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Evaluation of Benner's "Periods When to Make Money" Cycle

The Benner "Periods When to Make Money" chart (circa 1875) divides time into three recurring market phases: **A (Panic years)**, **B (Good Times – peak/sell)**, and **C (Hard Times – trough/buy)** [1] [2]. For example, row A lists years "in which panics have occurred and will occur again," while B marks "years of high prices...best time to sell," and C "years of low prices, good time to buy" [3] [4]. We have tabulated Benner's proposed years (through 2023) alongside the actual U.S. market behavior in those years. Historical analysis shows **major mismatches** in many cases. Key examples:

- **Great Depression (1929–32):** Benner's chart surprisingly **omits 1929** (the crash) and instead lists 1927 as a "panic year" (A) and 1931 as a "hard time" (C) [2] [4]. In reality, U.S. stocks **crashed in late 1929**, with the Dow falling ~25% in four days in Oct 1929 [5]. The Dow ultimately plunged from 381 (Sept 1929) to 41 by July 1932 (an 89.2% peak-to-trough drop) [6]. Thus, the chart's signals were off by 2–3 years. For instance, selling in 1926 or 1927 (B/A on chart) would have pre-empted only part of the crash, while Benner's "buy in 1931" call came before the actual 1932 bottom. (In fact, Benner did mark 1935 as B, which coincides with a mid-1930s recovery peak, but he missed the 1937 collapse entirely.) In sum, **Benner's A/B/C timing did not accurately mark the 1929–32 cycle**; following it strictly would have mistimed sells and buys around the Great Depression.

- **Dot-Com Bubble (1995–2002):** The chart labels 1995 as C (buy) and 1998 as B (sell), with 1999 as A (panic) [7] [4]. In reality, the tech bubble peaked **in March 2000**, not 1998, and the Nasdaq fell ~78% by late 2002 [8]. The S&P 500 fell about 49% from March 2000 to Oct 2002 [9]. Benner's "sell in 1998" advice would have been **premature** (stocks continued rising into 2000), while tagging 1999 as panic also mis-allocated timing. The **actual crash came in 2000–2002**, which Benner did not pinpoint; he marked 2007 (B) and 2006 (C) instead for the next cycle.

- **2008 Financial Crisis:** Benner's chart correctly marks **2007 as B (peak/sell)** [7]. Indeed, U.S. equities peaked in late 2007 and crashed into early 2009 (S&P500 –56% Oct 2007–Mar 2009 [10]). However, it oddly labels 2006 as C (buy) – in 2006 markets were still rising – and misses 2008 as a panic year (A). Its next C is 2011, by which time the S&P was already far off its bottom. In practice, selling in 2007 (as chart suggests) would have avoided the crash, but "buy in 2011" was **late** (the actual bottom was March 2009 [11]).

- **COVID 2020 Crash:** The chart designates 2019 as a panic year (A) and 2023 as a hard-time buy (C) [12] [13]. In fact, the U.S. market soared through 2019 and only crashed in early 2020, rebounding to new highs by 2021–23. Thus, Benner's 2019 "panic" call was **inaccurate** (markets were very bullish), and advising a buy in 2023 would mean buying near the modern peak.

- **Other Notable Events:** Several big events were missed or mistimed by Benner's scheme. For example, the **1987 crash** (Dow –22.6% in one day on Black Monday) falls between chart years; Benner had 1980 and 1989 as B years and 1981 as A, but 1987 isn't identified. The **1973–74 oil shock** saw a ~50% market drop, yet Benner only lists 1972 as B (peak before the decline). Many Benner B years coincide loosely with historical peaks (e.g. 1972, 1989, 2007) but often by a year or two. Similarly, C years rarely match true troughs: e.g. chart's 1931 (C) versus actual 1932 bottom [6], or 2011 (C) versus 2009 bottom [11].

Overall, **following Benner's signals would have been unreliable**. Selling in the chart's B years sometimes avoided losses (e.g. 2007), but often missed the actual tops. Buying in C years usually meant buying too early or during a continued decline. Backtests and expert analyses confirm this: attempts to trade strictly by calendar cycles underperform "buy-and-hold" due to mistimed exits/entries [14] [15]. In sum, Benner's "A/B/C" scheme aligns with some broad market swings, but its specific year calls often diverge significantly from historical reality.

Year	Category	Chart Signal	Actual U.S. Market Outcome (1920s–2023)
1924	C	Hard times (buy) [4]	Mid-1920s "Roaring '20s" bull market – no crash; equities rising toward 1929 peak [5].
1926	B	Good times (sell) [7]	Market near interim high; Dow Jones rose into 1928–29. The **actual peak** came in 1929, so a 1926 sell would have been early.
1927	A	Panic (crisis) [12]	No crash in 1927; markets still in a postwar bull. Actual **Crash** was Oct 1929 (Dow –25% in 4 days) [5]. Benner missed 1929 altogether.
1931	C	Hard times (buy) [4]	Market in freefall (Great Depression). Dow would continue falling to July 1932 (its absolute trough) [6]. Buying in 1931 would have still faced further losses.
1935	B	Good times (sell) [7]	Stocks had rebounded from 1932 lows. 1935 was an interim peak before a 1937-38 slump. Selling in 1935 roughly preempted the next downturn.
1942	C	Hard times (buy) [4]	WWII years: stocks had troughed in late 1941 and began rising in 1942–45. 1942 did mark a war-time low, so "buy 1942" was reasonable. Markets then climbed into the late-1940s.
1945	A/B	Panic / Good (both listed)	1945 was WWII's end. Benner oddly lists it in both A and B. In reality 1945 saw a **market rally**, not a panic – stocks surged as war ended (no severe crash).
1951	C	Hard times (buy) [4]	Early 1950s: modest recession in 1949–50, then a postwar bull market. 1951 was NOT a major low; markets continued rising through the 1950s.
1955	B	Good times (sell) [7]	Mid-1950s: Stocks were in a strong bull run. 1955 was high at the time, preceding a brief 1956 pullback. Selling then would have partially avoided a modest 1956 decline.
1958	C	Hard times (buy) [4]	1958 saw a modest recession (1957-58) and market dip. Buying in 1958 would have captured gains as stocks rallied into 1961.

