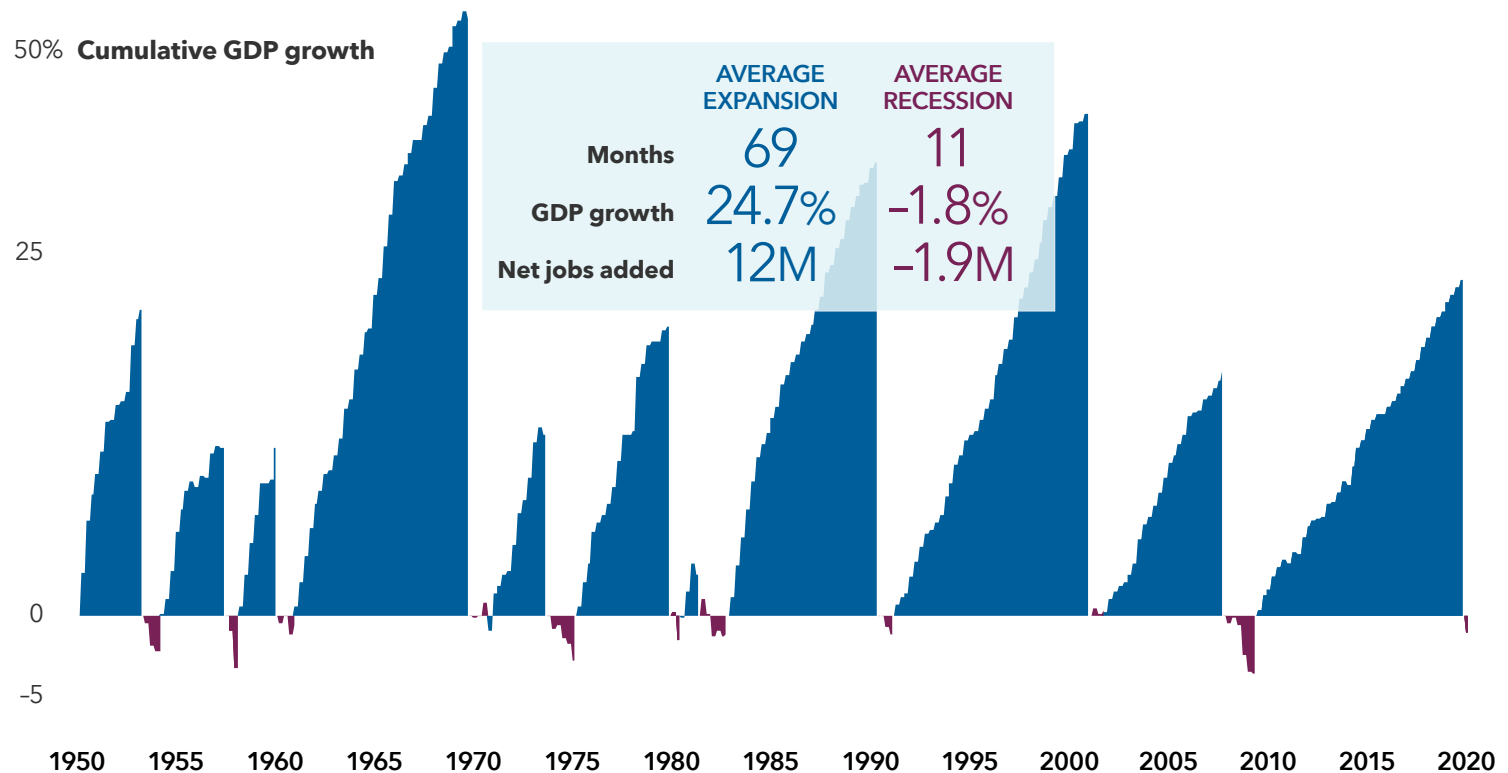


# How long do recessions and bear markets last?

## Recessions have been relatively small blips in economic history

- Over the last 70 years, the U.S. has been in an official recession less than 15% of all months.
- Moreover, the net longer term economic impact of most recessions has been relatively small.

