# Market Returns After Recessions 

Last 8 Recessions: 1969-2020

| Recession | Recession Indicators |  |  |  |  |  | S\&P 500 Downturn <br> Price changes only (excluding dividends) |  |  |  | S\&P 500 Recovery After Recessions Price changes only (excluding dividends) |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Start <br> Date | End Date | Duration (Months) | Inflation | Max Unemploy | Change in GDP | Peak Date | Trough Date | Duration (Months) | Peak to Trough | Before3 Months | After |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  | 1 Year | 3 Years | 5 Years |
| (1) 1969-1970 | Dec 1969 | Nov 1970 | 11 | 4.5\% | 6.1\% | -0.6\% | 11/29/68 | 5/26/70 | 19 | V-36.1\% | 7.0\% | 7.8\% | 10.0\% | 4.6\% |
| (2) Oil Crisis | Nov 1973 | Mar 1975 | 16 | 14.4\% | 9.0\% | -3.2\% | 1/11/73 | 10/3/74 | 21 | V-48.2\% | 21.6\% | 23.3\% | 7.0\% | 22.5\% |
| (3) 1980 | Jan 1980 | Jul 1980 | 6 | 6.3\% | 7.8\% | -2.2\% | 2/13/80 | 3/27/80 | 2 | V-17.1\% | 14.5\% | 7.6\% | 33.6\% | 56.9\% |
| (4) 1981-1982 | Jul 1981 | Nov 1982 | 16 | 7.2\% | 10.8\% | -2.7\% | 11/28/80 | 8/12/82 | 14 | V-27.1\% | 15.9\% | 20.1\% | 45.9\% | 66.2\% |
| (5) Gulf War | Jul 1990 | Mar 1991 | 8 | 3.4\% | 7.8\% | -1.4\% | 7/16/90 | 10/11/90 | 5 | V-19.9\% | 13.6\% | 7.6\% | 18.8\% | 72.0\% |
| (6) Tech Boom and Bust | Mar 2001 | Nov 2001 | 8 | 0.9\% | 6.3\% | -0.3\% | 9/1/00 | 10/31/01 | 13 | V-30.3\% | 0.5\% | -17.8\% | 3.0\% | 22.9\% |
| (7) Global Financial Crisis | Dec 2007 | Jun 2009 | 18 | 1.8\% | 10.0\% | -5.1\% | 10/9/07 | 3/9/09 | 16 | V-56.8\% | 15.2\% | 12.1\% | 48.2\% | 113.2\% |
| (8) Covid-19 | Feb 2020 | Apr 2020 | 2 | -0.2\% | 14.7\% | -19.2\% | 2/19/20 | 3/23/20 | 2 | - -33.9\% | -9.7\% | 43.6\% | - | - |
| Average |  |  | 10.6 | 4.8\% | 9.1\% | -2.2\%* |  |  | 11.5 | V-33.7\% | 9.8\% | 13.0\% | 23.8\% | 51.2\% |
| 1) 1969-1970 <br> High inflation and a big jump in unemployment punctuated the 11 -month recession that began in December 1969. A volatile stock market eventually lost $36.1 \%$ over 19 months. |  |  | Inflation hit double digits during the 1973-1975 recession. The stock market lost nearly half its value in the first 11 months of the 16 -month economic downturn. |  |  |  | A $17.1 \%$ stock market decline occurred early in 1980's 6-month recession, during which unemployment hit $7.6 \%$. But the market finished the year with an impressive gain of $38.2 \%$. |  |  |  | Historically high interest rates preceded a harsh recession that dragged on for 16 months and saw unemployment peak at $10.4 \%$. The market slid $27.1 \%$ before beginning a long rally. |  |  |  |
| Recession |  |  | Recession |  |  |  | Recession |  |  |  | Recession |  |  |  |
| $\begin{aligned} & 11 \text { mos } \\ & \text { Duration } \end{aligned} \underset{\substack{\text { Inflation } \\ \text { Une }}}{ }$ | $\begin{array}{ll} \text { 6.1\% } & -0 \\ \text { mployment } & \text { GDP } \end{array}$ |  | 16 mos <br> Duration | 14.4\% <br> Inflation | 9.0\% <br> Unemployment | $\begin{aligned} & \text { 3.2\% } \\ & \text { Change } \end{aligned}$ |  | $6.3 \%$ Inflation | 7.8\% <br> Unemployment | $\begin{gathered} -2.2 \% \\ \text { GDP Change } \end{gathered}$ | 16 mos Duration | 7.2\% <br> Inflation | 10.8\% <br> Unemployment | $-2.7 \%$ <br> GDP Change |
