

*A Comparative Analysis of the Impact
of U.S. Presidential Economic Policies;
from Kennedy to Obama.*

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15 January, 2008

This document was begun based the research I did for a debate which I had in 2006.

Updated as of: 3 November, 2016

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Introduction

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Most people have a variety of reasons for holding the opinions that they have of each American President. Among the many issues typically discussed, economic policies are usually one of the most important. Yet, when you ask a person “*Who are the presidents you consider to be the best?*”, predictably the ones belonging to one's own party are favored. What makes a “good president” can differ depending on what criteria one has. But of the many issues, economic policies are probably the easiest to measure with confidence. Moreover, economics is one of the few issues that usually weighs most heavily on most minds. There are a number of factors to be considered, and in their combined totality they can paint a clearer picture. It won't suffice to simply say “*President Example is great because unemployment is lower*”.

That same President might have imposed many unconstitutional policies. That example President may have begun an unpopular war without just cause, or instituted excessive military spending, or had terrible domestic or foreign policies. That example President could issue executive orders that deny civil rights to millions of citizens based on their sex, or skin color, or sexual orientation – of which, one could reasonably argue makes him or her the worst President instead of the greatest. That example President could have ordered a criminal act, a burglary – let's say. So, for all the different possible factors that could be argued as to why so-and-so is a better President than another, this document will focus on the overall impact on Americans of each President's policies on the economy. All other considerations are left at the door for the sake of this analysis.

What this analysis focuses on is the economic portion, as a whole, of a Presidential legacy. It's important to understand that this analysis does not look at each state or region or county, but is discussing the nation on the whole. If a region or state or county is economically in worse condition while the data shows economics is better nationally, this is harder to pin on the President. The first people I'd want to look at if an area is economically suffering while the nation is doing better is the

governor and legislature of the state and the local governments of the county or city. If you'll excuse blatant partisanship for a moment, the data I've seen suggests that Republicans are generally not so good on economics as Democrats. I say this during the 2016 election in which so many supporters of Donald Trump live, for the most part, in strongly Republican controlled states. There very well may be regions or states with lagging economies and suffering people, which many of Trump's supporters claim is their motivation – *“the economy is bad”* they say. This distinction strikes me since nationally, the data shows the economy to be significantly better off than when Obama took office. It is clear that Obama's Presidency has been largely concerned with stabilizing the economy after George W Bush's administration, and things are back on track compared to when Obama took office. He really has led us out of the metaphorical 'dark times' – at least on the national scale. Since most Trump supporters are Republicans, living in states with Republican majorities, with Republican governors and Republican legislatures, and since the data historically shows Republicans to be not as good as Democrats economically for the people, there is only one thing I can see which explains things, if we take many Trump supporters at their word about their economic concerns.

The numbers are broken down by specific indicators, but the to have a good grasp on what the economic policies mean is to see multiple combined indicators. The combination is vital. For example, the unemployment rate is important but if 50 million jobs are lost in one year and 100 million new jobs are created the next year that would look great as a net gain of 50 million more jobs, though that can be misleading if taken alone. If 50 million people lost their jobs and then got a new job and it pays \$10 less per hour, then obviously those people are in a worst position than they were before they lost their old jobs. Sure, it's better to have a job than to have no job at all. But, earning less is a strong disadvantage in the real world. So, enter the importance of considering other data points. If unemployment is down because there are many new jobs created, that's great but what about the income level? Let's say the median household income has risen over the previous year in coincidence with unemployment going down because of new jobs, that means more people are earning more than they did before. If the hypothetical 50 million people lost their jobs last year and now have new jobs this year, and the median household income is up over where it was last year, that reasonably indicates that many of those new jobs pay better than the jobs that were lost. But, then there are the other factors. If national median income suggests people earn, say, \$500 more this year but inflation rate was also up by, say, 5% more

this year it means that the wages have essentially stagnated since last year. The income may be up but so are prices meaning people are basically earning the same spending power, or possibly a little less or even negligibly more. So, there's three different data points which must be taken together, just in that example.

Another important factor is median household debt. Like the median income, half of all people are below and half have more debt. So, what we want to know is what is the relationship or correlation of change from last year to this year in both the median debt and the median income. Now, as an aside, there are two different kinds of debt handled in this analysis – national debt is one, the other is the household debt. Household debt is the kind that you, personally, owe as opposed to the debt of the national government and thus the taxpayers, as a whole. The national debt matters for other reasons when talking about economics and how it affects each person. But, here we want to consider the household debt in relation to the household income. If you have \$100,000 in household debt and your household earns \$10,000 per year, and assuming there's absolutely no other expenses, like rent or mortgage, insurances, groceries, gas, electricity, phone, etcetera, then it would take 10 years to pay off that debt if all income went to it. Naturally, what people want to see is the household debt go down while household income goes up. So, if unemployment is down because of new jobs, that's good, if those new jobs largely pay better, that's good too, if the inflation rate keeps the value of the dollar roughly close to what it was last year, that's also good, and if household debt decreases that too is good, but altogether these things are really good. It's where everyone wants to be, earning more, with relatively more purchasing power of that income, and with less debt gnawing at your ability to accumulate wealth.

Now, look at total Gross Domestic Product, that is the total amount of money earned by businesses and people collectively in the whole nation. If it goes up that means there's more money being made, on the whole, in the economy, particularly in the sense of more value – not to be confused with printing and minting more currency. The “percent of change in GDP” tells us how much more GDP there was this year than there was last year. This is a direct measure of the growth in the GDP, while the measure of GDP is the measure of total wealth in the nation. So, as with anything we want to see growth year-after-year in total wealth. Total production is that wealth changing hands within the economy, meaning companies and people are earning wages and profits. If GDP stagnates people and companies can still

earn money, at least in the short term – perhaps a year or two. But, if it stagnates it also undermines investor confidence which means people start pulling their investments out of the economy and that hurts, bad. But, there's also a relationship between growth in GDP and median household income. If the GDP grows but the median household income drops, one can reasonably conclude that the wealth gap between the top earners and the lower earners expands. In a year, a lower median household income and a higher GDP essentially directly implicates the rich getting richer and the poor getting poorer.

I have used the purest data sources that I could find. I have avoided relying on reports from potentially biased companies or news sources. Since one lone data point may seem favorable to a particular president, the totality of several data points becomes a stronger case. What must be considered in evaluating the economic environment is not restricted to what profits corporations are making. As we all know, a nation is made up of many people – in the case of the United States, it's currently over 310 million people – and it is their ability to pay their bills, to buy things, to feed themselves and their families, etc, that really matters. A swimmer could be an Olympic gold medalist, but it doesn't matter if the swimming pool is toxic. That is to say, logically, the economy must necessarily be considered as something that is deeply damaged when too many people cannot afford to spend money. Companies can't pay their bills and provide dividends to shareholders on the good wishes of poor people. So, there are the other factors to be weighed as well – such as: unemployment rate, inflation rate, national debt, surpluses or deficits in budget funding, annual growth in Gross Domestic Product (GDP), etcetera.

The annual growth of the GDP could be quite good for many years straight, but if unemployment stays high or grows over that time it indicates a weaker purchasing capacity of the nation as a whole. With high, or growing, inflation what is indicated is that the purchasing power – what you can get for each dollar – is declining. A growing GDP is deceptive while the inflation rate is growing, or stays high, because while the straight numbers look like there's more money being made, the value of the dollar is weaker. The economy stagnates if the GDP, for example, grows by 1% while inflation is 10% in the same year. Thus, the percent of growth of GDP must be greater than the percent of inflation in order for there to be an actual improvement in the total economic growth. Another example, imagine if you earned \$100 last year and that same year a gallon of milk cost \$1, this year you earned \$110 but a gallon of milk this year also cost \$1.10, we can say then that you did not actually earn more money in so far as it

reflects on your purchasing power. Despite the extra total number of dollars you earned, you cannot buy any extra gallons of milk compared with last year – this is keeping pace with the increase in cost of living. It's treading water but not getting anywhere.

