Demographic Change and Equity Markets

Demographics and Real Stock Prices

Real stock price¹ (right scale)

Population aged 40–64² (left scale)

Demographics and the Equity Premium

20-year forward equity premium (right scale)

Population aged 65 and older³ (left scale)

Sources: Shiller (2003); and United States Census Bureau.
¹Standard and Poor's 500 index, deflated by U.S. consumer price index.
²As a percent of population aged 0–39 and those aged 65 and older.
³As a percent of population aged 40–64.