



# 401(k) Investing

## Investing in Volatile Times

We understand that the recent turmoil in the financial markets may have caused many of you to question your investment strategy. It is important to remember most participants are investing for the long-term, not immediate returns. You should consider your goals carefully before making any changes to your investment selections because of the current market volatility.

Over the long term, properly invested 401(k) savings can provide retirement security if you diversify your investments and take full advantage of both the power of compounding and the benefits of long-term investing. Historically, these long-term strategies have generally proven to be more successful than trying to use your retirement savings to profit from short-term market fluctuations.

Periodic market volatility is to be expected. As recently as the fall of 1987 the stock market declined over 25 percent (3000 points today) in one day. However, over the following years the markets rebounded and rose to even higher levels. Participants who followed a consistent and sound long-term investment strategy ultimately benefited. According to Jeremy Siegel, economist and author, there has never been a 20-year period in which investments in the stock market yielded negative returns. While there is no guarantee that that will always be true, you can be sure that an investment decision taking into account all of the different factors for your situation is always going to be preferable to a decision made in reaction to short-term market changes.