

# THE ECONOMIC FAILURE OF REPUBLICAN PRESIDENCIES

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Over the course of the last half century, Republican presidents have presided over near disastrous performance of the US economy while the economy has done well under Democratic presidents. During the fifty-six years following Eisenhower in 1961 through Obama in 2017, there have been five Republican and five Democratic presidents, each party having twenty-eight years in office to guide the US economy. This allows for very straightforward comparisons.

The following figures compare the 28 years of evolution of four important economic indicators under Republican presidents to the 28 years of evolution of those indicators under Democratic presidents. The comparisons are done by fiscal year, with fiscal years attributed to the president who was in office at the start of that year.

In Figure 1, one sees that the growth in Per Capita Inflation Corrected GDP (Gross Domestic Product) during the 28 years of Republican presidency amounted to 56% while the increase for the 28 years of Democratic presidency was 94%, almost a factor of two more.

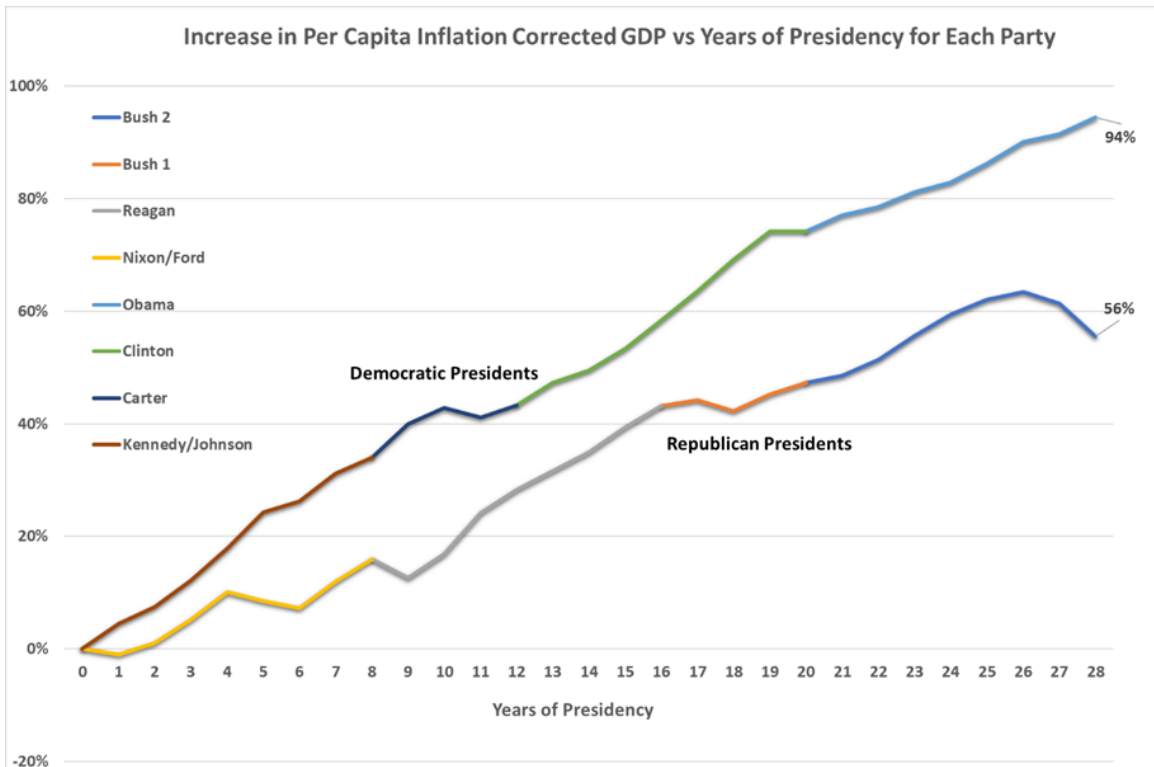


Figure 1

In Figure 2, a similar comparison is done for the Inflation Corrected S&P 500 stock market index, showing a growth under Republican presidents of 20% compared to a growth of 280% during the 28 years of Democratic presidents, a factor of 14 more.

