

How Quickly Do Stocks Begin to Bounce Back?

Sharp market declines can be painful, but stocks tend to bounce back relatively quickly.

10 Worst Market Drawdowns Since the 1960s

Cause	Max Drawdown	# of Months To Hit Bottom	# of Months To Break Even	Returns (%) After Reaching Bottom		
				After 6 Months	After 1 Year	After 3 Years
Kennedy Slide/Flash Crash (1961–1962)	-27.97	6	14	20.45	32.66	16.65
Vietnam Worries (1968–1970)	-36.06	18	21	22.80	43.73	15.92
Nixon Shock (1973–1974)	-48.15	21	69	29.74	39.36	15.49
Rate Hikes to Fight Inflation (1980–1982)	-27.11	20	3	44.14	58.33	22.35
Black Monday (1987)	-33.51	3	20	19.26	22.78	13.69
Iraq Invaded Kuwait (1990)	-19.92	3	4	27.81	29.10	15.97
Asian Financial Crisis (1998)	-19.34	2	3	29.36	37.93	5.66
Dot-com Bubble Burst (2000–2002)	-49.15	31	56	11.49	33.73	15.47
Global Financial Crisis (2007–2009)	-56.78	17	49	52.75	68.57	26.54
COVID-19 Pandemic (2020)	-33.93	1	5	44.67	74.78	?
Average	-35.19	12	24	30.25	44.10	16.42

6 MONTHS
AFTER HITTING A
LOW, STOCKS HAVE
RETURNED

30%
ON AVERAGE

Past performance does not guarantee future results. Data shown is for the S&P 500 Price Index as of 6/30/22. A drawdown measures a peak-to-trough decline in the market. Returns for less than one year are not annualized. Indices are unmanaged and not available for direct investment. The S&P 500 Price Index is 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 and Hartford Funds, 6/22.

Talk to your financial professional to learn more about maintaining perspective during times of volatility.

Investing involves risk, including the possible loss of principal.

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