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S&P 500 Earnings Yield 

3-12
S&P 500 Dividend Yield

Figure 1.

S&P 500 Dividend Yield
- Nominal* (1.69)
- Real** (-6.89)

* S&P 500 four-quarter trailing dividends per share divided by quarterly closing value of the S&P 500 index.
** Nominal dividend yield minus CPI inflation rate on y/y basis using quarterly data based on 3-month averages.
Note: Shaded red areas are S&P 500 bear market declines of 20% or more. Yellow areas show bull markets.
Source: Standard & Poor’s and Bureau of Labor Statistics.

S&P 500 Earnings Yield

Figure 2.

S&P 500 Earnings Yield*
- Nominal (4.12)
- Real** (-3.85)

* S&P 500 reported earnings as a percent of quarterly average S&P 500 index. Q4-2008 deleted because of negative value.
** Nominal earnings yield minus CPI inflation rate on y/y basis using quarterly data based on 3-month averages.
FN3 Note: Shaded red areas are S&P 500 bear market declines of 20% or more. Yellow areas show bull markets.
Source: Standard & Poor’s and Bureau of Labor Statistics.
S&P 500 Earnings Yield

Figure 3.

S&P 500 REPORTED EARNINGS YIELD* MINUS CPI INFLATION RATE**

Latest (-3.85)

S&P 500 reported earnings as a percent of quarterly average S&P 500 index. Q4-2008 dropped because of large negative value.

** Year-over-year percent change in three-month average of each quarter.

Note: Shaded red areas are S&P 500 bear market declines of 20% or more. Yellow areas are bull markets.

Source: Standard & Poor’s and Bureau of Labor Statistics.

Figure 4.

US EQUITIES REPORTED EARNINGS YIELD* MINUS CPI INFLATION RATE**

Latest (-3.72)

* Ratio of after-tax corporate profits as reported to the IRS divided by market value of US equities traded in the US excluding foreign issues.

** Year-over-year percent change in quarterly using three-month averages.

Note: Shaded red areas denote S&P 500 bear market declines of 20% or more. Yellow areas show bull markets.

Source: Federal Reserve Board.
**S&P 500 Earnings Yield**

*Figure 5.*

**REAL EARNINGS YIELDS**

Real Earnings Yields
- All Equities
- Less Foreign** (-3.7)
- S&P 500* (-3.8)

* After-tax corporate profits as reported to the IRS as a percent of market value of US equities traded in the US excluding foreign issues minus CPI inflation rate (y/y in quarterly using 3-ma). ** S&P 500 reported earnings as a percent of quarterly average S&P 500 index minus CPI inflation rate (y/y in quarterly using 3-ma). Q4-2008 dropped because of negative value.

Note: Shaded red areas denote S&P 500 bear market declines of 20% or more. Yellow areas show bull markets.

Source: Federal Reserve Board, Standard & Poor’s, and Bureau of Labor Statistics.

*Figure 6.*

**S&P 500 REPORTED EARNINGS YIELD***

(as a percent of quarterly average S&P 500 index, annual rate, nsa)

* S&P 500 reported earnings as a percent of quarterly average S&P 500 index. Q4-2008 dropped because of negative value.

Source: Standard & Poor’s.

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Figure 7.

S&P 500 INDEX DIVIDED BY CONSUMER PRICE INDEX
(ratio scale)

Source: Standard & Poor’s and Bureau of Labor Statistics.

Figure 8.

S&P 500 REPORTED EARNINGS YIELD* vs CPI INFLATION RATE**

* S&P 500 reported earnings as a percent of quarterly average S&P 500 index. Q4-2008 dropped because of negative value.
** Year-over-year percent change in three-month average of each quarter.
Source: Standard & Poor’s and Bureau of Labor Statistics.
S&P 500 Earnings Yield

Figure 9.

*S&P 500 reported earnings as a percent of quarterly average S&P 500 index. Q4-2008 dropped because of large negative value.

