Fear is back on Wall Street. How scared should you be?

A litany of concerns, from the Federal Reserve to a troubled Chinese real estate company, is pushing stock prices lower.

By Larry Edelman Globe Columnist, Updated September 20, 2021, 6:46 p.m.

The Emerald Bay residential project in Hong Kong is just one of many unfinished properties threatened by China Evergrande Group's financial problems. LAM YIK/BLOOMBERG

Are our retirement accounts about to get crushed by a Chinese real estate company you've probably never heard of?

That was the question Monday after US stocks tumbled, extending a two-week slide that has started to concern even some of the raging bulls out there. The Cboe Volatility index, which you could think of Wall Street's anxiety meter, jumped 24 percent and now stands at its highest level since March.

"Fear has been building in the market for a while," Lindsey Bell, chief investment strategist for Ally Invest, said in a market commentary.

The broad-based Standard & Poor's 500 index had its worst day since May, losing 1.7 percent after being down nearly 3 percent late in the session. The 30-stock Dow Jones industrial average shed 1.8 percent and the tech-dependent Nasdaq declined 2.2 percent.

Since reaching a record high on Sept. 2, the S&P 500 has fallen 4 percent but remains up 16 percent for the year.

The immediate cause of Monday's downdraft was China Evergrande Group, a property developer that is drowning in almost $90 billion of debt. US investors are increasingly concerned that the Chinese government will let the company fail, inadvertently triggering a financial crisis that chokes off the country's economic engine and slows growth here and around the globe.

But Evergrande — and its eerie echoes of the Lehman Brothers collapse in 2008 — are just the latest worry for Wall Street.

Investors are bracing for Wednesday's conclusion of the Federal Reserve's two-day policy meeting, when officials may offer more direction on when they will begin cutting off the supply of cheap money to keep inflation in check. The pandemic is cooling consumer spending and the job market in some parts of the country, including Massachusetts. And the specter of higher corporate and capital gains taxes under President Biden has spooked some investors.

"People have a real visceral reaction when you talk about raising taxes," said Jill Fopiano, chief executive of O'Brien Wealth Partners in Boston.

And, don't forget, Fopiano said, Congress is running out of time to lift the federal debt ceiling to prevent what would be a disastrous default.

Market pros note that the S&P 500 hasn't seen a decline of 5 percent or more this year. On average, there have been two or three such pullbacks each year since 1950.

In other words, a loss of 5 to 10 percent in the near term would not be out of the ordinary after the S&P 500's 35 percent gain since November.

Bad news out of China, the second-largest economy in the world, could easily power such a retreat. A messy Evergrande default could cause big losses for Chinese and multinational banks. That could, in turn, inhibit lending to other companies, potentially hindering their expansion plans.

Moreover, the Chinese government is intent on narrowing the wealth gap between the elite and the rest of the country. As part of that effort, Beijing has moved to curb the power and independence of its giant tech and financial companies, and it may want to send a signal with Evergrande that no company is too big to fail.

"A perfect storm is developing for China's markets from a slowing economy, increasing government intervention into the private sector, and now concerns over the default of a real estate company, said Matthew Miskin, cochief investment strategist at John Hancock Investment Management in Boston. "China is an important engine to global growth and these developments suggest a lower global growth rate going into 2022."

Still, Miskin said a pullback in US markets now would be a buying opportunity, a view shared by Shannon Saccocia, chief investment officer at Boston Private Wealth Management.

Saccocia says investors are very troubled by the lack of certainty surrounding China and the Fed, and by the nagging concern that stock prices are simply too high. While a 10 percent selloff this year is possible, she's bullish on the market over the longer term because investors still have a lot of cash and bond yields are meager.

"There is really nothing else to do with your money," Saccocia said.

Our retirement balances may shrink for a while. It could be unpleasant, but I don't think we're about to see "Lehman: the Sequel."

Larry Edelman can be reached at larry.edelman@globe.com. Follow him on Twitter @GlobeNewsEd.