



STYLE

Is There Any Truth To The Hemline Index Theory?

For almost a century, two seemingly unrelated phenomena – our economy and women’s skirt lengths – have been declared associated through a theory called the hemline index. But is there any validity behind this relationship?

By Caitlin Shaw

May 28th 2023

🕒 2 min read

Favorite

Bookmark for later



Shutterstock/Victoria Chudinova

As we discussed while breaking down [the latest spring fashion trends](#), long skirts are making a comeback this year. Whether it’s denim, silk, leather, pleated, or crochet, the skirts we’ll see out and about this summer will definitely fall below the knee. And on the topic of trends, but in an entirely different vein, many economists are predicting a recession to hit the U.S. by [Q3 of 2023](#). What do these two seemingly unrelated facts have in common? The hemline index would argue *everything*.

What Is the Hemline Index?

The [hemline index](#) is a theory that the stock market moves in the same direction as women’s skirt lengths. More specifically, the saying goes that the shorter the skirt, the better the economy, and the longer the skirt, the worse the economy.

The origin behind this bizarre yet fascinating theory dates back to the 1920s. Economist [George Taylor](#) was the first to call attention to the possible correlation between our economic prosperity (or lack thereof) and skirt length. He noticed this correlation in 1926, but does it still ring true today? Since then, there have been countless examples that have shown that the hemline and the economy do trend

2/2 free articles this month. [Subscribe](#)

Watch now

@streetcents 

Predicting the economy with a skirt length theory #TheHemlineIndex #Fas ...See more original sound - CBC Street Cents



Watch on TikTok

An Unlikely Correlation

In the Roaring Twenties, when the American economy boomed post World War I, hemlines were as short as ever – think flapper girl and *The Great Gatsby* era. Fast

2/2 free articles this month.

II. But by the 1960s, Americans were thriving in a post-war economic boom, and in the fashion world, flare pants, colorful accessories, and miniskirts were all the rave.



Women modeling fashion in Miami, Florida. 1929. State Library and Archives of Florida, Public domain, via Wikimedia Commons.

2/2 free articles this month.



Fashion models posing with Qantas Empire Airways plane, Brisbane, 1936. Queensland Newspapers Pty Ltd, Public domain, via Wikimedia Commons.

2/2 free articles this month.



Women celebrating VE Day in Toronto, Canada. 1945. Alexandra Studios, Public domain, via Wikimedia Commons.

2/2 free articles this month.



Model wearing a sweater-knit dress. 1967. Durene Association of America, New York, Public domain, via Wikimedia Commons.

There's no doubt an association between the economy and hemlines is present throughout history, but is this a meaningful one or merely an urban legend?

2/2 free articles this month.

Since the 1920s, economists and designers have identified correlations in the stock prices and hemlines. However, unlike George Taylor's original prediction that hemlines predicted market prices, it's the economy's fluctuations that can cause hemlines to rise or fall. More specifically, there's a [three-year lag](#) in the hemline reaction to the market. Take for example the 2008 financial crisis. Three years after one of the [worst recessions since World War II](#), around 2011–2012, maxi skirts suddenly appeared everywhere. The same thing is happening today with midi skirts and dresses in style this season. Many would characterize this dropped hemline as a reaction to the economic challenges faced during the [Covid-19 pandemic](#).

However, it's important to note that the hemline is *not* a predictor of economic recession. Economists have pointed to a variety of factors that elicit a recession, and none of them pertain to hemlines or fashion trends. A few of the [possible causes](#) are a stock market crash, economic shock like a pandemic or war, fiscal policy, and even psychological factors.

In the same vein, fashion trends are also not solely based on the economy. While it has been established that a three-year lag between an economic dip and the appearance of longer skirts exists, in reality, the economy can't be entirely responsible for the rise and fall of hemlines. In fact, there are several factors that can contribute to fashion trends, such as [influencers, runways, social media, music, and manufacturers' resources](#).

As Marlen Komar writes for [InStyle](#), "It's not so much the economy that influences our fashion sense, but our reaction to what's going on in the world and how that makes us feel."

Closing Thoughts

Unpacking the answer as to whether the hemline index is valid or not is a complex feat. Economists have debated this theory for decades, with many arguing that there is no way skirt lengths can predict economic prosperity and vice versa. Others have argued that the economy can play a role in impacting the hemline length three years down the road, using historical examples as evidence. If anything, the hemline index can be used to uncover causes of trends and, more broadly, to study how the human response to environmental circumstances manifests itself in unlikely ways.

Support our cause and help women reclaim their femininity by [subscribing today](#).

2/2 free articles this month.

STYLE

Girl Math: Designer Bags Are Outperforming the Stock Market—Here's Why

We've all heard the remarks about girl math—the little mental gymnastics we perform to justify indulgent purchases. “It was on sale, so I basically made money,” or “Cost per wear makes it practically free.” But what if, for once, girl math was actually just... math? Real numbers, real returns, real financial savvy.



