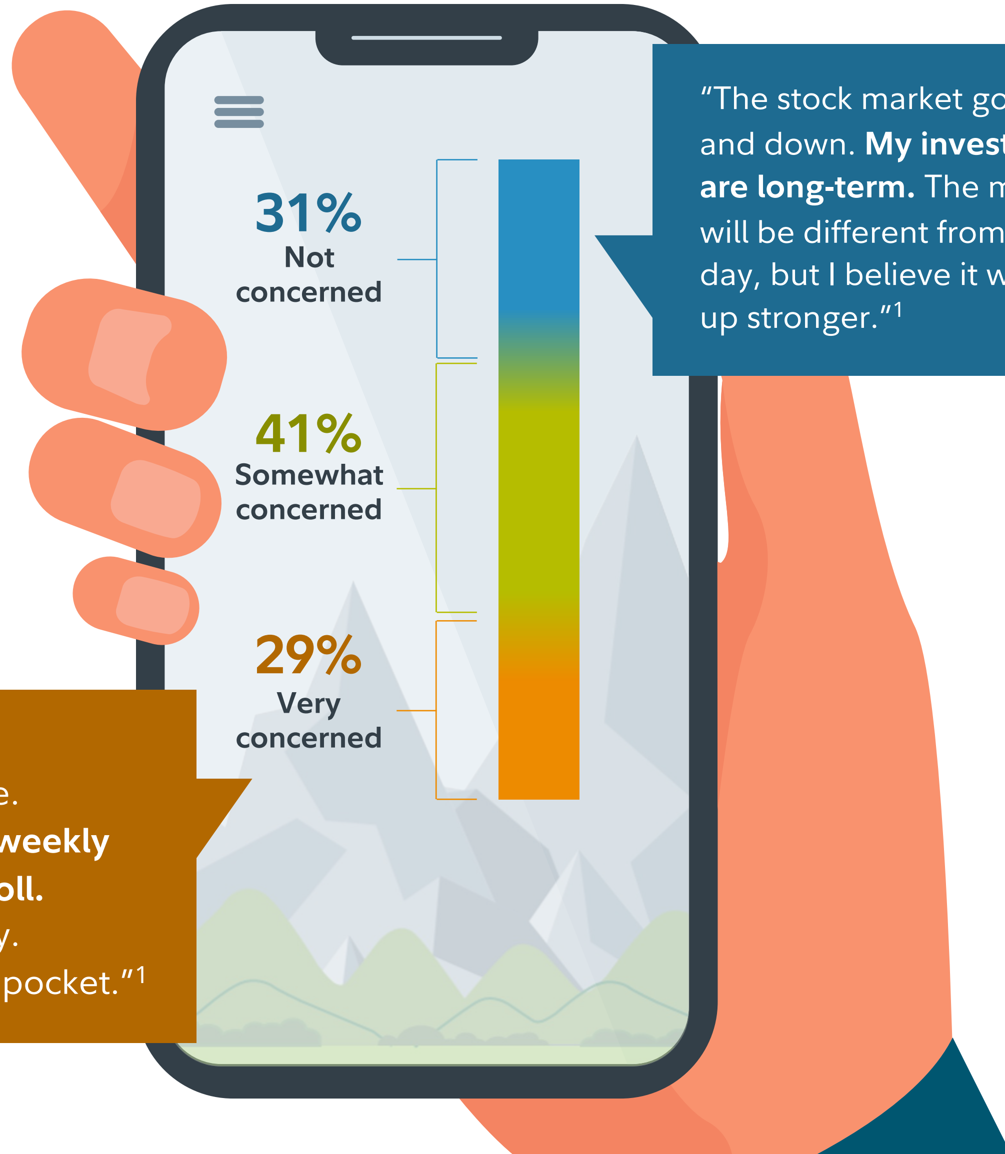
WORKPLACE THOUGHT LEADERSHIP

# Navigating volatile markets

Support those who are nervous or on edge to get the help they need during uncertain times

