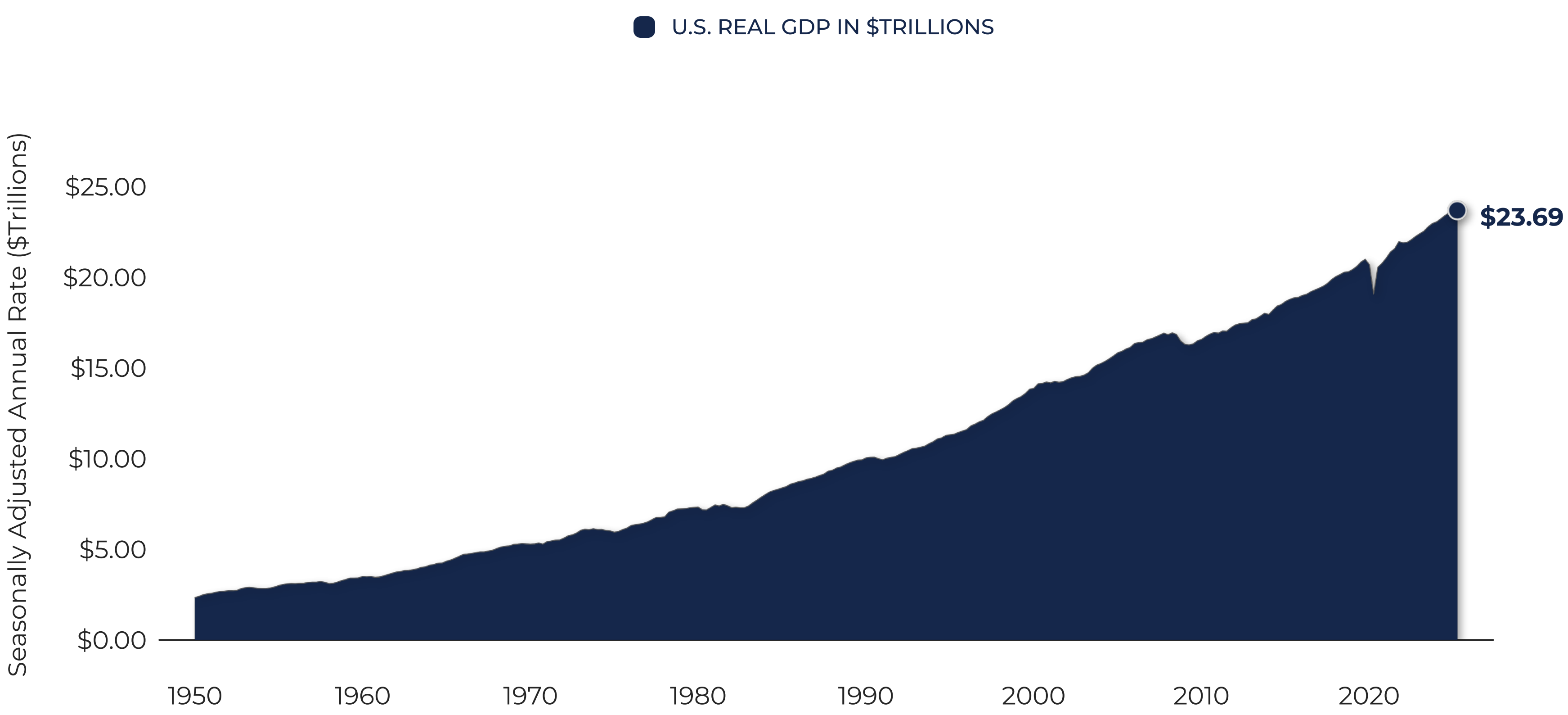
Historical Growth of the U.S. Economy

U.S. Real Gross Domestic Product (Seasonally Adjusted Annual Rate)

Quarterly. Since 1950.



Key Takeaways

- **Understanding Real GDP**: Real Gross Domestic Product (GDP) measures the total value of goods and services produced in the U.S. economy, adjusted for inflation to reflect the true value of economic output over time.
- **Recent Trends in U.S. Real GDP**: As of the most recent data point, total U.S. Real GDP was $23.69 trillion.
- **Historical Overview**: Real GDP data going back to 1950 reveals the cyclical nature of the U.S. economy, with periods of growth and stagnation. Still, the long-term trajectory has been higher.

