

Presidential market scoreboard: Reagan to Obama

President Ronald Reagan

President Reagan served from January 20, 1981 to January 20, 1989. His impact is hard to cover in a concise way, but his policies linger both in the current U.S. economic framework and in the minds of millions. "Reaganomics" is a term that is still used in economic and political conversations.

When President Reagan took office, the headline unemployment rate was 7.5 percent. Unemployment crept as high as 10.8 percent in December and January of his second year as president, but fell to 5.4 percent by the time he left. This second year — 1982 — was the only year the economy really got worse under his watch. Gross domestic product contracted 1.22 percent as unemployment peaked and inflation remained high at 8.4 percent.

However, the rest of Reagan's presidency was characterized by tremendous economic success. Inflation declined to 3.71 percent in 1983 and averaged 4.4 percent for the eight-year period. GDP growth turned positive and averaged about 3.8 percent per year. Much of this success was attributed to Reagan's position on taxes and the Job Training Partnership Act of 1982.

CHART: S&P 500 under Reagan administration

Black Monday (October 18, 1987) may have been the most significant stock market disruption to occur during Reagan's presidency. Equities climbed 54 percent during his terms in office.

President George Herbert Walker Bush

George H. W. Bush served from January 20, 1989, to January 20, 1993. While the Reagan Administration was characterized by robust economic growth, it left America saddled with a \$220 billion deficit, three times the size it was when President Reagan took office. Many of Bush's economic policies focused on reducing this deficit. Much like the current president, President H. W. Bush faced a divided Congress.

Unemployment was 5.4 percent when President H.W. Bush took office, peaked at 7.8 percent in June of 1992, and fell to 7.3 percent by the time he left. Inflation averaged about 4.5 percent while he was in office, and real GDP growth averaged about 2.8 percent.

CHART:

[S&P 500 during George H.W. Bush administration](#)

Unfortunately, President H. W. Bush's economic legacy is marred by a combative Congress. Combined with a mild six-month recession, he faced a dense environment in which to affect change, but equities still managed to climb nearly 30 percent during his term.

President Bill Clinton

President Clinton served from January 20, 1993, to January 20, 2001. One of the highlights of President Clinton's presidency was the economic boom that occurred during his time in office. Unemployment was 7.3 percent when President Clinton took office, and fell pretty much consistently to 4.2 percent by the time he left. Inflation averaged about 2.5 percent during the Clinton Administration. Real GDP growth averaged about 3.8 percent during his terms in office.

One of President Clinton's most economically significant acts as president was to sign the North American Free Trade Agreement, which revitalized the North America trade bloc. All told, President Clinton presided over the longest peace-time economic expansion in U.S. history, and logged a budget surplus for the last three years of his presidency.

CHART:

[S&P 500 during Clinton administration](#)

Equities climbed nearly 150 percent during the Clinton Administration.

President George W. Bush

President George W. Bush served from January 20, 2001, to January 20, 2009. Just eight months into his presidency, the September 11 terrorist attacks occurred, setting the tone for many of the policies his administration would pursue. The attacks and subsequent military action in the Middle East increase government spending tremendously. Federal spending increased nearly 60 percent during his time in office.

When President Bush took office in January 2001, unemployment was just 4.2 percent. However, come 2009 the financial crisis was already having its way with the economy and unemployment had surged to 7.8 percent. It's worth pointing out that before the crisis took hold, unemployment climbed only as high as 6.3 percent. Inflation averaged 2.84 percent and real GDP growth averaged 1.6 percent during his presidency.

CHART:

[S&P 500 during George W. Bush administration](#)

Equities fell 46 percent during the Bush Administration, largely thanks to the financial crisis.

President Barack Obama

President Barack Obama began his term as president on January 20, 2009, and is still in office. His economic legacy to date is largely tied up in the response to and recovery from the economic crisis that was still ravaging the economy when he took office. (That, [plus healthcare reform](#), which is as much an economic issue as anything.)

When President Obama took office, unemployment was 7.8 percent. The headline rate peaked at 10.0 percent in October of 2009, and has come down more or less steadily to 7.4 percent as of July 2013. During this time, inflation has averaged about 1.8 percent and real GDP growth has averaged about 1.5 percent.

