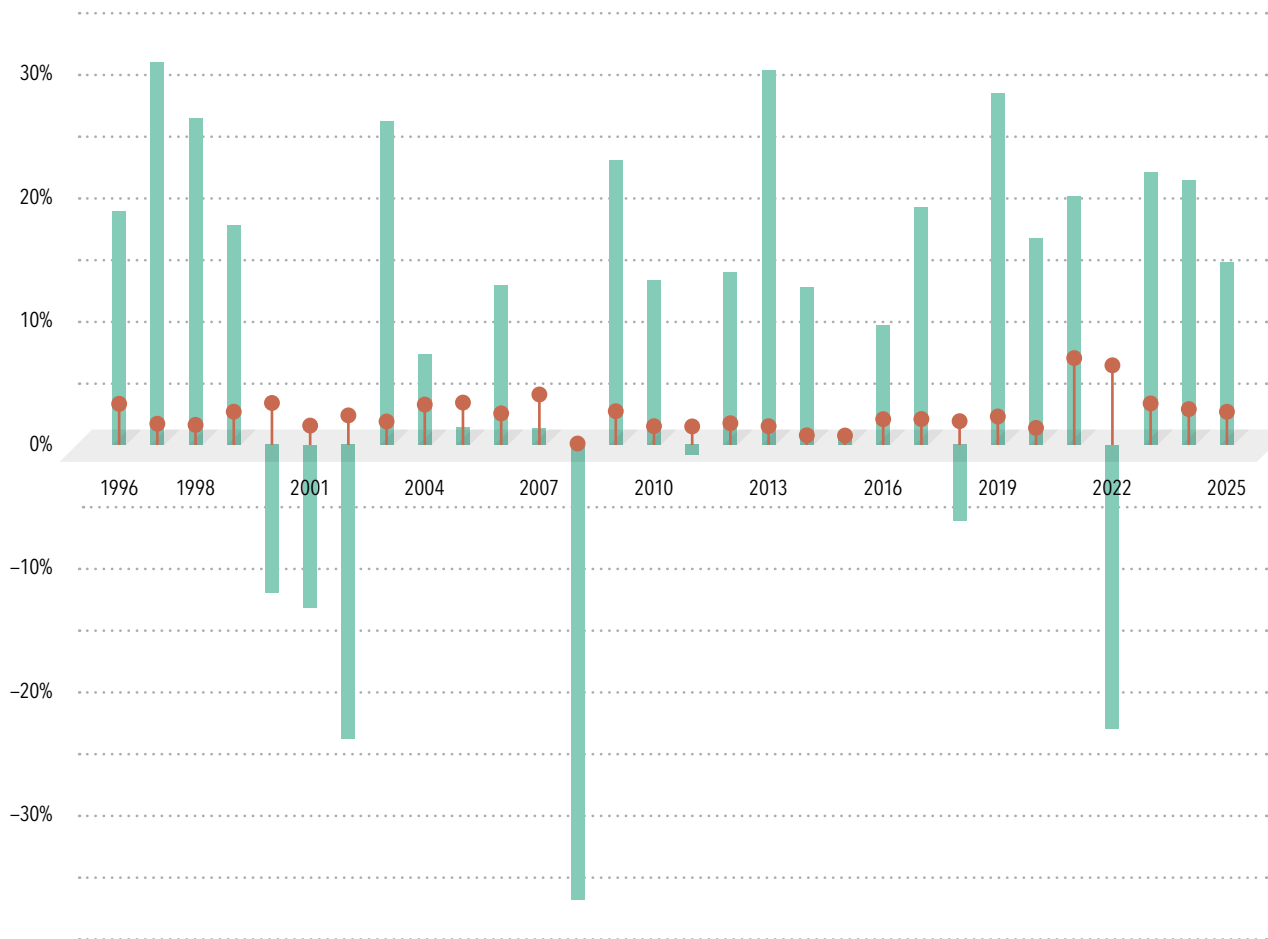


# Will Inflation Hurt Stock Returns? Not Necessarily.

## STOCKS VS. INFLATION 1996–2025

S&P 500 Real Return Inflation



Investors may wonder whether stock returns will suffer if inflation keeps rising. But a look at equity performance in the past three decades does not show any reliable connection between periods of high (or low) inflation and US stock returns.

- Stock returns can be strong, or weak, or in between when inflation is high. For example, returns were relatively strong in 2021 but poor in 2022.
- Twenty-three of the past 30 years saw positive stock returns even after adjusting for the impact of inflation.
- Over the period charted, the S&P 500 posted an annualized return of 7.6% after adjusting for inflation.

*History shows that stocks tend to outpace inflation over time—a valuable reminder for investors concerned about rising prices.*

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Past performance is no guarantee of future results. Short-term performance results should be considered in connection with longer-term performance results. Investing risks include loss of principal and fluctuating value. There is no guarantee an investment strategy will be successful. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio.

In USD. Real returns illustrate the effect of inflation on an investment return and are calculated using the following method:  $[(1 + \text{nominal return of index over time period}) / (1 + \text{inflation rate})] - 1$ . S&P data © 2026 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.

Inflation is based on the nonseasonally adjusted 12-month percentage change in the consumer price index for all urban consumers (CPI-U). Source: US Bureau of Labor Statistics.

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