

# THE JKA REPORT

AN INVESTMENT NEWSLETTER FOR CLIENTS & PROSPECTS



## Presidential Election Years Have Been Good for Investors

Elections can create uncertainty, but sitting on the sidelines could be a costly mistake.



STOCKS HAD A POSITIVE RETURN IN **83%** OF PRESIDENTIAL ELECTION YEARS

Election Year	President Elected	S&P 500 Index Total Return (%)
1928	Hoover	43.61
1932	Roosevelt	-8.19
1936	Roosevelt	33.92
1940	Roosevelt	-9.78
1944	Roosevelt	19.75
1948	Truman	5.50
1952	Eisenhower	18.37
1956	Eisenhower	6.56
1960	Kennedy	0.47
1964	Johnson	16.48
1968	Nixon	11.05
1972	Nixon	19.00
1976	Carter	23.93
1980	Reagan	32.50
1984	Reagan	6.27
1988	Bush (H.W.)	16.61
1992	Clinton	7.62
1996	Clinton	22.95
2000	Bush (W.)	-9.10
2004	Bush (W.)	10.88
2008	Obama	-37.00
2012	Obama	16.00
2016	Trump	11.95
2020	Biden	18.40

DURING PRESIDENTIAL ELECTION YEARS, STOCKS AVERAGED A GAIN OF **2.78%** IN THE FIRST HALF VS. **9.34%** IN THE SECOND HALF

Republican Democrat

*"There's nothing wrong with wanting your candidate to win, but investors can run into trouble when they place too much importance on election results. That's because elections have, historically speaking, made essentially no difference when it comes to long-term investment returns."*

*"Presidents get far too much credit, and far too much blame, for the health of the U.S. economy and the state of the financial markets, says Capital Group economist Darrell Spence. There are many other variables that determine economic growth and market returns and, frankly, presidents have very little influence over them."*

*"By design, elections have clear winners and losers. But the real winners were investors who avoided the temptation to base their decisions around election results and stayed invested for the long haul."*

Sources: Past performance does not guarantee future results. Indices are unmanaged and not available for direct investment. S&P 500 Index is a market capitalization-weighted price index composed of 500 widely held common stocks. Data Source: Morningstar. 3/24. Capital Group, RIMES, Standard & Poor's. Chart shows the growth of a hypothetical 1% investment made on March 1, 1933 (the date of Franklin D. Roosevelt's first inauguration) through December 31, 2023. Date of part control are based on inauguration dates. Values are based on total returns in USD. Shown on a logarithmic scale. Past results are not predictive of results in future periods. Investments are not FDIC-insured, nor are they deposits or guaranteed by a bank or any other entity, so they may lose value. Investors should carefully consider investment objectives, risks, charges and expenses. This and other important information is contained in the fund prospectuses and summary prospectuses, which can be obtained from a financial professional and should be read carefully before investing. Statements attributed to an individual represent the opinions of that individual as of the date published and do not necessarily reflect the opinions of Capital Group or its affiliates. This information is intended to highlight issues and should not be considered advice, an endorsement or recommendation. All Capital Group trademarks mentioned are the property of their respective companies. Use of this website is intended for company or fund. All other company and product names mentioned are the property of their respective companies. Use of this website is intended for U.S. residents only. Use of this website and materials is also subject to approval by your home office, American Fund Distributors, Inc. This content developed by Capital Group, home of American Funds, should not be used as a primary basis for investment decision and is not intended to serve as impartial investment or fiduciary advice. The foregoing information has been obtained from sources considered to be reliable, but we do not guarantee that it is accurate or complete. It is not a statement of all available data necessary for making an investment decision, and it does not constitute a recommendation. Any opinions are those of Jerry K. Ask and not necessarily those of Raymond James.

\*Excerpt taken from Capital Group-American Funds article 3 mistakes investors make during election years-3/24

# Which political party has been better for investors?

Investing during an election year can be tough on the nerves, and 2024 promises to be no different. Indeed, politics can elicit strong emotions and biases, but investors would be wise to tune out the noise and focus on the long term.

That's because elections have, historically speaking, made essentially no difference when it comes to long-term investment returns.

What should matter more to investors is staying invested. A \$1,000 investment in the S&P 500 made when Franklin D. Roosevelt took office would have been worth over \$21 million as of December 31, 2023. During this time there have been eight Democratic and seven Republican presidents.

Current economic and political challenges may seem unprecedented but a look at past election cycles shows that controversy and uncertainty have surrounded every campaign. And in each case the market has continued to be resilient over time. Successful investors stay the course and rely on time in the market rather than timing the market.

**Bottom line:** U.S. stocks have trended up regardless of whether a Democrat or Republican won the White House.

## Growth of a hypothetical \$1,000 investment in S&P 500 Index

