

The Importance of Patience

Bear Markets and Market Corrections January 1950 – June 2011

Period of Decline	Fall from Previous High	Duration in Days	Duration in Months	Subsequent increase*	Type
6/12/1950 – 7/17/1950	-14.02%	35	1.2	59.83%	Correction
1/5/1953 – 9/14/1953	-14.82%	252	8.3	100.92%	Correction
9/23/1955 – 10/11/1955	-10.59%	18	0.6	21.67%	Correction
8/31/1956 – 10/22/1957	-21.47%	445	14.6	55.75%	Bear
8/3/1959 – 10/25/1960	-14.02%	449	14.7	39.16%	Correction
12/12/1961 – 6/26/1962	-27.97%	196	6.5	79.78%	Bear
2/9/1966 – 10/7/1966	-22.18%	240	7.9	33.32%	Bear
9/25/1967 – 3/5/1968	-10.11%	162	5.3	23.54%	Correction
11/29/1968 – 5/26/1970	-36.06%	543	17.9	51.21%	Bear
4/28/1971 – 8/9/1971	-10.73%	103	3.4	8.35%	Correction
9/8/1971 – 11/31/1971	-11.03%	56	1.8	33.36%	Correction
1/11/1973 – 10/31/1974	-48.20%	630	20.7	20.76%	Bear
11/7/1974 – 12/6/1974	-13.56%	29	1.0	47.07%	Correction
7/15/1975 – 9/16/1975	-14.14%	63	2.0	30.91%	Correction
12/31/1976 – 5/31/1977	-10.55%	151	5.0	5.90%	Correction
7/19/1977 – 3/6/1978	-14.63%	230	7.6	23.12%	Correction
9/12/1978 – 11/14/1978	-13.55%	63	2.1	20.30%	Correction
10/5/1979 – 11/7/1979	-10.25%	33	1.1	18.59%	Correction
2/13/1980 – 3/27/1980	-17.07%	43	1.5	43.07%	Correction
11/28/1980 – 8/12/1982	-27.11%	622	20.5	68.57%	Bear
10/10/1983 – 7/24/1984	-14.38%	288	9.5	127.82%	Correction
8/25/1987 – 12/4/1987	-33.51%	101	3.3	60.68%	Bear
10/9/1989 – 1/30/1990	-10.23%	113	3.7	14.23%	Correction
7/16/1990 – 10/11/1990	-19.92%	87	2.8	232.74%	Bear
10/7/1997 – 10/27/1997	-10.80%	20	0.7	35.32%	Correction
7/17/1998 – 8/31/1998	-19.34%	45	1.5	11.37%	Correction
9/23/1998 – 10/8/1998	-10.00%	15	0.5	47.88%	Correction
7/16/1999 – 10/15/1999	-12.08%	91	3.0	22.45%	Correction
3/24/2000 – 10/9/2002	-49.15%	929	30.5	20.87%	Bear
11/27/2002 – 3/11/2003	-14.71%	104	3.5	95.47%	Correction
10/9/2007 – 3/9/2009	-46.78%	517	17.0	64.83%	Bear
4/23/2010 – 7/2/2010	-15.99%	70	2.3	22.99%	Correction

This table shows all instances between January 1, 1950 and June 30, 2011 when the S&P 500 fell 10% or more from its previous high and the time that elapsed between the high and the low.

History has shown that the period of time following a bear market is a time of opportunity. The more assets you have in the market, the more you may benefit from an upswing. Even small investments can add up quickly, so now may be the time to invest more.

Source: ChartSource^{AE}, McGraw-Hill Financial Communications. The subsequent increase is measured from the bottom of the market to the next peak. The last increase is through June 30, 2011, and assumes that the most recent bear market ended on March 9, 2009. Stocks are represented by the daily closing price of the S&P 500 index. It is not possible to invest directly in an index. Past performance is not a guarantee of future results. Copyright © 2011, McGraw-Hill Financial Communications. All rights reserved. Not responsible for any errors or omissions.

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