



Navigating Market Volatility as a 401(k) Investor

March 19, 2025



“Far more money has been lost by investors preparing for corrections, or trying to anticipate corrections, than has been lost in corrections themselves.” – Peter Lynch



S&P 500 Corrections >5% since March 2009 Low					
Correction Period	# Days	S&P High	S&P Low	% Decline	"Stocks Fall On..."
2025: Feb 19 - Mar 7	15	6147	5666	-7.8%	Tariff Fears, Economic Slowdown Concerns
2024: Jul 16 - Aug 5	20	5670	5119	-9.7%	Recession Fears, Fed Behind Curve, Nikkei Crash
2024: Mar 28 - Apr 19	22	5265	4954	-5.9%	Stubborn Inflation, Fed Pushing Back Rate Cuts, Iran/Israel Conflict
2022: Jan 4 - Oct 13	282	4819	3492	-27.5%	Inflation, Rising Rates/Fed Tightening, Russia/Ukraine War, Recession Fears
2021: Nov 22 - Dec 3	11	4744	4495	-5.2%	Covid Omicron Variant, Fed Taper Fears
2021: Sep 2 - Oct 4	32	4546	4279	-5.9%	China Contagion Fears, Fed Taper Fears, Covid Delta Variant
2021: Feb 16 - Mar 4	16	3950	3723	-5.7%	Inflation Fears, Rising Rates
2020: Sep 2 - Sep 24	22	3588	3209	-10.6%	Coronavirus, No New Stimulus Deal, Election Fears
2020: Feb 19 - Mar 23	33	3394	2192	-35.4%	Coronavirus, Global Depression Fears
2019: Jul 26 - Aug 5	10	3028	2822	-6.8%	Trade War, Tariffs, Yuan Devaluation, Recession Fears
2019: May 1 - Jun 3	33	2954	2729	-7.6%	Trade War, Tariffs, Inverted Yield Curve, Global Slowdown/Recession Fears
2018: Sep 21 - Dec 26	96	2941	2347	-20.2%	Rising Rates, China Slowdown, Trade War/Tariffs, Housing Slowdown
2018: Jan 26 - Feb 9	14	2873	2533	-11.8%	Inflation Fears, Rising Rates
2016: Aug 15 - Nov 4	81	2194	2084	-5.0%	Election Fears/Concerns/Jitters
2015/16: May 20 - Feb 11	267	2135	1810	-15.2%	Greece Default, China Stock Crash, EM Currencies, Falling Oil, North Korea
2014/15: Dec 29 - Feb 2	35	2094	1981	-5.4%	Falling Oil, Strong Dollar, Weak Earnings
2014: Dec 5 - Dec 16	11	2079	1973	-5.1%	Falling Oil, Strong Dollar
2014: Sep 19 - Oct 15	26	2019	1821	-9.8%	Ebola, Global Growth Fears, Falling Oil
2014: Jan 15 - Feb 5	21	1851	1738	-6.1%	Fed Taper, European Deflation Fears, EM Currency Turmoil
2013: May 22 - Jun 24	33	1687	1560	-7.5%	Fed Taper Fears
2012: Sep 14 - Nov 16	63	1475	1343	-8.9%	Fiscal Cliff Concerns, Obama's Re-Election
2012: Apr 2 - Jun 4	63	1422	1267	-10.9%	Europe's Debt Crisis
2011: May 2 - Oct 4	155	1371	1075	-21.6%	Europe's Debt Crisis, Double-Dip Recession Fears, US Debt Downgrade
2011: Feb 18 - Mar 16	26	1344	1249	-7.1%	Libyan Civil War, Japan Earthquake/Nuclear Disaster
2010: Apr 26 - Jul 1	66	1220	1011	-17.1%	Europe's Debt Crisis, Flash Crash, Growth Concerns
2010: Jan 19 - Feb 5	17	1150	1045	-9.2%	China's Lending Curbs, Obama Bank Regulation Plan
2009: Oct 21 - Nov 2	12	1101	1029	-6.5%	Worries About The Recovery
2009: Sep 23 - Oct 2	9	1080	1020	-5.6%	Worries About The Recovery
2009: Jun 11 - Jul 7	26	956	869	-9.1%	World Bank Neg Growth Forecast; Fears Market Is Ahead Of Recovery
2009: May 8 - 15	7	930	879	-5.5%	Worries That Market Has Gotten Ahead Of Itself
Median	26			-7.6%	

The S&P 500 has now fallen over 10% from its peak on February 19, the biggest pullback since last August. This is the 30th correction >5% off a high since the March 2009 low. Each market correction seemed like the end of the world at the time.