Year	Category	Chart Signal	Actual U.S. Market Outcome (1920s–2023)
1962	B	Good times (sell) [7]	1962 had a sharp correction (Dow down ~27%). Benner's 1962 "sell" call actually came just *after* a drop (market had been higher in 1961). By the end of 1962 stocks were still below 1961 highs.
1965	A	Panic (crisis) [12]	Mid-1960s: market was plateauing. The actual significant decline came in 1966 (Dow –22%); Benner's panic call in 1965 was premature. No major crash in 1965 itself.
1969	C	Hard times (buy) [4]	Summer 1969: Stocks actually peaked then fell ~36% by 1970. Benner's 1969 "buy" signal coincided with a top, not a bottom (bad timing).
1972	B	Good times (sell) [7]	Early 1970s: Market peaked in January 1973 (Dow) then crashed (~48% by 1974). Benner's 1972 "sell" call was roughly on time, as prices were near highs.
1978	C	Hard times (buy) [4]	Late 1970s: Inflation was high, but stocks were climbing toward 1980 peaks. 1978 was mid-cycle, not a true trough. Buying in 1978 would have yielded gains into 1980.
1980	B	Good times (sell) [7]	1980: Market dipped early 1980 then rallied into late '80 highs. 1980 as a sell signal is debatable; the next major decline was 1981-82 (Dow –27%).
1981	A	Panic (crisis) [12]	1981: Fed raising rates led to volatility, but the real bear market bottom was 1982. 1981 panic call was early; stocks fell further in 1982.
1985	C	Hard times (buy) [4]	1985: Mid-'80s bull market (post-1982 bottom). Stocks were well above early '80s lows. A 1985 "buy" would have caught gains into 1987.
1989	B	Good times (sell) [7]	1989: Stocks hit all-time highs, then fell ~20% by Oct 1989. Next big event was Black Monday Oct 1987 (missed) and a 1990 mini-crash (–27%). Selling in 1989 largely preceded mild 1990-91 recession.
1995	C	Hard times (buy) [4]	1995: Strong bull market (Internet boom). Stocks were soaring (S&P+34% that year). 1995 was actually a high-growth year, not a trough. Buying then still paid off (up to 2000), but Benner's call was off-cycle.
1998	B	Good times (sell) [7]	1998: Stocks rose ~26% that year; Benner's sell call came just before the 1998 Russian/LTCM turbulence (Oct 1998 dip of ~20%), but markets soon recovered and peaked in Mar 2000.
1999	A	Panic (crisis) [12]	1999: Surging dot-com bubble (Nasdaq up 85%). No crash yet. The real peak came March 2000, then S&P fell ~49% by 2002 [9]. Benner's panic signal was too early.

Year	Category	Chart Signal	Actual U.S. Market Outcome (1920s–2023)
2006	C	Hard times (buy) [4]	2006: Market was at or near all-time highs (S&P =1,461). 2007 saw further gains, then a 2008 crash. 2006 was actually a market top, so “buy” advice was poorly timed.
2007	B	Good times (sell) [7]	2007: Stocks peaked in Oct 2007. S&P then plunged 56% into Mar 2009 [10]. This was one correct signal: selling in 2007 would have avoided heavy losses.
2011	C	Hard times (buy) [4]	2011: Market had rebounded ~100% from 2009 lows but then stalled. The S&P retraced slightly (~19%) in mid-2011. Buying in 2011 was not terrible (markets resumed rising), but the true bottom was in 2009.
2016	B	Good times (sell) [7]	2016: Stocks were in a bull market and indeed hit an intrayear low early 2016. The S&P gained ~10% that year. Benner’s 2016 sell signal was before continued gains (stock rallied to new highs by 2019).
2019	A	Panic (crisis) [12]	2019: Strong bull year (S&P+28%). No panic occurred; instead, the crash came in early 2020 (COVID). Benner’s 2019 panic call was a miss.
2023	C	Hard times (buy) [4]	2023: Markets surged (S&P up ~16%). This “buy” signal coincides with a high, not a low. True major bottom was 2020 (not listed).

Sources: The table’s chart years are from Benner’s 1875 “Periods When to Make Money” [12] [3]. Actual market outcomes are drawn from historical indices data and analyses (e.g. the 1929 crash and 1932 bottom [5] [6], the 2000–02 dot-com bust [9], 2007–09 crash [10], 2020 Covid crash, etc.). In every major example, Benner’s fixed calendar signals either missed the event timing or lagged/led it. In sum, **the Benner cycle did not reliably predict U.S. market turns**, and a strategy of strictly selling in B years and buying in C years would often have been mistimed (sometimes avoiding big losses, but often missing much of the gains or selling too early). Experts note that calendar-based timing tends to underperform long-term buy-and-hold, as even narrow timing errors (a year or two) can erase potential profits [14] [15]. This analysis underscores those findings: Benner’s “sure thing” often proves elusive in real data.

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