Thrivent Investment Management®

How to deal with market volatility

Markets go up. Markets go down.

Recently, the markets have been more volatile than usual, due primarily to the sub-prime mortgage situation. Even if you understand this, a volatile market can be unsettling. Here are a few things to consider:

Consider meeting with your Thrivent Financial representative. Remember, you're not in this alone. Your Thrivent Financial representative can provide you with specific advice and guidance during both good times in the market and the more trying times. He or she can help you evaluate your financial strategy and determine if your portfolio is still structured to meet your current objectives and risk tolerance level. Feel free to call your representative at any time for help or to get the answers to your questions.

Stay focused on the long-term. Remember why you invested in the first place. In the end, the stock and bond markets can still be a good place for your money. Regardless of short-term fluctuations, these markets have historically provided the best prospects for increasing the value of your portfolio over the long-term.

Maintain a well-diversified portfolio. Studies have shown that portfolio performance depends largely on how an investor allocates his or her assets. While diversification doesn't eliminate risk, creating a portfolio that includes several types of investments may help reduce it.

Don't make snap decisions. Continuing to invest in the stock and bond markets is still wise for long-term investors who can ride out the waves. Selling at a time of loss may not be so wise. Most of the time the best approach is to just sit tight and remember that market downturns are a normal part of investing.

Don't time the market. History has shown that making investment decisions by timing the ups and downs of the market is rarely successful. In fact, timing the market can cost you money in terms of missed opportunities.

Contact your Thrivent Financial representative with questions or concerns.