

# Historical Facts About Market Swings



When there’s a glut of market uncertainty, emotional decision-making tends to rise — and investors end up paying the price. As Warren Buffett once said: “The most important quality for an investor is temperament, not intellect.”

Just because something is true doesn’t mean it’s easy to follow. However, it becomes easier when investors are equipped with the right knowledge about the history and trends of market performance over the long run.

## Patience is Rewarded

Since 1950, every downturn has given way to a bull market. And more importantly, each recovery has endured for a significantly longer stretch than the period of decline. Here are just a few examples:

Bear Market				Recovery		
Time Frame of Downturn		How Many Months	% Decline	Post-Downturn Cumulative Return		
Start Date	End Date			1 Year Later	5 Years Later	10 Years Later
October 9, 2007	November 20, 2008	14.5	-51.9%	45.0%	136.7%	251.1%
January 11, 1973	October 3, 1974	22.5	-48.2%	38.0%	76.0%	160.8%
March 24, 2000	September 21, 2001	19.5	-36.8%	-12.5%	36.5%	20.8%
November 29, 1968	May 26, 1970	19.0	-36.1%	43.7%	30.7%	59.6%
February 19, 2020	March 23, 2020	1.0	-33.9%	74.8%	75.4%	
August 25, 1987	December 4, 1987	3.5	-33.5%	21.4%	93.0%	334.6%
January 4, 2002	July 23, 2002	7.0	-32.0%	23.9%	93.3%	69.3%
December 12, 1961	June 26, 1962	7.0	-28.0%	32.7%	75.2%	105.4%
January 6, 2009	March 9, 2009	2.0	-27.6%	68.6%	177.6%	305.5%
November 28, 1980	August 12, 1982	22.0	-27.1%	58.3%	224.5%	307.9%
January 3, 2022	October 12, 2022	6.0	-25.4%	21.6%		
February 9, 1966	October 7, 1966	8.5	-22.2%	32.9%	36.6%	41.4%
August 2, 1956	October 22, 1957	16.0	-21.6%	31.0%	41.0%	144.7%
<b>Average:</b>		<b>11.4</b>	<b>-32.6%</b>	<b>36.9%</b>	<b>91.4%</b>	<b>163.7%</b>

Source: Standard & Poor’s, American Century Investments.

**The takeaway:** Short-term volatility can distract from long-term progress. Investors who pull out of the market during downturns lose out on the market’s best recovery days.

## History Repeating

Market volatility is not an anomaly — it's a feature of the investment world. Events ranging from the Fukushima nuclear disaster to wars to negative forecasts from trusted economists have repeatedly caused meaningful, short-term declines in the S&P 500. Yet despite these disruptions, the broader trend has remained upward over time.

Right now, we're living through a period of market uncertainty, resulting from a global trade war and armed conflicts in the Middle East — but it's precisely in times like these when investors need to maintain vigilance with the following:

- + **Stay anchored to your long-term plan** — don't let short-term market swings derail a strategy built for long-term goals
- + **Treat downturns as opportunities** — market pullbacks can allow you to buy quality investments at more attractive prices, rather than sell your positions
- + **Diversify with intention** — a well-balanced, cost- and tax-aware portfolio can help reduce volatility and improve outcomes
- + **Rebalance regularly** — keep your portfolio aligned with your risk tolerance as markets shift over time

**Market volatility is a reason to review your wealth plan, not abandon it.**

## Let's Connect

If recent developments have you questioning your market strategy, now is a good time to revisit your plan, liquidity needs, and long-term goals with your advisor.

For assistance, visit [IMAPrivateWealth.com](https://IMAPrivateWealth.com) or call 316.266.6574 or 877.305.1864 (toll-free).

### Wichita

430 E Douglas Ave, #400  
Wichita, KS 67202

### Denver

1705 17th Street, #100  
Denver, CO 80202



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