

Investment Strategies during a Market Downturn from Suncoast Equity Management, Tampa, Florida

Any time the stock market makes a correction, many short term investment strategies call for investors to take their money out of the stock market and switch to “safer” investments. Investment strategies like this can easily lead to everyone jumping on the bandwagon to sell their stocks, the overall price of stocks plummeting and the market downturn becoming more severe. While the temptation to flee from a bear stock market seems like one of the safest investment strategies to adopt, the opposite is often true. Typically, a stock market correction or downturn is the best time to buy stocks, especially if the stocks have been evaluated for quality by an [investment management](#) firm like Suncoast Equity Management in Tampa, Florida.

There are a few downsides to investment strategies that encourage selling for what are perceived to be safer investments during a stock market downturn. First, this [investment strategy](#) ignores the fact that, if you are investing for the long haul, a market downturn is an ideal time to purchase stocks. As the market takes a nosedive, the price per share does too, enabling you to invest at a much lower cost. When the market turns around you are poised to receive a higher return because you bought when the stock was low.

The general idea behind long term [investment strategies](#) is that a stock market downturn should be viewed as an opportunity. Long-term investors have consistently increased their returns by purchasing stocks during a correction. If you remove your money from a bear market and pursue what you believe to be safer investments, you must realize that those “safer” investments will see a higher demand from other investors who have bailed out of the stock market. This high demand will only increase the cost of your alternative investments, meaning you will earn less returns in the long run.

Suncoast Equity Management in Tampa, Florida believes your investment strategies should afford you the opportunity to buy during a slump and then enjoy future gains. The key is not to panic, but to make the right decision. Thorough research is important to investing in high-quality companies and sectors at a satisfying low. The next step is holding that stock for the long term.

The most successful investors see stock market corrections as an opportunity. By making this theory part of your long term investment strategies, you will be one of the lucky few who win when other investors are panicking.

To learn more about long term investment strategies that will actually help you make more money during a market correction, contact Suncoast Equity Management in Tampa, Florida today.