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Predicting Depressions with Presidential Regressions

The purpose of this project was to determine the effect of a President's political affiliation on the growth of the United States' economy by analyzing the National Gross Domestic Product, and also which party generates a large economic growth. The Republican Party would have the larger economic growth. This was hypothesized because the Republican Party is based on the fundamentals of capitalism and competition. The party believes that lower taxes, free trade, and the invisible hand drive the economy to maximum growth. Multiple trials were completed for each political party. The experiment averaged all the data for every year a Republican held the presidency from 1900-2010, as well as every year a Democrat held the presidency. The average economic growth was calculated for each party. The Republican Party averaged an economic growth of 2.33% and an inflation rate of 2.01%. The Democratic Party averaged 4.46% economic growth, and the party also had an inflation rate of 4.19%. The hypothesis was incorrect after the data was collected and the results were calculated. The Republican Party averaged a smaller economic growth in all trials. However, once the results were analyzed, there were factors that were not taken into account in the original hypothesis. Inflation has an interesting effect on the experiment. With inflation rates similar to the growth rate, it means that the economy is growing, but in the consumer's eyes nothing is changing due to inflation. The inflation rate almost cancels out the economic growth entirely for both parties.