First Trust

S&P 500 Index Returns In U.S. Presidential Election Years

There are many factors that impact stock market returns, but one common concern of investors is how the stock market will be impacted by a change in America's President. In past election years, the S&P 500 Index has seen more positive performance than negative. Below we take a look at S&P 500 Index performance during presidential election years, which have historically provided positive gains for stocks.

S&P 500 Index Total Returns During Presidential Election Years (1928-2012)

U.S. Presidential Election Results	Average Return
A Republican was Elected	15.6%
A Democrat was Elected	7.6%
All Election Years	11.25%

Observations

There have been 22 elections since the S&P 500 Index began. In these election years:

- 18 of the 22 years (82%) provided positive performance
- When a Democrat was in office and a new Democrat was elected, the total return for the year averaged 11.0%
- When a Democrat was in office and a Republican was elected, the total return for the year averaged 13.2%

Historical U.S. Presidential Election Results

Election Year	President Elected	S&P 500 Index Total Returns
2012	Obama	16.0%
2008	Obama	-37.0%
2004	Bush W	10.9%
2000	Bush W	-9.1%
1996	Clinton	23.1%
1992	Clinton	7.7%
1988	Bush HW	16.8%
1984	Reagan	6.3%
1980	Reagan	32.4%
1976	Carter	23.8%
1972	Nixon	19.0%
1968	Nixon	11.1%
1964	Johnson	16.5%
1960	Kennedy	0.5%
1956	Eisenhower	6.6%
1952	Eisenhower	18.4%
1948	Truman	5.5%
1944	Roosevelt	19.8%
1940	Roosevelt	-9.8%
1936	Roosevelt	33.9%
1932	Roosevelt	-8.2%
1928	Hoover	43.6%

Data Source: Morningstar/Ibbotson Associates.