Pexels/Filip Rankovic Grobgaard

By Johanna Duncan

Apr 14th 2025

🕒 5 min read

 Favorite

 Bookmark for later

W

elcome to the world of designer handbags—where luxury fashion meets high-performing assets. And yes, some of your favorite styles are literally outperforming the stock market.

Let's break it down.

The Birkin Beats Wall Street

The Hermès Birkin bag, that iconic symbol of understated wealth and generational elegance, has seen a staggering 14.2% average annual increase in value over the past 35 years. For comparison, the S&P 500—a benchmark for the stock market—has historically returned about 10% per year. Some would argue that the S&P 500 is a safer investment, but the Birkin bag has been consistent since the eighties, so I would argue that they both carry about the same risk.

That means if you'd bought a Birkin in 2000 instead of investing that money in a standard index fund, you'd not only be making more profit today—you'd be carrying it on your arm. So where would you like to see your money? Your options are a screen or giving a finishing touch to your outfit.

2/2 free articles this month.

And while Hermès has been the most consistent one, it isn't alone. Other designer classics like the Kelly, Chanel's Classic Flap, the Louis Vuitton Capucines, and the Lady Dior (particularly vintage or limited editions associated with Princess Diana herself) are right behind, growing steadily in value and holding strong even through recessions and inflation surges.

So, what makes these bags so powerful financially?

Watch now

@sweetiebrownieeee

designer bags are fr fr the best investment
#chanelbags #investment #de ...See more

Baby Girl - Disco Lines

2/2 free articles this month.

Designer Bags As Assets—Not Just Expenses

It's time we stop treating designer bags as frivolous splurges and start viewing them for what they are: artwork! Purchasing a designer bag should be assessed the same way art collectors view a Monet: as appreciating assets.

Here's why they work:

- **Scarcity:** Hermès famously limits the number of Birkins and Kellys available each year. This exclusivity drives demand and raises resale prices. How could we forget the lengths Samantha Jones from SATC had to take to get a Birkin Bag?
<https://www.tiktok.com/t/ZTjJEH9qw/>
- **Brand Heritage & Loyalty:** These brands have been around for generations. They don't rely on trends—they define them. That stability builds long-term trust and value. Nonetheless, I strongly advise you to be sure about the strength of the brand. For example, Chanel had a rocky period due to its history as [Coco Chanel being a Nazi sympathizer](#). The brand is now owned by a Jewish family, so it is safe to say that the brand is here to stay. On the other hand, [Balenciaga](#) has faced backlash for sexual implications with children in their advertisements. This may affect its market value, but even if it doesn't—would you be comfortable carrying around a brand with such values? Always do your own research.
- **Craftsmanship:** These bags aren't mass-produced in overseas factories. They're hand-stitched, curated, and perfected by skilled artisans. That means quality that lasts decades. These are bags that are known to be made with very high standards of craftsmanship, and unique materials like Chanel's Caviar and Lambskin bags which are made with grain calfskin. The fact that this material is hard to replicate makes the whole bag difficult to replicate and as a result, the bag is a safer investment. When too many well made replicas are made, the price of the original bags is likely to go down. Which takes us to the last point, resale.
- **Resale Culture:** The secondhand luxury market has exploded in the last decade, especially among Millennial and Gen Z consumers. Resale apps like [Rebag](#), [Fashionphile](#), and [The RealReal](#) have made it easy and socially acceptable to invest in (and later resell) high-end fashion. This is also where the girl math comes in, since the money spent is never wasted; instead, it is always either invested or placed in an asset.

2/2 free articles this month.

Watch now

@foreignobjects

Designer bags to invest in 2025 part 2 🤔
which bag is your fav? #greens ...See more

Summer Fashion - FASSounds

Where To Buy (and Authenticate)

If you're new to the luxury resale world, your first concern should be authenticity. After all, if you're spending four or five figures on a bag, it needs to be the real deal. Sometimes, it's obvious at first glance that a bag is fake, but there are countless good quality replicas out there so it is worthwhile to take your time and authenticate your purchase.

2/2 free articles this month.

Trusted platforms include:

- [Fashionphile](#) – Excellent for Louis Vuitton, Chanel, and Hermes. Every bag is vetted by in-house experts.
- [The RealReal](#) – A wide variety, including vintage and rare editions. Good for first-time buyers.
- [Rebag](#) – Known for its “Rebag Infinity” program that lets you trade in your bag after a set time to reinvest in another one.
- [1stDibs](#) – For high-end vintage and rare finds, including collectors' editions.

Before buying, always look for:

- A full set (box, dust bag, authenticity card, and receipt if possible). Also make sure to keep it for when or if you'd like to resell. It's not a total deal breaker; if you simply love the bag, don't let the fact that it lacks these things stop you; but from a secure investment point of view, you should buy items that come with the full set.
- Clear photos of serial numbers, date codes, and hardware engravings. Brands take a lot of care making sure they have these elements to verify authenticity, so treasure them.
- Trusted third-party authentication when possible (services like Zeko or Entrupy).

