



Craig's Corner | August 5, 2020

Economic Recovery & Politics

We are now within 100 days of the presidential election, and as we get closer to November, you will continue to hear debate about both political parties and the economy. Historically, the stock market performs better with a Democrat in the White House, rather than a Republican. From 1952 through June 2020, annualized real stock market returns under Democrats have been 10.6% compared with 4.8% for Republicans.¹ This data might surprise some people, but the results are primarily dictated by the economic business cycle during a president's term, rather than who is in office.² Taking a look even further back, if you are curious which president had the best Dow Jones Industrial Average, it would be President Calvin Coolidge with a 230.5% increase, followed by President Bill Clinton with a 228.9% increase.³

Consumer confidence and how quickly people return to some form of their pre-COVID lifestyles will likely play a major role in economic recovery. You could compare the uncertainty of today's environment with the existential threat George W. Bush faced post-2001 (replace terrorism with pandemic).⁴

Still, there are signs the economy is coming back. I just returned from a family vacation at a resort in the southeast. There were many precautions to keep everyone safe (wearing masks, social distancing, the pool and the sauna were closed). However, the resort was sold out and most activities were thriving! For example, the evening restaurant reservations were booked nearly the entire week before we arrived. This provided me an in-person, real-time snapshot of the current economy. While I acknowledge this isn't a full sampling, it did continue to validate the thought that recovery is slowly happening and people are moving forward.

As the days go on and fall approaches, schools will soon reopen with various learning options. I am confident that we can all agree that education is incredibly important. I will close this Craig's Corner with a timely quote the famous Irish poet, W.B. Yeats: "Education is not the filling of a pail, but the lighting of a fire."

Craig Robson
Founding Principal and Managing Director



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^[1] “We Looked At How The Stock Market Performed Under Every U.S. President Since Truman - And The Results Will Surprise You,” Forbes, July 23, 2020, <https://www.forbes.com/sites/sergeiklebnikov/2020/07/23/historical-stock-market-returns-under-every-us-president/#78380837faaf>

^[2] Jeremy Siegel, Stocks for the Long Run

^[3] Samuel Stebbins, “How the stock market performed under every president for the past 100 years,” USA Today, December 26, 2018, <https://www.usatoday.com/story/money/2018/12/26/stock-market-performance-dow-under-every-president-past-100-years/38775295/>

^[4] “We Looked At How The Stock Market Performed Under Every U.S. President Since Truman - And The Results Will Surprise You,” Forbes, July 23, 2020, <https://www.forbes.com/sites/sergeiklebnikov/2020/07/23/historical-stock-market-returns-under-every-us-president/#78380837faaf>