

Election 2020

A Dose of Patience.

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The upcoming election is prompting some people to reconsider their investment strategy.

In fact, 45% of consumers with \$100,000 or more investable assets expect to make changes to their portfolio due to the upcoming 2020 presidential election.¹

But if history is any guide, patience may be the answer.

For the past 12 presidential elections, the Standard & Poor's 500 index has notched a 4% gain, on average, in the 90 days after the election.²

Of course, past performance does not guarantee results. And there have been some notable exceptions to the trend. In 2008, for example, the S&P 500 dropped more than 10% in the three months following the election as the global financial crisis gripped the markets. And in 2000, the S&P 500 fell 4.1% from election day until December 12, when the Supreme Court ruled on the election between George Bush and Al Gore.²

Investing involves risks, and your goals, time horizon, and risk tolerance should be what drives any changes to your portfolio strategy. If you're concerned that the upcoming election may change one of these critical factors, perhaps it's time to review your investment approach.

When patience may be the answer, it's a good time to reflect on a quote from legendary investor Warren Buffett, who reminded us that, "The stock market is a device for transferring money from the impatient to the patient."³

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Citations

1. HartfordFunds, 2020
2. HartfordFunds, 2020

3. Pinterest.com, 2020