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The Real Cost of Volatility

Losses Have a Greater Impact than Gains

After a loss, it takes a greater gain to return to your original value.

If you invested **$100,000** and your account declined **20%**.

$100,000
Initial investment

-20%▼
$100,000 x (20%) = ($20,000)

$80,000
Remaining investment

If you gained **20%** back, you would be **$4,000** short of your initial investment.

$80,000
Starting value

+20%▲
$80,000 x 20% = $16,000

$96,000
Account value

To fully recover from the **20%** loss, you'd need to gain **25%**.

$80,000
Starting value

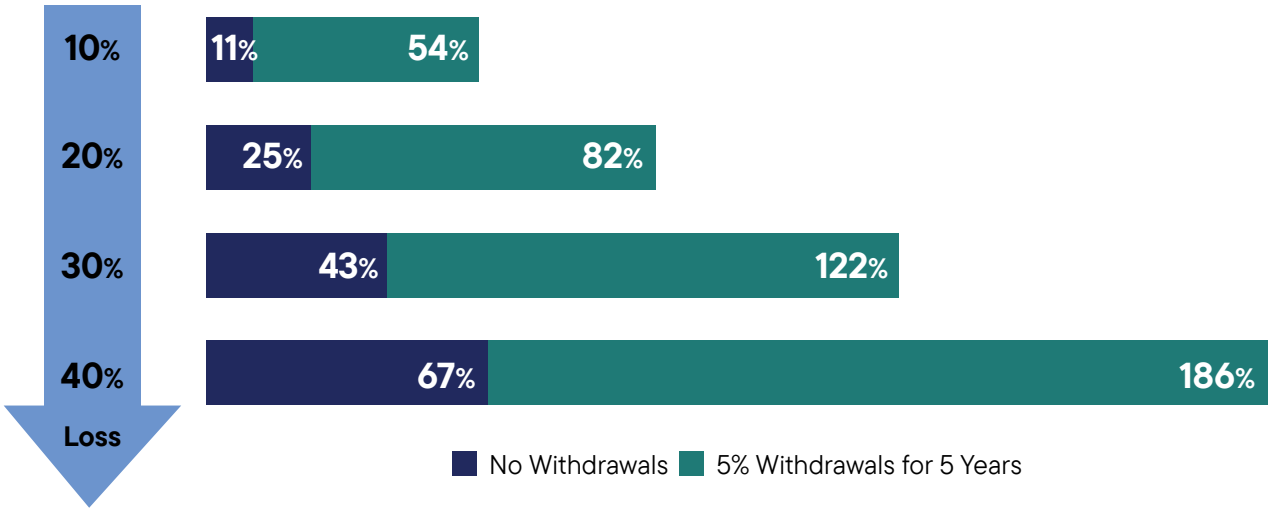
+25%▲
$80,000 x 25% = $20,000

$100,000
Account value

The Mathematical Catch-Up Game

The gain required to recover from a loss under normal circumstances may be challenging, but look how much more difficult it is if you're taking distributions.

Cumulative Gain Required to Return to Original Value



Work with a financial professional

Retirement is complex and often requires a well-designed plan. A financial professional can help guide you through every step of the way. Contact your financial professional about optimizing your portfolio to help address your retirement goals.

Not FDIC Insured | No Bank Guarantee | May Lose Value

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