

# Consumer Discretionary Has Consistently Outperformed Staples And The Broader Market Over The Long-Term

**Consumer Stocks vs. the S&P 500 Index**  
(YTD, 1-Year and Average Annualized Total Returns thru 4/13/21)

Period	S&P 500 Consumer Discretionary Index	S&P 500 Consumer Staples Index	50% Disc./ 50% Staples	S&P 500 Index
YTD	10.27%	2.35%	6.38%	10.73%
1-Year	66.75%	22.78%	43.63%	52.50%
3-Year	22.57%	12.58%	17.93%	18.17%
5-Year	19.42%	8.49%	14.15%	17.00%
10-Year	18.26%	11.55%	15.10%	14.48%
15-Year	13.56%	10.56%	12.34%	10.35%
20-Year	10.87%	9.21%	10.34%	8.59%
25-Year	11.66%	9.44%	10.91%	9.83%

Source: Bloomberg. 50%/50% combination reflects daily rebalancing. **Past performance is no guarantee of future results.**

## View from the Observation Deck

1. Today's blog post compares the performance of consumer stocks to the broader market, as measured by the S&P 500 Index, over an extended period.
2. Why target consumer stocks? Historically, consumer spending has been credited with generating as much as 67% to 70% of U.S. gross domestic product (GDP). That stat is derived from U.S. personal consumption expenditures, which stood at 67.6% at the end of 2020, according to Haver Analytics.
3. As indicated in the table, Consumer Discretionary outperformed Consumer Staples in all eight of the periods. It outperformed the S&P 500 Index in seven of the eight periods. Year-to-date was the only lag and it was not by much.
4. The 50/50 split between Consumer Discretionary and Consumer Staples outperformed the S&P 500 Index in four of the eight periods featured in the table, but not in the four most recent periods.
5. For the 25-year period ended 4/13/21, the cumulative total return on the S&P 500 Consumer Discretionary Index was 1,474%, compared to 943% for the S&P 500 Index and 854% for the S&P 500 Consumer Staples Index, according to Bloomberg.

*This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions and other expenses incurred when investing. Investors cannot invest directly in an index. The S&P 500 Index is an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance. The S&P 500 Consumer Discretionary Index is a capitalization-weighted index comprised of companies spanning 21 subsectors in the consumer discretionary sector. The S&P 500 Consumer Staples Index is a capitalization-weighted index comprised of companies spanning 12 subsectors in the consumer staples sector.*

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