

S&P 500 Bear Markets

A bear market is defined as a decline of -20% on a closing basis without a subsequent +20% increase.

Since 1929, the S&P 500 has experienced 13 bear markets (about once every 7 years). During these periods, the S&P 500 took about 17 months to reach the bottom with a median price decline of -34%.

Historically, bear markets have created strong buying opportunities as the S&P was significantly higher 1-, 3-, and 5- years after the trough.

S&P 500 Bear Markets 1929 - 2002								
Market Event	Economic Recession	S&P 500 Peak	S&P 500 Trough	Peak to Trough (Months)	Peak to Trough Price Decline	1-Year Total Return Post Trough	3-Year Total Return Post Trough	5-Year Total Return Post Trough
Great Depression	Yes	September 1929	June 1932	33	-86.2%	121.4%	117.7%	287.9%
1937 Fed Tightening	Yes	March 1937	March 1938	13	-54.5%	34.8%	36.3%	82.8%
Post World War II Crash	Yes	May 1946	June 1949	37	-29.6%	59.9%	132.8%	206.8%
Eisenhower Recession	Yes	July 1957	October 1957	3	-20.7%	36.2%	52.0%	68.9%
Flash Crash of 1962 / Cold War	No	December 1961	June 1962	7	-28.0%	37.5%	75.0%	107.0%
Tech Crash of 1970	Yes	November 1968	May 1970	18	-35.4%	48.9%	71.3%	56.1%
Stagflation	Yes	January 1973	October 1974	21	-48.2%	44.4%	76.4%	122.9%
Volcker Tightening	Yes	November 1980	August 1982	21	-27.1%	66.1%	111.0%	300.3%
Crash of 1987	No	August 1987	December 1987	3	-33.5%	26.0%	61.1%	127.5%
Tech Bubble	Yes	March 2000	October 2002	31	-49.1%	36.1%	62.4%	118.8%
Global Financial Crisis	Yes	October 2007	March 2009	17	-56.8%	72.3%	115.0%	208.7%
Global Pandemic	Yes	February 2020	March 2020	1	-33.9%	77.8%		
Inflation / Fed Tightening		January 2022	October 2022	9	-25.4%			
Average (13)				17	-40.6%	55.1%	82.8%	153.4%
Median (13)				17	-33.9%	46.7%	75.0%	122.9%
Average (12. Ex. Great Depression)				15	-36.9%	49.1%	79.3%	140.0%
Median (12. Ex. Great Depression)				15	-33.7%	44.4%	73.1%	120.9%
Average (2. No Recession)				5	-30.7%	31.7%	68.1%	117.3%

Source: Bloomberg. Past performance does not guarantee future results and it is not possible to invest directly into an index.