



September 18, 2020

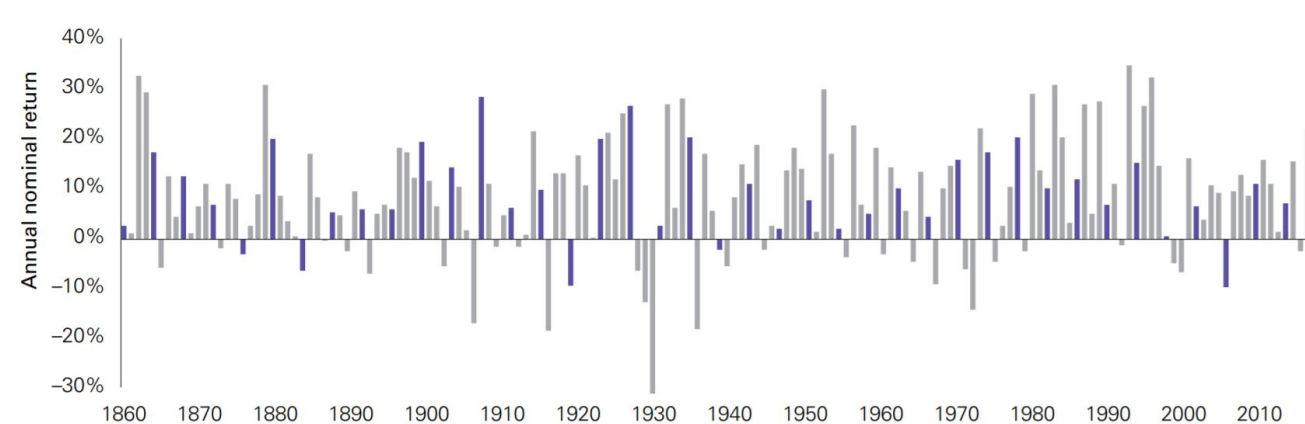
Election years can be full of uncertainty as developments surrounding the candidates, their platforms, and their predicted effects on the economy and markets dominate the news.

But should you let this stream of political jousting influence how your investment portfolio is managed? Research suggests not.

Of course, elections matter and hold great importance in upholding the U.S. tradition of democratic, representative government. However, their impact on market returns has historically proven to be negligible, as shown in the chart below.

Comparing election years versus non-election years show no statistical difference:

Comparing election years versus nonelection years: 60% stock/40% bond portfolio returns show no statistical difference



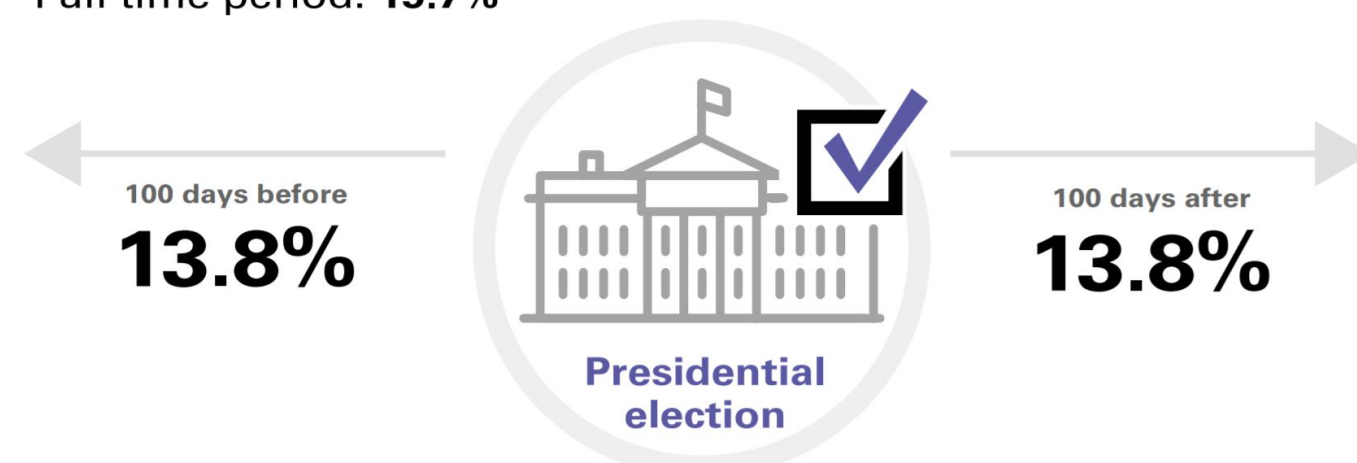
**8.9%** Average return during election years (40 periods)      **8.1%** Average return during nonelection years (120 periods)

Given the horse race nature of political campaigns, you may think that in the months closest to an election, there is a noticeable uptick in volatility. Think again. In actuality, the opposite has been true.

From January 1, 1964, to December 31, 2019, the Standard & Poor's 500 Index's annualized volatility is actually lower in the 100 days both before and after a presidential election.

Volatility and the vote: Markets tend to ignore elections

S&P 500 Index annualized volatility  
Full time period: 15.7%



**The bottom line:** Elections are another one of those events that generate lots of headlines but that should not sway you from following the financial plan we created. It's understandable to have concerns about the election. But as far as your portfolio and the markets are concerned, history suggests it will be a nonissue.

Part of successful investing is understanding what you can control, and letting your emotions take a backseat to the financial plan we [you and your fiduciary advisor] put in place.

By maintaining perspective, discipline, and a long-term outlook, you can sustain progress toward your financial goals, despite the short-run uncertainty that events such as elections can create. Click the blue button below to schedule a conversation with our team - we're here to help.

Sincerely,

*Chad W. Willardson*  
WEALTH ADVISOR FOR ENTREPRENEURS

**Certified Financial Fiduciary®**  
Click [HERE](#) to read our google reviews.

Source: Vanguard Data and Vanguard.com. Note: Past performance is no guarantee of future returns. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

Schedule a Call

