



S&P 500

The **Standard and Poor's 500**, or simply the **S&P 500**,^[4] is a stock market index tracking the stock performance of 500 of the largest companies listed on stock exchanges in the United States. It is one of the most commonly followed equity indices and includes approximately 80% of the total market capitalization of U.S. public companies, with an aggregate market cap of more than \$43 trillion as of January 2024.^{[2][5]}

The S&P 500 index is a free-float weighted/capitalization-weighted index. As of December 29, 2023, the nine largest companies on the list of S&P 500 companies accounted for 30.9% of the market capitalization of the index and were, in order of highest to lowest weighting: Apple, Microsoft, Amazon.com, Nvidia, Alphabet (including both class A & C shares), Meta Platforms, Tesla, Berkshire Hathaway and JPMorgan Chase.^[6] The components that have increased their dividends in 25 consecutive years are known as the S&P 500 Dividend Aristocrats.^[7]

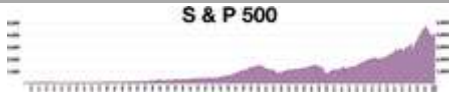
The index is one of the factors in computation of the Conference Board Leading Economic Index, used to forecast the direction of the economy.^[8] The index is associated with many ticker symbols, including ^GSPC,^[9] INX,^[10] and \$SPX, depending on market or website.^[11] The S&P 500 is maintained by S&P Dow Jones Indices, a joint venture majority-owned by S&P Global, and its components are selected by a committee.^{[12][13]}

Investing in the S&P 500

Mutual and exchange-traded funds

Index funds, including mutual funds and exchange-traded funds (ETFs), can replicate, before fees and expenses, the performance of the index by holding the same stocks as the index in the same proportions. ETFs that replicate the performance of the index are issued by The Vanguard Group (NYSE Arca: VOO (<https://www.nyse.com/quote/ARCX:VOO>)), iShares (NYSE Arca: IVV (<https://www.nyse.com/quote/ARCX:IVV>)), and State Street Corporation (NYSE Arca: SPY (<https://www.nyse.com/quote/ARCX:SPY>) and NYSE Arca: SPLG (<https://www.nyse.com/quote/ARCX:SPLG>)). The most liquid based on average daily volume is (NYSE Arca: SPY (<https://www.nyse.com/quote/ARCX:SPY>)).

S&P 500



S&P 500 Index from 1970 to 2023

Foundation	March 4, 1957 ^[1]
Operator	<u>S&P Dow Jones Indices</u> ^[2]
Exchanges	<u>NYSE</u> <u>Nasdaq</u> <u>Cboe BZX</u> <u>Exchange</u>
Trading symbol	<u>^GSPC</u> <u>\$SPX</u> <u>SPX</u> <u>.SPX</u> <u>.INX</u>
Constituents	<u>503</u> ^[2]
Type	<u>Large-cap</u> ^[2]
Market cap	<u>US\$42.0 trillion</u> (as of December 31, 2023)
Weighting method	<u>Free-float capitalization-weighted</u> ^[3]
Related indices	<u>S&P 1500</u> <u>S&P Global 1200</u> <u>S&P 100</u>
Website	<u>spglobal.com/sp-500</u> (https://www.spglobal.com/spdji/en/indices/equity/sp-500/)

ps://www.nyse.com/quote/ARCX:SPY)), although SPY has a higher annual expense ratio of 0.09% compared to 0.03% for VOO and IVV, and 0.02% for SPLG. Mutual funds that track the index are offered by Fidelity Investments, T. Rowe Price, and Charles Schwab Corporation.^{[14][15]}

Direxion offers leveraged ETFs which attempt to produce three times the daily return of either investing in (NYSE Arca: SPXL (<https://www.nyse.com/quote/ARCX:SPXL>)) or shorting (NYSE Arca: SPXS (<https://www.nyse.com/quote/ARCX:SPXS>)) the S&P 500 index.^[16] ProShares offers 2x daily return (NYSE Arca: SSO (<https://www.nyse.com/quote/ARCX:SSO>)) and 3x daily return (NYSE Arca: UPRO (<https://www.nyse.com/quote/ARCX:UPRO>)).

Derivatives

In the derivatives market, the Chicago Mercantile Exchange (CME) offers futures contracts that track the index and trade on the exchange floor in an open outcry auction, or on CME's Globex platform, and are the exchange's most popular product. The Chicago Board Options Exchange (CBOE) offers options on the S&P 500 index as well as on S&P 500 index ETFs, inverse ETFs, and leveraged ETFs.

