

## The Presidency and the Stock Market

As we begin the search for a new president in the United States, I wonder what it might mean for the stock market. Of course, I have no idea, but a look back at the market performance during past presidential tenures might offer some measure. I used the S&P 500 as the measuring stick, beginning with Republican Calvin Coolidge in 1926.

- the average annual rate of return is 12.05%.
  - 14.92% during 48 Democrat years
  - 8.91% during 44 Republicans years
- the average has been bettered 48 times,
  - o 29 times by Democrats
  - 19 times by Republicans
- if we only look at the last 50 years, we see that
  - Democrat presidential years averaged 15.53%
  - Republican presidential years averaged a far less 8.60%
- each year of a president's four years in office produces far ranging returns:
  - Year 1 average = 9.84%
  - Year 2 average = 9.17%
  - Year 3 average = 17.91%
  - Year 4 average = 11.26%
- The 5 best 4-year returns:

Dest 4-year re	tuilis.		THE 3 WOIS	THE 5 WOIST 4-year I		
Roosevelt	D	200%	Hoover	R	-64%	
Truman	R	130%	Roosevelt	D	-23%	
Eisenhower	R	112%	Bush	R	-19%	
Reagan	R	92%	Bush	R	-2%	
Clinton	D	89%	Nixon	R	6%	

The 5 werst 1-year returns:



Year	Return	President	Party
1926	11.60%	Coolidge	R
1927	37.57%	Coolidge	R
1928	43.58%	Coolidge	R
1929	-8.44%	Hoover	R
1930	-24.89%	Hoover	R
1931	-43.36%	Hoover	R
1932	-8.08%	Hoover	R
1933	53.81%	Roosevelt	D
1934	-1.36%	Roosevelt	D
1935	47.61%	Roosevelt	D
1936	33.96%	Roosevelt	D
1937	-35.02%	Roosevelt	D
1938	31.09%	Roosevelt	D
1939	-0.41%	Roosevelt	D
1940	-9.77%	Roosevelt	D
1941	-11.60%	Roosevelt	D
1942	20.29%	Roosevelt	D
1943	25.98%	Roosevelt	D
1944	19.72%	Roosevelt	D
1945	36.45%	Roosevelt	D
1946	-8.08%	Roosevelt	D
1947	5.72%	Truman	D
1948	5.50%	Truman	D
1949	18.79%	Truman	D
1950	31.72%	Truman	D
1951	24.02%	Truman	D
1952	18.35%	Truman	D
1953	-0.98%	Eisenhower	R
1954	52.62%	Eisenhower	R
1955	31.56%	Eisenhower	R
1956	6.56%	Eisenhower	R
1957	-10.78%	Eisenhower	R
1958	43.36%	Eisenhower	R
1959	11.96%	Eisenhower	R
1960	0.47%	Eisenhower	R

Year	Return	President	Party
1961	26.82%	Kennedy	D
1962	-8.75%	Kennedy	D
1963	22.65%	Kennedy	D
1964	16.39%	Johnson	D
1965	12.35%	Johnson	D
1966	-10.06%	Johnson	D
1967	23.95%	Johnson	D
1968	11.08%	Johnson	D
1969	-8.47%	Nixon	R
1970	3.98%	Nixon	R
1971	14.32%	Nixon	R
1972	18.94%	Nixon	R
1973	-14.80%	Nixon	R
1974	-26.49%	Nixon	R
1975	37.27%	Nixon	R
1976	23.61%	Nixon	R
1977	-7.40%	Carter	D
1978	6.52%	Carter	D
1979	18.48%	Carter	D
1980	32.47%	Carter	D
1981	-4.95%	Reagan	R
1982	21.55%	Reagan	R
1983	22.56%	Reagan	R
1984	6.27%	Reagan	R
1985	31.73%	Reagan	R
1986	18.67%	Reagan	R
1987	5.25%	Reagan	R
1988	16.61%	Reagan	R
1989	31.69%	Bush	R
1990	-3.11%	Bush	R
1991	30.47%	Bush	R
1992	7.62%	Bush	R
1993	10.08%	Clinton	D
1994	1.32%	Clinton	D
1995	37.58%	Clinton	D

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Year	Return	President	Party
1996	22.96%	Clinton	D
1997	33.36%	Clinton	D
1998	28.57%	Clinton	D
1999	21.05%	Clinton	D
2000	-9.11%	Clinton	D
2001	-11.88%	Bush	R
2002	-22.10%	Bush	R
2003	28.69%	Bush	R
2004	10.87%	Bush	R
2005	4.89%	Bush	R
2006	15.80%	Bush	R
2007	5.49%	Bush	R
2008	-37.00%	Bush	R
2009	26.46%	Obama	D
2010	15.07%	Obama	D
2011	2.12%	Obama	D
2012	16.00%	Obama	D
2013	32.39%	Obama	D
2014	13.69%	Obama	D
2015	1.38%	Obama	D
2016	11.96%	Obama	D
2017	21.83%	Trump	R
2018		Trump	R
2019		Trump	R
2020		Trump	R



## Stock Market Returns of U.S. Presidencies broken into year 1 through year 4.

President	First Year	Year 1	Year 2	Year 3	Year 4	Cumulative
Coolidge	1925		11.60	37.57	43.58	
Hoover	1929	-8.44	-24.89	-43.36	-8.08	-64%
Roosevelt	1933	53.81	-1.36	47.61	33.96	200%
Roosevelt	1937	-35.02	31.09	-0.41	-9.77	-23%
Roosevelt	1941	-11.60	20.29	25.98	19.72	60%
Truman *	1945	36.45	-8.08	5.72	5.50	40%
Truman	1949	18.79	31.72	24.02	18.35	130%
Eisenhower	1953	-0.98	52.62	31.56	6.56	112%
Eisenhower	1957	-10.78	43.36	11.96	0.47	44%
Kennedy **	1961	26.82	-8.75	22.65	16.39	65%
Johnson	1965	12.35	-10.06	23.95	11.08	39%
Nixon	1969	-8.47	3.98	14.32	18.94	29%
Nixon ***	1973	-14.80	-26.49	37.27	23.61	6%
Carter	1977	-7.40	6.52	18.48	32.47	55%
Reagan	1981	-4.95	21.55	22.56	6.27	50%
Reagan	1985	31.73	18.67	5.25	16.61	92%
Bush	1989	31.69	-3.11	30.47	7.62	79%
Clinton	1993	10.08	1.32	37.58	22.96	89%
Clinton	1997	33.36	28.57	21.05	-9.11	89%
Bush	2001	-11.88	-22.10	28.69	10.87	-2%
Bush	2005	4.89	15.80	5.49	-37.00	-19%
Obama	2009	26.46	15.07	2.12	16.00	72%
Obama	2013	32.39	13.69	1.38	11.96	71%
Trump	2017	21.83				
Average		9.84	9.17	17.91	11.26	55%

Harry Truman replaced Franklin Roosevelt on April 12, 1945

<sup>\*\*</sup> Lyndon Johnson served out the term beginning on November 22, 1963

<sup>\*\*\*</sup> Gerald Ford served out the term beginning on August 9, 1974