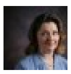
After a crazy first quarter in the stock market, here's what you should remember



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CLEVELAND, Ohio -- In January, investors were nervous as the market plunged by 8 percent in three weeks.

By February, some people were in full-blown panic as the broader market indexes continued to fall, logging drops of more than 10 percent in six weeks.

Now it's April, and you're getting your first-quarter statements. It may surprise some to realize the quarter ended at pretty much the same levels as where it began. Say what?

If you were like Rip Van Winkle and were asleep the last few months, or hadn't paid attention to Wall Street gyrations during the quarter, you might be surprised by your statement, said Jesse Hurst, an Akron certified financial planner. "You might say, 'Hmm. That was a pretty boring quarter. Not much happened.'"

The quarter was yet another reminder that if you focus too much on the short-term, you may worry unnecessarily and make decisions that aren't good for the long-term.

It's human nature, Hurst said. The uncertainty earlier this year about oil prices, interest rates and the global economy "was very nerve-wracking."

"Part of the problem is studies have shown that people feel the pain of loss more than they feel the joy of gain," said Hurst, co-founder of Millennial Group.

Perhaps your first-quarter results were similar to the overall markets -- mostly flat. But there are some big lessons we can take away from the quarter.

1. You cannot time the markets.
"Getting out is easy. Getting back in is next to impossible," said Kevin Myeroff, a certified financial planner and CEO of NCA Financial Planners in Mayfield. "Don't get fooled by hindsight," he said. "Everyone could time a market in hindsight, but in real time it's just not doable."

Look at it very simplistically, through the lens of this past quarter. If you had decided in mid-February to get out of your S&P 500 index mutual fund you bought six months earlier, you would have sold at a loss of 12 percent. And if you decided Tuesday that it was safe to buy back in, you would have paid 13 percent more than you sold it for.

2. Volatility is here to stay.
Declines are a part of the investment cycle, said Dean Weemhoff, a certified financial planner with Beacon Financial Partners in Beachwood. Stocks may still be the place place for long-term investors, "but you better be prepared to hold through stock market

corrections," he said. "The stock market has a history of recoveries if you have the patience to hold through challenging times."

3. What goes down, comes back up quickly, sometimes.
If we look at the past two 10 percent corrections, in August of 2015 and January of this year, the markets have rebounded within 60 to 90 days, said Sanjay Bhargava, CEO of JK Investment Group in Independence. "In most cases, there is usually a snap back or counter trend rally that will occur after a stock market correction," he said. "In many cases, you can utilize these ... rallies to reduce risk or re-evaluate your overall investment strategy."

4. Remember that 99 percent of the daily financial news is made for traders, not investors.
"Traders care about day-to-day, minute-by-minute fluctuations," Myeroff said. "They use terms like 'risk on and risk off.'"

But the majority of us are investors putting money in 401(k)s or other investments for retirement, a child's college education, paying for long-term care or other life events.

If you are taking advice from the media that support the trading world -- especially the broadcast media -- that would be like asking a NASCAR racing team for advice on what kind of tires you should buy for your personal car.

"We don't need tires that need to be changed every couple hundred miles for what we are trying to achieve in a family car," Myeroff said. "The advice given daily on the 'financial channels' is just as ridiculous for us investors."

And just gathering information about investments doesn't necessarily work, Hurst said. "A lot of the time, people confuse data with the wisdom to know what to do with it."

5. Check your emotions.
One of the most valuable lessons to learn during market volatility is to avoid making irrational and emotional decisions, Bhargava said. If you give in and make decisions on emotion and perception, that's not a disciplined approach to your financial goals.

6. Dollar-cost averaging is always a winner for the long term.
One of the best ways to take emotion out of investing is to commit to dollar-cost averaging: You put in the same amount of money at the same intervals, no matter what the market is doing. Maybe you put in $25 every week, no matter what. Or you put in $200 a month, no matter what.

Dollar-cost averaging saves you from trying to time the market, only to see if go down the day after you made a huge investment. With dollar-cost averaging, you're spreading out investment purchases or sales over a period of time, so you're protecting yourself against big swings in a short period.

7. Consider what if ... ?
The first quarter wasn't bad overall. What if it had been? Could you have withstood that emotionally or financially? "Now is a good time to assess your risk tolerance and portfolio allocation," Weemhoff said.

Bear markets -- meaning a 20 percent decline -- usually occur about once every 3-1/2 years, he said. Right now, we're seven-plus years into a bull market. One might think we're due anytime. "We have headwinds with anemic global economic growth, rising interest rates and global terrorism/political uncertainty," he said. "The stock market may continue to climb a wall of worry," he added, but it's a good time to review your investment time frame and goals.

8. Consider working with an expert.
Hiring a certified financial planner for an occasional consultation or for an ongoing relationship can take the emotion out of investing, Myeroff said. And if you've put together a sound financial plan for the long-term, Bhargava said, "then short-term market volatility can be viewed as an opportunity versus investors being fearful."