S&P 500: Number of Large Down Days (1928 - 2025)														
Year	-1% Days	-2% Days	<-3% Days	Total	Year	-1% Days	-2% Days	<-3% Days	Total	Year	-1% Days	-2% Days	<-3% Days	Total
1928	23	2	2	27	1961	2	1	0	3	1994	14	1	0	15
1929	19	10	19	48	1962	28	4	2	34	1995	4	0	0	4
1930	38	16	16	70	1963	2	1	0	3	1996	14	2	1	17
1931	42	28	27	97	1964	3	0	0	3	1997	25	5	1	31
1932	27	18	50	95	1965	7	0	0	7	1998	20	7	5	32
1933	33	15	27	75	1966	22	3	0	25	1999	31	9	0	40
1934	32	20	7	59	1967	9	0	0	9	2000	35	15	4	54
1935	31	8	1	40	1968	9	0	0	9	2001	41	9	4	54
1936	18	6	5	29	1969	17	1	0	18	2002	43	22	7	72
1937	28	17	17	62	1970	29	4	0	33	2003	32	4	1	37
1938	40	15	12	67	1971	14	0	0	14	2004	20	0	0	20
1939	29	15	8	52	1972	6	0	0	6	2005	17	0	0	17
1940	23	4	8	35	1973	37	5	1	43	2006	13	0	0	13
1941	23	3	3	29	1974	52	13	2	67	2007	23	10	1	34
1942	24	2	0	26	1975	32	3	0	35	2008	34	18	23	75
1943	13	1	3	17	1976	14	0	0	14	2009	27	16	12	55
1944	7	1	0	8	1977	12	0	0	12	2010	27	5	5	37
1945	14	7	0	21	1978	23	1	0	24	2011	27	15	6	48
1946	23	4	10	37	1979	12	1	0	13	2012	18	3	0	21
1947	25	3	2	30	1980	30	6	1	37	2013	15	2	0	17
1948	19	2	5	26	1981	26	4	0	30	2014	15	4	0	19
1949	12	3	0	15	1982	32	5	1	38	2015	25	4	2	31
1950	15	3	4	22	1983	25	1	0	26	2016	17	4	1	22
1951	16	1	0	17	1984	16	0	0	16	2017	4	0	0	4
1952	8	0	0	8	1985	7	0	0	7	2018	17	10	5	32
1953	14	1	1	16	1986	19	4	2	25	2019	10	5	0	15
1954	4	1	0	5	1987	22	14	6	42	2020	20	9	16	45
1955	14	4	1	19	1988	26	3	2	31	2021	16	5	0	21
1956	21	0	0	21	1989	12	1	1	14	2022	40	15	8	63
1957	20	5	0	25	1990	34	7	1	42	2023	27	1	0	28
1958	4	1	0	5	1991	23	1	1	25	2024	15	4	0	19
1959	13	1	0	14	1992	11	0	0	11	2025 YTD	8	1	0	9
1960	16	1	0	17	1993	6	1	0	7					

The S&P 500 fell 2.7% on Monday (3/10) in its worst day of the year and first daily decline above 2% since last December. This seems like a lot but is quite normal for the stock market.



S&P 500 Index: Max Intra-Year Drawdowns vs. End of Year Total Returns (1928 - 2025)