Further, while any growth in GDP may seem to indicate an overall increase in economic activity, if the unemployment rate increases it may, fairly, indicate that local employment sectors are being closed down. Companies are sending those jobs overseas, the outsourcing of work. When GDP goes up and unemployment goes up we can say the distribution of possession of money is shifting more into the bank accounts of the wealthiest. Matching increase in GDP and unemployment means companies continue to pull in more money but the workers are losing their jobs. The companies are making more money while spending less, and fewer workers are earning money. While companies love profits, this phenomenon indicates terrible shortsightedness. As the money concentrates into the hands of the few the flow of money dries up and this is toxic for companies in the long-run. Companies necessarily depend on the population being able to afford to buy their products and services, as unemployment grows fewer spend money. Those that can spend can only spend less as they must take care of unemployed family members. So, high GDP and strong GDP growth rate is good, but inflation and unemployment rates must steadily remain low for it to mean anything good.

As you may have noticed by now, each factor has a relation to other factors. For instance, the budget deficit grows the national debt. Obviously if your budget is greater than your income, you must borrow to pay for the excess in spending over your income. Well, this is basically what happens with budget deficits even at the federal level. And thus, the national debt is increased, as if our government used a gigantic credit card to pay for the budgeted items. Year-after-year, this process builds up the national debt. Of course, when you've got a budget surplus you have extra money left over because you spent less than your income, and that surplus can be used to help pay down your debt. This has a double-sided affect, not only paying off some of the debt making it lower, but also not adding to the debt.

The issue to remember about National Debt is that while it's true our government borrows from other nations, our government also borrows against the future. In fact, most of the National Debt is not in the form of loans from another government, but an IOU signed on behalf of the taxpayers. This is to say, much of the National Debt really is a promise of future payment from taxpayers to the congress.

Yes, this means that to enjoy your brand new Ultra HD widescreen LED TV you've promised that your grandchildren will pay for it. There are only two possible ways for us to pay this National Debt – increased taxes generating increased revenue for the government to apply toward the debt, and budget cuts. The problem with budget cuts, favored by conservatives, is that there are many items on the budget that even the conservatives refuse to cut. Moreover, those items that conservatives refuse to cut tend to be the biggest expenses. This is called being “penny smart and dollar foolish”. Many low budget items are just as necessary as big budget items. Yet, to take this approach means that even if you cut virtually every small ticket item you might not have cut enough. The big budget items must receive the first cuts. Still, there's only so much that can be cut from the budget, and taxes will still remain necessary. Certainly the wisest approach is a balanced one. It's good to find and eliminate excess spending and bureaucratic waste, but taxes will need to be raised to meet the needs after that. And we will only then still need to address the long-term National Debt. The National Debt does us no good to keep around.

Scope

Because the historical records become less reliable and less available the further back in time we search, the scope of this analysis is currently limited to beginning with the term of President John F Kennedy. In future, I may do more work and expand this aspect of scope backwards in time to include some of Kennedy's predecessors, but I make no guarantee of that. Further, the records used to generate this analysis are not the most current, with documents only becoming available roughly two years after the period covered. Thus, in 2016 the latest data available would be up to 2014, typically.

As an American, I have limited this analysis, for probably obvious reasons, to US Presidents. This analysis is, as the title suggests, limited to the scope of the impact of economic policies on the average American. What is not covered here are other non-economic policies, or individual specific economic policies, nor do I consider the impact of US policies on foreign markets. The scope, as mentioned before, is limited to Americans as it is the debate among Americans about which Presidents are better for America economically, from which this analysis was begun.

This analysis is limited to the tangible impact of the totality of economic policies. Additionally, this analysis considers each year individually, to help illustrate the difference between trends attributable to policies and unaccountable minor fluctuations. One ought not to think that one year's status compared to the previous year is what matters, rather the difference from year to year, over the course of many years points to trends that can be attributed to policies.

Finally, a note on the years: it should be obvious that the first two years of each President's first term can show, to a limited degree, the impact of the current President's policies, but they show more the residual impact of the previous President's policies. The economy has a sort of momentum, and so the effects of a policy enacted today tends to not show up in the collected data until a year or two later.

Methodology

First, I have take deliberate measures to avoid using any dubious source, always preferring direct government reports. To maintain the viability, and the validity, of this analysis no data originating from news or blogs or radio programs with a political bias was used. News reports, blog posts, and various media programs were in general not used.

Because a singular metric, by itself, is not a reliable indicator I have chosen several different metrics to use in combination with each other. Further, to ensure transparency and reliability the individual metrics are provided here for verification. It is only in comparing several different metrics that any reliable image of the impact of economic policies can really be understood. Thus, the metrics used are:

- (1) National Unemployment Rate [averaged over the nation as a whole, and averaged for the year,
- (2) Inflation Rate [calculated only for a complete year, after that year has ended],
- (3) National Median Household Total Debt [secured and unsecured combined],
- (4) National Median Household Income,
- (5) Gross Domestic Product,
- (6) Percent of Change in the GDP [from the previous year],
- (7) Federal Budget Deficit or Surplus, and
- (8) National Debt [total amount at year's end].

Since the results of a President's policies cannot be seen until typically a year after the policy has been issued, it is fair to consider the first year of a President's first term to be the continuation of the previous President's policies. Because the numbers are presented straight across for the year, they are presented as such in the first table set. I plan to go over the second table to ensure that the numbers reflect the actual policies effects by adjusting the data used. This means for the second table set that I will use the first year of the next President as the last year of the previous President instead. This will be a single year forward moving offset of data points for the second table set only. E.g.: for Jimmy Carter, sworn in 1977 and Ronald Reagan being sworn in 1981, I will consider Reagan's first year to be Carter's

last year for the second table set only, thus Carter's policies span 1978-1981. Reagan's policies will begin in 1982, one year after being sworn in.

I have tried to find and to provide and to use multiple independent reliable sources for each data point. I consider data points for which different sources agree to be reliable. Unfortunately, not all data points have an abundance of different independent sources. The primary sources I have relied on most are government agencies, such as the Congressional Budget Office, the US Bureau of Labor, and the US Department of Commerce, among others. It is important to note that for many of the other sources they also rely on the same government agencies.

Defining the Data Points

Here are some facts about the numbers. While one or two indicators separately are not reliable as applied to the office of the President alone, here, I am using several indicators combined to give a better view into the general impact of the policies of the period. It is important to remember that rates like unemployment, inflation and GDP growth are always going to have some level of activity, but fluctuations and their severity can be analyzed.

Unemployment Rate; this is the percentage of the able-bodied working age people over 16 years old in the U.S. who are not at some time during the year employed. While some people use the monthly or periodic estimates of the unemployment rate, the purpose is generally for keeping track of the current rate. For the purposes of historic analysis and comparison, I have used the annualized rates only. NOTE: The month-to-month unemployment rate is a poor indicator of anything more than the current rate, and the impact of those unemployed for one, two or three months is nominal overall but the annual average rate is a better indicator as prolonged unemployment has a much more devastating effect on people.

Inflation Rate; is the percent of decrease in the purchasing power of the dollar. This is fairly easy to apply to practical personal experiences in that a 10% inflation equals a change in costs from \$1 in year Y to \$1.10 in the following year. That is that generally things cost more as each year passes. This is often calculated using the CPI (Consumer Price Index) or the CPI and “GDP deflator” combined.

