Strategence Capital

# The Market is Down

**I'm worried the market is going to drop. Should I move everything to cash? I have 10+ years before I expect to begin taking distributions from my investments.**

This is a common concern. Here's the key: with **10+ years before you need the money**, selling all your investments and moving to cash is usually **riskier than staying invested**, even if a drop feels likely. Here's why:

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## Risks of Moving to Cash

1. **Missing the Recovery**
   The stock market is unpredictable. It can drop suddenly, but it also rebounds quickly—often before it "feels safe" to get back in. Some of the biggest market gains happen in short, unexpected bursts. If you're sitting in cash, you miss those critical recovery days, which can dramatically hurt your long-term growth.

2. **Timing the Market is Nearly Impossible**
   To make a move to cash work, you'd need to:

   - Predict exactly **when to sell** before a drop.
   - Predict exactly **when to buy** back in before a rebound.

   Even professional investors rarely get both of those decisions right. More often, people sell after the market has already dropped and buy back after it's already risen, locking in losses.

3. **Inflation Eats Cash**
   Cash loses purchasing power over time because of inflation. If your money is just sitting in a bank account earning minimal interest while costs rise, you're losing value. Over 10+ years, that loss compounds.

4. **Opportunity Cost**
   While you wait on the sidelines, the market could continue climbing. You could spend years waiting for a drop that never comes, missing out on potential growth.

## Why staying invested works (especially with your time frame)

- With **10+ years**, your investments have time to recover from downturns and continue compounding.
- Historically, the market has trended upward over the long term, despite regular corrections and bear markets.



25-STC-078

## Alternative strategies to feel more comfortable

- **Diversify:** Ensure your investments are spread across various asset types, industries, and regions.
- **Rebalance:** Make sure your portfolio matches your risk tolerance. Maybe it's time to slightly lower your stock exposure if the market feels high and your goals are more conservative.
- **Dollar-cost averaging:** If you have new cash to invest, spread your purchases over time to reduce the impact of short-term volatility.
- **Emergency fund:** Keep enough cash outside of your investments to cover short-term needs and emergencies, so you won't feel pressure to sell investments during a downturn.

## Bottom Line

With over 10 years until you need the money, staying invested is historically the better strategy. Moving everything to cash to avoid a possible market drop trades **short-term peace of mind for long-term growth potential**—and often leads to regret.

Instead of trying to time the market, focus on your **time horizon**, your **goals**, and keeping a portfolio that matches your risk tolerance. Markets will drop sometimes. That's normal. But staying invested through the ups and downs is usually how people build lasting wealth.