US Stock Market Annual Total Returns
183-Year History

Source: Universal Economics, Capital Market Update, November 3, 2008.

Positive years: 129 (70%)
Negative years: 54 (30%)

Courtesy of Universal Economics, this bell curve shows annual returns on US equities over the past 183 years. This year, 2008, is in danger of turning in the worst single year of performance in US stock market history and most of that price action has occurred in just the past two months. My hunch is that anyone buying equities on the left hand side of this curve who then held stocks for 40 years probably did well in the past. As for today, well, how much further to the left should we bet on this market going? Or should we bet on the 2008 performance improving so that this year's numbers do not go right off a cliff ala Wile E. Coyote?

Source:
Bloomberg Data
Bloomberg News

-50 to -40	-40 to -30	-30 to -20	-20 to -10	-10 to 0	0 to 10	10 to 20	20 to 30	30 to 40	40 to 50	50 to 60
					2007					
					2005					
					1994					
					1993					
					1992					
					1987					
					1984					
					1978					
					1970					
					1960	2006				
					1956	2004				
					1948	1988				
					1947	1986				
					1923	1979				
					1916	1972				
					1912	1971				
				2000	1911	1968				
				1990	1906	1965				
				1981	1902	1964				
				1977	1899	1959				
				1969	1896	1952				
				1962	1895	1949				
				1953	1894	1944	2003			
				1946	1891	1926	1999			
				1940	1889	1921	1998			
				1939	1887	1919	1996			
				1934	1881	1918	1983			
				1932	1877	1905	1982			
			2001	1929	1875	1904	1976			
			1973	1914	1874	1898	1967			
			1966	1913	1872	1897	1963	1997		
			1957	1903	1871	1892	1961	1995		
			1941	1890	1870	1886	1951	1991		
			1920	1887	1869	1878	1943	1989		
			1917	1883	1868	1864	1942	1985		
			1910	1882	1867	1858	1925	1980		
			1893	1876	1866	1855	1924	1975		
			1884	1861	1865	1850	1922	1955		
			1873	1860	1859	1849	1915	1950		
		2002	1854	1853	1856	1848	1909	1945		
		1974	1841	1851	1844	1847	1901	1938	1958	1954
		1930	1837	1845	1842	1838	1900	1936	1935	1933
2008 YTD		1907	1831	1835	1840	1834	1880	1927	1928	1885
		1857	1828	1833	1836	1832	1852	1908	1863	1879
1931	1937	1839	1825	1827	1826	1829	1846	1830	1843	1862

Percentage Total Return