National Median Household Total Debt; when we consider debt there are several things to look at, but most importantly is to consider how a person's debt really affects him or her. First, this is very different from the national debt, though both really impact the average American. The household debt is more personal and direct, while the national debt is the total debt owed by the US to its creditors. The way national debt is paid is through funds collected via taxes. Thus, the national debt necessarily means a future need for higher taxes. Back to the household debt, however, this can be owed by individuals separately but combined for the household, or it may be held jointly by multiple members of the household.

The two main categories of household, or personal, debt are “secured debt” and “unsecured debt”. I use the term “total debt” here to mean the combination of both secured and unsecured debt a person holds. Secured debt is the sort of debt that comes from mortgages on houses and loans on cars. Unsecured debt comes from credit card use, student loans, and borrowing money. Secured debt is considered “secured” because there is a tangible property that can be seized if the debtor defaults on the debt, of which the creditor can sell off to recoup the debt. Unsecured debt, however, is the sort of debt that if a debtor defaults the creditor can only try to work out an agreement to be paid back, or in the worse case sue for liens, etcetera, to try to recoup money.

One of the major difficulties in creating this data point for Table 1 is that most reliable sources tend to focus not on solid dollar amounts but rather on household debt as a percent of GDP, or as a percent of income. One source may talk about debt only in mortgages, another in only car loans, and another only in credit card debt. Another problem is that most sources seem to focus on a couple of years, which leaves the majority of years in Table 1 unaccounted for. So, for the meantime this section of the table may be left blank, but I will continue to work on get more numbers.

National Median Household Income; is the income level for which half of all people earn more and half of all people earn less. It is difficult to figure out the best metric for evaluating the typical income of the most people. An average income would be misleading as it would add together the few highest and the many lowest and disperse the total over the total number of people evenly. The median, however, is a little flawed too in that it's is the mid point between the highest earner and the lowest earner. It does not reflect the typical wage, but it comes much closer than averaging does. National Median Household Income means the typical middle-value of the distribution of incomes for the whole nation, which is taken in by all households. This means that it could include single-person households, or families where both parents and teenage children all work and thus contribute to the household income. Any conceivable scenario can apply as it considers total income for a household rather than any specific individual person. Overall, the importance of the median income is that as it rises it indicates that the lower half of earners are earning more.

Gross Domestic Product; is a measure of the total size of an economy. The total market value of all products and services produced in the course of the year, including the sum of the addition of value to a product through its various stages is what is measured. The GDP is “gross” as opposed to “net” which means all investments but not returns, sale price but not production cost and etc. GDP is calculated as $C+I+G+NX=GDP$, which is consumption + investment (I) + government spending (G) + net exports (NX, exports made in the nation but not including parts imported for production purposes) = GDP. Generally the economy is considered to be healthier when the GDP grows by a significant amount. Persistent major slowing of the growth rate of the GDP is often considered a depression, while a recession is a temporary short-term slowing.

Percent of Change in GDP Growth; is a quick and easy indicator to the growth rate calculated as total GDP of year X (latest year) divided by the total GDP of year Y (previous year) = percent of growth. (Example: \$150 divided by \$100 = 1.5 or 50%). The lower the percent is the closer to a recession the economy was for that year. Generally we could say that, as an average, less than 4% is slow economic growth, 4% to 6% is moderately good growth, 6% to 7% is good growth and that more than 7% is very good growth. This is just my estimation though.

Federal Budget Deficit or Surplus; this is the amount of money the government possessed for the purposes of funding the expenditures planned under the federal budget created by the President's office and adjusted and approved by Congress. A deficit is an insufficient amount of required funds available and usually causes the government to borrow and add to the National Debt. A surplus is an amount of money available in excess of the required funds for the budget. Surpluses can be accumulated by the government each year and be used to fund unexpected and unplanned expenditures in future or to pay-off the National Debt.

National Debt; is increased by the accumulation of budget deficits and is an outstanding amount of total borrowed money that the government owes. Those entities that loaned money to the government generally hold an interest stock in the government. That means three things; (1) those loaning entities often charge a percent of the loaned amount as interest, thus increasing the actual debt and (2) that demands may be made by the loaning entities for accommodations in such things as trade relations and (3) that such loaning entities may assume control or ownership of some properties or other assets in lieu of direct payments. The debt also grows with adjustment for annual inflation.

All monetary values reported in the following tables included here are adjusted to be represented in 2014 dollar values for all years preceding 2014.

Table Set 1.

Year	National Average Unemployment Rate	Inflation Rate <i>CPI Bundle, GDP Deflator</i>	National Median Household Total Debt	National Median Household Income	Gross Domestic Product <i>in billions of dollars</i>	Percent Change in GDP <i>from year before</i>	Fed Budget Deficit (-) or Surplus <i>in billions of dollars</i>	National Debt (-) <i>in billions of dollars</i>
John F. Kennedy – Democrat								
1961 [#]	6.70%	1%			\$544	3.5%	-\$1	-\$288
1962	5.50%	1%			\$585	7.5%	-\$7	-\$298
1963	5.70%	1%			\$617	5.5%	-\$5	-\$305
Lyndon B. Johnson – Democrat								
1964	5.20%	1%			\$663	7.4%	-\$6	-\$311
1965	4.50%	2%			\$719	8.4%	-\$1	-\$317
1966	3.80%	3%			\$787	9.5%	-\$4	-\$319
1967	3.80%	3%			\$832	5.7%	-\$9	-\$326
1968	3.60%	4%			\$910	9.3%	-\$25	-\$347
Richard M. Nixon – Republican								
1969 *	3.50%	5%			\$984	8.2%	\$3	-\$353
1970	4.90%	6%			\$1,030	5.5%	-\$3	-\$370
1971	5.90%	4%			\$1,120	8.5%	-\$23	-\$398
1972	5.60%	3%			\$1,230	9.9%	-\$23	-\$427
1973	4.90%	6%			\$1,380	11.7%	-\$15	-\$458
1974 [†]	5.60%	11%			\$1,500	8.5%	-\$6	-\$475
Gerald R. Ford – Republican								
1975	8.50%	9%			\$1,630	9.2%	-\$53	-\$533
1976	7.70%	6%			\$1,820	11.4%	-\$74	-\$620
Jimmy Carter – Democrat								
1977	7.10%	7%			\$2,030	11.3%	-\$54	-\$698
1978	6.10%	8%			\$2,290	13.0%	-\$59	-\$771
1979	5.80%	11%			\$2,560	11.7%	-\$41	-\$826
1980 [^]	7.10%	13%			\$2,780	8.8%	-\$74	-\$907
Ronald W. Reagan – Republican								
1981	7.60%	10%			\$3,120	12.2%	-\$79	-\$997
1982 **	9.70%	6%			\$3,250	4.0%	-\$128	-\$1,140
1983	9.60%	3%			\$3,530	8.7%	-\$208	-\$1,370

