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How Does The Market Perform During An Economic Recession? You May Be Surprised

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So, how do stocks perform when the economy is faced with a recession? The S&P 500 surprisingly rose an average of 1% during all recession periods since 1945. That's because markets usually top out before the start of recessions and bottom out before their conclusion.

In other words, the worst is over for stocks before it's over for the rest of the economy. In almost every case, the S&P 500 has bottomed out roughly four months before the end of a recession. The index typically hits a high seven months before the start of a recession.