Year	DD	TR	Year	DD	TR	Year	DD	TR	Year	DD	TR	Year	DD	TR
1928	-10.3%	43.8%	1948	-13.5%	5.7%	1968	-9.3%	10.8%	1988	-7.6%	16.6%	2008	-48.8%	-37.0%
1929	-44.6%	-8.3%	1949	-13.2%	18.3%	1969	-16.0%	-8.2%	1989	-7.6%	31.7%	2009	-27.6%	26.5%
1930	-44.3%	-25.1%	1950	-14.0%	30.8%	1970	-25.9%	3.6%	1990	-19.9%	-3.1%	2010	-16.0%	15.1%
1931	-57.5%	-43.8%	1951	-8.1%	23.7%	1971	-13.9%	14.2%	1991	-5.7%	30.5%	2011	-19.4%	2.1%
1932	-51.0%	-8.6%	1952	-6.8%	18.2%	1972	-5.1%	18.8%	1992	-6.2%	7.6%	2012	-9.9%	16.0%
1933	-29.4%	50.0%	1953	-14.8%	-1.2%	1973	-23.4%	-14.3%	1993	-5.0%	10.1%	2013	-5.8%	32.4%
1934	-29.3%	-1.2%	1954	-4.4%	52.6%	1974	-37.6%	-25.9%	1994	-8.9%	1.3%	2014	-7.4%	13.7%
1935	-15.9%	46.7%	1955	-10.6%	32.6%	1975	-14.1%	37.0%	1995	-2.5%	37.6%	2015	-12.4%	1.4%
1936	-12.8%	31.9%	1956	-10.8%	7.4%	1976	-8.4%	23.8%	1996	-7.6%	23.0%	2016	-10.5%	12.0%
1937	-45.5%	-35.3%	1957	-20.7%	-10.5%	1977	-15.6%	-7.0%	1997	-10.8%	33.4%	2017	-2.8%	21.8%
1938	-28.9%	29.3%	1958	-4.4%	43.7%	1978	-13.6%	6.5%	1998	-19.3%	28.6%	2018	-19.8%	-4.4%
1939	-21.2%	-1.1%	1959	-9.2%	12.1%	1979	-10.2%	18.5%	1999	-12.1%	21.0%	2019	-6.8%	31.5%
1940	-29.6%	-10.7%	1960	-13.4%	0.3%	1980	-17.1%	31.7%	2000	-17.2%	-9.1%	2020	-33.9%	18.4%
1941	-22.9%	-12.8%	1961	-4.4%	26.6%	1981	-18.4%	-4.7%	2001	-29.7%	-11.9%	2021	-5.2%	28.7%
1942	-17.8%	19.2%	1962	-26.9%	-8.8%	1982	-16.6%	20.4%	2002	-33.8%	-22.1%	2022	-25.4%	-18.1%
1943	-13.1%	25.1%	1963	-6.5%	22.6%	1983	-6.9%	22.3%	2003	-14.1%	28.7%	2023	-10.3%	26.3%
1944	-6.9%	19.0%	1964	-3.5%	16.4%	1984	-12.7%	6.1%	2004	-8.2%	10.9%	2024	-8.5%	25.0%
1945	-6.9%	35.8%	1965	-9.6%	12.4%	1985	-7.7%	31.2%	2005	-7.2%	4.9%	2025 YTD	-8.6%	?
1946	-26.6%	-8.4%	1966	-22.2%	-10.0%	1986	-9.4%	18.5%	2006	-7.7%	15.8%			
1947	-14.7%	5.2%	1967	-6.6%	23.8%	1987	-33.5%	5.8%	2007	-10.1%	5.5%			

The S&P 500 has returned an average of 10% per year since 1928 despite an average intra-year drawdown of -16%. There's no upside without occasional downside, no reward without risk.



Don't Panic!

Keep Your Long-Term Goals in Mind

- Market volatility is a normal part of investing - not a sign that something is fundamentally wrong
- Historical perspective shows that markets have always recovered from downturns
- Your 401(k) is designed as a long-term investment vehicle



Remaining Calm in a Down Market is Important



Time is on Your Side

- The average 401(k) investor has decades until retirement
- Long-term investing smooths out short-term market fluctuations
- Historical data shows that investors who stay invested during downturns benefit from eventual recoveries



Emotional Investing

Leads to Poor Outcomes

- Selling during downturns locks in losses
- Market timing is extremely difficult even for professionals
- The biggest market gains often occur during the early stages of recovery, which many investors miss if they've pulled out



Dollar Cost Averaging

Works in Your Favor

- Regular 401(k) contributions mean you're buying more shares when prices are lower
- This naturally lowers your average cost basis over time
- Market volatility creates buying opportunities for consistent investors



Advice for Investing in Today's Market





Review, Don't React

A Short-Term Mindset Can Have Long-Term Negative Impact

- Use volatility as a trigger to review your allocation, not to make drastic changes
- Ensure your asset allocation still aligns with your time horizon and risk tolerance
- Consider small adjustments rather than wholesale changes

Maintain Proper Diversification

Balance Growth Potential and Risk

- Proper diversification can help cushion against market swings
- Consider target-date funds if managing your own allocation feels overwhelming
- Remember that different asset classes often move in different directions





Focus on What You Can Control

Smart Decisions Today Can Lead to Higher Earning Potential in the Future

- Continue making consistent contributions
- Maximize any employer match
- Consider slightly increasing your contribution rate during downturns if possible

Seek Perspective, Not Predictions

Keep the Vision of Your Future Clear

- Limit consumption of financial news during volatile periods
- Remember that financial media benefits from heightened emotions
- Focus on your long-term financial plan rather than short-term market movements



Remember!

Investing in Your Future is a Long Game

- Market volatility is uncomfortable but necessary for long-term growth
- Your 401(k) is designed to weather market cycles
- Staying the course is historically the most successful strategy for retirement investors



Educational Resources

Materials to Help You Plan Your Future

- Sign up for Email Express from within your online account portal (if not already)
- Utilize the retirement calculators in the Support Center area of Slavic401k.com
- Read [Market Volatility: How to Navigate as a 401\(k\) Investor](#)
- Sign up for Bespoke (if available in your plan)
- Consult with a wealth management advisor

Slavic401k.com/support-center



Guides and Calculators



Financial Education Articles



Thank you!

