



# Adriaan DeVilliers

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For a Better District 71

## USA STOCK MARKET v GDP



Many people have a misunderstanding of what the stock market is, including ex-president Trump. During his presidency, Trump routinely praised himself that the economic performance of the USA was at an all-time high due to his actions, and then he would quote the stock market index to “prove” that.

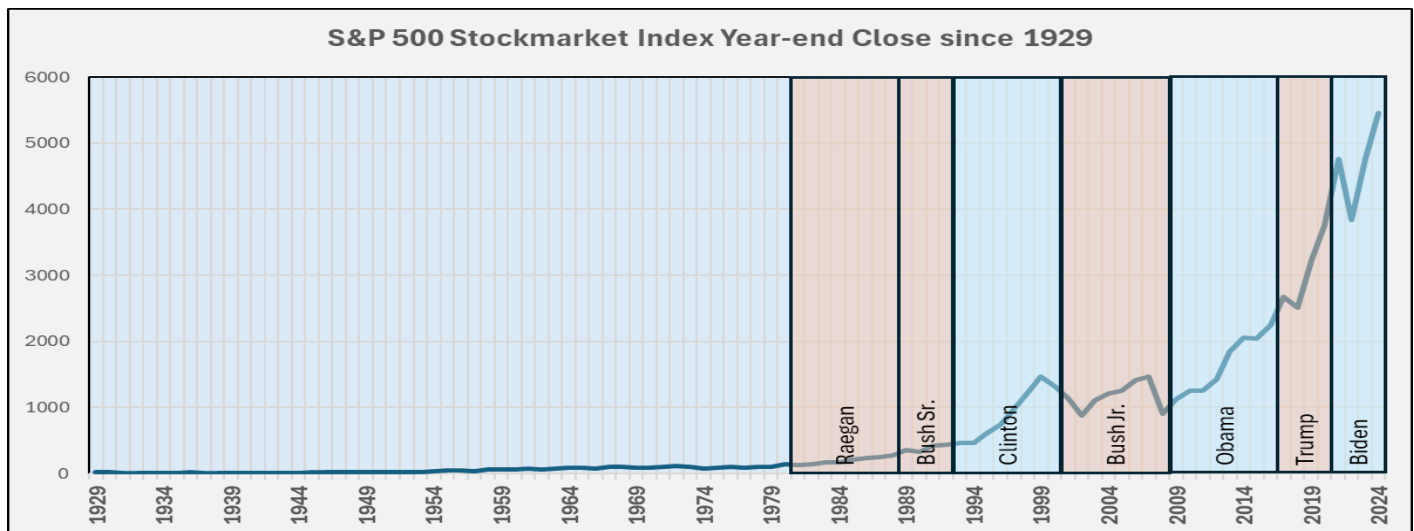
The fact is that except for ex-president Bush Jr., every president, regardless of party, could make the claim that the stock market reached an all-time high during their presidency. Bush Jr. was less fortunate in that outside forces handed him the 911 terror attacks and the resultant wars that followed. However, his administration could have avoided the collapse of the housing market and banking systems, if they were not so reckless with deregulating the banks. Deregulation of the banks led to reckless lending practices with limited checks and balances to ensure that they had enough capital on-hand, and to check the financial health of borrowers.

When a business is listed on the stock market, it means that they sell small portions, called stocks or shares, to the public who then buy and sell those shares on the stock market. Generalizing, the value of such a company is calculated by the number of shares in the market, multiplied by the price per share, the “Market Cap”.

Analogous to the “basket of goods” used to track inflation, a stock market index tracks the value of a “basket of shares” from select companies, over time. There is more than one stock market index, and each one tracks a different “basket of stocks). For example, the S&P 500 index has a “basket of stocks” comprising of the top 500 companies in the USA.

In a very, very broad sense, there is a loose relationship between a stock market index, and the economic performance of the country, but remember, only about 13% of U.S. companies with over \$100 million in revenue are publicly traded on stock exchanges such as the New York Stock Exchange (NYSE) or NASDAQ.

Source: Any Reputable Stock Market Broker in the USA





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Trump’s misunderstanding of the economy vs the stock market, is stunning to say the least, yet he repeats that disinformation over, and over again, until an average person becomes confused.

To set it straight, there is one metric that economists agree on as the most closely tracking the economy of a country, and that is GDP ... Gross Domestic Product. GDP essentially equates to the economic output of a country in dollar terms, per person (per capita). When GDP is listed under each president, the picture quite vividly shows that GDP under Democratic presidents, far outperform that under GOP presidents.

‘What Trump probably hates more than anything, is that GDP under his leadership was the worst in history, and less than half under Biden’s administration.

**Real GDP Growth Rate by U.S. President 1947 (The quarter in which a new president takes office is attributed to the incoming president)<sup>[12]</sup>**

President	Political party	Period of presidency	Average annual real GDP (in trillions)	Average annual percentage growth
Harry S. Truman (data available from 1947)	Democratic	1945–1953	2.43	4.88%
John F. Kennedy	Democratic	1961–1963	3.79	4.35%
Lyndon B. Johnson	Democratic	1963–1969	4.70	5.30%
Jimmy Carter	Democratic	1977–1981	7.07	3.27%
Bill Clinton	Democratic	1993–2001	12.25	3.88%
Barack H. Obama	Democratic	2009–2017	17.71	1.67%
Joe Biden	Democratic	2021–present	21.87	3.43%
Dwight D. Eisenhower	Republican	1953–1961	3.17	3.03%
Richard M. Nixon	Republican	1969–1974	5.60	3.50%
Gerald R. Ford	Republican	1974–1977	6.17	1.55%
Ronald W. Reagan	Republican	1981–1989	8.33	3.48%
George H. W. Bush	Republican	1989–1993	10.09	2.24%
George W. Bush	Republican	2001–2009	15.62	2.21%
Donald J. Trump	Republican	2017–2021	20.18	1.42%

**Please read my other Fact Sheets to get a deeper understanding of the economy and why the Democratic Party is the only sensible choice in November 2024.S**