



# The waiting game

It takes longer than most investors think to recover from bear markets. There were 17 bear markets, defined as those periods when the S&P 500 has fallen at least 20%, between 1929 and 2022. Omitting the 1929 crash, it took 3.4 years on average to break even after a crash.

Bear market	Duration in months	% of decline	Years needed to break even
Sept '29–June '32	33	86.7	25.2
July '33–Mar '35	20	33.9	2.3
Mar '37–Mar '38	12	54.5	8.8
Nov '38–Apr '42	41	45.8	6.4
May '46–Mar '48	22	28.1	4.1
Aug '56–Oct '57	14	21.6	2.1
Dec '61–June '62	6	28.0	1.8
Feb '66–Oct '66	8	22.2	1.4
Nov '68–May '70	18	36.1	3.3
Jan '73–Oct '74	21	48.2	7.6
Nov '80–Aug '82	21	27.1	2.1
Aug '87–Dec '87	4	33.5	1.9
July '90–Oct '90	3	19.9	0.6
Mar '00–Oct '02	31	49.2	4.7
Oct '07–Mar '09	17	56.8	3.0
Feb '20–Aug '20	6	33.9	0.4
Jan '22–	?	25.4	?



## BEAR MARKET FACTS

# 17

Between 1929 and 2022 there have been **17 bear markets**, defined as those periods when the S&P 500 has fallen at least 20%.

# 30% LOSS

The average bear market slashed almost 34.8% from stock prices. Omit the '29 crash, when values declined 87%, and the result is still **an average loss of 29.7%**.

# 3.4 YEARS

On average, a new bear market begins every 5.8 years, with an average duration of 16.6 months. Omitting the distortion of the 1929 crash, the average time lost making up bear markets (zero returns): **3.4 years**.

## Mathematics of declines and gains

Amount of market decline	Gain needed to break even
-5%	5.3%
-10%	11.1%
-25%	33.3%
-33.3%	50%
-50%	100%
-75%	300%
-90%	900%

