Tom Mullooly: Odds are you're not going to lose money in the stock market. Let's talk about this in episode 300.

Tom Mullooly: Welcome to the Mullooly Asset Show. I'm your host, Tom Mullooly and this is episode number 300. Thanks for tuning in. So, our little teaser as we opened the video said, you're not going to lose money in the stock market, which is a very uncomfortable thing to say as an advisor, but also weird to hear in a year 2022 with the market being down. So, what I want to show you is the longer that you're invested, the better your odds are of having positive outcomes. So, if you took a rolling five year period and just looked at month to month to month to month pick any time in the last hundred years. Five year returns, rolling returns are positive 87% of the time. So, seven out of eight times, any five year period, you pick the time. It's going to be a positive return. If you did that over a 10 year span... Again, you picked a starting month, run out for 10 years over the last hundred years, 94% of the time returns are positive.

Tom Mullooly: And of course, if you did this for longer, like say 20 years, the returns are positive. 100% of the time. These are monthly returns, you pick the starting date anytime going back to 1928, pick a 20 year period, 100% of the time stocks are positive. Think about all the crappy things that we've been through over the last hundred years in this country and the stock market. We're still getting positive returns because it's a long time. So, what if we said, "Hey, instead of a rolling 5, 10, 20 year period, what if we just did calendar years from year to year?" Well, again, going back to 1928, so we've got almost a hundred years of data, 73.9% of the time calendar year positive returns in the market. So, 74% of the time, about three out of four years, you are going to have positive returns.

Tom Mullooly: That also means that one out of four years, you're not going to make money. In fact, you may lose money. And so, that's baked in the cake. You've heard me use that phrase a lot. Let's drill down, even deeper into say monthly returns going back over the last hundred. Well, since 1928, more than 62% of the time, monthly returns are positive. So, you open your statement this month. You didn't make money. It's a pretty good chance. Two out of three, that the returns are going to be positive next month. What if you only open your statement when you get it quarterly in the mail? A lot of people getting their quarterly 401k statements right now. So, almost 69% of the time, quarterly returns are positive from one quarter to the next. That's really important to remember. You've got to be long term when you're looking at the investment dollars.

Tom Mullooly: Of course, the flip side of all of this is what if you looked at it from day to day? From day to day, the stock market going back to 1928 is positive 53% of the time. It's a coin flip. You don't know from day to day, if the market's going to be up, or if the market's going to be down. I talked to someone yesterday who was just distraught because he was like, "Oh, this stock market is killing me." And, we talked through all these different numbers. And the point I want to share with you is, hey, if you're 48 years old or 50 years old or 52 years old, or even 70 years old, we've got a long runway for you when it comes to investing this money. And so, when we look at the big picture, we are unconcerned with day to day movements in the market. So, should you. Thanks for tuning in to episode 300, see you next time.