CHART:

[S&P 500 during Obama administration](#)

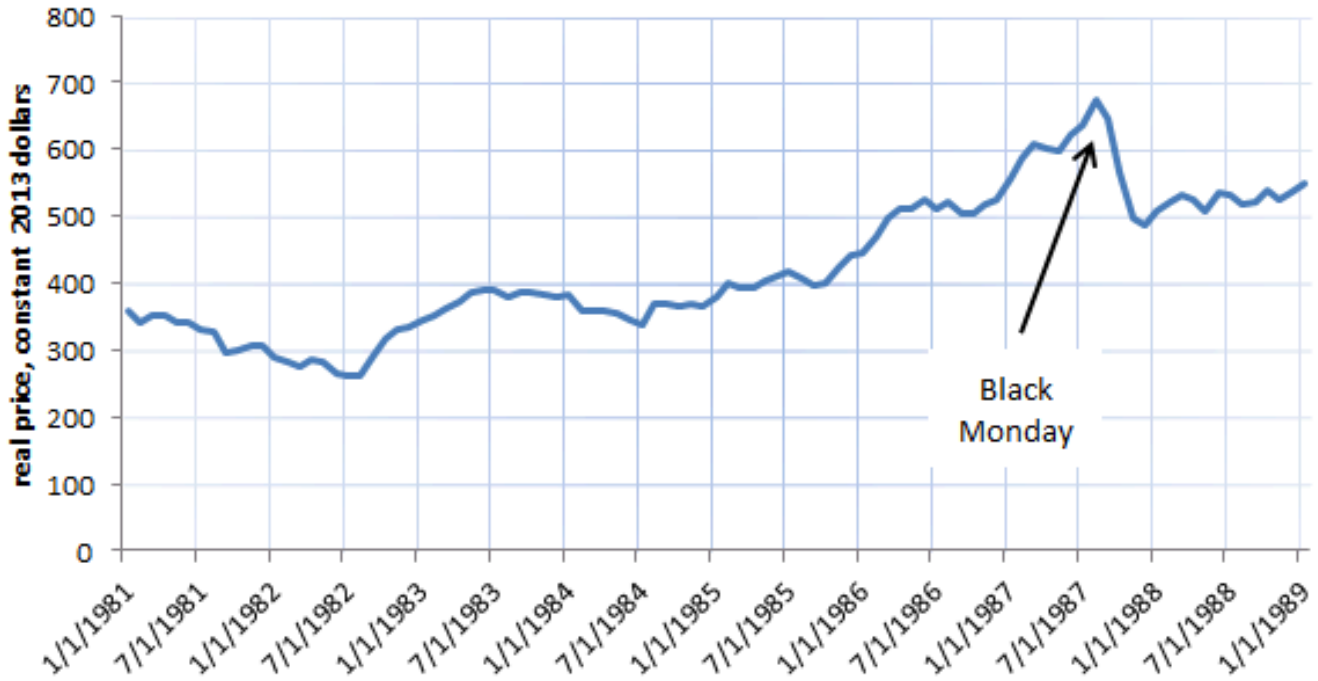
Through the beginning of August, equities have climbed about 78 percent. This rally has been characterized by highly accommodative monetary policy, which many argue has ar-

tificially increased equity valuations.

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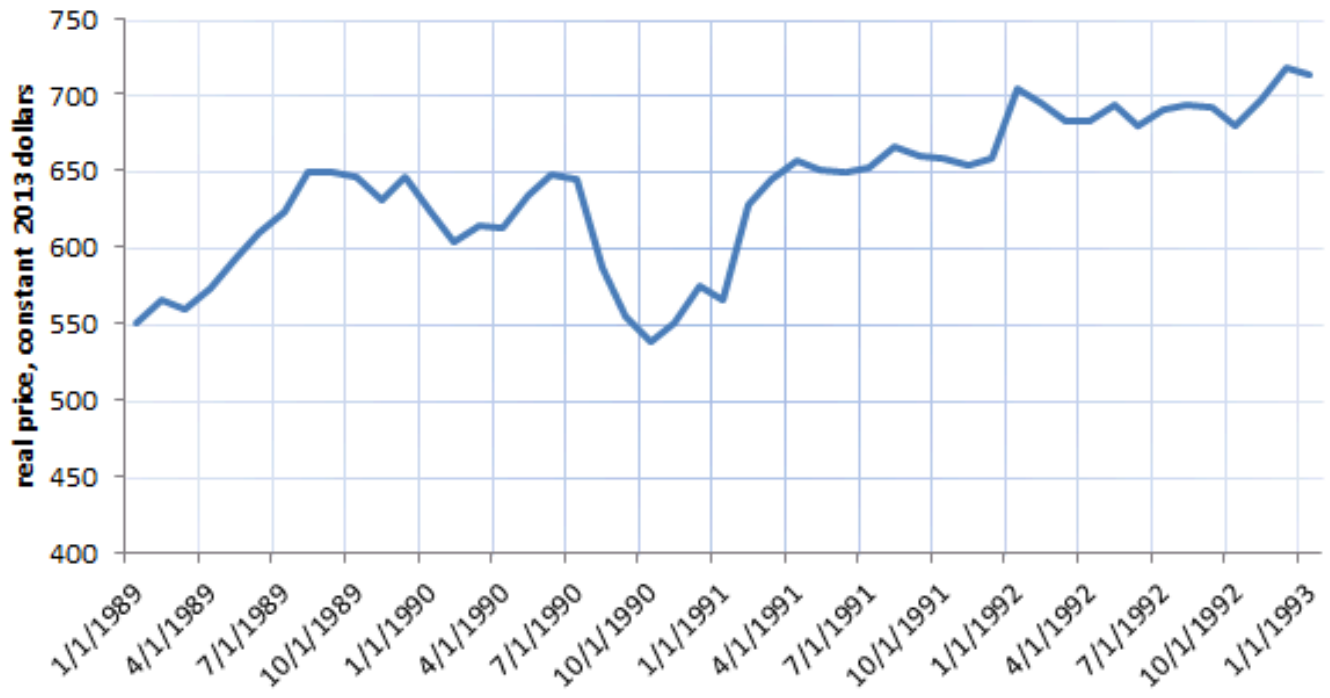
S&P 500 under Reagan Administration

