

# Survival Strategies for Volatile Markets

Market volatility can be a source of concern for many investors, but it's essential to remember that it's a natural part of the investment landscape. As a participant, it's crucial to have a well-thought-out strategy to handle market fluctuations effectively. This handout aims to provide you with valuable insights and strategies to make informed decisions during times of market volatility within your retirement plan.

## 1. Stay Calm and Stay Invested

- Market volatility can be unsettling, but it's essential to remain calm and avoid making impulsive decisions based on short-term fluctuations.
- Time in the market is more important than trying to time the market. Stay invested and stick to your long-term investment plan.

## 2. Diversify your Portfolio

- Diversification is one of the most effective ways to manage risk. Allocate your contributions across a mix of asset classes (e.g., stocks, bonds, and cash) to spread risk.
- Diversification can help offset losses in one area with gains in another, helping you achieve a more balanced and stable portfolio.

## 3. Rebalance Regularly

- Market volatility can cause your portfolio's asset allocation to deviate from your original plan. Rebalance your portfolio periodically to maintain your desired asset allocation.
- By doing so, you'll be selling some assets that have performed well and buying those that have experienced a downturn, which can help you buy low and sell high.

## 4. Dollar Cost Averaging

- Consider using dollar-cost averaging, especially during times of market uncertainty. With this strategy, you invest a fixed amount regularly, regardless of market conditions.
- By investing consistently over time, you buy more shares when prices are low and fewer shares when prices are high, effectively reducing the impact of short-term market fluctuations.

## 5. Take Advantage of Your Employer's Dollars

- If your employer offers a matching contribution to your retirement plan, take full advantage of it. This "free money" can significantly boost your retirement savings.
- Even during market volatility, continue to contribute at least enough to receive the full employer contribution.

## 6. Consider Target Date Funds or Managed Portfolios

- Target-date funds and managed portfolios are designed to adjust their asset allocation over time, becoming more conservative as you approach retirement.
- These options can be beneficial if you prefer a more hands-off approach to managing your investments during market volatility.

## 7. Educate Yourself

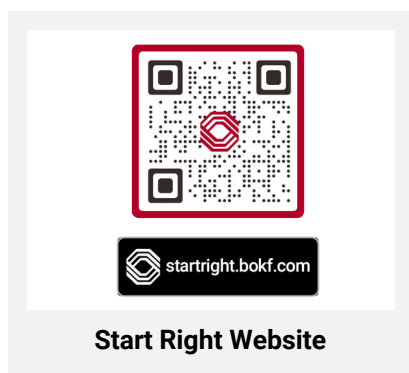
- Knowledge is power. Take the time to educate yourself about investing and retirement planning.
- Attend employer-sponsored workshops, consult with financial advisors, and read reliable financial resources to make informed decisions about your retirement plan investments.

## 8. Review and Reevaluate Your Strategy

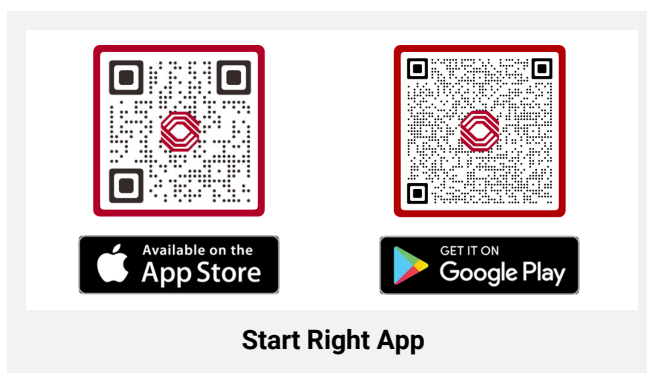
- Regularly review your investment strategy, particularly during significant life events or changes in financial goals.
- Ensure that your investment choices align with your risk tolerance and time horizon.

Remember, investing is a long-term journey, and market volatility is just one part of the ride. By staying informed, diversifying, and maintaining a disciplined approach, you can navigate through market fluctuations and work toward achieving your retirement goals.

- Don't stop contributing – Experts recommend contributing 10% - 15% of your salary
  - 2024 IRS maximum: \$23,000      Catch-up contribution: \$7,500
- Diversify Your Income
  - Pre-Tax versus Roth Contribution
- Use Dollar Cost Average to your advantage
- Diversify your investments to help reduce volatility of the markets and increase your chance for return
- Reach out and speak to someone about your retirement plan



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