

## US Equities

# 100 Years of Presidential Elections & Equity Returns

Election Year	President Elected	Election Year S&P 500 Price Return	Following Year S&P 500 Price Return
2020	BIDEN	16.3%	?
2016	TRUMP	9.5	19.4%
2012	OBAMA	13.4	29.6
2008	OBAMA	-38.5	23.5
2004	BUSH, G.W.	9.0	3.0
2000	BUSH, G.W.	-10.1	-13.0
1996	CLINTON	20.3	31.0
1992	CLINTON	4.5	7.1
1988	BUSH, H.W.	12.4	27.3
1984	REAGAN	1.4	26.3
1980	REAGAN	25.8	-9.7
1976	CARTER	19.1	-11.5
1972	NIXON	15.6	-17.4
1968	NIXON	7.7	-11.4
1964	JOHNSON	13.0	9.1
1960	KENNEDY	-3.0	23.1
1956	EISENHOWER	2.6	-14.3
1952	EISENHOWER	11.8	-6.6
1948	TRUMAN	-0.7	10.3
1944	ROOSEVELT, F.	13.8	30.7
1940	ROOSEVELT, F.	-15.3	-17.9
1936	ROOSEVELT, F.	27.9	-38.6
1932	ROOSEVELT, F.	-15.1	46.6
1928	HOOVER	37.9	-11.9
1924	COOLIDGE	18.7	21.9
1920	HARDING	-24.5	7.4
1916	WILSON	3.4	-30.6

US Presidential elections have occurred during various periods of economic expansion, recession, inflation, wars, energy crises, and levels of stimulative fiscal and monetary policy. While these factors, along with many others, impact US equity market performance, another important concern for investors is how markets react to changes in the US Presidency. Let's take a look at what has happened over the last 100+ years, during 27 Presidential election cycles.

### Overall:

- The average price return of the S&P 500 Index during a Presidential election year was approximately 6.6% and 5.1% the following year.
- The S&P 500 generated a positive return in 20 Presidential election years (74% of the time) while 15 of the years following a Presidential election were positive (almost 58% of the time).

### When a Republican was elected (13 occurrences):

- The average price return of the S&P 500 Index during the Presidential election year was approximately 9.1% and the following year averaged 1.6%.

### When a Democrat was elected (14 occurrences):

- The average price return of the S&P 500 Index during the Presidential election year was approximately 4.2% and the following year averaged 8.6%.

### When a Republican was elected after a Democrat (6 occurrences):

- The average price return of the S&P 500 Index during the Presidential election year was approximately 3.4% and the following year averaged -2.3%.

### When a Democrat was elected after a Republican (6 occurrences):

- The average price return of the S&P 500 Index during the Presidential election year was approximately -2.8% and the following year averaged 17.8%.

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US Presidential elections are only one of many factors that move equity markets. While history doesn't repeat itself, it often rhymes, so it may be worthwhile to learn how, over the last 100+ years, the S&P 500 Index performed during both the election and subsequent year.

Talk to a financial professional or visit [www.aamlive.com](http://www.aamlive.com) to learn about potential investment opportunities today.

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S&P 500 Index is an unmanaged market capitalization weighted index used to measure 500 companies chosen for market size, liquidity and industry grouping, among other factors. It is not possible to invest directly in an index. Index performance does not reflect the deduction of any fees or expenses. **Past performance does not guarantee future results.** Returns shown are not indicative of any AAM product.

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