FINANCIAL ESSENTIALS

Market volatility and your journey to retirement

Get tips from TIAA on ways to handle unsettled markets

Ways you can handle market volatility

When markets get volatile, you may get nervous and feel like you need to take action. But, in many cases, doing so may disrupt your long-term saving and retirement goals. That is why during periods of instability in the financial markets it's best to pause, take a breath and consider your options before taking any action.

Make sure to stay on course

Choosing not to keep all your eggs in one basket generally helps manage risk by spreading your money across different asset classes within your portfolio.* Having such a diversified portfolio can help you stave off volatile markets because when one of your investments is performing poorly another may be performing better to help you mitigate any losses. It is important to resist the urge to try and 'time' the markets by readjusting your portfolio based on recent market conditions only.

Keep an eye on your time horizon

Building a solid long-term financial plan that takes into account your future financial goals and plans for retirement can help you stay level-headed. Remember you are in it for the long-term so during times of market instability you can resist the urge to check your account multiple times each day. Trusting in the long-term strategy you have in place can help give you the serenity you need to navigate any short-term stormy market seas.

Maintain or build an emergency fund

Generally speaking, it makes good financial sense to have an emergency fund that you can access in times of uncertainty. This fund should contain enough money to cover about six months' worth of your living expenses, offer liquidity (the ability to access your money quickly and easily), and should not be tied to market performance. If you don't have an emergency fund or if you do not have adequate funds in it, use this current volatile period as a reminder for creating and maintaining one to help give you additional peace of mind.

Explore options not tied to the market

There are savings and guaranteed products like annuities offered by TIAA, that are not affected by market volatility. Utilizing them to safeguard a portion of your retirement and diversify your portfolio may make sense for you and your circumstances. TIAA Traditional, our flagship fixed annuity product, protects your principal and your balance is guaranteed to grow every day no matter what happens in the stock market. Plus, when you retire, you can choose to get guaranteed monthly income payments that will never run out.

Talk with us. If you have questions or concerns around market volatility, **reach out** and set up time with a TIAA financial professional to talk about your long-term investment strategy.

TIAA

*There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.

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