your long-term investing strategy — and then stay the course.

Stay on top of the latest.



VISIT

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