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If the volatility in the stock market of late has you worried you may have gotten complacent.

It's said the stock market goes up the escalator and down the elevator. Also, I think a 1,000 point drop is more startling than a 1,000 point jump is exciting so we may provide the drop an undeserved amount of attention.

I think it can be helpful to know how common and unpredictable these sudden down days can be.

According to Calamos Investments, since 2000, we've averaged 19 days with drops of 2 percent or more per year. That's about 3 times every two months.

With the Dow Jones Industrial index in the mid 30-thousands we're talking drops of about 700 points or more.

And still, since 2000, the same Dow Jones, according to Wells Fargo, has seen its price go up approximately 250 percent. Dividends come on top of that.

If these statistics were to repeat over the next twenty years the Dow Jones index, on its way to 120,000, would see 380 2-percent down days.

Another volatility statistic I think is worth keeping in mind is by how much the stock market drops each year, on average.

14 percent, according to J.P. Morgan, if you go back to 1980.

That is, within each calendar year there was, on average, a drop of almost 5,000 points in Dow Jones Industrial terms.

So, going into 2022 maybe it will help you to know that it would be ordinary if we see a dozen or two 2-percent down days and a drop in Dow below 30,000.

That's just how hot it can get in the stock market kitchen.

Note that I have no clue if we'll see big drops next year. I'm just saying it would be normal if we did and that it should not surprise you.

In the past, these drops have been followed by recoveries that more than made up for the drops.

I am confident future drops will also be followed by even greater recoveries.

Good luck.

**Jorgen Vik, CFP®**

**CERTIFIED FINANCIAL PLANNER™**

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