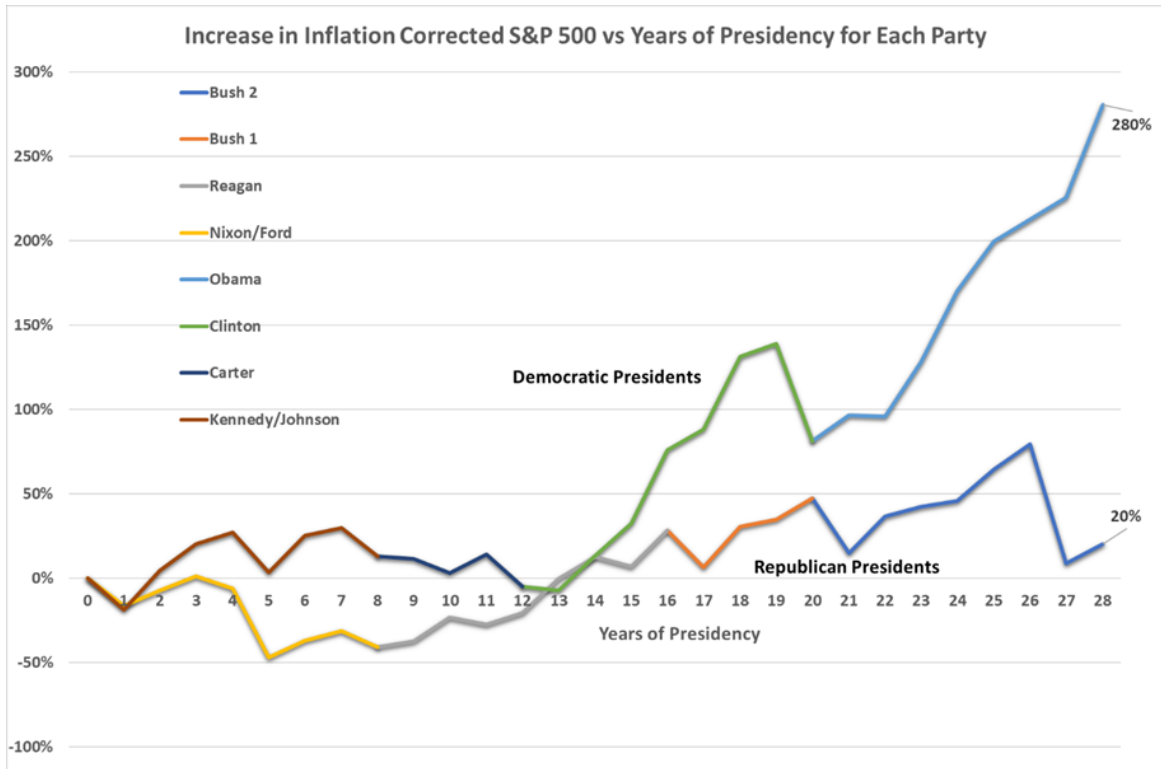


Figure 2

In Figure 3, the comparison is of the unemployment rate as it would have evolved from 6.7%, in 1961, for the 28 years of Republican presidents to that of the 28 years of Democratic presidents. As shown, the changes during Republican presidencies, in the absence of intervening Democrats, would have raised the rate to 21.3%, while the changes during Democratic presidencies, in the absence of Republicans, would have reduced the rate to 1.3%. This Republican unemployment rate of 21.3% is comparable only to that experienced during the great depression while the 1.3% rate which would have been produced by Democrats is lower than ever recorded.