Source: © Exhibit A, U.S. Bureau of Economic Analysis via FRED | Latest: 2025-04-01

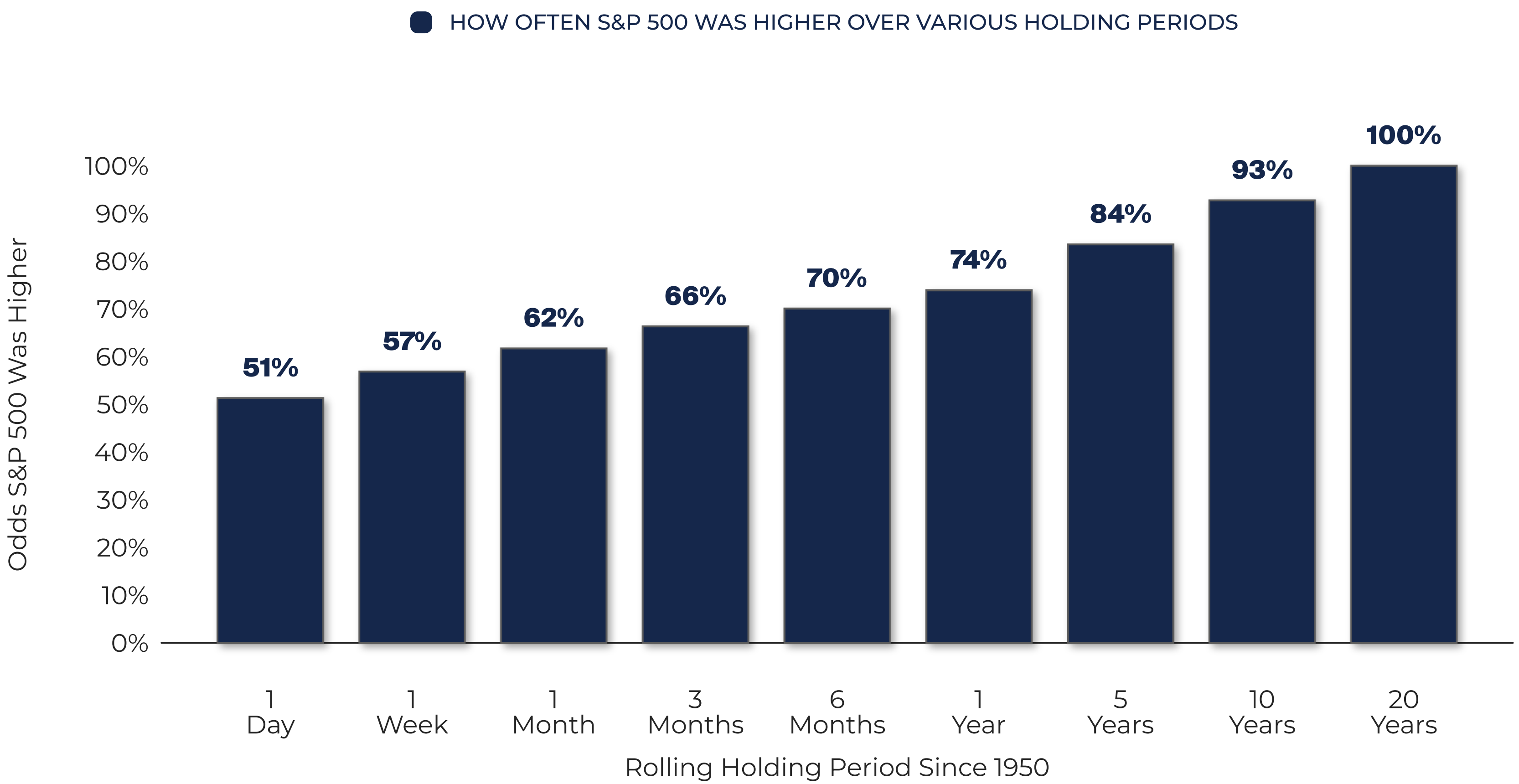
 Definitions & Methodology: Real GDP is Gross Domestic Product adjusted for inflation, representing the total value of all goods and services produced in the U.S. economy, serving as a measure of economic growth. The chart shows the seasonally adjusted annual of Real GDP in the U.S. since 1950.