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1984	7.50%	4%		\$49,038	\$3,930	11.2%	-\$185	-\$1,570
1985	7.20%	4%		\$50,123	\$4,220	7.3%	-\$212	-\$1,820
1986	7.00%	2%		\$51,041	\$4,460	5.7%	-\$221	-\$2,120
1987	6.20%	4%		\$51,689	\$4,730	6.2%	-\$150	-\$2,350
1988	5.50%	4%		\$51,894	\$5,100	7.7%	-\$155	-\$2,600
George H.W. Bush (Sr.) – Republican								
1989	5.30%	5%		\$51,472	\$5,480	7.5%	-\$152	-\$2,850
1990	5.60%	5%		\$50,607	\$5,800	5.8%	-\$221	-\$3,230
1991	6.80%	4%		\$49,893	\$5,990	3.3%	-\$269	-\$3,660
1992	7.50%	3%		\$49,859	\$6,330	5.7%	-\$290	-\$4,060
William J. Clinton – Democrat								
1993	6.90%	3%		\$50,487	\$6,650	5.0%	-\$255	-\$4,410
1994	6.10%	3%		\$51,446	\$7,070	6.2%	-\$203	-\$4,690
1995	5.60%	3%		\$52,580	\$7,390	4.6%	-\$164	-\$4,970
1996	5.40%	3%		\$53,840	\$7,810	5.7%	-\$107	-\$5,220
1997	4.90%	2%		\$55,314	\$8,300	6.2%	-\$22	-\$5,410
1998	4.50%	2%		\$56,397	\$8,740	5.3%	\$69	-\$5,520
1999	4.20%	2%		\$56,419	\$9,260	6.0%	\$126	-\$5,650
2000	3.97%	3%	\$50,971	\$55,759	\$9,810	5.9%	\$236	-\$5,670
George W. Bush (Jr.) – Republican								
2001	4.70%	3%		\$55,114	\$10,100	3.2%	\$127	-\$5,800
2002	5.80%	2%	\$56,395	\$54,818	\$10,400	3.4%	-\$158	-\$6,220
2003	6.00%	2%		\$54,939	\$10,900	4.7%	-\$375	-\$6,780
2004	5.50%	3%	\$68,955	\$55,214	\$11,600	6.6%	-\$521	-\$7,370
2005	5.10%	3%	\$71,333	\$55,801	\$12,400	6.4%	-\$318	-\$7,930
2006	4.61%	3%		\$55,516	\$13,100	6.1%	-\$423	-\$8,500
2007	4.64%	6%		\$54,973	\$13,800	5.3%	-\$160	-\$9,230
2008	5.80%	4%		\$53,770	\$14,700	1.7%	-\$458	-\$10,700
Barack H. Obama – Democrat								
2009	9.28%	1%	\$72,862	\$52,798	\$14,418	-2.0%	-\$1,412	-\$12,311
2010	9.60%	2%	\$74,619	\$52,082	\$14,964	3.8%	-\$1,294	-\$14,025

Year	National Average Unemployment Rate	Inflation Rate <i>CPI Bundle, GDP Deflator</i>	National Median Household Total Debt	National Median Household Income	Gross Domestic Product <i>in billions of dollars</i>	Percent Change in GDP <i>from year before</i>	Fed Budget Deficit (-) or Surplus <i>in billions of dollars</i>	National Debt (-) <i>in billions of dollars</i>
2011	8.30%	3%	\$70,000	\$51,847	\$15,517	3.7%	-\$1,299	-\$15,222
2012	8.08%	2%		\$52,605	\$16,155	4.1%	-\$1,086	-\$16,432
2013	7.40%	1%		\$54,462	\$16,663	3.1%	-\$679	-\$17,351
2014	6.17%	2%		\$53,657	\$17,348	4.1%	-\$484	-\$18,141
2015 ^^	5.28%	0%		\$53,482	\$17,947	3.5%	-\$438	-\$18,922
2016 ++	4.90%	2%	\$?	\$53,482	\$?	?%	\$?	-\$19,400

While 1960's GDP isn't listed here 1961's percent of change in GDP from 1960 is given.

† This year, 1974, Nixon resigned the Presidency, leaving after $\frac{3}{4}$ into the year, and then Vice President Ford took over for the last $\frac{1}{4}$ of the year.

* All-time low unemployment rate is 3.5% for this data set (span of 55 years), in 1969.

** All-time high unemployment rate is 9.7% for this data set (span of 55 years), in 1982.

^ All-time high inflation rate is 13% for this data set (span of 55 years), in 1980.

^^ All-time low inflation rate is 0.0% for this data set (span of 55 years), in 2015,

++ For this current year the data provided is up to date as of: 22 July, 2016. The numbers represented by question marks are not at all available yet. For the rest they are estimated and averaged up to the latest update here. These numbers are estimated averages to date and include: the current Unemployment Rate, the current National Debt, and the current Inflation according to the CPI.

Analysis of trends found in this table set.

If we compare the growth of the National Debt under several Presidents a noticeable and telling trend develops. If we take as the baseline the amount of total National Debt from the last year of the previous President, we can see the amount of change year-over-year. It is important to note that the National Debt matters more than most people even realize. The fact is that our nation's debt is essentially the money we, as taxpayers, owe to the lenders who funded our government's budget shortcomings.

George H.W. Bush (1989-1992)

1989 year ending: \$2.6 trillion (1988 year's end) rose to \$2.85 trillion, an increase of \$250 billion.

1990 year ending: \$2.85 trillion (1989 year's end) rose to \$3.23 trillion, an increase of \$380 billion.

1991 year ending: \$3.23 trillion (1990 year's end) rose to \$3.66 trillion, an increase of \$430 billion.

1992 year ending: \$3.66 trillion (1991 year's end) rose to \$4.06 trillion, an increase of \$400 billion.

We can say that under Bush the National Debt increased by the same amount as the increase in Reagan's last year, and by \$130 billion more in his second year than it did in his first year. Followed by \$50 more

in the 3rd year from the 2nd year. And it rose by \$30 less in his 4th year than it did in his 3rd year. The amount of annual change in National Debt was an average increase year-after-year of \$37.5 billion more than each previous year. This makes for an general steady upward growth in the annual increase to the National Debt under George H.W. Bush.

William J. Clinton (1993-2000)

1993 year ending: \$4.06 trillion (1992 year's end) rose to \$4.41 trillion, an increase of \$350 billion.
1994 year ending: \$4.41 trillion (1993 year's end) rose to \$4.69 trillion, an increase of \$280 billion.
1995 year ending: \$4.69 trillion (1994 year's end) rose to \$4.97 trillion, an increase of \$280 billion.
1996 year ending: \$4.97 trillion (1995 year's end) rose to \$5.22 trillion, an increase of \$250 billion.
1997 year ending: \$5.22 trillion (1996 year's end) rose to \$5.41 trillion, an increase of \$190 billion.
1998 year ending: \$5.41 trillion (1997 year's end) rose to \$5.52 trillion, an increase of \$110 billion.
1999 year ending: \$5.52 trillion (1998 year's end) rose to \$5.65 trillion, an increase of \$130 billion.
2000 year ending: \$5.65 trillion (1999 year's end) rose to \$5.67 trillion, an increase of \$20 billion.

In Clinton's first year the National Debt increased by \$50 billion less than it did in Bush's last year. In Clinton's second year it increased by \$70 billion less than it increased in his first year. In his 3rd year it increased by the same amount as the previous year, and in his 4th year it increased by \$30 billion less than in his 3rd year. His 5th year saw an increase that was \$60 billion less than the previous year, and his 6th year the debt increased by \$80 billion less than his 5th year. Unfortunately, in Clinton's 7th year the National Debt increased by \$20 billion more than it did the year before. But, Clinton's final year saw the greatest savings on increase to the National Debt, with \$110 billion less increase than in 1999. The trend that emerges is that year-after-year Clinton's Presidency saw a steady decrease in how much the National Debt grew, with it being a flat change in his 3rd year and a slight uptick in his 7th year, but followed in his 8th year by a huge drop in how much the debt increased.

The annual average increase in growth if the National Debt for Bill Clinton was -\$47.5 billion. This means that each year the total amount, on average, of the increase in the National Debt was \$47.5 billion less than in each previous year. This would make a steady downward growth in annual amount of increase to the National Debt under William J. Clinton. The on average the annual growth in the National Debt was \$201 billion each year, though it was growing by less each year. The obvious trend indicates that if Clinton's administration had lasted longer the average annual growth of the Debt would be less, and less the more the years went on.