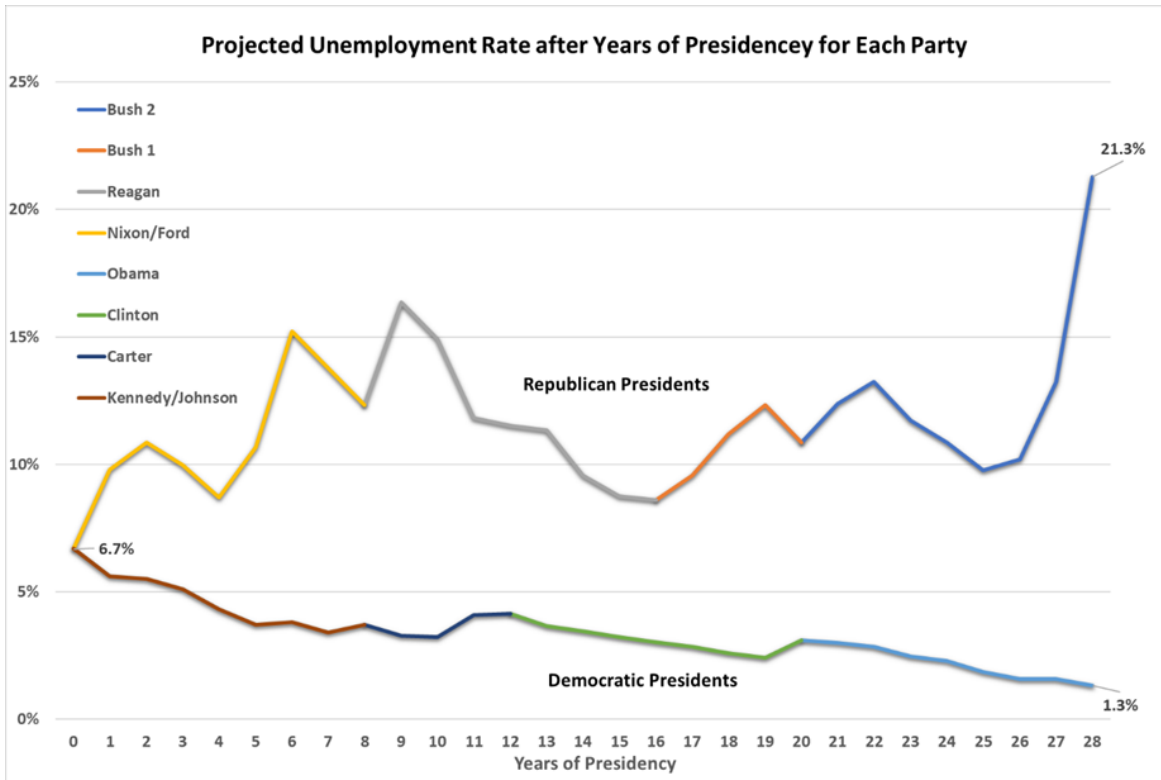


Figure 3

In Figure 4, the increase in the Total Federal Debt as a Fraction of GDP is shown for the 28 years of Republican presidents and for the 28 years of Democratic presidents. The total increase during Republican presidencies was 185% (not an increase of 85% but 185%) while during the 28 years of Democratic presidents, there was a decrease of 31%. This is especially remarkable given that Republicans much more frequently declare the importance of fiscal responsibility than do Democrats.