Jan. 20, 1981 - Jan. 20, 1989



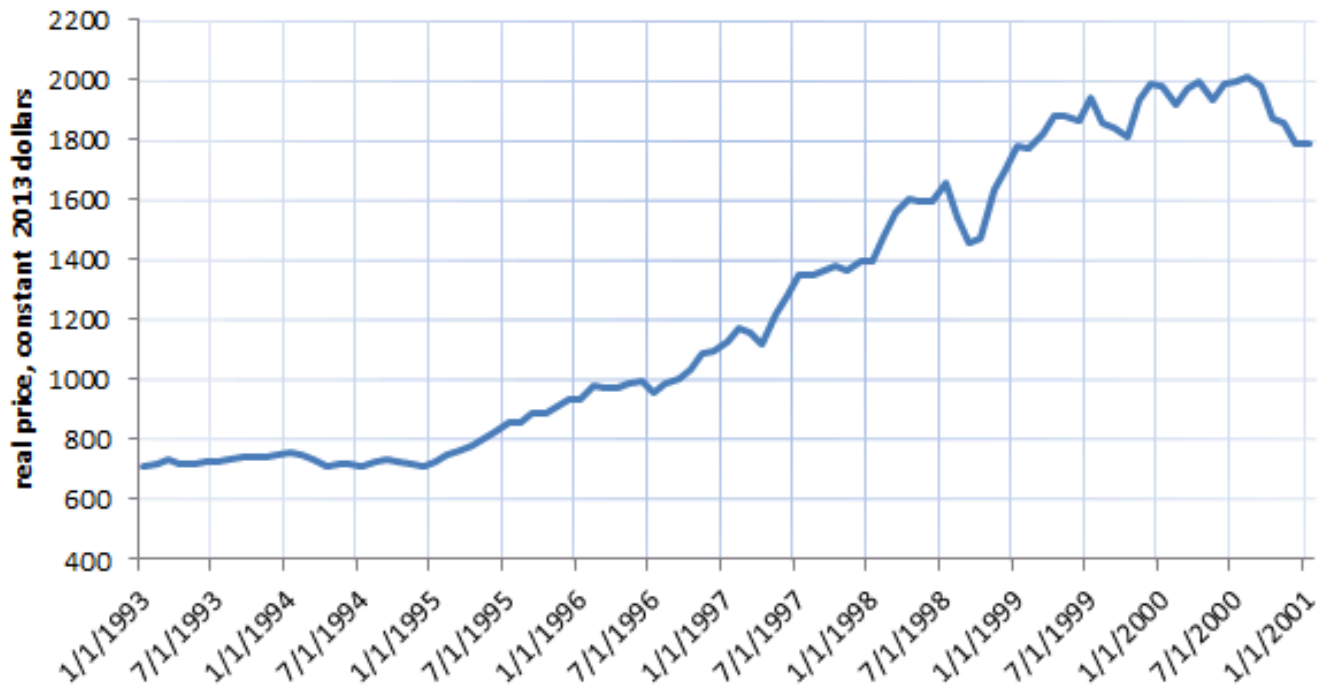
S&P 500 during H. W. Bush Administration

Jan. 20, 1989 - Jan. 20, 1993



S&P 500 during Clinton Administration

Jan. 20, 1993 - Jan. 20, 2001



S&P 500 during Bush Administration

Jan. 20, 2001 - Jan. 20, 2009



S&P 500 during Obama Administration

Jan. 20, 2009 - Current