Planable Wealth
Plan. Preserve. Provide.

Historically, Odds of Gains Increase with Holding Period

How Often S&P 500 Was Higher Over Various Holding Periods

Since 1950



Key Takeaways

- **Why Holding Period Matters**: As the holding period has lengthened, the probability of the S&P 500 showing a positive return has increased.
- **A Look at the Data**: The data reveals a clear trend: the likelihood of the S&P 500 being higher increases as holding period is extended, historically. For example, 100% of all 20-year rolling periods since 1950 have delivered positive returns for the S&P 500.
- **Investment Implications**: This chart highlights the importance of aligning investment strategy with time horizon. Longer holding periods have historically been associated with a higher probability of positive returns, reinforcing the value of patience and a long-term perspective when building portfolios.

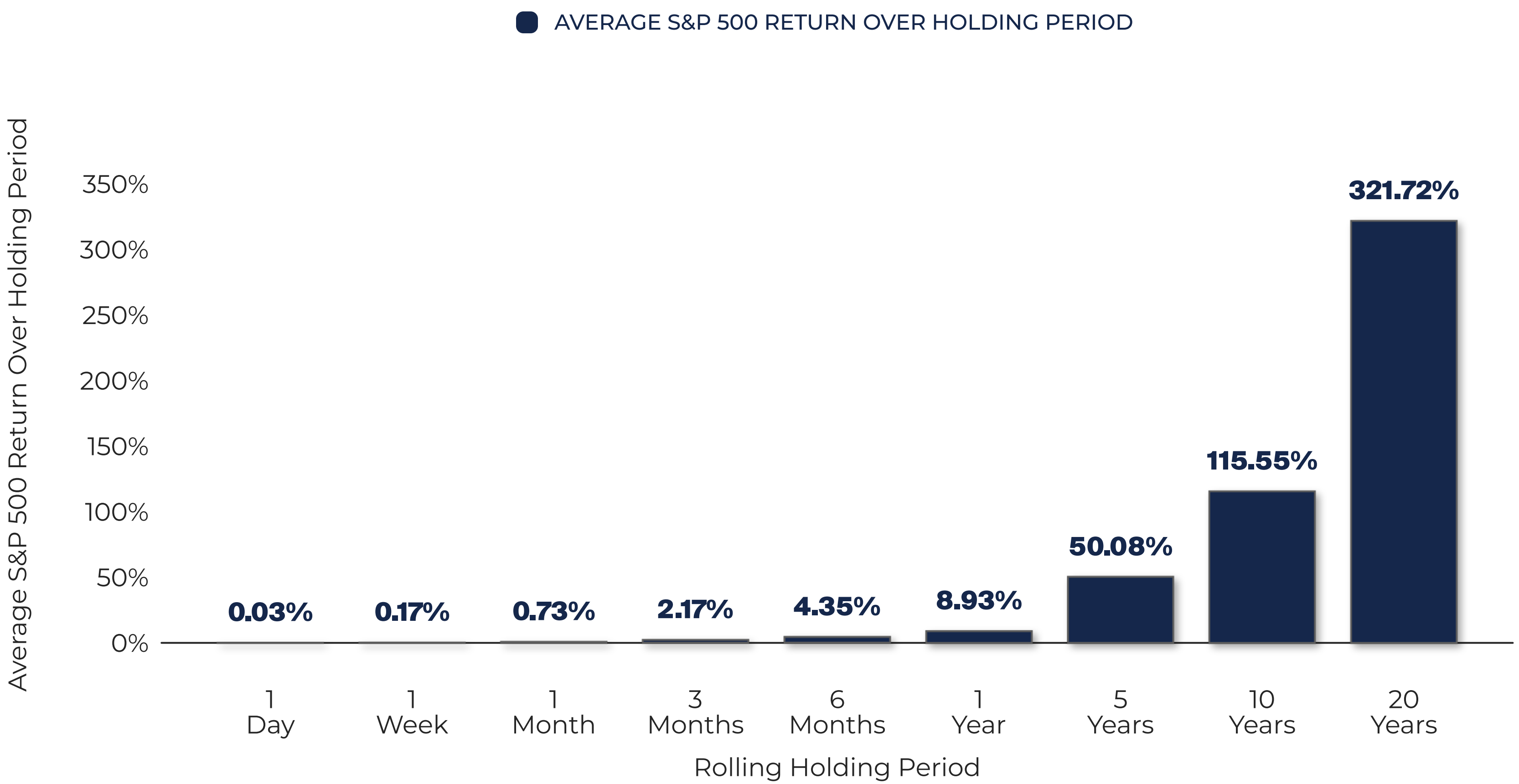
Source: © Exhibit A, FactSet Research Systems Inc., Standard & Poor's | Latest: 2025-08-18

Planable Wealth
Plan. Preserve. Provide.

