

## 130 Years of Stewardship: The Evolution of The Dow<sup>®</sup>

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As the [Dow Jones Industrial Average<sup>®</sup>](#) celebrates its 130<sup>th</sup> anniversary on May 26, 2026, the occasion offers a moment to reflect on the continuity, evolution and disciplined stewardship that have helped sustain one of the world's most widely recognized benchmarks—a barometer of U.S. equity market performance that media and investors have continued to reference across generations.

### Measuring the Market across Generations

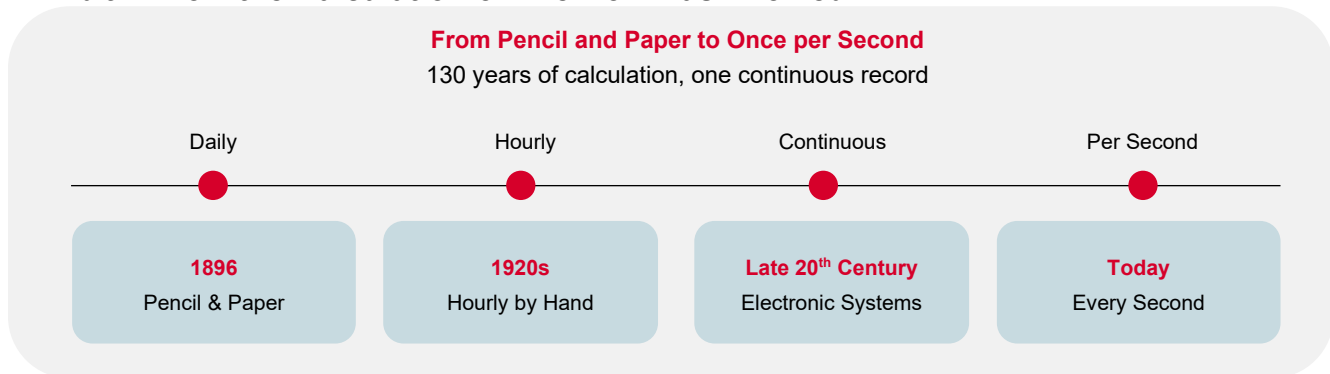
On May 26, 1896, Charles Dow added up the stock prices of 12 industrial companies, divided by 12 and published the result in *The Wall Street Journal*. The number was 40.94. The calculation took pencil, paper and a few minutes of arithmetic.

By the 1920s, Arthur “Pop” Harris was computing The Dow on an hourly basis for the *Dow Jones News Service*, translating market activity into a steady measure that investors could follow through the trading day. By the late 20<sup>th</sup> century, calculation had moved to electronic systems. Today, The Dow is calculated and disseminated once every second of every trading day.<sup>1</sup>

The process has evolved, but the objective has endured. For 130 years, someone—first Charles Dow himself, then a succession of editors, analysts and index professionals—has maintained this measure of U.S. equity performance through changing market structures, technologies and economic eras (see Exhibit 1). Its continuity is not incidental—it reflects stewardship.

<sup>1</sup> [“How The Dow Works,”](#) S&P Dow Jones Indices, 2016.

## Exhibit 1: How the Calculation of The Dow Has Evolved



Source: S&P Dow Jones Indices LLC. Chart is provided for illustrative purposes.

## The Dow's Transition to a Public Market Barometer

In its first three decades, The Dow served an important role within Wall Street as a practical measure of market trends. Investors in the early 1900s often focused on individual stocks, not broad market averages. The Dow's purpose was already evident, even as its broader public role was still emerging.

That changed during the market crash of October 1929. Over the course of two trading days, the index lost nearly a quarter of its value. The crash did not create The Dow's relevance, but it did reveal it. Before the crash, most investors focused on the individual stocks they owned. After the crash, investors, newspapers and broadcasters increasingly looked to a broad market measure to help answer a basic question: how is the market doing?

The Dow increasingly became that barometer. From that point forward, the accuracy, consistency and governance of the average were not merely operational matters—they were matters of public trust.

Investors following the market, newspapers printing the closing level and broadcasters reporting the day's move all relied, in some way, on the integrity of the benchmark.

## Evolution through Stewardship

Maintaining an index for 130 years is not a matter of leaving it alone, nor is it a matter of constant intervention. It is a matter of a stable [methodology](#) and governance framework that allows the index to continue meeting its stated objective as market conditions evolve.

