



Thoughts on Recession - Part 3 of 4, The Cost of Trying to Time the Market

June 20, 2022

The impact of being out of the market for a short time can be profound, as shown by this hypothetical investment in the stocks that make up the Russell 3000 Index, a broad US stock market benchmark. Staying invested and focused on the long term helps to ensure that you're in position to capture what the market has to offer.

A hypothetical \$1,000 investment made in 1997 turns into \$10,367 for the 25-year period ending December 31, 2021.

Over that 25-year period, miss the Russell 3000's best week, which ended November 28, 2008, and the value shrinks to \$8,652. Miss the best three months, which ended June 22, 2020, and the total return falls to \$7,308.

There's no proven way to time the market—targeting the best days or moving to the sidelines to avoid the worst—so the evidence suggests staying put through good times and bad.

Missing only a brief period of strong returns can drastically impact overall performance.

Russell 3000 Index Total Return



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](#).

Please feel free to forward this article and offer to anyone you know who might have financial questions or need some unbiased advice. Most financial advice is sales advice. In stark contrast, we are fee-only (non-commissioned) fiduciary advisors. We just provide truthful, unbiased advice to our clients.



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