

A Long-Term Perspective on Market Downturns and Historical Bear Markets

QUICK TAKE

While volatility is a normal part of investing, the sharpness and longevity of each bear market varies widely and, in many cases, S&P 500 cumulative returns are significantly greater following a bear market.

S&P 500® Index Cumulative Returns¹ (%) (1926-2025)



Bear Market Details

Market Event	End Date	Declines	Duration (years)	1 Quarter Later	1 Year Later	2 Years Later
1 The Great Depression	June 1932	-83%	2.8	85.0%	162.9%	146.9%
2 Roosevelt's Recession	March 1938	-50%	1.0	38.4%	35.2%	59.0%
3 Germany Invades Poland	April 1942	-30%	2.5	14.1%	61.2%	74.0%
4 Inventory Recession	November 1946	-22%	0.4	6.4%	8.0%	12.7%
5 Rising Interest Rates and Fed Tightening	June 1962	-22%	0.4	3.7%	31.2%	59.4%
6 Instability and Inflation	June 1970	-29%	1.5	16.9%	41.8%	57.1%
7 Stagflation	September 1974	-43%	1.7	9.4%	38.1%	80.2%
8 Black Monday	November 1987	-30%	0.2	17.4%	23.3%	61.4%
9 Dot-com Crash	September 2002	-45%	2.0	8.4%	24.4%	41.7%
10 Great Financial Crisis	February 2009	-51%	1.2	25.8%	53.6%	88.3%
11 Global Pandemic	March 2020	-34% ¹	0.2	20.5%	56.4%	80.8%
12 Energy and Inflation Spikes	October 2022	-24% ¹	0.8	5.8%	10.1%	52.0%
Average	—	-39%	1.2	21.0%	45.5%	67.8%

1. Monthly returns are shown for S&P 500® Index, except for the Global Pandemic and Energy and Inflation Spikes market events, which are daily.

2. Based on the closest month-end date after the bear market end date. Uses monthly returns.

Sources: FactSet, NBER, MSNBC, and S&P Dow Jones Indices. The Index is unmanaged, is not available for investment, and does not incur expenses. As of December 31, 2025. S&P 500® Index (gross dividends reinvested) in U.S. Dollar. The Fed refers to the Federal Reserve Board. A bear market represents a peak-to-trough price decline of -20% or more in the S&P 500® Index. A bull market is a prolonged period in which investment prices are rising or are expected to rise. **Past performance is no guarantee of future results.**

IMPORTANT INFORMATION

The S&P 500® Index is a capitalization-weighted index of 500 stocks. The S&P 500® Index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

A bear market is a prolonged period in which investment prices are falling or are expected to fall, accompanied by widespread pessimism. Although figures can vary, a downturn of 15%-20% in a key index (Dow Jones Industrial or S&P 500®, for example) from a recent peak over at least a two-month period is considered an entry into a bear market. Bear markets usually occur when the economy is in a recession and unemployment is high, or when inflation is rising quickly.

A bull market is a prolonged period in which investment prices are rising or are expected to rise. A bull market may also be a prolonged period of time when prices are rising in a financial market faster than their historical average. Bull markets are characterized by optimism, investor confidence and expectations that strong results will continue. Bull markets can happen as a result of an economic recovery, an economic boom, or investor psychology.

The indices are unmanaged, are not available for investment, and do not incur expenses.

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