

One Way To View Consumer Stocks

Consumer Stocks vs. the S&P 500 Index (YTD, 1-Year and Average Annualized Total Returns thru 7/29/22)

Period	S&P 500 Consumer Discretionary Index	S&P 500 Consumer Staples Index	50% Disc./ 50% Staples	S&P 500 Index
YTD	-20.10%	-2.47%	-11.01%	-12.58%
1-Year	-10.29%	7.43%	-0.84%	-4.64%
3-Year	11.29%	11.15%	11.79%	13.36%
5-Year	13.21%	9.37%	11.73%	12.83%
10-Year	15.54%	10.74%	13.41%	13.80%
15-Year	11.96%	10.30%	11.45%	9.41%
20-Year	11.45%	9.42%	10.71%	10.01%
25-Year	9.97%	8.00%	9.34%	8.02%

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 68.4% at the end of June 2022, according to Haver Analytics.
3. Consumer Discretionary outperformed Consumer Staples in six of the eight periods in the table above, but not the two most recent periods.
4. It outperformed the S&P 500 Index in five of the eight periods, but not the three most recent periods.
5. The 50/50 split between Consumer Discretionary and Consumer Staples outperformed the S&P 500 Index in five of the eight periods, including the two most recent periods.
6. For the 25-year period ended 7/29/22, the cumulative total return on the S&P 500 Consumer Discretionary Index was 975.61%, compared to 588.50% for the S&P 500 Index and 584.63% 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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