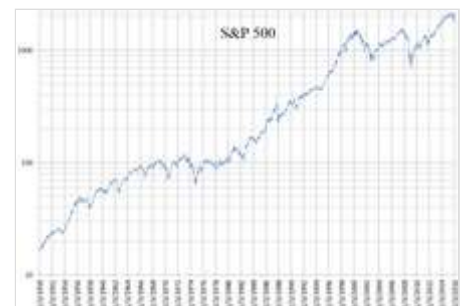
History

In 1860, Henry Varnum Poor formed Poor's Publishing, which published an investor's guide to the railroad industry.^[17] In 1923, Standard Statistics Company (founded in 1906 as the Standard Statistics Bureau) began rating mortgage bonds^[17] and developed its first stock market index consisting of the stocks of 233 U.S. companies, computed weekly.^[1] Three years later, it developed a 90-stock index, computed daily.^[1] In 1941, Poor's Publishing merged with Standard Statistics Company to form Standard & Poor's.^{[17][18]}

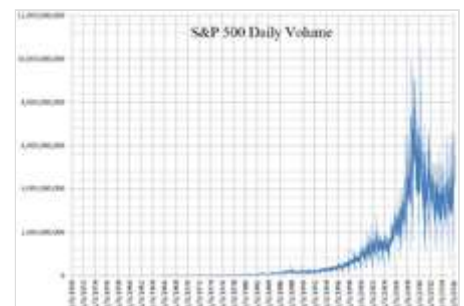
On Monday, March 4, 1957, the index was expanded to its current 500 companies and was renamed the S&P 500 Stock Composite Index.^[1] In 1962, Ultronic Systems became the compiler of the S&P indices including the S&P 500 Stock Composite Index, the 425 Stock Industrial Index, the 50 Stock Utility Index, and the 25 Stock Rail Index.^[19] On August 31, 1976, The Vanguard Group offered the first mutual fund to retail investors that tracked the index.^[1] On April 21, 1982, the Chicago Mercantile Exchange began trading futures based on the index.^[1] On July 1, 1983, Chicago Board Options Exchange began trading options based on the index.^[1] Beginning in 1986, the index value was updated every 15 seconds, or 1,559 times per trading day, with price updates disseminated by Reuters.^[20]



A linear chart of the S&P 500 daily closing values from January 3, 1950, to February 19, 2016



A logarithmic chart of the S&P 500 index daily closing values from January 3, 1950, to February 19, 2016



A daily volume chart of the S&P 500 index from January 3, 1950, to February 19, 2016

On January 22, 1993, the Standard & Poor's Depository Receipts exchange-traded fund issued by State Street Corporation began trading.^[1] On September 9, 1997, CME Group introduced the S&P E-mini futures contract.^[1] In 2005, the index transitioned to a public float-adjusted capitalization-weighting.^[21] Friday, September 17, 2021, was the final trading date for the original SP big contract which began trading in 1982.^[22]



Logarithmic Chart of S&P 500 Index with and without Inflation and with Best Fit and other graphs to Feb 2024

Selection criteria

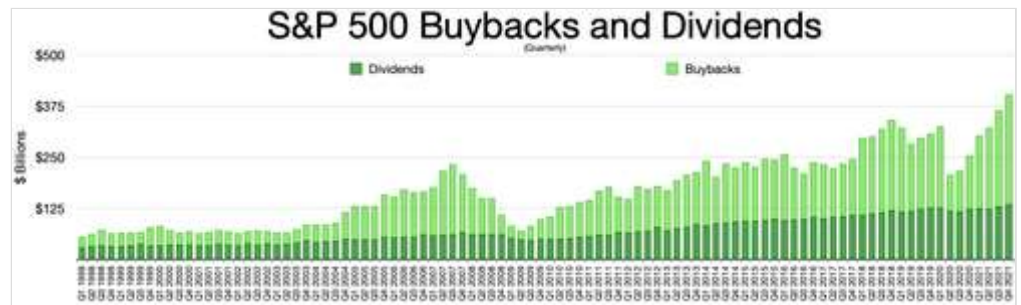
Like other indices managed by S&P Dow Jones Indices, but unlike indices such as the Russell 1000 Index which are strictly rule-based, the components of the S&P 500 index are selected by a committee. When considering the eligibility of a new addition, the committee assesses the company's merit using the following primary criteria:^[3]