If one were to plot a chart based on Clinton's eight years performance on National Debt, and if we imagine his economic policies continuing unchanged, a conservative estimation would be to say that a hypothetical 9th year would have seen the same increase as the 8th (just \$20 billion). We can further speculate that a hypothetical 10th year would likely have seen no increase in the National Debt, and likely in an 11th year it would have been a shrinking National Debt, perhaps by as much as \$50 billion less than in the 10th year. This means we can extrapolate out further, given the average decrease in the amount of increase in the Debt by \$47.5 billion each year. If Clinton's policies had been maintained for another 8 years there's a good chance the National Debt would have been \$380 billion less than it was in his actual last year (2000).

George W. Bush (2001-2008)

2001 year ending: \$5.67 trillion (2000 year's end) rose to \$5.80 trillion, an increase of \$130 billion.
2002 year ending: \$5.80 trillion (2001 year's end) rose to \$6.22 trillion, an increase of \$420 billion.
2003 year ending: \$6.22 trillion (2002 year's end) rose to \$6.78 trillion, an increase of \$560 billion.
2004 year ending: \$6.78 trillion (2003 year's end) rose to \$7.37 trillion, an increase of \$590 billion.
2005 year ending: \$7.37 trillion (2004 year's end) rose to \$7.93 trillion, an increase of \$560 billion.
2006 year ending: \$7.93 trillion (2005 year's end) rose to \$8.50 trillion, an increase of \$570 billion.
2007 year ending: \$8.50 trillion (2006 year's end) rose to \$9.23 trillion, an increase of \$730 billion.
2008 year ending: \$9.23 trillion (2007 year's end) rose to \$10.7 trillion, an increase of \$1,470 billion.

We can see if we were to visualize a graph that under George W Bush the National Debt grew by \$110 billion more in his first year than it did the final year of Clinton. In Bush's second year the Debt grew by \$290 billion more than in his 1st year, and it grew by \$140 billion more in his 3rd year than in his second year. After three years of dramatic growth in the rate of increase in our National Debt in Bush's 4th year it slowed in growth only increasing by \$30 billion more than the previous year. Following that, in Bush's 5th year the increase in the growth of the Debt was \$30 billion less than in the previous year, and in his 6th year that slight downward tick from the previous year switched when the rate of increase in the growth of the National Debt came up by \$10 billion more. Then, in Bush's 7th year the rate of increase in Debt growth jumped back up by \$160 billion more than in his 6th year, and in his final year the Debt grew by \$340 billion more than in his 7th year. So, Bush's rate of increase in the growth of the National Debt over the course of his Presidency is a strong upward reversal from Clinton's administration contributions to the Debt. Though over three years in around the middle of his administration the rate of increase plateaued, then dipped slightly, and then rose slightly – before it spiked in his last two years.

Under George W Bush the National Debt doubled from \$5.67 trillion to \$10.70 trillion, adding \$5 trillion in just 8 years. This can be compared to how the National Debt grew by only \$1.6 trillion under Bill Clinton's entire administration, which is a difference of \$3.4 trillion more under Bush. Moreover, with 4 straight years, in the middle of Bush's administration of adding more than \$550 billion to the National Debt, in his first year it was only \$130 billion, but it was \$1.47 trillion in his last year – more than eleven times increased.

George Bush's annual average increase in growth of the National Debt was + \$131 billion. Clinton's annual average increase in growth of the National Debt, for comparison was just - \$47.5 billion. The annual average increase in growth of the National Debt means that each year, averaged over the term(s) of the President's administration, the amount of increase in the National Debt was that much more than it was the previous year.

Table Set 2.*Analysis of Each Presidency*

JOHN F. KENNEDY

Term: 3 3/4 years.
Avg. Unemployment Rate: 5.9%
Tot. Accrued Debt: \$25 Bil.
Tot. Growth of GDP: \$92 Bil.
Tot. Percent of GDP Growth: 16.5%

Avg. Budget Deficit /Surplus: - \$4.4 Bil.
Tot. Budget Deficit / Surplus: - \$13.2 Bil.
Avg. Inflation Rate: 1%
Tot. Inflation: 3% (1963's \$1.03 equals 1960's \$1)
Avg. Percent of GDP Growth: 5.5%

LYNDON JOHNSON

Term: 5 1/4 years.
Avg. Unemployment Rate: 4.18%
Tot. Accrued Debt: \$38 Bil.
Tot. Growth of GDP: \$293 Bil.
Tot. Percent of GDP Growth: 40.3%

Avg. Budget Deficit /Surplus: - \$9 Bil.
Tot. Budget Deficit / Surplus: - \$45 Bil.
Avg. Inflation Rate: 2.6%
Tot. Inflation: 13% (1968's \$1.13 equals 1963's \$1)
Avg. Percent of GDP Growth: 8.06%

RICHARD M. NIXON

Term: 5 3/4 years.
Avg. Unemployment Rate: 5.29%
Tot. Accrued Debt: \$138 Bil.
Tot. Growth of GDP: \$590 Bil.
Tot. Percent of GDP Growth: 52.3%

Avg. Budget Deficit /Surplus: - \$11.65 Bil.
Tot. Budget Deficit / Surplus: - \$67 Bil.
Avg. Inflation Rate: 6.09%
Tot. Inflation: 35% (1974's \$1.35 equals 1968's \$1)
Avg. Percent of GDP Growth: 9.09%

GERALD FORD

Term: 2 1/4 years.
Avg. Unemployment Rate: 7.2%
Tot. Accrued Debt: \$159.5 Bil.
Tot. Growth of GDP: \$320 Bil.
Tot. Percent of GDP Growth: 20.6%

Avg. Budget Deficit /Surplus: - \$63.5 Bil.
Tot. Budget Deficit / Surplus: - \$127 Bil.
Avg. Inflation Rate: 7.5%
Tot. Inflation: 15% (1976's \$1.15 equals 1974's \$1)
Avg. Percent of GDP Growth: 10.3%

JIMMY CARTER

Term: 4 years.
Avg. Unemployment Rate: 6.52%
Tot. Accrued Debt: \$287 Bil.
Tot. Growth of GDP: \$960 Bil.
Tot. Percent of GDP Growth: 44.8%

Avg. Budget Deficit /Surplus: - \$57 Bil.
Tot. Budget Deficit / Surplus: - \$228 Bil.
Avg. Inflation Rate: 9.75%
Tot. Inflation: 39% (1980's \$1.39 equals 1976's \$1)
Avg. Percent of GDP Growth: 11.2%

Table Set 2.***Analysis of Each Presidency***

RONALD REAGAN

Term: 8 years.	Avg. Budget Deficit /Surplus: - \$167.25 Bil.
Avg. Unemployment Rate: 7.54%	Tot. Budget Deficit / Surplus: - \$1.34 TRILLION.
Tot. Accrued Debt: \$1.69 TRILLION	Avg. Inflation Rate: 4.62%
Tot. Growth of GDP: \$2.32 TRIL.	Tot. Inflation: 37% (1988's \$1.37 equals 1980's \$1)
Tot. Percent of GDP Growth: 63%	Avg. Percent of GDP Growth: 7.87%

GEORGE H.W. BUSH

Term: 4 years.	Avg. Budget Deficit /Surplus: - \$233 Bil.
Avg. Unemployment Rate: 6.3%	Tot. Budget Deficit / Surplus: - \$932 Bil.
Tot. Accrued Debt: \$1.46 TRIL.	Avg. Inflation Rate: 4.25%
Tot. Growth of GDP: \$1.23 TRIL.	Tot. Inflation: 17% (1992's \$1.17 equals 1988's \$1)
Tot. Percent of GDP Growth: 22.3%	Avg. Percent of GDP Growth: 5.57%

