

Best and Worst Years in the Stock Market

(per the S&P 500 Total Return)

“It Was the Best of Times, It Was the Worst of Times” – *Charles Dickens*. While older investors often talk about the great stock market crash of 1929 that lasted through most of the 1930s, they should also note that **half of the ten best years ever in the stock market happened in the 1920s and 1930s**. During the period 1929-1938, there were four years of gargantuan returns that averaged 41.62% per year. And the average return of the first calendar year after any calendar year loss is an impressive 12.41%. This strongly suggests that the stock market provides great opportunity to prosper, even amid gloom and doom.

Best Years	
<u>Years</u>	<u>Gain</u>
1933	53.81%
1954	52.62%
1935	47.61%
1928	43.58%
1958	43.36%
1995	37.58%
1927	37.57%
1975	37.27%
1945	36.45%
1936	33.96%
1997	33.36%
1980	32.47%
2013	32.39%
1985	31.73%
1950	31.72%
1989	31.69%
1955	31.56%
1938	31.09%
1991	30.47%
2003	28.69%
1998	28.58%
1961	26.82%
2009	26.46%
1943	25.98%
1951	24.02%

Overall

Average Annual Return Inception
9.86%

Average Calendar Return
11.53%

Average Up-Year Return
20.70%

Average Down-Year Return
-13.69%

Avg. First Year After a Losing Year
12.41%

Avg. 2nd Year After a Losing Year
13.19%

*Worst Years	
<u>Years</u>	<u>Loss</u>
1931	-43.36%
2008	-37.00%
1937	-35.02%
1974	-26.49%
1930	-24.89%
2002	-22.10%
1973	-14.80%
2001	-11.88%
1941	-11.60%
1957	-10.78%
1966	-10.06%
1940	-9.77%
2000	-9.11%
1962	-8.75%
1969	-8.47%
1929	-8.44%
1932	-8.09%
1946	-8.08%
1977	-7.40%
1981	-4.95%
1990	-3.11%
1934	-1.36%
1953	-0.98%
1939	-0.41%

* includes all negative-return years