1. Market capitalization - Market capitalization must be greater than or equal to US\$18.0 billion.^[23] These market cap eligibility criteria are for addition to an index, not for continued membership. As a result, an index constituent that appears to violate criteria for addition to that index is not removed unless ongoing conditions warrant an index change.^[23]
2. Market liquidity and public float – Annual dollar value traded to float-adjusted market capitalization is greater than 0.75.^[24]
3. Volume – Minimum monthly trading volume of 250,000 shares in each of the six months leading up to the evaluation date
4. Stock exchange – Must be publicly listed on either the New York Stock Exchange (including NYSE Arca or NYSE American) or Nasdaq (Nasdaq Global Select Market, Nasdaq Select Market or the Nasdaq Capital Market).
5. Domicile – The company must have its primary listing on a U.S. exchange, be subject to U.S. securities laws and derive at least 50% of its revenue in the U.S.^[25]
6. Securities that are ineligible for inclusion in the index are limited partnerships, master limited partnerships and their investment trust units, OTC Bulletin Board issues, closed-end funds, exchange-traded funds, Exchange-traded notes, royalty trusts, tracking stocks, preferred stock, unit trusts, equity warrants, convertible bonds, investment trusts, American depositary receipts, and American depositary shares.^[3]

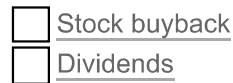
A stock may rise in value when it is added to the index since index funds must purchase that stock to continue tracking the index.^{[26][27]}

In October 2021, Bloomberg News reported that a study alleged that some companies purchase ratings from S&P Global to increase their chances of entering the S&P 500 Index—even without meeting the full criteria for inclusion.^[28]

Performance



S&P 500 Buybacks and Dividends (quarterly)



Since its inception in 1926, the index's compound annual growth rate—including dividends—has been approximately 9.8% (6% after inflation), with the standard deviation of the return over the same time period being 20.81%.^[29] While the index has declined in several years by over 30%,^[30] it has posted annual increases 70% of the time,^[31] with 5% of all trading days resulting in record highs.^[32]

Returns are generally quoted as price returns (excluding returns from dividends). However, they can also be quoted as total return, which include returns from dividends and the reinvestment thereof, and "net total return", which reflects the effects of dividend reinvestment after the deduction of withholding tax.^[2]

Show / Hide table [\[hide\]](#)

Year	Change in Index	Total Annual Return, Including Dividends	Value of \$1.00 Invested on January 1, 1970	5-Year Annualized Return	10-Year Annualized Return	15-Year Annualized Return	20-Year Annualized Return
1961	23.13%	-	-	-	-	-	-
1962	-11.81%	-	-	-	-	-	-
1963	18.89%	-	-	-	-	-	-
1964	12.97%	-	-	-	-	-	-
1965	9.06%	-	-	-	-	-	-
1966	-13.09%	-	-	-	-	-	-
1967	20.09%	-	-	-	-	-	-
1968	7.66%	-	-	-	-	-	-
1969	-11.36%	-	-	-	-	-	-
1970	0.10%	4.01%	\$1.04	-	-	-	-
1971	10.79%	14.31%	\$1.19	-	-	-	-
1972	15.63%	18.98%	\$1.41	-	-	-	-
1973	-17.37%	-14.66%	\$1.21	-	-	-	-
1974	-29.72%	-26.47%	\$0.89	-2.35%	-	-	-
1975	31.55%	37.20%	\$1.22	3.21%	-	-	-
1976	19.15%	23.84%	\$1.51	4.87%	-	-	-
1977	-11.50%	-7.18%	\$1.40	-0.21%	-	-	-
1978	1.06%	6.56%	\$1.49	4.32%	-	-	-
1979	12.31%	18.44%	\$1.77	14.76%	5.86%	-	-
1980	25.77%	32.50%	\$2.34	13.96%	8.45%	-	-
1981	-9.73%	-4.92%	\$2.23	8.10%	6.47%	-	-
1982	14.76%	21.55%	\$2.71	14.09%	6.70%	-	-
1983	17.27%	22.56%	\$3.32	17.32%	10.63%	-	-
1984	1.40%	6.27%	\$3.52	14.81%	14.78%	8.76%	-
1985	26.33%	31.73%	\$4.64	14.67%	14.32%	10.49%	-
High	34.11%	37.58%	---	28.56%	19.21%	18.93%	17.88%
Low	-38.49%	-37.00%	---	-2.35%	-1.38%	4.24%	5.62%
Median	12.36%	15.43%	---	14.02%	12.56%	10.71%	11.34%
Year	Change in Index	Total Annual Return, Including Dividends	Value of \$1.00 Invested on 1970-01-01	5-Year Annualized Return	10-Year Annualized Return	15-Year Annualized Return	20-Year Annualized Return

