

Staying the course is a smart move for long-term investors

By The Motley Fool

Let's be blunt: This all probably sounds a bit scary. But in the grand scheme of things, every bear market drop throughout history has represented a surefire buying opportunity for patient investors. Once again, we can't predict precisely when bottoms will occur or how long they'll take to reach. However, historic data clearly shows that bull markets eventually wipe away bear markets *every single time*.

Recently, market analytics company Crestmont Research updated its annual report that examines the rolling 20-year total returns, including dividends paid, of the S&P 500. This report shows investors what their annualized return would have been if they, hypothetically, had purchased an S&P 500 tracking index at any point since 1900 and held for 20 years.

The key takeaway from Crestmont's data is simple: As long as you held for 20 years, *you walked away richer 100% of the time*. Whereas just a handful of the 104 ending years examined (1919 to 2022) resulted in an annualized total return of 5% or less over 20 years, more than 40% of the end years examined led to an annualized total return of at least 10.8%.

Smart investors are going to continue putting their money to work rather than trying to time when the stock market will bottom.

In addition to S&P 500 tracking-index funds, which Crestmont Research's data shows are long-term winners, *dividend stocks* tend to be a genius way to put your money to work during periods of volatility and uncertainty for the broader

market. Companies that regularly pay a dividend are typically profitable on a recurring basis and have previously shown investors they can navigate a challenging economic environment.

It also doesn't hurt that income stocks have historically crushed non-paying companies in the return department over long periods. If you're looking for a way to stay the course while hedging your downside during the current bear market, dividend stocks are [a fantastic place to kick off your research](#).

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