

Markets have looked past government shutdowns



October 2025

Market performance has been uncorrelated with government shutdowns

History has shown that the impact on the markets from U.S. government shutdowns has been inconsistent and limited. Since 1976, there have been 20 complete or partial shutdowns, with a median length of 4 days.

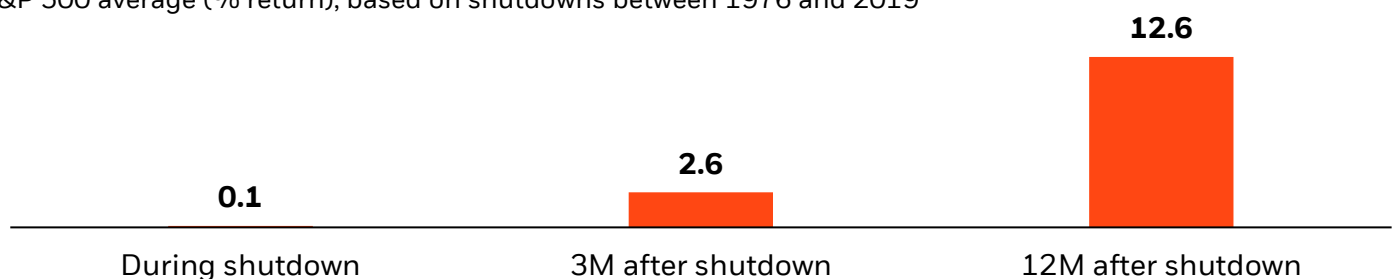
Date funding ended	Length of funding gap (days)	S&P 500 during shutdown	S&P 500 3 months following	S&P 500 12 months following
30-Sep-76	10	-2.6%	2.6%	-6.6%
30-Sep-77	12	-2.6%	-4.7%	11.5%
31-Oct-77	8	0.1%	-1.8%	2.2%
30-Nov-77	8	-2.0%	-6.1%	4.0%
30-Sep-78	17	-1.3%	-1.8%	2.1%
30-Sep-79	11	-3.9%	4.6%	24.0%
20-Nov-81	2	0.0%	-8.3%	10.3%
30-Sep-82	1	1.3%	15.3%	36.2%
17-Dec-82	3	-0.9%	10.0%	18.9%
10-Nov-83	3	1.1%	-6.8%	-0.2%
30-Sep-84	2	-1.5%	1.1%	12.5%
3-Oct-84	1	0.3%	0.5%	12.5%
16-Oct-86	1	-0.3%	11.5%	18.4%
18-Dec-87	1	NA	8.8%	11.9%
5-Oct-90	3	0.6%	0.5%	21.4%
13-Nov-95	5	1.3%	8.0%	22.8%
15-Dec-95	21	0.1%	6.4%	21.3%
30-Sep-13	16	2.4%	7.2%	8.2%
19-Jan-18	2	0.0%	-5.0%	-5.0%
21-Dec-18	34	9.3%	10.8%	24.7%

Source: Bloomberg as of 10/1/25. Values shown are principal only returns, as represented by S&P 500 PR Index. 12/18/1987 shutdown occurred over a weekend and thus performance during the shutdown is unavailable. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results. Days are counted from the first day to the last *full* day that the government was shut down. The date the Public Law was signed is *not* included because that law opened the government when it went into effect.

During previous shutdowns, stocks have averaged +0.1% during the shutdown, +2.6% in the three months following, and +12.6% in the 12 months following.

Average market performance during and after shutdowns

S&P 500 average (% return), based on shutdowns between 1976 and 2019



Source: Bloomberg as of 10/1/25. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.

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What *is* impacted in a government shutdown?

- **Key economic data releases**, including CPI and Nonfarm Payrolls (NFP), would likely be delayed.
- **Federal agencies furlough some staff** and temporarily pause certain programs.
- **Federal employee paychecks are delayed** for the duration of the shutdown, but workers are paid retroactively once it ends.
- **Contractors:** Payments to federal contractors are delayed, and many projects are paused.
- **GDP:** GDP growth could be reduced by 0.15% for each week of shutdown, but has historically been recouped in the quarter following reopening.¹
- **Debt repayments are *not* impacted** by a government shutdown.

The bottom line: there's always a reason to sell, but staying invested pays off

S&P 500 performance, 2009-2025



Source: 1: Goldman Sachs research, as of October 2025. 2: Bloomberg as of 9/30/25. Investment returns are represented by the S&P 500 TR Index from 12/1/2008 to 9/30/2025. **Past performance is no guarantee of future results.** It is not possible to invest directly in an index.

Investing involves risk, including possible loss of principal.

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