# Market volatility affects people differently

**People's level of concern varies significantly as it relates to the market impacting their retirement savings.**




"The stock market goes up and down. **My investments are long-term.** The market will be different from day to day, but I believe it will end up stronger."[1]

"I've seen my 401(k) drop dramatically. That scares me. **I've actually taken out my weekly contribution from my payroll.** I don't want to waste money. I would rather keep it in my pocket."[1]

**The good news? Even though emotions are high right now, people are staying focused on long-term goals.[2]**

94.7% — did not make exchanges in their accounts

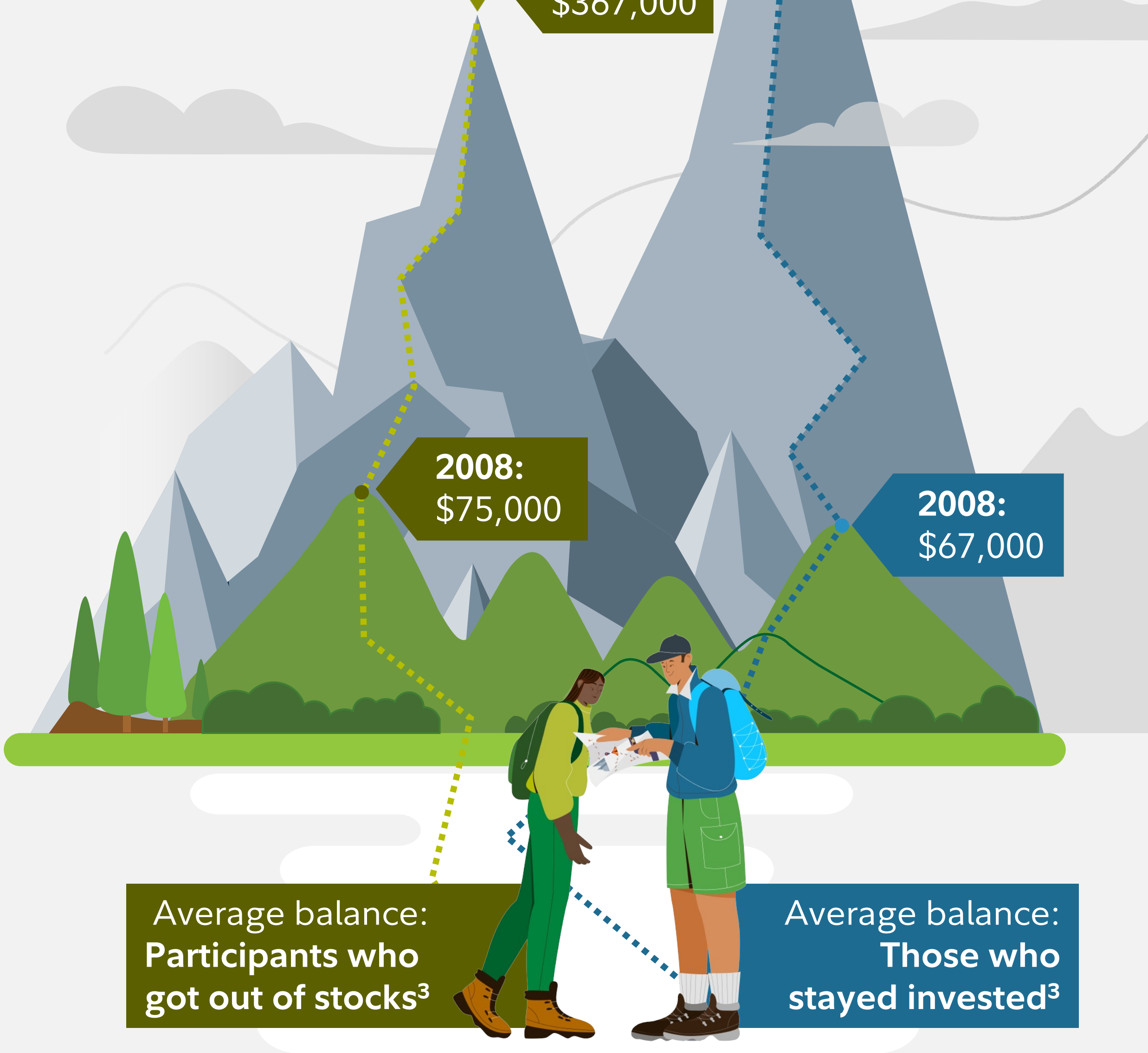
5.3% — made an exchange

2.1% — went to 0% equities

