



# **5 Steps to Navigating a Volatile Market**

Some years can be challenging for the markets and if there is a positive to a down market, it is that it provides an opportunity for us to reflect on your long-term plan from a different perspective. We pride ourselves on creating a plan that is customized to you and your personal financial goals. With that in mind, we created our Volatile Market Checklist to walk you through five steps to aid you in navigating the current market challenges and provide you with additional insight. We believe that this will provide clarity in determining if adjustments are warranted and it can help us identify a potential opportunity to aid your financial plan and achieve your goals.

**Minimize Emotional Response To Market Movement** – While being concerned is a natural emotion, one of the keys to success in a downturn is being patient and allowing investments that you don't need in the near term to rebound as the market improves. Note: while a rebound is not guaranteed, the good news is a year after the S&P 500 moves into a bear, stocks actually do pretty well, up an average of nearly 15% a year later with a very solid median gain of 23.8%. <sup>1</sup>

**Checklist Question #1**

**Are there any short-term financial needs that require us to consider adjusting your financial plan?**

**Evaluate Your Long-Term Plan** – Investing often has a long-term time horizon and historically, the stock market tends to increase over time. The key is evaluating how your investment plan aligns with your long-term goals. If anything, a down market can stimulate conversation to allow you to better understand your long-term goals and create a plan for achieving them.

**Checklist Question #2:**

**Do you understand the long-term financial plan you have in place? If not, let's setup a time to discuss your plan and verify it aligns with your goals?**

<sup>1</sup> **7 Things To Know Now That The Bear Is Here | LPL Financial Research (lplresearch.com)**

**Re-examine Your Budget and Eliminate any High-Interest Debt** – As we work through a period of high inflation, it is a good time to examine your budget to evaluate the impact of inflation and make sure you are maximizing your income to not only support your short-term needs but your long-term ones as well. Eliminating debt, especially high-interest debt, can be a great way to expand your budget in the big picture and make sure you minimize the amount you are paying in interest.



**Checklist Question #3:**

When was the last time you reviewed your budget and debt payments? For the debts be sure to verify the interest rate on those debts to better understand the costs involved with carrying that debt.

**Examine Your Risk Tolerance** – For some people relatively new to the world of investing, this may be your first time experiencing a significant market downturn. This can provide you with valuable insight into your risk tolerance moving forward. A financial advisor can help you examine your risk tolerance and build that into your long-term plan.



**Checklist Question #4:**

Has the recent downturn made you uncomfortable with the amount of risk in your plan? If so, reach out so we can do a deeper dive at your risk tolerance.

**Explore Opportunities** – When the market is down it is also a good time to ask your financial professional if current market conditions create any opportunities for you by asking questions such as “Is it a good time to convert to a Roth IRA”, “Do I have the right amount of life insurance?”, “Do you have an excess cash you are looking to invest in the downturn?”



**Checklist Question #5:**

Have any of the opportunity questions above resonated with you? If so, let’s schedule a time to talk to review how it fits in your financial plan!

*Thanks for downloading our Volatile Market Checklist. I hope these discussion topics and Questions allowed you to reflect on your current long-term plan or identify the need to review your current plan with a financial advisor.*

*We are focused on providing a customized long-term plan focused on helping you achieve your financial goals and the understanding you need to weather the ups and downs of the market.*

#### **Important Disclosures**

Content in this material is for educational and general information only and not intended to provide specific advice or recommendations for any individual.

Investing involves risks including possible loss of principal.

Past performance is no guarantee of future results.

Traditional IRA account owners should consider the tax ramifications, age and income restrictions in regards to executing a conversion from a Traditional IRA to a Roth IRA. The converted amount is generally subject to income taxation.

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