The Cost of Timing the Market

This week's data insight exemplifies the need for patience when investing in financial markets, and the rewards one can earn from long-term investing and more importantly staying invested. The chart looks at the returns gained and lost from investing $10,000 in the S&P 500, starting in January 2003 and up to December 2022. What is pivotal here is if one stayed invested in the S&P from start to finish, that $10,000 in 2003 would have been worth $64,844 in 2022, a return of 548% over the 19-year period. However, the chart also highlights how missing the best days in the market within that time frame can severely impact the overall return, and even lead to a loss. This chart exemplifies the need to stay invested no matter what the financial headwinds are, and most importantly having patience and trusting in one's financial plan.