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# Taking Charge: Helping Baby-Boomer Women Through Financial Transition – By Rhonda Ducote

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A Financial Poise column exposing the gender gap in investment management and wealth strategies, and why the industry needs to pay more attention to “Boomer” women in transition.



## Keep Calm: Don't (Over)React to Stock Market Volatility

March 20, 2018 / [Columns](#) / By [Rhonda Ducote](#)

Tags: [Financial Literacy](#), [Investing](#), [Taking Charge: Helping Baby-Boomer Women Through Financial Transition - By Rhonda Ducote](#)

# Stock Market Volatility Circles Back Around

Stock market volatility isn't a new concept, especially for baby boomer women who have lived through some of the market's most tumultuous times. However, with headlines proclaiming catastrophic losses and record point drops for popular indices such as the Dow Jones Industrial Average, it can be easy to get spooked by market fluctuations.

Early 2018 was marked by such headlines. News stories about 1,000-point plunges dominated our feeds in January and February.

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It is essential to remember that in times of apparent institutional distress, Baby Boomer women hold more sway than they think and are not immune to reactionary attitudes even when stock market volatility threatens a crisis.

You may also be interested in, [\*Family Finances- What a Wife Needs to Know.\*](#)

In the post 2008-2009 crisis years, stock market volatility has lessened, rebounding to fresh highs, but the anxiety surrounding stocks persists some 10 years later. The key to demystifying the markets and avoiding fearfully motivated reactions is to put the recent movements into a friendlier framework.

## Understanding Stock Market Movements

While many investors understand the nature of stock market movements, it is still vital to contextualize these variations. For example, on Feb. 5, 2018, the Dow fell 1,175 points, erasing its gains for the year in just one day. When phrased like that, it is understandable to feel panicky.

However, as a percentage, 1,175 points is only 4.6 percent, and the Dow has seen larger percentage drops as recently as 2011. Later in that same week, the Dow dropped more than 1,000 points in a single day, again – a 4.2 percent decline on the day. These drops are not insignificant, but just reading the headlines could lead some to believe that the stock market volatility of 2008 has returned.

# It is important to be mindful of the market's broader trajectory.

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These early 2018 declines came after incredibly strong growth in 2017. The market indices have been at record highs with the Dow remaining upwards of 20,000 points consistently for much of the past year.

By comparison, in February 2009, the Dow plunged to about half of what it was just 16 months earlier. Yes, stock market volatility is real, and it may be happening now in 2018, but it is no cause for panic. We are a far cry away from the dark days of recession.

## Long-Haul Investments

For anyone following the stock market, these fluctuations are notable, but not disastrous. Even with the recession factored in, a long position in the broader market purchased at the 2007 high of about 14,000 would be close to doubling by now.

Keep that in mind and the next time you see a sell-off, don't panic. Stay calm and level-headed. Remember that you have invested for the long-haul – not just today, this week or this month. Let the fluctuations run their course for now. If you are in distress, call your financial advisor.

“ Remember that you have invested for the long-haul...Let the fluctuations run their course

They can remind you of your long-term goals and review your entire portfolio strategy with you. If you are still alarmed, you can discuss strategies to minimize the stress of stock market volatility and inevitable oscillation and perhaps adjust your allocations to less volatile sectors, like bonds.

Weathering the storm is something baby boomer women are very used to. We are a resilient bunch, and the Dow Jones' recent temper tantrum is nothing we cannot handle. Remember the context of the market drops. Understand why the movements are notable, but not the defining moment of the year and move forward calmly. Be the stalwart investor you know you are and keep communication channels open with your financial advisor.

## About Rhonda Ducote

Rhonda Ducote, president of Apriem Advisors, an Irvine, Calif.-based independent, registered investment advisory firm with more than \$500 million in assets under management. She has more than 20 years experience as a wealth manager, 17 of which have been spent at Apriem Advisors. Rhonda is passionate about her work and has pioneered the Women of...



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