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Is Now the Right Time to Invest?

If you're waiting for a better time to invest, here's what you may want to consider.

Each time a lottery jackpot skyrockets, ticket sales spike. Even those who aren't regular lottery players don't want to be left wondering if they've missed their big chance.

Investing, on the other hand, is less trivial. When it's your retirement on the line, you may question whether it's the right time to be in the market. When stocks are up, you may wonder how long the good times can last. When stocks are down, you may wonder if the bear market will ever end.

However, it's impossible to know whether the market is entering a bear or bull market until after the fact. That's why, historically, investors have generally been better served by simply being invested rather than waiting for a "better" time to invest.

Seeing the Forest for the Trees

We looked at the most recent bear markets in the S&P 500 Index (defined as a 20% drop from the most recent market peak). Since 1995, the market has experienced six of them.

As **FIGURE 1** shows, even if you had the worst possible timing—meaning you invested $10,000 on each of the six peak days immediately before a bear market began—your investments would have lost value initially. However, they would have recovered in time and ultimately gone on to grow your initial investment. Your hypothetical principal of $60,000 would have grown to $309,445 as of December 31, 2024.

In other words, even if you managed to invest at the worst-possible times, the amount you invested still would have more than quadrupled in time. While past performance doesn't guarantee future results, the market has eventually rebounded from its previous selloffs.

In short, for long-term investors who have the time horizon to weather ups and downs, the *length of time* you're in the market matters far more than the *point in time* at which you begin investing.

Key Points

- Historically, investors have experienced better results by staying invested in the stock market rather than trying to time it.
- A majority of the market's best days have occurred during a bear market or during the first two months of a bull market when it's often too early to tell a new bull has begun.[1]
- A financial professional can help you build a diversified portfolio and systematic-investing strategy to help you stay invested.

EVEN IF YOU INVESTED AT THE WORST POSSIBLE TIME, YOUR PORTFOLIO WOULD HAVE **RECOVERED** IN **2.5 YEARS** ON AVERAGE

FIGURE 1

Time in the Market Has Outweighed the Timing of Your Initial Investment

"Worst" Times to Invest in the S&P 500 Index

Date of Market Peak	Negative Market Event That Ended Bull Market	Portfolio Value on Peak Day	Bottom Before Recovery	Time to Recover Investment
9/1/2000	Dot-com Bubble Burst	$10,000	$6,433	6.1 years
3/19/2002	Accounting Scandals	$17,850	$11,957	1.8 years
10/9/2007	Sub-Prime Mortgage Crisis	$36,386	$17,933	4.5 years
1/6/2009	Global Financial Crisis	$32,362	$23,564	0.3 years
2/19/2020	COVID-19 Pandemic	$158,190	$104,737	0.5 years
1/3/2022	High Inflation/Rising Rates	$240,869	$181,876	1.9 years
			Average	**2.5 years**
				Total investment: $60,000 Balance as of 12/31/24: **$309,445**

As of 12/31/24. Assumes a $10,000 investment on each date in column 1. The portfolio values in column 3 are cumulative. Data Sources: Ned Davis Research and Hartford Funds, 2/25.

How to Get in—and Stay in

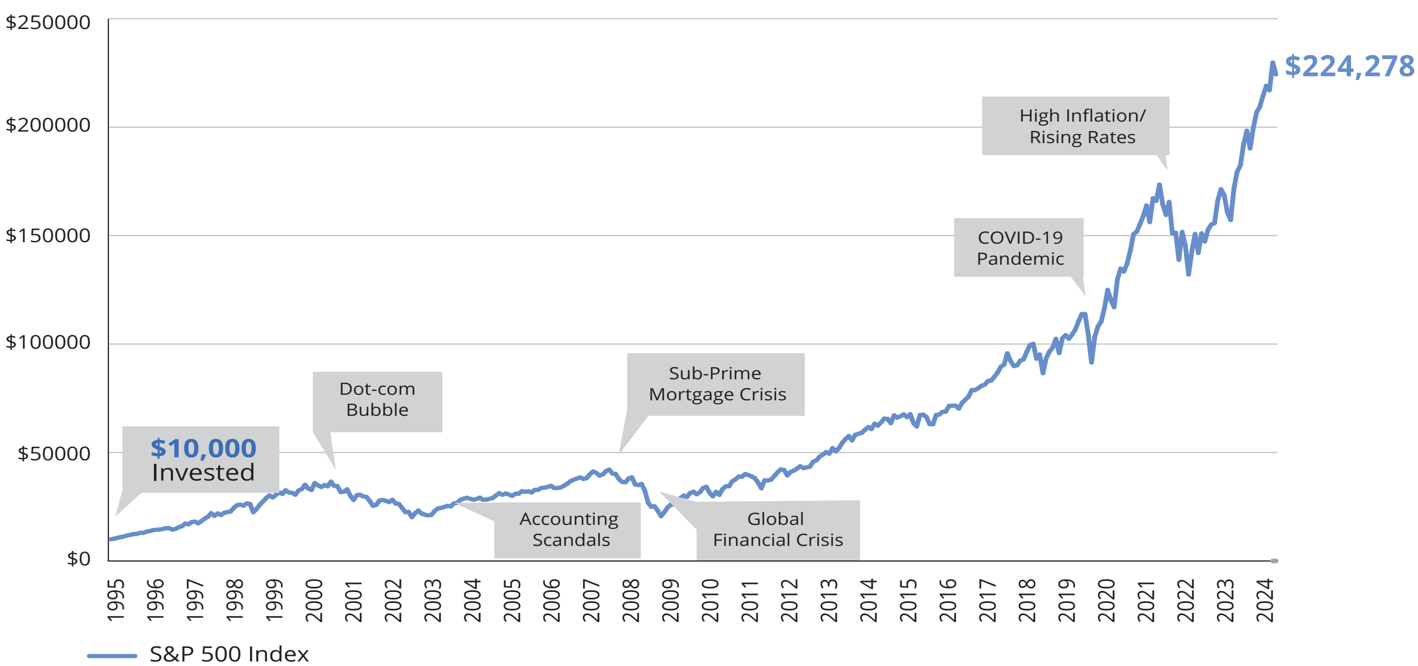
Despite downturns, stocks have historically grown over the long run (**FIGURE 2**). About 78% of the market's best days occurred during a bear market or during the first two months of a bull market when it was difficult to tell whether a bull market had begun.[1] This means sitting out could mean significantly missing out.

To help you stay on track, work with a financial professional to build a customized portfolio that aligns with your goals and risk tolerance. Having an intentionally designed portfolio can help you feel more confident during difficult market environments, which, in turn, can help you stay invested.

FIGURE 2

Stocks Have Grown Over the Long Term Despite Bear Markets

Growth of $10,000 invested in the S&P 500 Index (1995–2024)



As of 12/31/24. **Past performance does not guarantee future results**. Indices are unmanaged and not available for direct investment. Source: Morningstar Direct, 2/25.

Help Yourself Stay on Track

Finally, consider setting a predetermined amount to invest on a regular schedule. This can help reduce that internal debate about whether it's the "right" time to invest, which could help you stick to your investment plan regardless of the market environment.

Talk to your financial professional about setting up a systematic investing strategy to help you stay invested.

S&P 500 Index is a market capitalization-weighted price index composed of 500 widely held common stocks.

[1] Ned Davis Research, 2/25. Time period from 1995-2024.

Important Risks: Investing involves risk, including the possible loss of principal. • Diversification does not ensure a profit or protect against a loss in a declining market. • Systematic investing does not guarantee that your investments will make a profit, nor does it protect you against losses when prices are falling.