Year	Change in Index	Total Annual Return, Including Dividends	Value of \$1.00 Invested on January 1, 1970	5-Year Annualized Return	10-Year Annualized Return	15-Year Annualized Return	20-Year Annualized Return
1986	14.62%	18.67%	\$5.51	19.87%	13.83%	10.76%	-
1987	2.03%	5.25%	\$5.80	16.47%	15.27%	9.86%	-
1988	12.40%	16.61%	\$6.76	15.31%	16.31%	12.17%	-
1989	27.25%	31.69%	\$8.90	20.37%	17.55%	16.61%	11.55%
1990	-6.56%	-3.10%	\$8.63	13.20%	13.93%	13.94%	11.16%
1991	26.31%	30.47%	\$11.26	15.36%	17.59%	14.34%	11.90%
1992	4.46%	7.62%	\$12.11	15.88%	16.17%	15.47%	11.34%
1993	7.06%	10.08%	\$13.33	14.55%	14.93%	15.72%	12.76%
1994	-1.54%	1.32%	\$13.51	8.70%	14.38%	14.52%	14.58%
1995	34.11%	37.58%	\$18.59	16.59%	14.88%	14.81%	14.60%
1996	20.26%	22.96%	\$22.86	15.22%	15.29%	16.80%	14.56%
1997	31.01%	33.36%	\$30.48	20.27%	18.05%	17.52%	16.65%
1998	26.67%	28.58%	\$39.19	24.06%	19.21%	17.90%	17.75%
1999	19.53%	21.04%	\$47.44	28.56%	18.21%	18.93%	17.88%
2000	-10.14%	-9.10%	\$43.12	18.33%	17.46%	16.02%	15.68%
2001	-13.04%	-11.89%	\$37.99	10.70%	12.94%	13.74%	15.24%
2002	-23.37%	-22.10%	\$29.60	-0.59%	9.34%	11.48%	12.71%
2003	26.38%	28.68%	\$38.09	-0.57%	11.07%	12.22%	12.98%
2004	8.99%	10.88%	\$42.23	-2.30%	12.07%	10.94%	13.22%
2005	3.00%	4.91%	\$44.30	0.54%	9.07%	11.52%	11.94%
2006	13.62%	15.79%	\$51.30	6.19%	8.42%	10.64%	11.80%
2007	3.53%	5.49%	\$54.12	12.83%	5.91%	10.49%	11.82%
2008	-38.49%	-37.00%	\$34.09	-2.19%	-1.38%	6.46%	8.43%
2009	23.45%	26.46%	\$43.11	0.41%	-0.95%	8.04%	8.21%
2010	12.78%	15.06%	\$49.61	2.29%	1.41%	6.76%	9.14%
2011	-0.00%	2.11%	\$50.65	-0.25%	2.92%	5.45%	7.81%
High	34.11%	37.58%	---	28.56%	19.21%	18.93%	17.88%
Low	-38.49%	-37.00%	---	-2.35%	-1.38%	4.24%	5.62%
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2012	13.41%	16.00%	\$58.76	1.66%	7.10%	4.47%	8.22%
2013	29.60%	32.39%	\$77.79	17.94%	7.40%	4.68%	9.22%
2014	11.39%	13.69%	\$88.44	15.45%	7.67%	4.24%	9.85%
2015	−0.73%	1.38%	\$89.66	12.57%	7.30%	5.00%	8.19%
2016	9.54%	11.96%	\$100.38	14.66%	6.94%	6.69%	7.68%
2017	19.42%	21.83%	\$122.30	15.79%	8.49%	9.92%	7.19%
2018	−6.24%	−4.38%	\$116.94	8.49%	13.12%	7.77%	5.62%
2019	28.88%	31.49%	\$153.76	11.70%	13.56%	9.00%	6.06%
2020	16.26%	18.40%	\$182.06	15.22%	13.89%	9.88%	7.47%
2021	26.89%	28.71%	\$234.33	18.48%	16.55%	10.66%	9.52%
2022	−19.44%	−18.11%	\$191.89	9.43%	12.56%	8.80%	9.80%
2023	24.23%	26.29%	\$242.34	15.69%	12.03%	13.97%	9.69%
High	34.11%	37.58%	---	28.56%	19.21%	18.93%	17.88%
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See also

- [List of S&P 500 companies](#)
- [SPDR S&P 500 Trust ETF \(symbol SPY\)](#)

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