

## It's Not Too Late

Stocks have gotten hammered over the past 10 days or so, culminating in that 4% woosh down yesterday. These things happen but it's never easy to deal with from a psychological perspective.

Stocks were getting hammered again in overnight futures but as I type this they're ~~up-down-up~~ ~~down~~ all over the place. When things are up people want to be buyers and when things are down they want to be sellers. But when they're down people also panic more often because of loss aversion and our general hatred for losing money.

While losing money is never fun, investors have to remember that this is how markets work. It would be great if every time stocks fell it was neat and orderly (a healthy correction if you will). It doesn't work like that and you could make the argument that technology and increased access to information have sped up market declines, maybe for the foreseeable future.

Investors also need to realize that markets have been going up for a really long time, in an almost uninterrupted fashion for the past two years or so. Sometimes the reason stocks fall is simply because investors are looking for an excuse to sell after stocks rose too quickly.

And the S&P 500 is now back to levels seen in...DUN, DUN, DUUUUUN...early-to-mid-December. So while it's always possible that markets could completely fall apart from here, they haven't done so yet. Maybe this turns into a bear market. Or maybe this is just another correction that scares investors and makes people sweat a little. No one really knows.

Regardless of whether this turns into a full-fledged meltdown or just another flash crash correction, it's not too late right now to get your portfolio in order.

It's not too late to rebalance if you've let your stocks get out of whack from your target asset allocation

It's not too late to reassess your overall asset allocation to figure out the types of losses you can survive without panicking.

It's not too late to know what you own and why you own it.

It's not too late to remind yourself that risk in the stock market doesn't care about your needs and desires.

It's not too late to remind yourself that markets are hard.

It's not too late to ensure you have enough cash reserves to make it through the next downturn, be it economic or market-based.

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It's not too late review your portfolio to ensure it's aligned with your goals, time horizon, and risk profile.

It's not too late get out of some positions that you had no business owning in the first place (unless it was [XIV](#). RIP).

It's not too late to look back at how you reacted to previous market corrections (and not just 2007-2009. 2015 and 2016 saw double-digit corrections. 2011 was basically a bear market).

It's not too late to figure out what you will regret more -- missing out on bigger gains or bigger losses from current levels.

It's not too late to figure out a good balance of investments that will help align your needs, fears, and regrets.

It's not too late to stop paying attention to what everyone else is doing and focus more on your own situation and goals.

It's not too late to come up with a plan of attack for how to handle the next market crash, whether it's just starting now or a few years from now.

Further reading:

[What a Complacent Investor Looks Like](#)