WILLIAM J. CLINTON

Term: 8 years.	Avg. Budget Deficit /Surplus: - \$40 Bil.
Avg. Unemployment Rate: 5.2%	Tot. Budget Deficit / Surplus: - \$320 Bil.
Tot. Accrued Debt: \$1.26 TRIL.	Avg. Inflation Rate: 2.62%
Tot. Growth of GDP: \$3.48 TRIL.	Tot. Inflation: 21% (2000's \$1.21 equals 1992's \$1)
Tot. Percent of GDP Growth: 44.9%	Avg. Percent of GDP Growth: 5.61%

GEORGE W. BUSH

Term: 8 years.	Avg. Budget Deficit /Surplus: - \$278 Bil.
Avg. Unemployment Rate: 5.28%	Tot. Budget Deficit / Surplus: - \$1.67 TRIL.
Tot. Accrued Debt: \$5.03 TRIL.	Avg. Inflation Rate: 3.25%
Tot. Growth of GDP: \$4.89 TRIL.	Tot. Inflation: 26% (2008's \$1.26 equals 2000's \$1)
Tot. Percent of GDP Growth: 37.4%	Avg. Percent of GDP Growth: 4.67%

BARACK H. OBAMA (These numbers are only up to July 2016, they will be different after 2017.)

Term: 7 ¾ years, so far.	Avg. Budget Deficit /Surplus: - \$836.5 Billion.
Avg. Unemployment Rate: 7.4%	Tot. Budget Deficit / Surplus: - \$6.692 Trillion.
Tot. Accrued Debt: \$8.7 Trillion.	Avg. Inflation Rate: 1.625%
Tot. Growth of GDP: \$3.247 Trillion.	Tot. Inflation: 13% (2016's \$1.13 equals 2008's \$1)
Tot. Percent of GDP Growth: 20.3%	Avg. Percent of GDP Growth: 2.54%

Table Set 2.

Analysis of Each Presidency

HILLARY CLINTON – or – DONALD TRUMP ? (This is a placeholder until after 2017. As of:
23 October, 2016)

Term: 0 years, so far.

Avg. Unemployment Rate: 0%

Tot. Accrued Debt: \$0 Trillion.

Tot. Growth of GDP: \$0 Trillion.

Tot. Percent of GDP Growth: 0%

Avg. Budget Deficit /Surplus: - \$0.

Tot. Budget Deficit / Surplus: - \$0

Avg. Inflation Rate: 0%

Tot. Inflation: 0% (2017's \$0 equals 2016's \$1)

Avg. Percent of GDP Growth: 0%

Commentary

The importance of considering extemporaneous factors, and of considering the fact that policies set by a President in his or her last term usually has a carry over effect in the first year or two of the next President's term. Under normal circumstances this effect can play some role in the numbers of a new Presidency, but in some cases those policies of a previous President can have far-reaching effects that may well stretch on for even up to a decade. One such example of the far-reaching effects of a previous President's policies can be seen beginning in 2007 and reaching even to 2016. During the Bush administration some various policies had a net negative affect on our economy.

Starting early in George W Bush's first term his policy of issuing refund checks to all Americans took a federal budget surplus that was created by Bill Clinton and meant to establish a cushion for the federal government to help pay down the national debt and to provide for emergencies. The budget surplus is somewhat like your 'rainy day fund'. If you set aside some money after balancing the budget which is leftover from your income, you can build up a fund. A surplus in the federal budget can be used in a similar way. By having money stashed away 'just in case', when such unpredictable and yet inevitable emergency expenditures arise there's a buffer that can prevent raising the national debt.

Balanced budgets also have some affect on the morale of the marketplace, and on our nation's creditors. A balanced budget leads to confidence that the government can afford to do the things it is going to do anyway. A budget surplus has a stronger morale-boosting effect. Because that surplus can accumulate into a positive treasury balance, which not only makes the government stronger for being able to fund emergency issues, but also allays fears of default on debts. In fact, as with consumers, the higher the debt and the more it grows the higher the interest rates lenders begin charging, which in turn contributes more to growing that debt.

So, Bush's policies also had an affect on the behavior of the markets, which inspired malpractices by lenders, particularly regarding the subprime mortgage crisis and credit swap defaults. These

malpractices lead to a ballooning housing market, but also set it up to necessarily burst. And burst it did beginning in 2007. With, additionally, regulatory failures during the Bush administration, the markets began suffering a severe confidence problem and that only made the problem far, far, worse. Altogether this was the Great Recession, in fact it was a sort of depression, thought obviously not as bad as the Great Depression of the 1930s. It takes some time to set up the massive failure, the crash happens quickly, but the recovery necessarily also takes years to accomplish.

It took Franklin D Roosevelt about a decade to recover the economy from the Great Depression, and for Obama it has taken his entire Presidency. Along with that recovery comes a gigantic price tag. Unfortunately, Bush started trying to fix the Great Recession with his one trillion dollar bailout package. The cost of which, largely, shows up in Obama's first year. The Bush Bailout also did not do nearly as much good as it was purported that it would do. Fundamentally, Obama had zero choice in spending another one trillion on an economic stimulus package. That Obama Stimulus was far better designed, with the requirement that the corporations that received federal funding under that plan to pay back what they got once they were stable again. As of today most of that loan was paid back. But, Obama did not just give money to corporations. About one third of his Stimulus plan was allocated to the states to help them locally boost their economies, with state governments investing their portions into various programs as they saw fit. Another third of it was allocated at the federal level to help create new jobs and to help those most deeply impacted, including subsidizing homeowners who would work to refinance their mortgages but also needed help. This latter part really went a long way to cut short the massive mortgage defaults and repossessions, and helped the economy by helping banks to keep their customers in their homes and thus continuing to pay mortgages. By loaning money to auto manufacturers and other corporations Obama's plan was able to help stem the unemployment rate by keeping them above water and not cutting more jobs.

The clear fact that comes out of this evidence is that despite some people feeling disappointed by Obama, he actually has done a tremendous amount of good for America. The reality is that his Presidency is really defined by recovery from a terrible economic disaster. And it is that economic recovery that Obama's legacy must be appreciated, because he was quite successful in turning our terrible downward spiral in 2008 around and putting us back on our feet. In fact, the effects of the 2007

Great Recession is still lingering, the aftereffects still haunt us, but thanks to Obama's policies and efforts we are most certainly better off today than we were in 2008. Most Americans are fairing better economically today. Most Americans are not in as bad a shape as they were eight years ago, and overall our economy is growing better and getting stronger.

Despite Reagan's tremendous borrowing to try to grow the GDP we see a demonstration of an interesting phenomenon. While Reagan increased the GDP according to his much touted "Trickle Down Economics" he increased it less than Clinton did without using that approach. Also Reagan added much more national debt while Clinton's approach added significantly less debt. Reagan's plan only worked for big business, as indicated by the contrast between the increased GDP while his term saw a seriously higher unemployment rate average combined with dramatically more devaluation of the dollar. All-in-all, Reagan's "Trickle-Down" plan proved to be a very inefficient approach. Thirty years on, we can say that it has actually been quite disastrous. Wage stagnation has become commonplace while prices keep rising, and in some cases skyrocket, such as with healthcare and education. Trickle-Down economics allows the wealthiest to hoard money while not carrying their weight in the social contract. This leaves the middle class shrinking and struggling. Those leaving the middle class are not, by and large, moving up, but are rather moving down in economic status. This growing wealth gap goes hand in hand with the wage stagnation and ever increasing prices.

Reagan also has the distinction of having some extreme numbers not matched by any other president as explained here.