Gains increase with holding period

Average S&P 500 Returns Over Various Holding Periods

Since 1950



Key Takeaways

- **Historical Market Performance Patterns**: S&P 500 data since 1950 demonstrates a clear pattern where extended timeframes have been associated with improved performance outcomes.
- **Strategic Role of Investment Duration**: The length of time an investment is held appears to be a critical factor when developing portfolio strategies and setting expectations.
- **Investment Implications for Portfolio Planning**: This data suggests that timeframe consideration should be a fundamental component of investment decision-making and client strategy discussions.

Source: © Exhibit A, FactSet Research Systems Inc., Standard & Poor's | Latest: 2025-08-18

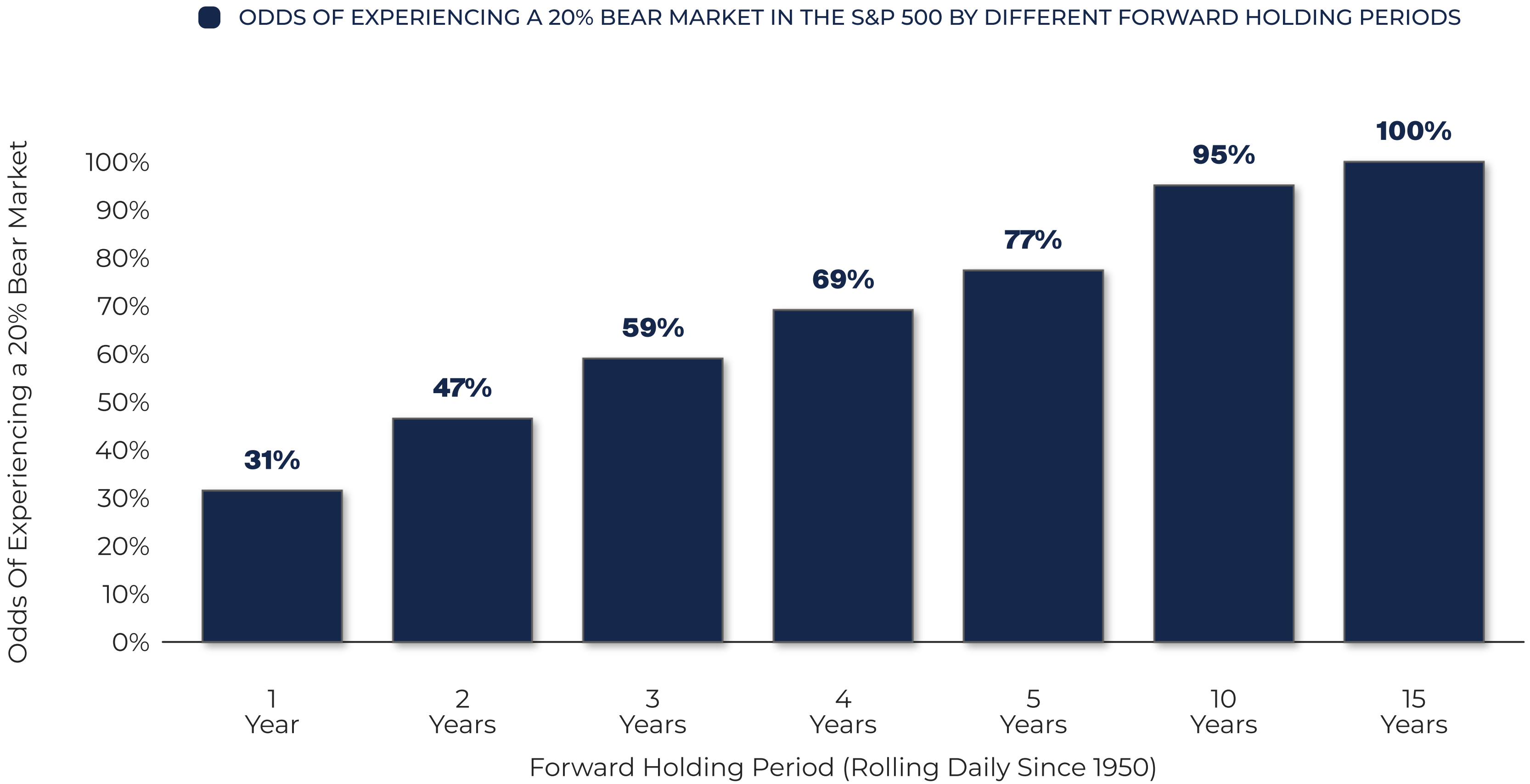
 Definitions & Methodology: The S&P 500 tracks the performance of 500 large-cap U.S. companies, serving as a benchmark for the U.S. stock market. The index is weighted by market capitalization. The chart shows the average return of the S&P 500 over all rolling 1 day, 1 week, 1 month, 3 month, 6 month, 1 year, 5 year, 10 year, and 20 year periods since 1950. The chart illustrates how longer holding periods have historically seen higher average growth rates compared to shorter holding periods in the S&P 500. Returns are price returns.

