

# Cash Flow and Carey



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## S&P 500 Index Earnings & Revenue Growth Rate Estimates

S&P 500 & Sector Indices (Estimated Y-O-Y Earnings & Revenue Growth Rates as of 10/31/25)

	2025 Earnings Est.	2026 Earnings Est.	2025 Revenue Est.	2026 Revenue Est.
<b>S&amp;P 500 Index</b>	11.2%	12.8%	6.3%	6.4%
<b>Communication Services</b>	19.1%	6.8%	8.4%	9.0%
<b>Consumer Discretionary</b>	4.1%	11.9%	3.9%	6.3%
<b>Consumer Staples</b>	-2.0%	7.5%	1.7%	4.5%
<b>Energy</b>	-9.9%	10.0%	-3.4%	-0.8%
<b>Financials</b>	10.7%	10.1%	5.8%	5.9%
<b>Health Care</b>	11.8%	9.2%	9.7%	4.9%
<b>Industrials</b>	4.7%	13.6%	5.1%	5.9%
<b>Information Technology</b>	22.4%	22.2%	15.0%	14.1%
<b>Materials</b>	2.3%	21.1%	3.3%	4.4%
<b>Real Estate</b>	4.1%	4.1%	5.8%	6.7%
<b>Utilities</b>	11.4%	8.0%	7.3%	7.1%

Source: Bloomberg. Consensus estimates using fiscal year revenue from each company.

### View from the Observation Deck

Today's post provides an update to 2025 and 2026 earnings and revenue growth rate estimates for the S&P 500 Index ("Index") and each of its eleven sectors. The Index closed at 6,772 on 11/4/25, just shy of its all-time high of 6,891 (10/28/25), and up a staggering 36.84% (total return) from its most recent low of 4,983 (4/8/25). For comparison, from 1928-2024 (97 years) the Index posted an average annual total return of 9.71%.

**Earnings growth rate estimates continue higher, with increases in nine of today's 2025 observations since our last post.**

On 10/31/25, earnings for the companies that comprise the Index were estimated to increase by 11.2% year-over-year (y-o-y) in 2025, up from 9.2% in our last post on this topic in August ([click here](#)). Just two sectors are estimated to see earnings decline y-o-y in 2025: Energy (-9.9%) and Consumer Staples (-2.0%). In 2026, however, earnings are estimated to increase for each of the Index's 11 sectors, with Information Technology and Materials leading the way.

**Revenue growth rate estimates remain favorable as well. In fact, observations for both 2025 and 2026 increased since our last post on this topic.**

As of 10/31/25, the Index's 2025 estimated y-o-y revenue growth rate stood at 6.3%, up from 5.7% on 8/8/25. Ten of the Index's eleven sectors reflect positive y-o-y revenue growth rate estimates in 2025, with seven of them estimated to surpass 5.0% (up from four in August). Information Technology commands the highest estimated revenue growth rates at 15.0% and 14.1% in 2025 and 2026, respectively.

### Takeaway

Equity market returns have been exceptional. The Index rewarded investors with average annual total returns of 23.29% over the three-year period ended 11/4/25. For comparison, the Index averaged an annual total return of 9.71% from 1928 to 2024. Recent results have many investors on edge, waiting for the inevitable shoe to drop. Stock markets can be fickle over short periods, as price discovery occurs amidst newfound information. One such example occurred earlier this year, when the Index plummeted by 18.75% (total return) in less than two months (2/19/25 – 4/8/25) amidst heightened geopolitical risk and bitter tariff negotiations. That said, Index earnings remained persistently positive, and investors largely traded earlier concerns for exuberance over financial performance. Analysts appear to share this sentiment, increasing earnings and revenue estimates yet again. Time will ultimately reveal the accuracy of these estimates, but we maintain that higher revenues could be the best catalyst for earnings growth, which in turn, may provide ballast to lofty multiples.