- (1) The highest unemployment rate 9.7% followed by 9.6% in the next year. Barack Obama had the next highest rate at 9.6% also.
- (2) The most debt added to the national debt. Though it is speculated that George W Bush may exceed that. But those numbers are not yet published in any searchable authentic material.
- (3) The most "out-of-control" federal budget, having the most deficit of any president.
- (4) Reagan is also the first president to make the national debt exceed one trillion dollars.

- (5) He is also only one of three presidents, out of the nine listed here, to see an inflation rate in the “double-digits”.

To properly understand Clinton’s presidency we must take a serious look at several issues. What is the story the numbers are trying to tell us? I will, here, enumerate the particular points that should be considered.

- (1) While this president’s average unemployment rate was 5.2% for his entire term, we can see a linear decline in the unemployment rate. Reaching back to the last year of Bush’s term, which ended with 7.5% unemployment rate and Clinton started his term with 6.9%. The nation’s unemployment rate declined significantly each year, never increasing or stagnating and his presidency ended with a rate of 4.0% an overall improvement of 2.9%. This suggests, since a clear pattern is evident, that among other things the improvement is probably due to programs instituted by this president.
- (2) Also Clinton’s first year saw the highest unemployment rate of his presidency, which was itself down significantly from the last year of his predecessor’s term. That high rate clearly seems to be an inherited legacy of the previous president’s term in office.
- (3) Much like the unemployment rate decline, Clinton also vigorously pursued the reversal of the federal budget deficit. This is also evident in the pattern, in which each year the budget deficit became less and less, until ’98, in which the first budget surplus was established since 1969, and thereafter the budget surplus grew each year. And though we see his total deficit was \$320 billion, it is in reality less because the surplus created by Clinton was given as a legacy to Bush Jr., which was recorded as the first year of Bush’s term. Accounting for this fact, we adjust his budget deficit to credit him properly. So his total deficit for all 8 years is only \$193 billion and thus his annual average budget deficit is lowered to \$24.12 billion. This is justifiable as Bush’s first year was his only with a surplus and at that it was a lower surplus than Clinton’s last year. So Clinton is the only president in 29 years to actually balance the federal budget.

- (4) The Gross Domestic Product gained more in Clinton's 8 years than in any other president's term (including Reagan's \$2.32 trillion when adjusted for inflation). Now I will grant that when adjusted it is only a difference of about \$100 billion, but the point is that the increase of the GDP is a good thing for our economy. Source: <http://www.bls.gov/bls/inflation.htm>, just enter \$232 (Reagan's amount) and his last year 1988, then enter Clinton's last year 2000.
- (5) When adjusted for inflation Clinton's term accumulated less national debt than either Bush or Reagan.
- (6) After Lyndon Johnson and John Kennedy, Clinton's term had a very low currency inflation rate. And unlike most of the other presidents (except Kennedy) Clinton also had a very steady inflation rate.
- (7) Additionally each year of Clinton's term saw a fairly significant growth rate in the Gross Domestic Product. The growth rate remained fairly steady from year to year, which is better than a "boom" year (or two) because shortly afterward a drastic "down-swing" year (or two) is seen. It does not matter if the following year is at a "medium" or "good" growth rate if it is a few percent less, because the effect on the businesses is that they may have planned on the higher rate and thus become over-extended.
- (8) The accumulation of national debt also declined under Clinton. The annual contribution of debt to our National Debt was; for the year 1993 +\$35 Bil; '94 = +\$ 28 Bil; '95 = +\$28 Bil; '96 = +\$25 Bil; '97 = +\$19 Bil; '98 = +\$11 Bil; '99 = +\$13 Bil; '00 = +\$2 Bil. Apart from a brief "level-out" in 1995 (same amount as previous year) and a "bump" upward by a small amount in 1999, followed by a dramatic drop in the next year, the decline in the growth of the National Debt was fairly steady year-after-year. The average annual decrease in National Debt accumulation was about 4.13 billion dollars, this means that the National Debt grew each year by 4.13 billion dollars less than each previous year. The National Debt as a "runaway train" was coming to a stop and was destined to be in decline. We see that if Clinton's policies had been as vigorously pursued by the next president the following year (2001) would have seen either no additional debt or a negative debt growth (i.e.: actually starting to pay-off the debt). If the next

president had pursued his budget plan we would likely have a high budget surplus. We would also, just now, be starting to see the national debt being paid-off. The thing to remember is that the accumulation of national debt is rather like a runaway freight train, first we must apply the brakes and it is going to take some time before it comes to a stop. This means that to actually pay-off our debt we need several presidents who are willing to cooperate for the good of our nation.

Bush squandered the budget surplus created by Clinton and returned the government to serious budget deficits and record-setting national debt growing. Unemployment increased to 4.7% from 4.0% after 8 straight years of steady improvement that immediately preceded Bush's term. Then it increased the next year to 5.8% and again a year later peaking at 6.0%.

For further reading on issues discussed in this abstract:

http://en.wikipedia.org/wiki/Economic_policy_of_the_George_W._Bush_administration

https://en.wikipedia.org/wiki/Subprime_mortgage_crisis

On George W Bush's Economic Policies.

During his first term, George W. Bush sought and obtained Congressional approval for tax cuts: the Economic Growth and Tax Relief Reconciliation Act of 2001; and the Job Creation and Worker Assistance Act of 2002; and the Jobs and Growth Tax Relief Reconciliation Act of 2003. These acts increased the child tax credit and eliminated the so-called "marriage penalty." Complexity was increased with new categories of income taxed at different rates and new deductions and credits, however; at the same time, the number of individuals subject to the alternative minimum tax increased since it had remained unchanged.

Facing opposition in Congress for an initially proposed \$1.6 trillion tax cut, Bush held town hall-style public meetings across the nation in 2001 to increase public support for it. Bush and some of his economic advisers argued that unspent government funds should be returned to taxpayers. With reports of the threat of recession from Alan Greenspan, the then Federal Reserve Chairman, Bush argued that such a tax cut would stimulate the economy and create jobs. Economists, including the Treasury Secretary at the time Paul O'Neill and ten Nobel prize laureates who contacted Bush in 2003, opposed the tax cuts on the grounds that they would fail as a growth stimulus, increase inequality and worsen the budget outlook considerably. In the end, five Senate Democrats crossed party lines to join Republicans in approving a \$1.35 trillion tax cut program — one of the largest in U.S. history.

Economic growth.

While the economy had continued to grow under the Bush administration, that growth was below average in comparison to the average for business cycles between 1949 and 2000. Overall real GDP had grown at an average annual rate of 2.5%. Between 2001 and 2005, GDP growth was clocked at 2.8%, 17.6% below average, while GDI (Gross Domestic Income) growth was 36% below average. The number of jobs created grew by only 6.5%, 28.5% below the average growth rate of 9.1%. The growth in average salaries was less than half as usual; 1.2% versus 2.7%, respectively. While growth in consumer spending was 72% faster than growth in income, it too had “failed to keep pace with the... average of previous cycles.” Only investment residential real-estate soared, growing 26% faster than average.

What we should remember is that rapid growth in real-estate investments leading up to 2007. It was toward the end of 2007 that the US economy suffered a severe recession. That severe recession that some economists characterized as a depression in reality. The central problem that caused the severe recession was wild real-estate investments built largely on the back of “sub-prime” mortgages – in which, unscrupulous brokers had forged signatures; loaned to people far above their income-based capability to pay the loans; falsified thousands of mortgage documents claiming many consumers earned far more income than they actually did in order to obtain profitable loans. Many of the mortgages were packaged as debt securities which were traded on the markets. Those “toxic” debt securities were traded, with each investor making a profit on essentially worthless packages until the housing crisis left the last

investor holding the bag. Those sub-prime mortgages were one among many problematic issues in the credit and securities markets that caused a crisis. Importantly, the numerous problems that caused the little depression of 2008 took advantage of the market environment fostered by Bush's economic policies.