**Year-over-year percent change in three-month average of each quarter.
Note: Shaded red areas are S&P 500 bear market declines of 20% or more. Yellow areas are bull markets.
Source: Standard & Poor’s and Bureau of Labor Statistics.

Figure 10.

*S&P 500 reported earnings as a percent of quarterly average S&P 500 index. Q4-2008 dropped because of negative value.
Source: Standard & Poor’s and Federal Reserve Board.
Figure 11.

S&P 500 REPORTED EARNINGS YIELD* MINUS US TREASURY 10-YEAR BOND YIELD

* S&P 500 reported earnings as a percent of quarterly average S&P 500 index. Q4-2008 dropped because of negative value. Source: Standard & Poor's and Federal Reserve Board.

Figure 12.

S&P 500 REPORTED EARNINGS / CONSUMER PRICE INDEX* (dollars per share, annualized, ratio scale)

* S&P 500 reported earnings divided by consumer price index (three-month average of each quarter). Q4-2008 dropped because of negative value. Source: Standard & Poor’s and Bureau of Labor Statistics.
S&P 500 Earnings Yield

* S&P 500 reported earnings as a percent of quarterly average S&P 500 index. Q4-2008 dropped because of negative value.

** Year-over-year percent change in three-month average of each quarter.

Source: Standard & Poor’s and Bureau of Labor Statistics.

Note: Shaded areas are recessions according to the National Bureau of Economic Research.
Source: Standard & Poor’s.
S&P 500 Earnings Yield

* S&P 500 reported earnings as a percent of quarterly average S&P 500 index. Q4-2008 deleted because of negative value.

** Nominal earnings yield minus CPI inflation rate on y/y basis using quarterly data based on 3-month averages.

Note: Shaded red areas are S&P 500 bear market declines of 20% or more. Yellow areas show bull markets.

Source: Standard & Poor’s and Bureau of Labor Statistics.

S&P 500 REPORTED EARNINGS YIELD* & STOCK MARKET CYCLE

Real S&P 500 Earnings Yield** (-3.85)

Nominal (4.12)

Real** (-3.85)

S&P 500 Earnings Yield* & BUSINESS CYCLE

Real S&P 500 Earnings Yield** (-3.85)

* S&P 500 reported earnings as a percent of quarterly average S&P 500 index. Q4-2008 deleted because of negative value.

** Nominal earnings yield minus CPI inflation rate on y/y basis using quarterly data based on 3-month averages.

Note: Shaded areas are recessions according to the National Bureau of Economic Research.

Source: Standard & Poor’s and the Conference Board.
S&P 500 Earnings Yield

Figure 17.

![Graph showing S&P 500 Reported Earnings Yield vs Leading Economic Indicators & Stock Market Cycle]

- S&P 500 reported earnings as a percent of quarterly average S&P 500 index. Q4-2008 deleted because of negative value.
- Nominal earnings yield minus CPI inflation rate on y/y basis using quarterly data based on 3-month averages.
- Note: Shaded red areas are S&P 500 bear market declines of 20% or more. Yellow areas show bull markets.
- Source: Standard & Poor’s and the Conference Board.

Figure 18.

![Graph showing S&P 500 Real Earnings Yield vs Leading Economic Indicators & Stock Market Cycle]

- S&P 500 real earnings yield minus CPI inflation rate on y/y basis using quarterly data based on 3-month averages.
- Source: Standard & Poor’s and the Conference Board.
S&P 500 Earnings Yield

Figure 19.

S&P 500 P/E
(using reported earnings 1935-1978, forward earnings* 1979-present)

Consumer Price Index
(yearly percent change)

S&P 500 P/E*

* Four-quarter trailing sum of reported earnings through 1978, then time-weighted average of analysts’ consensus estimates for S&P 500 operating earnings per share for current year and next year. Monthly from January 1979.
Note: Shaded areas are recessions according to the National Bureau of Economic Research.
Source: I/B/E/S data by Refinitiv and Standard & Poor’s.
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