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BIG NUMBERS - The US bond market (including treasury, municipal, corporate, mortgage and asset-backed debt) was worth $39.4 trillion as of 12/31/16. The US bond market was worth $4.8 trillion as of 12/31/86 (source: Securities Industry and Financial Markets Association).

WRONG TREND - Net interest costs of the federal government make up 7% of total federal outlays in 2017. But the expectation of higher interest rates in the future and rising federal debt levels will push net interest costs to 21% of total federal outlays by the year 2047 (source: Congressional Budget Office).

A FIVE DECADE LOW - The US homeownership percentage (i.e., "owner" households as a percentage of total households) was 63.4% in 2016, the lowest percentage nationwide since 1965 or 51 years earlier when the rate was 63.0% (source: Census Bureau).

Stock market declines are the last thing most investors want to experience but they are an inevitable part of investing. Perhaps a little historical background can help you put stock market declines in perspective. A look back at stock market history since 1900 shows that declines have varied widely in intensity, length and frequency. In the midst of a decline, it's been nearly impossible to tell the difference between a slight dip and a more prolonged correction. The table below shows that declines in the Dow Jones Industrial Average have been somewhat regular events.

A History of Declines (1900-December 2016)

Type of Decline	Average Frequency[1]	Average Length[2]	Last Occurrence
-5% or more	About 3 times a year	47 days	August 2015
-10% or more	About once a year	115 days	August 2015
-15% or more	About once every 2 years	215 days	October 2011
-20% or more	About once every 3½ years	341 days	March 2009

Source: Capital Research and Management Company

No one can predict consistently when market declines will happen.
It is easy to look back today and say with hindsight that the stock market was overvalued at a particular time and due for a decline. But no one has been able to accurately predict market declines on a consistent basis. In January 1973, a New York Times poll of 8 market authorities predicted that the market would "move somewhat higher" in the future. The Dow industrials proceeded to decline 45% over the next 23 months. Then, although almost no one predicted it, the Dow rose 38% in 1975.

The table below shows the percentage of time that the US stock market has positive returns. If one was to monitor the market on a daily basis essentially half the time the market would be up and half the time the market would be down. As you take a longer term view, one can see the percentage of time the market is up increases.

S&P 500: 1926-2015

Time Frame	Positive	Negative
Daily	54%	46%
Quarterly	68%	32%
One Year	74%	26%
5 Years	86%	14%
10 Years	94%	6%
20 Years	100%	0%

Source: Returns 2.0

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