Planable Wealth
Plan. Preserve. Provide.

Odds of Experiencing a Bear Market Increase by Holding Period

Historical Odds Of Experiencing a 20% Bear Market in the S&P 500 by Different Forward Holding Periods

Since 1950



Source: © Exhibit A, FactSet Research Systems Inc., Standard & Poor's | Latest: 2025-08-18

Planable Wealth
Plan. Preserve. Provide.

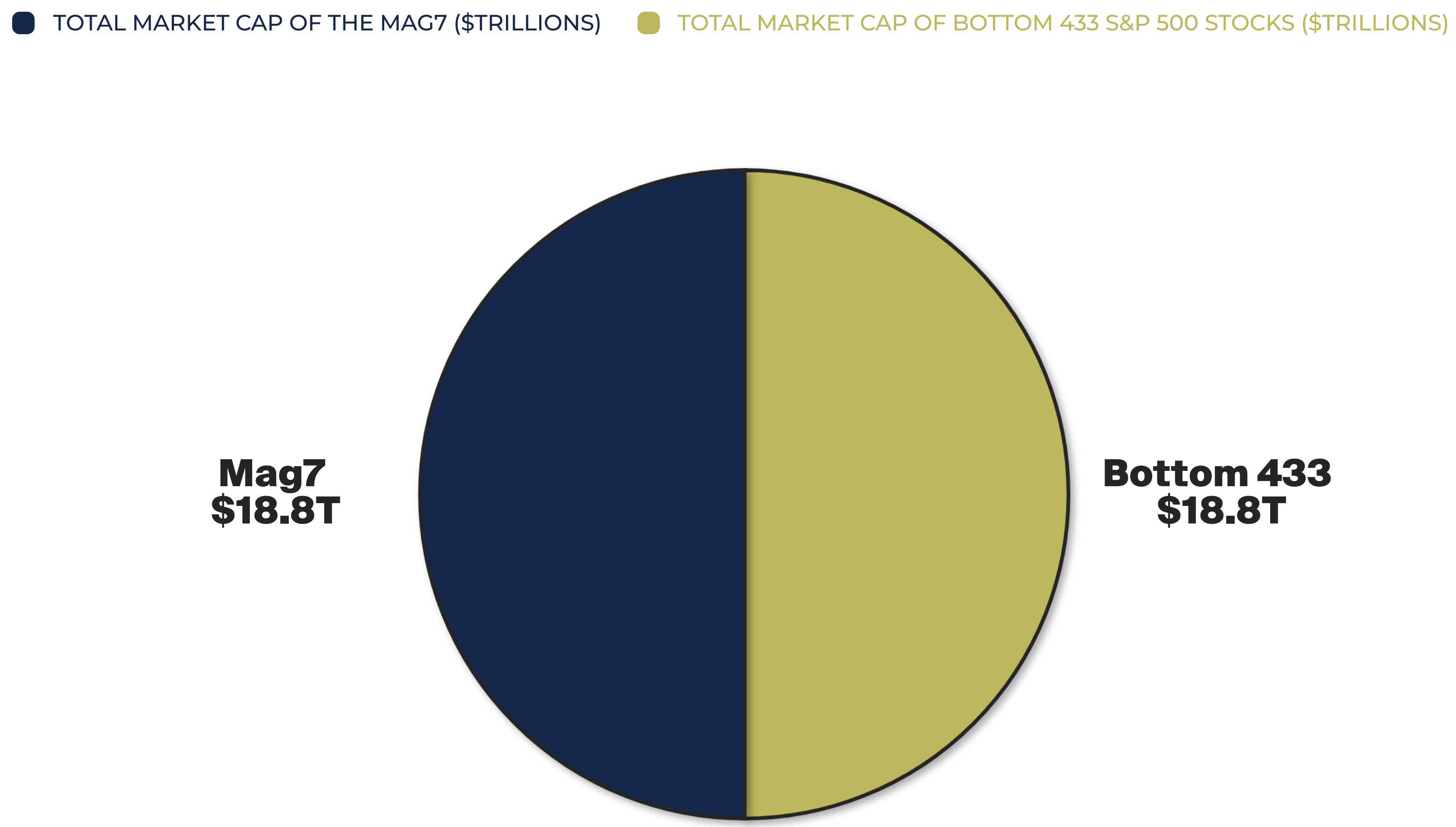
Key Takeaways

- **The longer your holding period, the more likely you are to experience sharp volatility**: Historical data shows that investors with extended time horizons have a higher probability of encountering at least one 20% market decline. This reflects the nature of long-term market participation.
- **Market drawdowns are a recurring feature of long-term investing**: While long-term investing is often associated with potential growth, it also increases the likelihood of experiencing periods of significant decline. These events have occurred regularly throughout market history.
- **Why This Matters for Clients**: It's important to set the expectation that volatility is a normal part of the investing experience. Understanding that drawdowns are historically common — especially over longer timeframes — can help clients stay grounded and committed to their long-term plan.

Putting Mag7 Market Cap Into Perspective

Market Cap of Mag7 vs Market Cap of Bottom 433 S&P 500 Stocks

As of 7/24/2025



Key Takeaways

- Seven vs. Four Hundred Thirty-Two: As of 7/24/2025, the combined market cap (value) of just 7 companies in the U.S., the "Mag7", equals that of the bottom 433 stocks in the S&P 500.
- A Look at the Data: While the Mag7 average ~$2.7 trillion each in value, the bottom 433 stocks average just $43 billion in value. The massive scale gap helps explain why broad index returns can be dominated by just a few names.
