

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 2/23/26)

	2025 Earnings Est.	2026 Earnings Est.	2025 Revenue Est.	2026 Revenue Est.
S&P 500 Index	13.3%	13.7%	7.2%	7.3%
Communication Services	21.2%	5.7%	8.6%	11.2%
Consumer Discretionary	4.7%	9.7%	4.5%	7.1%
Consumer Staples	-1.7%	6.2%	1.4%	5.2%
Energy	-8.3%	0.3%	-1.8%	-3.5%
Financials	13.4%	7.8%	7.0%	5.9%
Health Care	12.3%	6.0%	10.1%	4.5%
Industrials	7.4%	11.3%	6.2%	6.4%
Information Technology	26.1%	32.7%	17.4%	20.5%
Materials	7.4%	23.7%	8.6%	5.2%
Real Estate	5.9%	2.4%	6.9%	6.8%
Utilities	11.2%	8.0%	9.1%	5.8%

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 6,838 on 2/23/26, below its all-time high of 6,979 (1/27/26), and up a staggering 38.7% (total return) from its most recent low of 4,983 (4/8/25). For comparison, from 1928-2025 (98 years) the Index posted an average annual total return of 9.8%.

Earnings growth rate estimates marched higher for both 2025 and 2026 since our last post on this topic.

The Index's year-over-year (y-o-y) earnings growth rate estimates were observed at 13.3% and 13.7% in 2025 and 2026, respectively, on 2/23/26. Estimates for both years have increased since our last post when they stood at 11.2% (2025) and 12.8% (2026). [Click here](#) to view that post. Just two sectors are estimated to see earnings decline y-o-y in 2025: Energy (-8.3%) and Consumer Staples (-1.7%). 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 also increased since our last post on this topic.

As of 2/23/26, the Index's 2025 estimated y-o-y revenue growth rate stood at 7.2%, up from 6.3% on 10/31/25. Ten of the Index's eleven sectors reflect positive y-o-y revenue growth rate estimates in 2025, with eight of them estimated to surpass 5.0% (up from seven in October). Information Technology commands the highest estimated revenue growth rates at 17.4% and 20.5% in 2025 and 2026, respectively.

Takeaway

Equity market returns remain exceptional. The Index rewarded investors with average annual total returns of 21.1% over the three-year period ended 2/23/26. For comparison, the Index averaged an annual total return of 9.8% from 1928 to 2025. Index earnings and revenue growth rates remain persistently positive, with estimates for 2025 and 2026 increasing since our last post. We find calendar year 2026 estimates particularly notable as they reflect difficult comparisons for most sectors. As revealed above, Information Technology and Materials stand out among their peers for 2026 earnings growth rate estimates. 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.