# Continue to encourage people to stay the course

**For many, it can be tempting to make changes to their account during times of market downturn. They may find themselves considering taking money out of their plan, or decreasing their contribution rates, which can have long-term impacts on retirement readiness. However, when participants have a well-defined plan targeted to their individual goals and financial situation, they can focus on the long term instead of reacting to market volatility.**

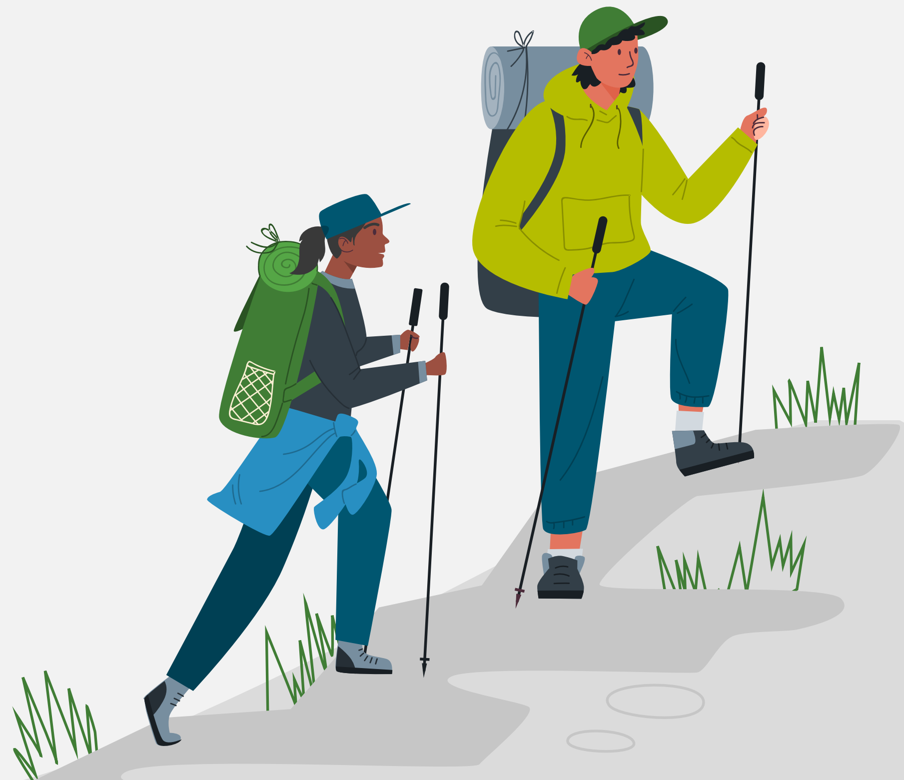
Fidelity looked at participants who moved completely out of stocks during the financial crisis of 2008–2009 and found that they have fallen behind those that stayed invested.[3]



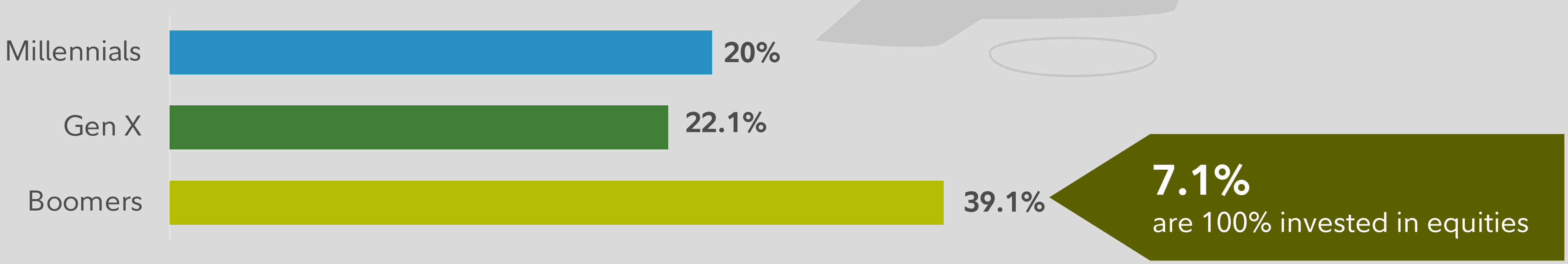
# Help prepare those who have less time to ride it out