| Market Downturn |  |  | Market Downturn |  |  |  | Market Downturn |  |  |  | Market Downturn |  |  |  |
| $\begin{array}{lc}19 \text { mos } & -36.1 \% \\ \text { Duration } & \text { Return from Peak }\end{array}$ |  |  | 21 mos Duration |  | $\begin{aligned} & -48.2 \% \\ & \text { Return from Peak } \end{aligned}$ |  | $\begin{array}{ll} 2 \text { mos } & -17.1 \% \\ \text { Duration } & \text { Return from Peak } \end{array}$ |  |  |  | 14 mos -27.1 <br> Duration  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  | 1 |  |  |
| (5) Gulf War |  |  | (6) Tech Boom and Bust |  |  |  | (7) Global Financial Crisis |  |  |  | (8) Covid-19 |  |  |  |
| Stocks reacted negatively to the August 1990, dropping $19.9 \%$ ov oil doubled. Stocks then began peaked in the dot-com era. | nset of the Gulf 5 months as the 9 -year bull mark | War in | Many investors may not realize that the stock market had started a deep decline before the relatively mild recession in March 2001, which followed the tech boom. |  |  |  | During the Global Financial Crisis, the S\&P 500 dropped 57\% over the course of an 18 -month recession that saw unemployment hit $9.4 \%$. Then, after falling for 16 months, the market started a nearly 11 -year bull run. |  |  |  | The shortest recession in the past 100 years-and the deepest decline in GDP (-19.2\%) since World War II-occurred in early 2020. The S\&P 500 dropped $34 \%$ in 33 days before making a sharp rebound and recording a $16.3 \%$ gain for the year. |  |  |  |
| Recession |  |  | Recession |  |  |  | Recession |  |  |  | Recession |  |  |  |
| 8 mos $3.4 \%$ <br> Inflation <br> Duration | $\begin{array}{ll} 7.8 \% & -1 . \\ \text { mployment } & \text { GDP } \end{array}$ |  | 8 mos <br> Duration <br> Market Downturn Inflation $6.3 \%$ <br> Unemployment |  |  |  | 18 mos <br> Duration <br> Market Downturn $1.8 \%$ <br> Inflation $10.0 \%$ <br> Unemployment $-5.1 \%$ <br> GDP Chan |  |  |  | $\begin{array}{cccc} 2 \text { mos } & -0.2 \% & \begin{array}{c} 14.7 \% \\ \text { Duration } \end{array} & \begin{array}{c} -19.2 \% \\ \text { Inflation } \\ \text { Unemployment } \end{array} \\ \text { GDP Change } \end{array}$ |  |  |  |
| Market Downturn |  |  |  |  |  |  |  |  |  |  |  |
| 1989 | -19.9\% <br> Return from Peak |  | 13 mos  <br> Duration $-30.3 \%$ <br> Return from Peak  |  |  |  |  |  |  |  | 16 mos -56.8 <br> Duration Return from |  |  |  | 2 mos $-33.9 \%$ <br> Duration  <br> Return from Pe  |  |  |  |
|  | 19911992 |  | 2000 |  | 30.3\% <br> 577 <br> 2002 <br> 2003 |  | $2007{ }^{2008} 3020980$ |  |  |  | 20192020 |  |  |  |

[^0]
[^0]:     S\&P 500 prices: Yahoo. All return percentages are price only (excluding dividends); recession charts are indexed to $\$ 100$ based on $\pm 12$ months before and after recession.
    *Average GDP decline excludes Covid outlier of $-19.2 \%$.

