



Bad Starts for Stocks May Not Mean A Bad Finish

It may be worth staying invested even when markets start the year in the red.

Since stocks had one of their worst starts in 2022, it may seem tempting to pull money out of the market to protect it. But moving to the sidelines could be even riskier than staying invested: More often than not, years in which stocks were down through May generated positive performance the second part of the year.

Not only that, but timing your re-entry into the market is also incredibly difficult. Historically, 78% of the market's best days occurred during bear markets before it was clear a new bull had begun.¹ Being out of the market could mean missing out on its turnaround.

Key Points

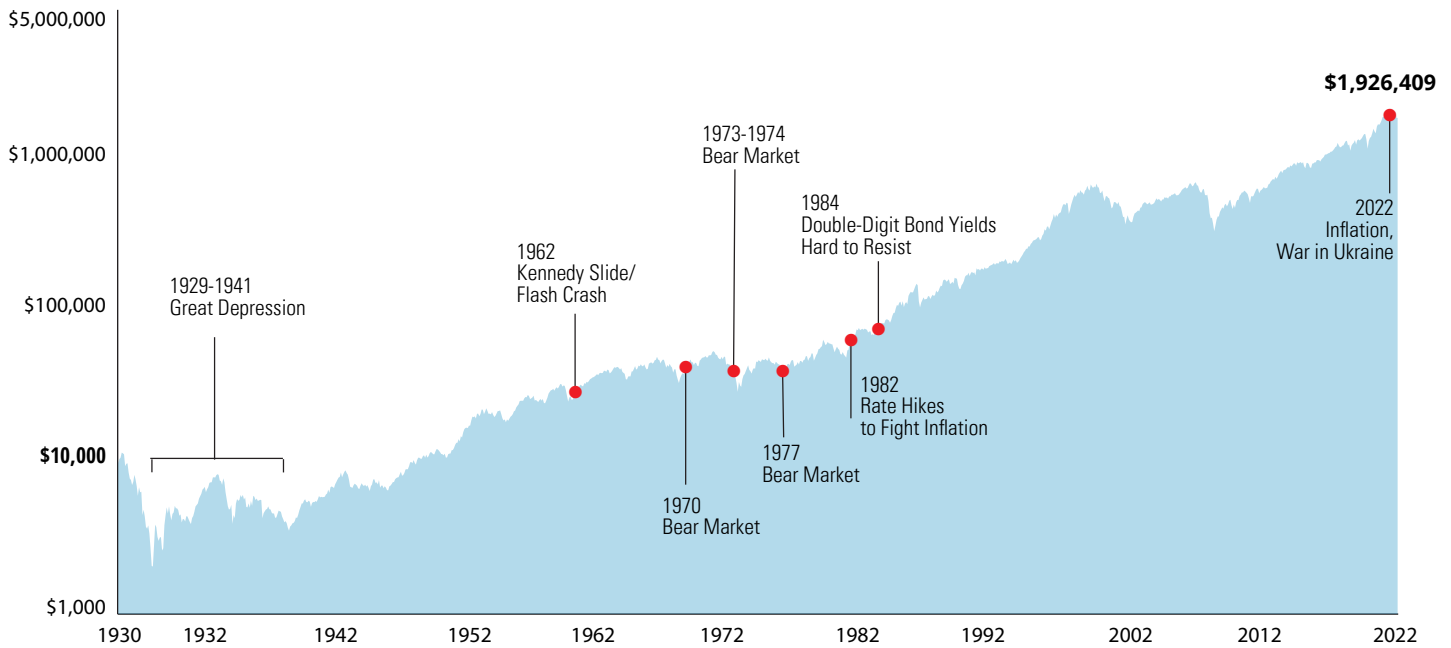
- Despite negative performance early in the year, the stock market has tended to turn around later in the year.
- Over the long term, bad starts haven't had a long-lasting effect on the market's overall progress.
- Though market declines can be painful in the short term, staying invested may be a better long-term strategy.

Years With Bad Starts	S&P 500 Index (%)	
	January–May	June–December
Decline of 8% or More Through May		
2022	-13.3	?
1984	-8.7	11.1
1982	-8.7	25.7
1977	-10.6	-1.1
1974	-10.5	-21.5
1973	-11.1	-7.1
1970	-16.9	20.4
1962	-16.7	5.8
1941	-11.6	-7.1
1940	-25.8	14.1
1939	-12.2	7.7
1938	-12.1	42.5
1932	-45.0	54.1
1931	-15.1	-37.6
Average	-15.6	8.2
% Positive	0	62

Past performance does not guarantee future results. Indices are unmanaged and not available for direct investment. Data shown is for the S&P 500 Price Index, a market capitalization-weighted price index composed of 500 widely held common stocks, and does not include the reinvestment of dividend payments. Data Sources: Morningstar, Ned Davis Research, and Hartford Funds, 5/22.

Years With Bad Starts Have Had Minimal Impact on Long-Term Equity Performance

Growth of \$10,000 in the S&P 500 Price Index (1930–2021)



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Talk to your financial professional to help you stay focused during volatility.

¹Data Sources: Ned Davis Research and Morningstar, 2/22
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