**The Baby Boomers are the most likely to be do-it-yourself investors. Many of them began saving before do-it-for-me investment options in workplace savings plans became available, such as target date funds and managed accounts.**

**Given this, Baby Boomers are more likely to be potentially over-allocated to equities—which could make them more vulnerable to market downturns.**



**Percent over-allocated to equities based on age[4]**



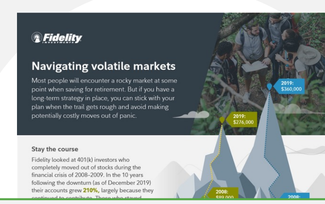
# Ways to support participants during uncertain times

**We're working to help your employees prepare today so they can feel confident they are on track to meet their future goals. You can use the tips and resources below to understand your plan's asset allocation and ensure your employees are aware of the resources available to them.**

**Review your plan design.** Make sure your plan is set up to meet the diverse needs of your employees. Contact your Fidelity representative for help.

**Ensure your employees are aware of the educational resources and investment options,** such as target date funds, asset allocation funds, and managed accounts, available through your plan.

**Share this infographic with participants to help them stay on course.**



[1] Fidelity Investments Market Volatility Research represents insights from an online omnibus survey of consumers who have retirement accounts through their employer. The research was completed in March 2020 by IPSOS, an independent third-party research firm.

[2] Based on Fidelity analysis of participant account activity between 9/30/2021 and 12/31/2021. Includes data from more than 23,000 corporate DC plans totaling 13.8M active participants.

[3] Based on Fidelity analysis of 23,761 corporate DC plans (including advisor-sold DC) and 20.4 million participants as of 12/31/2021. Investors who got out of stocks refers to 401(k) participants who went to a 0% equity allocation between Q1'08 – Q1'09 and Q1'22; those who stayed invested refers to 401(k) participants who maintained some equity exposure between Q1'08-Q1'09 and Q1'22. In both populations, the majority continued to make new contributions. Withdrawals are not accounted for.

[4] Based on Fidelity analysis of 23,761 corporate DC plans and 20.4 million participants as of 12/31/2021. Generations are defined as: Millennials, born 1981–1997; Gen X, born 1965–1980; Baby Boomers, born 1946–1964. For "Asset Allocation" purposes, age-appropriate equity allocation is defined as the participant's current age and equity holdings in a retirement portfolio compared with an example table containing age-based equity holding percentages based on an equity glide path. The strategic allocation to equities in Fidelity's target date funds is an example we use for this measure and is a range of equity allocations that may be generally appropriate for many investors saving for retirement and planning to retire around ages 65 to 67. It is designed to reduce equity exposure and increase diversification as participants approach retirement and beyond. The glide path begins with 90% equity holdings within a retirement portfolio at age 25, continuing down to 19% equity holdings 10-19 years after retirement. Equities are defined as domestic equity, international equity, company stock, and the equity portion of blended investment options. The indicator for asset allocation is determined by being within 10% (+ or -) of the Fidelity Equity Glide Path. We assume self-directed account balances (if any) are allocated 75% to equities, regardless of participant age and so the Asset Allocation Indicator has limited applicability for those affected participants. For purposes of this metric, participants enrolled in a managed account or invested greater than or equal to 80% of their account balance in a single target date fund are considered to have age-appropriate equity allocation. Investors should allocate assets based on individual risk tolerance, investment time horizon, and personal financial situation. A particular asset allocation may be achieved by using different allocations in different accounts or by using the same one across multiple accounts.



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