



## The Economy Under Democratic vs. Republican Presidents

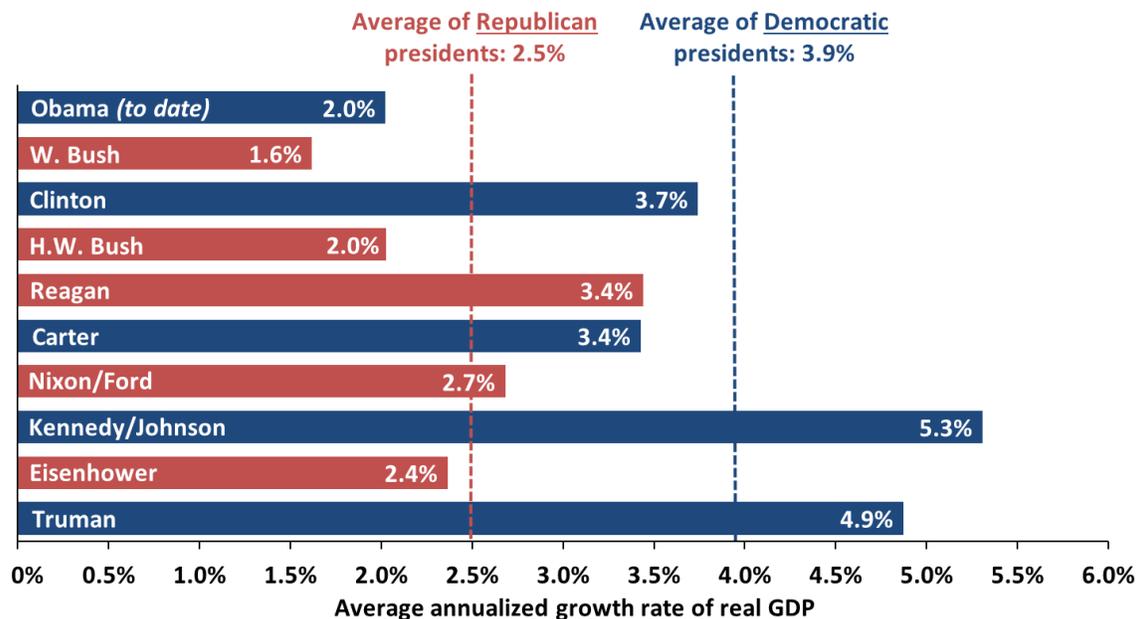
The Republican Party [claims](#) to be “the party of maximum economic freedom and the prosperity that freedom makes possible.” However, an analysis of economic performance since World War II under Democratic versus Republican presidents strongly suggests that claims that Republicans are better at managing the economy are simply not true. While the reasons are neither fully understood nor completely attributable to policy choices, data show that the economy has performed much better during Democratic administrations. Economic growth, job creation and industrial production have all been stronger.

In fact, a [recent paper](#) by economists Alan Blinder and Mark Watson states: “The superiority of economic performance under Democrats rather than Republicans is nearly ubiquitous; it holds almost regardless of how you define success.” Fact-checking groups have investigated similar statements and have found [time](#) and [time again](#) that they are [true](#). Moreover, [past research](#) shows that stock market [returns](#) are also [higher](#) under Democrats.

*“The answer, while hardly a secret, is not nearly as widely known as it should be. The U.S. economy performs much better when a Democrat is president than when a Republican is.”*

*- Alan Blinder and Mark Watson,  
Economists, Princeton University*

### The Economy Has Grown Faster Under Democratic Presidents



**Real GDP has grown about 1.6 times faster under Democrats, on average**

Source: JEC Democratic staff calculations based on data from the Bureau of Economic Analysis (updated through Q4 2015, second estimate)

Notes: GDP data begin in Q1 1947 (when data became available), while President Truman took office in Q2 1945; weighted average for Republican and Democratic presidents adjusts for number of terms and incomplete data for Presidents Truman and Obama; average annualized growth rate by president is calculated as change from Q1 of year assumed office to Q1 of year left office



The charts in this document update and expand upon the analysis in the Blinder and Watson paper. They include more recent data for both gross domestic product (GDP) and employment, as well as revisions to past data that have occurred since their paper was written. The charts also go back further to include all available data for the Truman presidency, though GDP data are only available beginning in 1947.

The data show that, since World War II, the economy has performed substantially better under Democratic presidents. On average, real (inflation-adjusted) GDP has grown about 1.6 times faster under Democrats than under Republicans. While the strong performance under Presidents Truman, Kennedy and Johnson certainly contributes to this gap, the starting point does not matter: GDP has grown faster under Democrats regardless of whether the analysis begins with President Truman, President Kennedy or President Reagan.

The findings for private-sector job growth are even more striking: businesses have added jobs at a nearly 2.5 times faster rate under Democrats than under Republicans, on average. In fact, the private-sector job growth gap between Democrats and Republicans is even greater than the gap when including government jobs.

These results should be interpreted with caution, since numerous external factors can impact the economy, including demographic trends, the strength of foreign economies and actions by the Federal Reserve. The Blinder and Watson paper concludes that the “large and significant” performance gap between the economy under Democrats and Republicans is predominantly due to factors that “might be considered blends of good policy and good luck,” in particular lower oil prices and higher productivity growth. But as Dr. Blinder pointed out to *FactCheck.org*, presidents may inadvertently affect these factors while pursuing other objectives. For example, he [wrote](#): “the fact that we entered several wars in the gulf area (the latest in 2003) under Republican presidents, thereby driving up oil prices, was not just luck – it was policy, though not economic policy.”