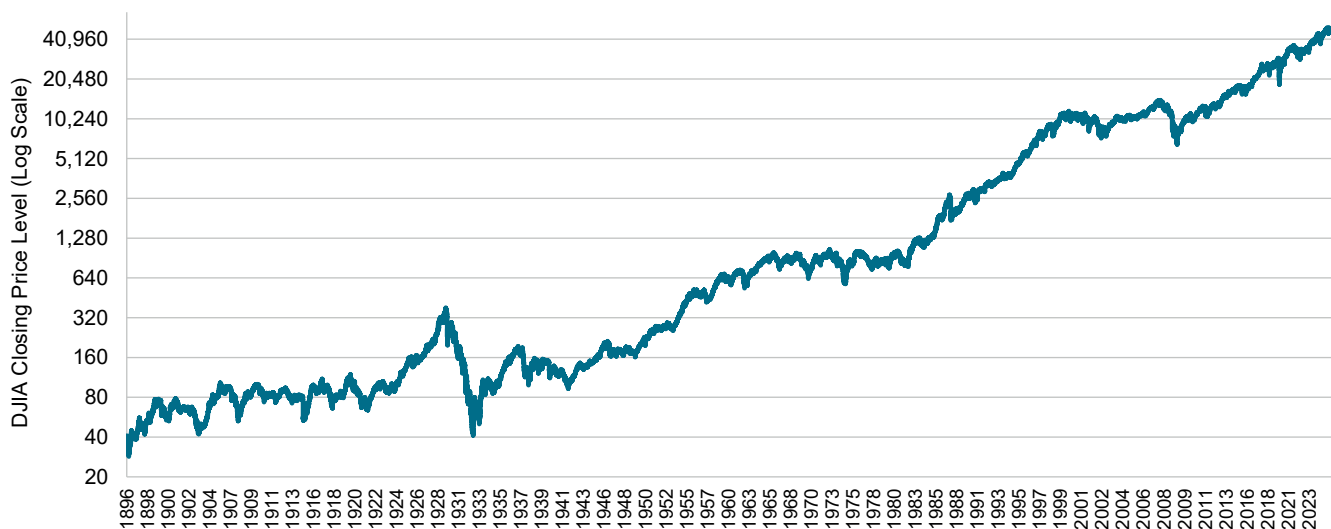
The Dow launched with 12 companies across industries such as cottonseed oil, sugar, tobacco, leather, rubber, gas, steel and electricity. The roster expanded to 20 stocks in 1916 and to its current 30 in 1928. Component updates are made with the objective of ensuring that the index continues to meet its stated objectives as markets evolve, reflecting a proactive

governance process rather than a reactive one. Woolworth gave way to Walmart. Kodak gave way to Intel. Intel, in turn, gave way to Nvidia.<sup>2</sup> Over time, component updates have reflected The Dow's objective of assessing market leadership, sector representation and the composition needed to keep the average reflective of leading U.S. companies across the sectors the index is designed to represent.

These changes are often described as the index evolving with the market. That is accurate, but incomplete. Across 13 decades, The Dow's evolution has been guided by a disciplined governance to preserve its objective: measuring the performance of some of the largest U.S. companies while maintaining broad representation of the market it seeks to reflect.

The same principle applies to methodology. The original calculation was a simple arithmetic mean. Over time, The Dow divisor has helped adjust for stock splits, spin-offs and component changes without distorting its index level. The methodology has been modernized periodically; for example, refining how the divisor is calculated to accommodate corporate actions and adapting computation infrastructure from manual calculation to once-per-second electronic dissemination. But the thread is unbroken: today's Dow level connects, through a continuous chain of adjustments, all the way back to 40.94 on May 26, 1896.

## Exhibit 2: The Dow Has Measured U.S. Equity Performance for 130 Years



Source: S&P Dow Jones Indices LLC. Data from shows the daily closing pricing level for the Dow Jones Industrial Average between May 26, 1896, to May 13, 2026. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

## A Story Only The Dow Can Tell

Many benchmarks widely used today are still relatively young. Few have live history that stretches across multiple generations of markets. Fewer still can point to a continuous, live

<sup>2</sup> These are illustrative of broader generational shifts in market leadership rather than direct component replacements.

history spanning 130 years. The Dow’s longevity is not typical, it is exceptional, and it has been earned through continued attention to governance, methodology and relevance.

Over 130 years, The Dow has tracked the U.S. equity market through 24 presidencies, the rise of the modern industrial economy, the post-war economic expansion, the technology revolution and the emergence of an interconnected global financial system. [It crossed 1,000 for the first time in 1972](#) after 76 years. It crossed 10,000 in 1999. On Feb. 6, 2026, just months before its 130<sup>th</sup> anniversary, [it crossed 50,000](#). This latest milestone was reached in record time, continuing the pattern of progressively faster 10,000-point gains.

Each of those milestones carries weight precisely because the record behind it is so long. A benchmark that reaches 50,000 after 5 years of live history is a data point. A benchmark that reaches 50,000 after 130 years of continuous stewardship is a lens into the long-term development of U.S. equity markets.

### Exhibit 3: The Dow Reached Its Latest 10,000-Point Milestone in Record Time

| Milestone | Date           | Trading Days since Prior Milestone | Years* |
|-----------|----------------|------------------------------------|--------|
| 10,000    | March 29, 1999 | 28773                              | 114.2  |
| 20,000    | Jan. 25, 2017  | 5992                               | 23.8   |
| 30,000    | Nov. 24, 2020  | 966                                | 3.8    |
| 40,000    | May 17, 2024   | 874                                | 3.5    |
| 50,000    | Feb. 6, 2026   | 431                                | 1.7    |

Source: S&P Dow Jones Indices LLC. Data based on daily closing price index levels from May 26, 1896, to Feb. 6, 2026. Table shows the date on which the Dow Jones Industrial Average first closed above different index levels and the associated time taken to reach each increment. \*Years assumes 252 trading days in each year. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

## The Next 130 Years

The Dow’s next chapter will unfold in markets Charles Dow could not have imagined. The principles guiding it forward—clarity of objective, disciplined governance and methodological continuity—are the same ones that brought it here. Today, The Dow is quoted from Wall Street to Main Street, referenced in boardrooms and living rooms, and tracked by media and investors across regions and market segments. That recognition was not granted—it was built, one trading day at a time, one component update at a time, one methodology refinement at a time, [across 130 years](#) of continuous, disciplined stewardship.

On May 26, 2026, The Dow turns 130. S&P Dow Jones Indices is honored to serve as the steward of this iconic benchmark and to carry forward the commitment to transparency, governance and discipline that Charles Dow began with pencil and paper in 1896.

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