



BENNETT, BENNETT & JOHNSON FINANCIAL SERVICES

With global markets experiencing a severe downturn in the first half of the year, our clients are rightfully concerned about their investment portfolios and the economic direction of the country. Most investors recognize the importance of remaining invested during difficult markets but remaining invested becomes more difficult as markets continue to slide. While our brains say that markets will recover, our emotions—fear, panic, doubt—imagine the worst possible scenario. Famed investor, Warren Buffett, shared in his 2020 annual shareholder meeting that “fear is the most contagious disease you can imagine”.¹ We believe there are actions that investors can take now to help reduce the amount of fear and anxiety they experience.

First, recognize that things are typically not as bad as the media claims they are. News media companies are not *really* in the business of reporting news but are instead in the business of selling advertisements. For example, the Weather Channel reports when a hurricane is in the Gulf of Mexico, and the more hype they give it, the more views they receive. The news media works the same way during economic downturns. While we are not saying to ignore all financial warnings, please remember to keep them in perspective.

We can also look back at history. Since 1945, the S&P 500 has experienced nine market pullbacks of 20-40%, which is a similar correction to the one we are currently experiencing.² The average decline during those corrections have been 10.6 months, and the average time to recover has been 13.8 months. History points to a market recovery, but investors must remain patient.

At Bennett, Bennett & Johnson Financial Services, we actively seek to meet with every client at least once per year. In fact, we are currently in the process of scheduling our client review meetings for the second half of the year. If you are anxious about your investments, do not hesitate to contact us to schedule a meeting. If we have your meeting planned for later in the year, we would be happy to move the meeting up so that we can spend some time reviewing your current situation.

¹ Swaminathan, A. (2020, May 4). *Buffett: Fear makes coronavirus 'look like a piker'*. Yahoo! Finance. Retrieved July 13, 2022, from <https://finance.yahoo.com/news/buffett-fear-makes-the-virus-look-like-a-piker-140940923.html?guccounter=1>

² Guggenheim Investments. (2022, May 16). *Putting Pullbacks in Perspective*. Guggenheim Investments. Retrieved July 13, 2022, from <https://www.guggenheiminvestments.com/mutual-funds/resources/crucial-conversations/putting-pullbacks-in-perspective>

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