## Recessions are painful, but expansions have been powerful



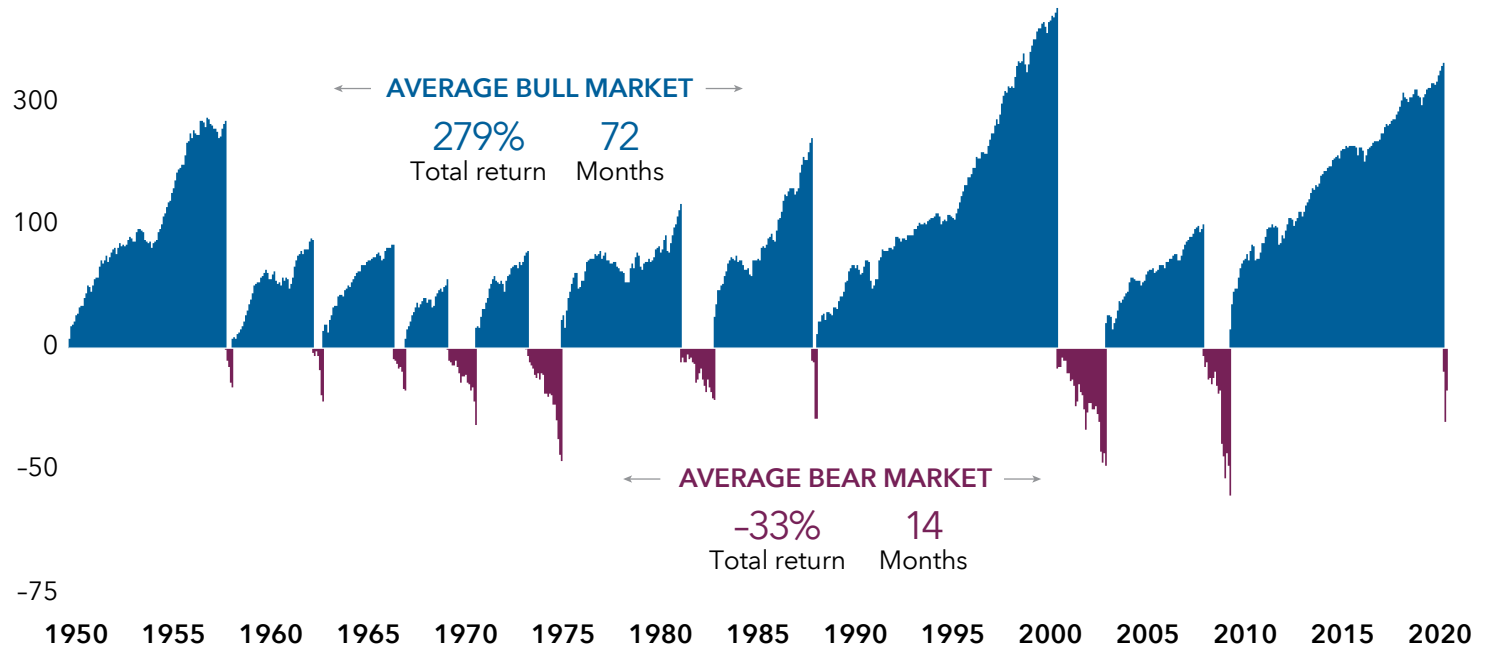
Sources: Capital Group, National Bureau of Economic Research, Refinitiv Datastream. Chart data is through 3/31/20 and shown on a logarithmic scale. Average expansion and recession summary statistics are through 12/31/19. Since NBER announces recession start and end months, rather than exact dates, we have used month-end dates as a proxy for calculations of jobs added. Nearest quarter-end values used for GDP growth rates. As of 4/30/20, the first quarter 2020 has not officially been declared as a recession by NBER yet but is shown as one here for illustrative purposes.

## Don't fear the bear

- Over the last 70 years, bear markets have been relatively short with limited losses when compared to the powerful bull markets that have followed.
- Aggressive market-timing moves during a downturn, such as shifting an entire portfolio into cash, can backfire.

### Bear markets have been relatively short compared to bull markets

700 Cumulative price return for each bull and bear market (%)



Sources: Capital Group, RIMES, Standard & Poor's. As of 4/30/20. The 2020 bear market is considered current as of 4/30/20 and is not included in the "average bear market" calculations. In all other periods, bear markets are peak-to-trough price declines of 20% or more in the S&P 500. Bull markets are all other periods. Returns shown on a logarithmic scale. Returns are in USD.

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