BROADHURST
Financial Advisors, Inc.

# Bear Market Benefits

March 27, 2026

The war in Iran and persistent inflation have clearly spooked short-term investors who like to jump into and out of the market based on the prevailing winds. U.S. stock indices have fallen for three weeks, albeit so gradually that most investors have hardly felt the impact. The S&P 500 is now trading less than 5% below its January 2026 record high, which is not quite half of a correction, and less than a fourth of a bear market.

Still… Savvy advisors are beginning to dust off their bear market toolkits, which allow them to take advantage of lower stock prices should they manifest in the future.

The tools can be impressively beneficial in gloomy times. The simplest is to sell stocks that are trading at prices below their original cost, which generates valuable losses that can be used to lower your tax bill. Professional advisors can also help investors to convert some of their IRA holdings over to a Roth account at lower prices, reducing the tax bill on the conversion, and moving money into an account that will never again be taxed.

People can also gift stock shares up to a value of $19,000 per recipient ($38,000 for couples) to their children without any tax consequences. If the stock is less valuable at the time of the gifting, more of it can be transferred during the (presumably) temporary bear market.

And finally, when stocks go on sale, bargain shoppers who can overcome their fear are able to scoop up shares at a discount, remembering, of course, that there's nothing to say that those stocks won't be selling at even greater discounts during the remainder of the bear market cycle.

What advisors are NOT dusting off is a market timing tool. Getting out of the way of a bear market, moving to cash and stuffing the money under your mattress sounds like a terrific idea until you realize that you have to decide when to buy back into the market. Should you wait until the market goes up? How far would it have to go before you're convinced that the bear market is over? Chances are, THAT point would be when the market is higher than when you got out.

Anybody who is still not convinced that this is a losing strategy should take a moment to name the greatest market timers in history, the people who knew when to get in and out of the markets during past downturns.  Anybody who was successful in that endeavor, anybody at all, would have attracted a lot of media fanfare.

To date, the media hasn't found anybody to shower with that attention.  It's not likely that you or I would be the first.

If you have any questions about this article or want to discuss your family finances, investment portfolio, or financial planning advice, please call on me anytime at my number (215) 325-1595 or you can click here to schedule a meeting.

Please feel free to forward this article and offer to anyone you know who might have financial questions or need some unbiased advice. Most financial advice is sales advice. In stark contrast, we are fee-only (non-commissioned) fiduciary advisors. We just provide truthful, unbiased advice to our clients.


**Jeffrey Broadhurst**
MBA, CFA, CFP
Broadhurst Financial Advisors, Inc.


*****PRIVACY NOTICE*****




**Our physical and mail address**:
1911 West Point Pike
P.O. Box 301
West Point, PA 19486-0301

**Contact us**:
Phone: (215) 325-1595
Email: jeff@broadhurstfinancial.com