What Makes a Bag Go *Up* in Value?

[Not every designer bag is going to be your golden ticket.](#) Some lose value, fall out of fashion, or are too trendy to last. Here's what to look for if you're hoping for a good return on investment:

1. Brand Stability

Stick to brands with proven value retention. The big five are:

- Hermès
- Chanel
- Louis Vuitton

2/2 free articles this month.

- Goyard (honorable mention for its rare, travel-focused pieces)

If you're considering newer brands like Loewe, I would advise you to do it more for the fact that you like the bag and will enjoy it than for finances alone. The fact that the brand and particular designs haven't been in the market for long makes these investments volatile; it could pay off, but it could also flop, so be sure that you are willing and prepared to take this risk.

2. Materials Used

Exotic leathers (like crocodile or ostrich), as well as ultra-rare materials (like Hermès' Himalayan saltwater crocodile), tend to perform best—but they come with higher upfront cost. However, even standard leathers like Hermès' Togo or Epsom perform beautifully when cared for properly. The more unique, rare, and beautiful the material, the safer the investment.

3. Classic Styles

Trendy colors and flashy embellishments don't age well. There can be exceptions like the pink Chanel bag, which rose in value due to the Barbie movie. But if the goal is to keep your investment safe, look for neutral tones—black, tan, cream, or gold hardware. These are always in demand and appeal to the widest resale audience.

Watch now

@paynecm

What would you buy? Luxury handbag or Stocks? 📈 We interviewed Ne ...See more
original sound - Payne Capital



Watch on TikTok

Styles to watch:

- Hermès Birkin & Kelly

2/2 free articles this month.

- Lady Dior in special editions or vintage designs
- Louis Vuitton Capucines, especially in limited seasonal runs

I would also add that when it comes to styles, look for the bags worn by Princess Diana, Grace Kelly, Jackie Kennedy, Kate Middleton, etc. These are more likely to either be or eventually become iconic pieces, and are very unlikely to go fully out of style, ever.

4. Rarity

Limited-edition collaborations, discontinued models, and seasonal color runs that never return can skyrocket in value. Think of the Chanel So Black series or any Hermès Horseshoe custom pieces, or the Louis Vuitton partnership with Takashi Murakami. Since there are a set number of these bags made, the demand will almost always outperform the supply, which results in the market value continuously rising.

2/2 free articles this month.



Watch now

@runway_talks

Hermès Birkin Bag vs. S&P 500: A Luxury Investment That Shines! Hey ev ...See more

original sound - Runway_talks

Caring For Your Investment

Treat your luxury handbag like you would any other high-value asset. That doesn't mean you can't wear it—but it does mean you should be handling it with care. These bags are built to last and with proper care they can become precious family heirlooms. Here are a few tips on how to keep your bag (read: asset) safe:

2/2 free articles this month.

- Keep bags stuffed with acid-free paper to maintain shape.
- Store in original dust bags (or breathable cotton) away from sunlight.
- Avoid hanging bags by their straps for long periods—it can distort leather.

Maintenance:

- Clean hardware regularly with a microfiber cloth.
- For leather, use a pH-balanced cleaner and conditioner every few months.
- Never use harsh chemicals or baby wipes—those will strip the finish.

Pro Tip: If you own a Hermès or Chanel bag, consider periodic spa treatments. Hermès offers refurbishment services, and third-party luxury repair shops can also help restore bags to like-new condition.

DATA
BUY MAKE IT
FASHION

databutmakeitfashion
New York, New York

[View profile](#)

[View more on Instagram](#)

238,535 likes

2/2 free articles this month.

What to Consider Before Purchasing

While buying a designer handbag can be empowering and financially savvy, it's still a big decision. Here are a few things to keep in mind:

- **Upfront Cost vs. Long-Term Gain:** These bags aren't cheap. You're looking at \$3,000–\$10,000+ to start (unless you're eyeing a particularly rare piece, which can run you nearly \$500,000 or more). But if chosen wisely, they can outperform stocks, gold, and even some real estate over 10–15 years.
- **Liquidity:** Selling isn't instantaneous. You'll need a buyer or a consignment platform, and fees can take 15–30% of your profit.
- **Emotional Attachment:** Be honest with yourself. Are you buying to love it and wear it? Or are you buying purely as an investment? Either is valid—but know which camp you fall into before you swipe your card.

Next time you see a designer bag in the wild, don't look at it and its owner as superficial or irresponsible, because in truth, these fashion pieces can be strategic, intelligent, and even generational. Putting our money into quality long lasting products is financially savvy and something worth our thought. So go ahead and invest in the Birkin. Buy the Chanel. Run your numbers, check your trends, and don't let anyone tell you it's just a bag. It really isn't. It's art and according to *girl math*, it turns out to be genius.



2/2 free articles this month.