- Why It Matters: This visual shows just how concentrated equity markets have become. It's a reminder that broad stock index performance can mask what's happening beneath the surface - and why proper portfolio diversification still matters more than ever.

Source: © Exhibit A, FactSet Research Systems Inc., Standard & Poor's | Latest: 2025-07-24

 Definitions & Methodology: The chart shows the total market capitalization of the seven largest S&P 500 companies—commonly referred to as the "Mag7"—compared to the combined market cap of the bottom 433 companies in the index. Market capitalization ("market cap") refers to the total value of a company's outstanding shares, calculated by multiplying its share price by the number of shares outstanding. As of 7/24/2025, the Mag7 includes Microsoft, Apple, Nvidia, Alphabet, Amazon, Meta Platforms, and Tesla. Market cap data is sourced from FactSet, expressed in trillions of U.S. dollars, and rounded for clarity. This analysis is provided for educational purposes only and should not be used to make investment decisions.

Planable Wealth
Plan. Preserve. Provide.

Planable Wealth Disclosures

The financial advisors at Planable Wealth are registered representatives with, and securities and advisory services offered through LPL Financial, a registered investment advisor. Member FINRA/SIPC. This information is not intended to be a substitute for specific individualized tax or legal advice. We suggest that you discuss your specific tax issues with a qualified tax or legal advisor. Tax and accounting related services offered through Plan-It Business Services DBA Planable Wealth. Plan-It Business Services is a separate legal entity and not affiliated with LPL Financial. LPL Financial does not offer tax advice or tax and accounting related services.

Exhibit A Disclosures