



Thoughts on Recession - Part 1 of 4 Long-Term Investors Don't Let a Recession Faze You

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In the past century, there have been 15 recessions in the US. In 11 of those instances, stock returns were positive two years after the recession began.

Investors may be tempted to abandon equities and go to cash when there is heightened risk of an economic downturn.

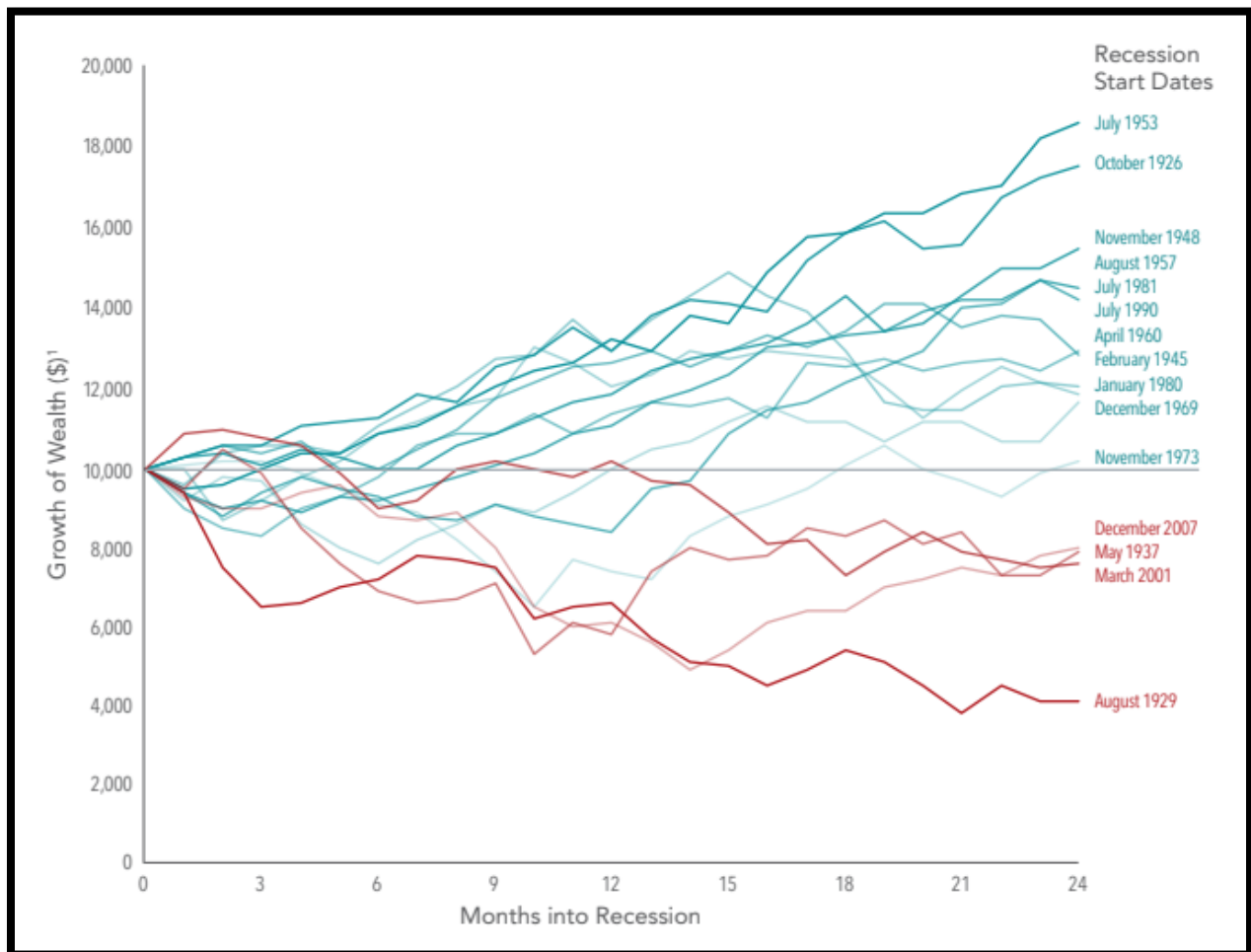
But research has shown that stock prices incorporate expectations of a recession and generally have fallen in value before a recession even begins.

The average annualized return two years after the onset of these 15 recessions was 7.8%.

A \$10,000 investment at the peak of the business cycle would have grown to \$11,937, after two years on average.

Recessions understandably trigger worries. But a history of positive average performance following a recession can be a comfort for investors wondering about sticking with stocks.

Performance of a hypothetical \$10,000 invested when a US recession began



If you have any questions about this article or want to discuss your family finances, investment portfolio, or financial planning advice, please call on me anytime at my number [\(215\) 325-1595](tel:2153251595) or you can [click here to schedule a meeting](#).

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