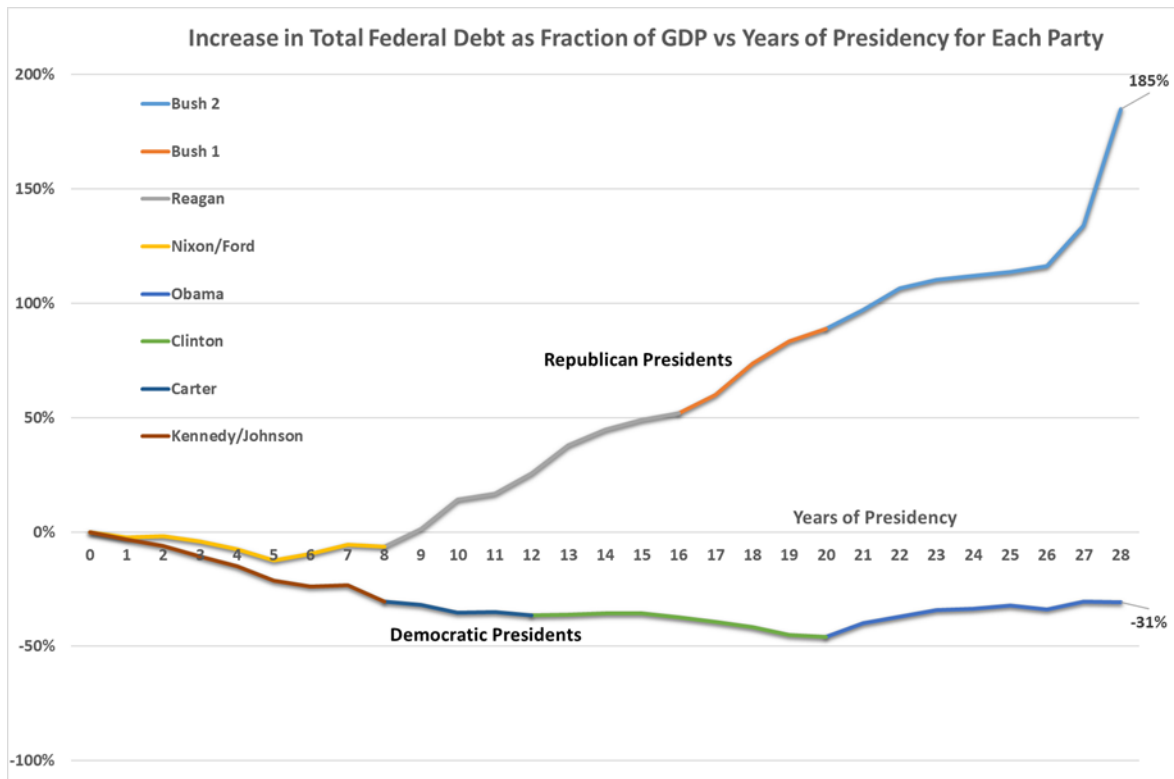


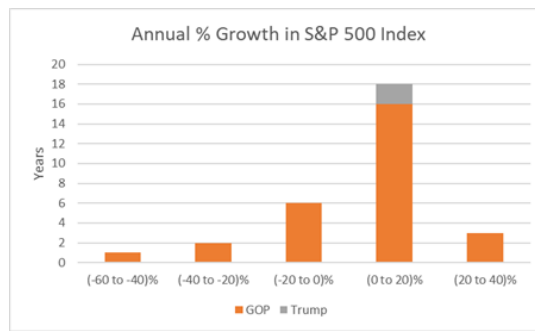
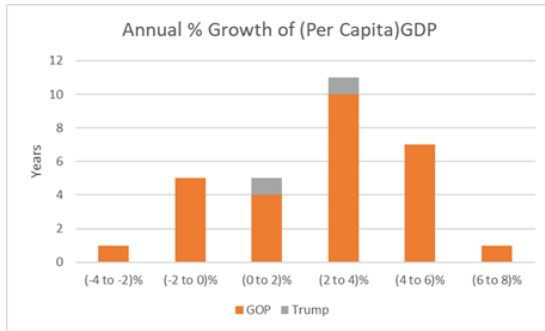
Figure 4

The above analysis of a half century of data clearly shows that Republican presidents are much worse for the US economy than Democratic presidents. While not as statistically significant, the data show that they are also worse for the household incomes of all but the wealthiest of Americans. More details of the analysis summarized here are available at

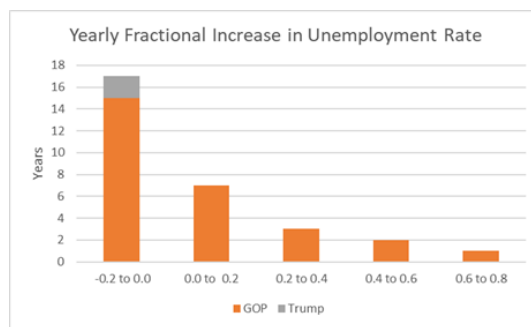
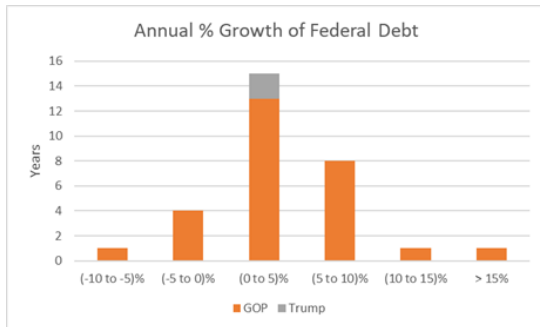
[http://www.bggibbard.com/?page\\_id=59](http://www.bggibbard.com/?page_id=59) .

What about President Trump? He claims to have done great things for the US economy. “Greater things than have ever been done by anyone for any economy” as he would be likely to phrase it. Has he done great things for the US economy and do his contributions change our conclusions about the economic performance of Republican presidents? Taking a quick look at his first two years, which exclude the pandemic and its potential disastrous impact on the economy, shows that he inherited an exceptionally good economy from his predecessor and incrementally improved it. In what areas and by how much did he improve it and how do those improvements compare to the economic improvements of previous Republican presidents? The following four Figures bin incremental annual changes for the four economic indicators shown above for Trump’s first 2 years (in gray) compared to the 28 years of other Republican presidents (in orange).

For the following Figures larger is better:



For the following Figures smaller is better:



Remarkably, in 7 out of 8 cases the Trump annual changes lie in the bin most populated by other Republican presidents’ changes. Within the limited statistical significance of two years of Trump data, he appears to be a very typical Republican president in terms of his effect on the economy. No adjustment in the conclusion stated above is indicated.

Economic performance can be evaluated objectively with mathematical analysis, unlike most of the other issues which distinguish Democrats from Republicans such as, health care, immigration, education, environment, foreign policy, etc. The analysis in this paper demonstrates that the economy performs dramatically better with Democratic rather than Republican leadership. No one should vote for a Republican president in the belief that Republican presidents are better for the US economy. As shown above, they very definitely are not.

References:

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