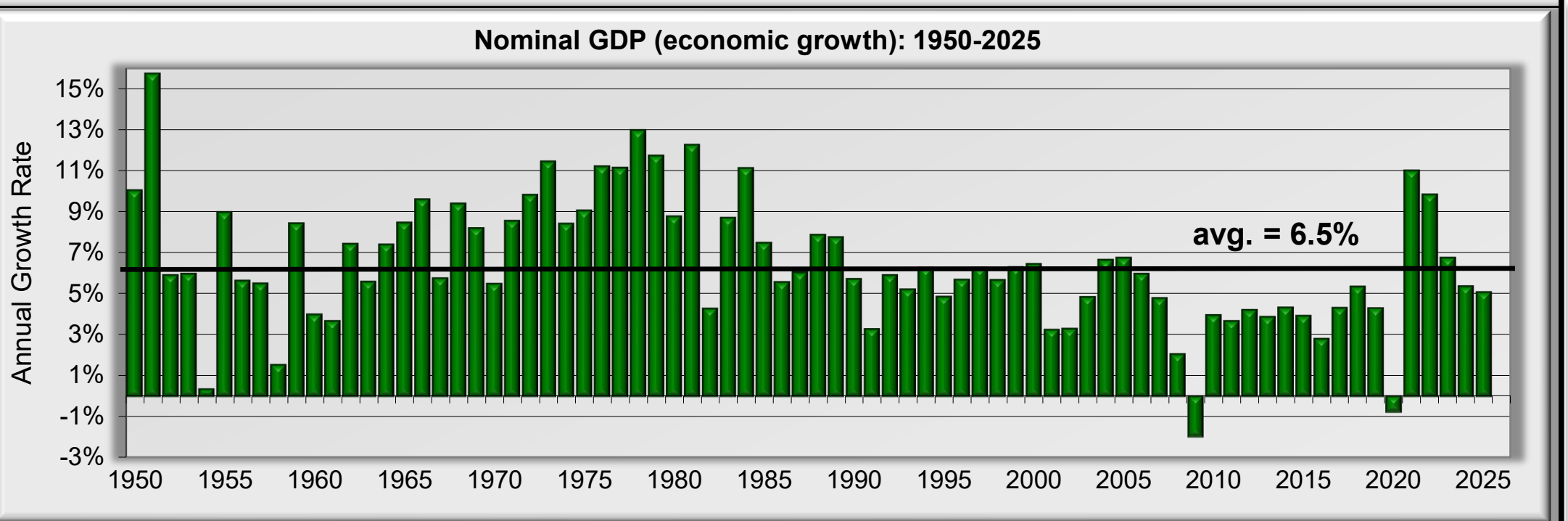
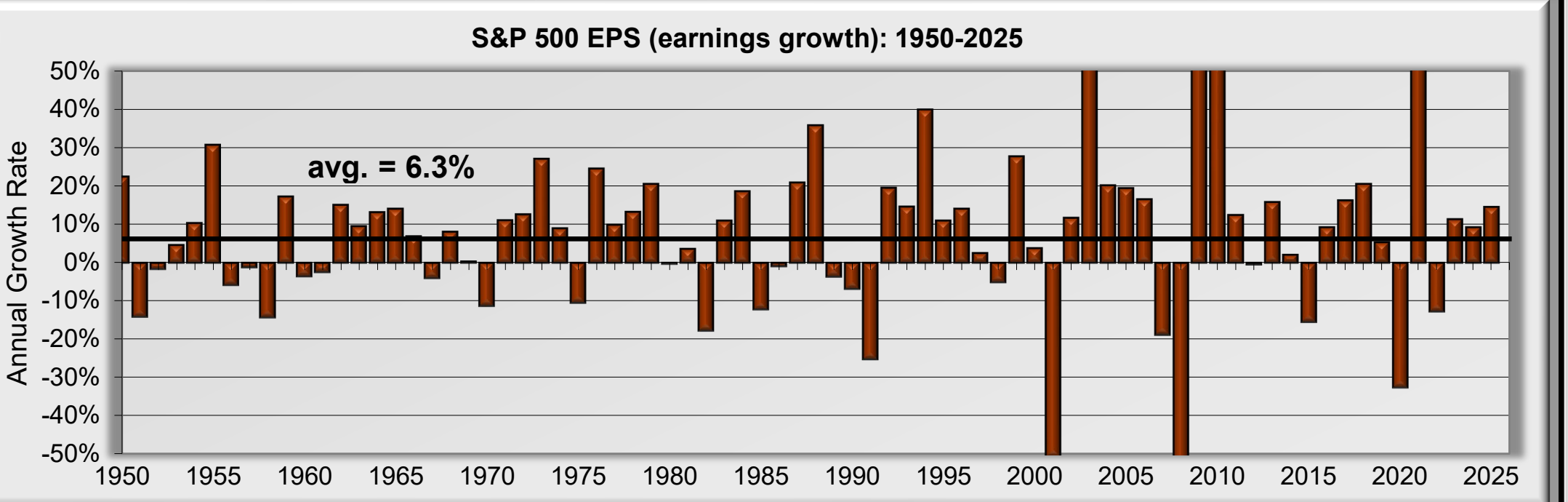
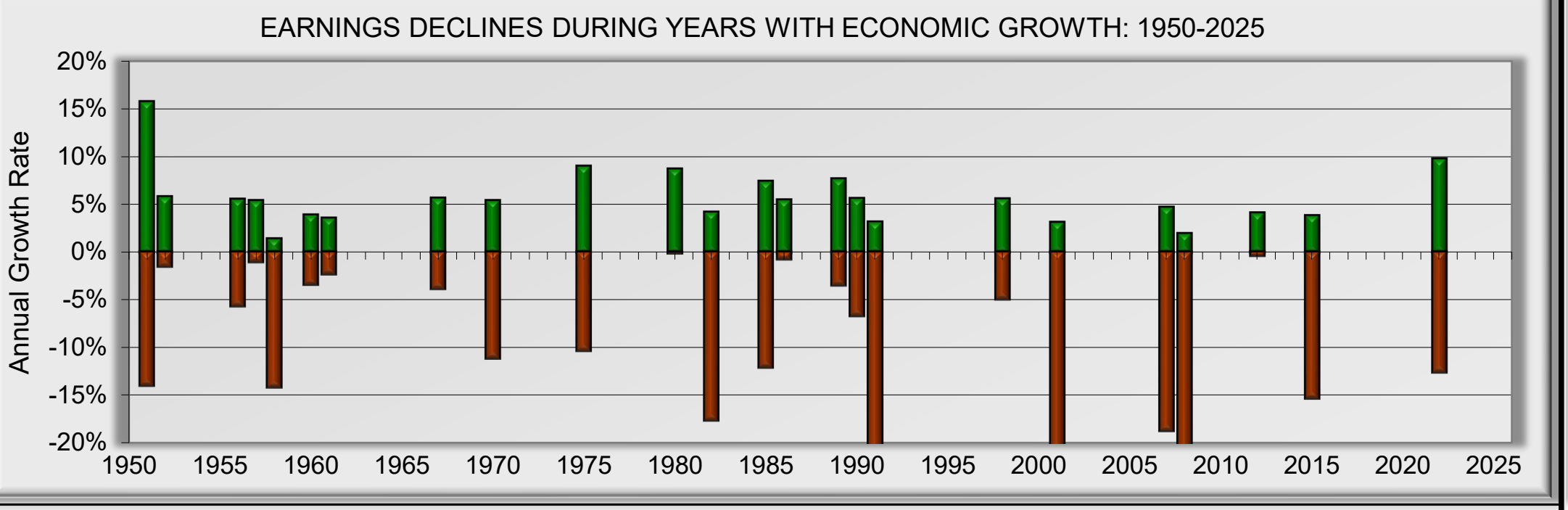
THE BUSINESS CYCLE IS DIFFERENT THAN THE ECONOMIC CYCLE







LAST 19 (of 24) YEARS WHEN EPS DECLINED, DESPITE GROWTH IN THE ECONOMY

	1960	1961	1967	1970	1975	1980	1982	1985	1986	1989	1990	1991	1998	2001	2007	2008	2012	2015	2022
GDP-N	4.0%	3.7%	5.7%	5.5%	9.0%	8.8%	4.3%	7.5%	5.5%	7.7%	5.7%	3.3%	5.7%	3.2%	4.8%	2.0%	4.2%	3.9%	9.8%
EPS	-3.5%	-2.4%	-4.0%	-11.2%	-10.5%	-0.3%	-17.7%	-12.2%	-0.9%	-3.6%	-6.8%	-25.2%	-5.1%	-50.6%	-18.8%	-77.5%	-0.5%	-15.4%	-12.7%

- Of the 76 years since 1950, every year except 2009 & 2020 had positive nominal growth in the economy (i.e., including inflation)
- Since 1950, 9 years (12%) had declines in real economic growth (excluding inflation); essentially recession years
- 25 of the years (33%!) experienced declines in earnings from the S&P 500 companies

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v2