

Stocks Have Never Stayed Down for Long

History shows that equities recover after the S&P 500 Index falls by 25% or more.

Every now and then, stocks fall—sometimes by a lot. But as the chart below shows, the S&P 500 Index has bounced back strongly after each instance of a 25% drop or more during the last 60 years. The lesson for investors: short-term pain has often been followed by long-term gains.

Annualized Returns Following Each 25% Drop in the S&P 500 Index (1950-present)

The 25% Drop Began ...	% Drop	1 Year	3 Year	5 Year	10 Year
6/26/62	-27.97	31.16	19.15	14.27	10.46
5/26/70	-36.06	32.14	12.99	5.04	7.07
10/3/74	-48.20	1.41	7.44	7.32	11.22
8/12/82	-27.11	44.15	21.84	27.63	17.56
12/4/87	-33.51	14.80	10.31	14.52	17.17
10/9/02	-49.15	0.24	0.63	3.97	3.29
3/9/09	-56.78	-6.91	1.23	10.02	11.97
3/23/20	-33.92	56.35	18.62		
9/30/22	-25.25	21.62			
Average	-37.55	21.70	10.50	11.80	11.20
Median	-33.92	23.00	10.30	10.00	11.20

As of 9/30/23. Past performance does not guarantee future results. Indices are unmanaged and not available for investment. Performance starts the first day of the following month. Source: Morningstar and Hartford Funds.

Talk to your financial professional today to help position your portfolio to achieve your long-term goals.

S&P 500 Index is a market capitalization-weighted price index composed of 500 widely held common stocks, and does not include the reinvestment of dividend payments.

Investing involves risk, including the possible loss of principal.

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