

The Market Falls Often, and Recovers Fast

Since 1980, the S&P 500 has delivered positive annual returns 32 out of 42 years. That means it was down only nine of those years. (The market was flat in 2011.)

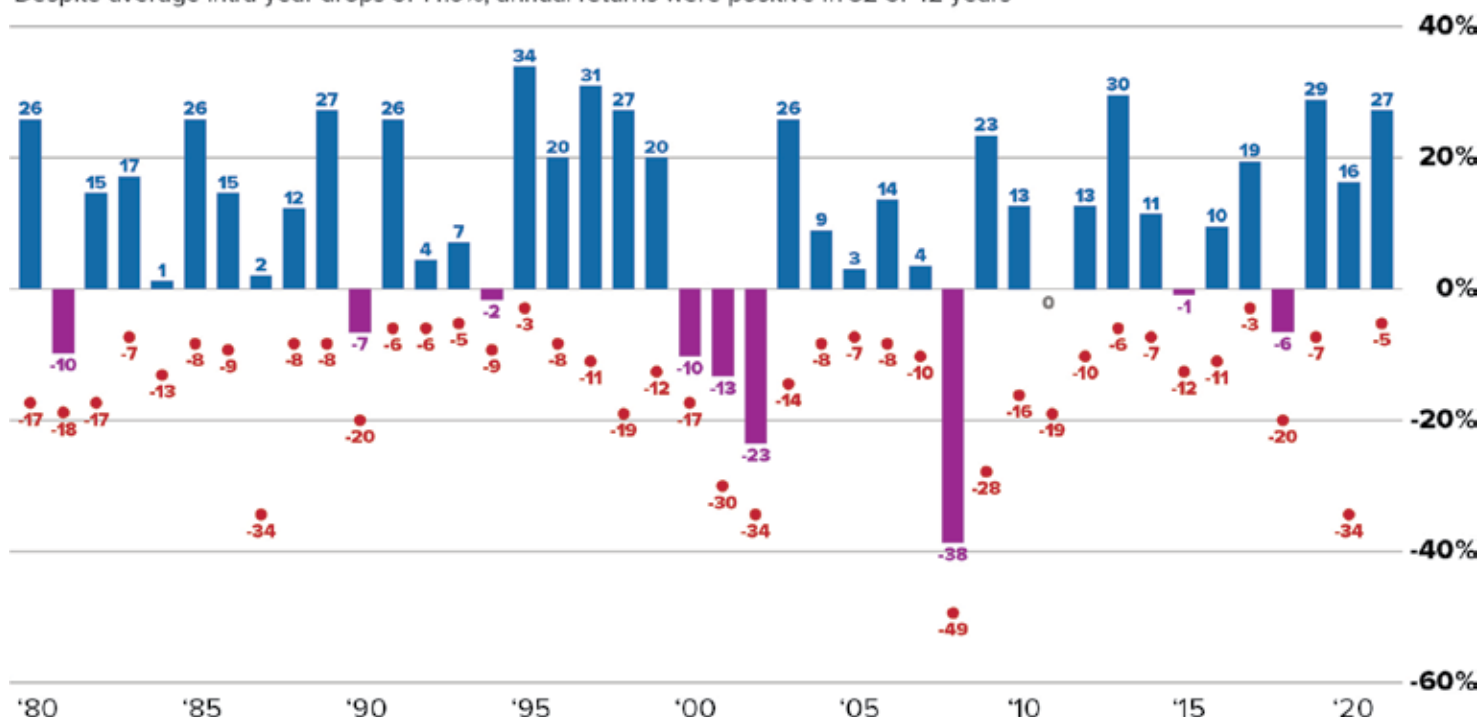
But even during those 32 years where the market delivered positive annual returns, the market dropped at some point—by as little as 3% or as much as 34%.

The chart below shows you the annual return for that year (the bars) as well as the lowest point return for that year (the red dots).

The Takeaway: Periodic volatility is not only common, it's expected. But history shows that in most years, the market recovers from a drop and continues to march upward. That's why we generally recommend staying the course during difficult periods.

S&P 500 Intra-year Decline vs. Calendar Year Returns

Despite average intra-year drops of 14.0%, annual returns were positive in 32 of 42 years



Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.

Returns are based on price index only and do not include dividends. Intra-year drops refers to the largest market drops from a peak to a trough during the year.

For illustrative purposes only. Returns shown are calendar year returns from 1980 to 2021, over which time period the average annual return was 9.4%. Past performance is no guarantee of future results.

Guide to the markets - U.S. Data are as of December 31, 2021.

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