Income inequality.

Many economists are critical of the Bush administration's policies and argue that the economy is only benefiting the wealthy, increasing inequality between the top 1% and the rest of society. Economists Aviva Aron-Dine and Richard Sherman point to recent CBO (Congressional Budget Office) data showing that "the average after-tax income of the richest one percent of households rose from \$722,000 in 2003 to \$868,000 in 2004, after adjusting for inflation, a one-year increase of nearly \$146,000, or 20 percent. This increase was the largest increase in 15 years, measured both in percentage terms and in real dollars." According to economists Emmanuel Saez and Thomas Piketty, in 2005, the top 1% received its largest share of gross income since 1928.

The evidence is clear that 30 years of "Trickle Down Economics" policies has failed Americans. One thing to consider is what we see compare the average household income over a century. The average American worker earned a median annual income of \$36,662 in 2007.[1] In 1906 in America the average household annual income was \$835. While it may seem at first glance that in over 100 years there has been a tremendous growth in the median annual income, the fact is that median income is far worse today. What we must take into account is inflation, which causes the purchasing power of the dollar to weaken. Cost of living goes up, yet wages have failed to keep pace. Adjusting for inflation if the average worker was earning the same median wage it would now be \$94,000 annually, with a purchasing power relative of \$47,900.[2]

NOTES:

[1] This average worker median income is based on those 16 years and older, working full-time, year-round, in all fields, combining the median for men and the median for women, then dividing by half.

[2] <https://www.measuringworth.com/calculators/uscompare/relativevalue.php>

Tax cuts.

The Bush administration lowered the top marginal tax rate from 39.6% to 35%, at an average annual cost of \$400 billion. The administration has stated that the tax cuts have spurred economic growth, while critics have charged that growth in GDP, paid jobs, and income has remained below average. The tax cuts have been largely opposed by American economists, including the Bush administration's own Economic Advisement Council. In 2003, 450 economists, including ten Nobel Prize laureate, signed the Economists' statement opposing the Bush tax cuts, sent to President Bush stating that "these tax cuts will worsen the long-term budget outlook... will reduce the capacity of the government to finance Social Security and Medicare benefits as well as investments in schools, health, infrastructure, and basic research... [and] generate further inequalities in after-tax income." The Bush administration has claimed, based on the concept of the Laffer Curve, that the tax cuts actually paid for themselves by generating enough extra revenue from additional economic growth to offset the lower taxation rates. In contrast to the claims made by Bush, Cheney, and Republican presidential primary candidates such as Rudy Giuliani, there is a broad consensus among even conservative economists (including current and former top economists of the Bush Administration such as Greg Mankiw) that the tax cuts have had a substantial net negative impact on revenues (i.e., revenues would have been substantially higher if the tax cuts had not taken place), even taking into account any stimulative effect the tax cuts may have had and any resulting revenue feedback effects. Even Laffer, who popularized the idea that a tax cut might pay for itself, is skeptical that the Bush tax cuts have actually generated more revenue than they have lost.

In terms of increasing inequality, the effect of Bush's tax cuts on the upper, middle and lower class is contentious. Some observers argue that the cuts have benefited the nation's most wealthy households at the expense of the middle and lower class, while conservatives have claimed the exact opposite. Inflation-adjusted median household income has been flat while the nation's poverty rate has increased. Economists Peter Orszag and William Gale described the Bush tax cuts as reverse government redistribution of wealth, "[shifting] the burden of taxation away from upper-income, capital-owning households and toward the wage-earning households of the lower and middle classes."

Federal Budget Deficit.

The On-Budget surplus in 2000 was \$86 billion. A combination of tax cuts and spending initiatives has added over \$2.3 trillion to the national debt since then. The annual On-Budget deficit for 2006 was \$434 billion. Most debt was accumulated as a result of tax cuts and increased national security spending. According to economists Richard Kogan and Matt Fiedler, "the largest costs — \$1.2 trillion over six years — resulted from the tax cuts enacted since the start of 2001. Increased spending for defense, international affairs, and homeland security — primarily for prosecuting the wars in Iraq and Afghanistan — also was quite costly, amounting to almost \$800 billion to date. Together, tax cuts and the spending increases for these security programs account for 84 percent of the increases in debt racked up by Congress and the President over this period."

ALBERT "AL" GORE Jr.: (a speculation).

Al Gore was the Vice President to President Bill Clinton for his entire presidency. While we can only speculate on what kind of a president Gore would have been, it seems fairly obvious that he would have continued in his footsteps, at least to a decent degree. Based on the \$4.13 billion average annual decline in the accumulation of National Debt that Clinton achieved we can imagine that under Gore the national debt would have not grown at all in 2001. And by now the National Debt would \$28.88 billion dollars less than in 2001. That means under Al Gore our National Debt would likely be \$5.38 trillion in 2007 unlike under George W Bush as it is now \$9.19 trillion. Now, conservatives like to talk a lot about the idea that the National Debt can be paid-off by future generations and they say that the debt is good so long as some (realistically vague and disputable) good for our nation is being achieved with it. But let's look at paying-off the National Debt in the daylight of reality. For the first time in about 40 years the growth of the National Debt was slowing down and on a real path to being paid-off. Assuming that no future presidents tampered with Clinton's economic policies the National Debt would be paid-off in full by the year 3303 CE, 1,302 years after 2001! That is, of-course, assuming that each year only \$4.13 billion is going to pay-off the Debt, clearly new economic policies would have needed to be implemented. It would only need to be a simple policy, that could have been easily affordable by now, of assigning more money to the debt pay-off. This policy could have even been a "stepped-payment" program, say something like from \$4.13 billion annually up-to \$7.65 billion

annually for about 4 years. Then up-to \$12.02 billion for another 4 years and then to \$19.40 billion for 4 more years and then perhaps we could up it to \$26.58 billion per year for the next 4 years. Then increase again to \$32.36 billion for the final 8 years. With this idea it the debt would be completely paid-off by the year 2029 CE! This would be a 28 year plan as opposed to a 1,302 year plan! These are only my own numbers, provided for the sake of giving an idea of how this could be done. Another important thing to understand is that while amortizing (which only means paying in installments and does not imply directly giving the debt to future generations, unlike the way Mr. Falconi used it) the national debt we could easily increase the budget surplus. This means creating a reserve budget fund, that as it grows stronger would greatly improve the government's ability to handle just about any surprise without assuming more debt.

The budget surplus created by Clinton, if it had been perpetuated by his successor, would likely be at about \$762 billion by the end of this year! The average decline in the deficit and addition to the surplus per year was about \$65.75 billion dollars. And the total improvement in dollars for his 8 years of actual budget balancing was \$526 billion. This surplus would increase, if future presidents continued Clinton's economic policies from the 8 years following Clinton, to about \$2.14 Trillion. Imagine that! Using Clinton's economic policies, only adjusting the debt amortization rate to completely pay the debt off by 2029, at the same time that America became debt-free the federal budget surplus would be \$2.14 Trillion! That would be a strong America. But this is only my imagination of how things should be, reality is sadly very dismally different. I also know that there are to be expected over time too many variables that render this speculation almost useless. The only reason it is not entirely pointless is that if one thinks about it one can create a realistic economic policy that can achieve such good for America.

TAXES; Confusing "tax rate" with "taxable income".

It appears that many conservatives have a completely misinformed, or uninformed, view of the reality of taxes in America. This seems to likely come from the deliberate misleading representation of the facts by certain politically motivated media outlets.

In forums on the internet a person claimed the tax rate was above 90% before Reagan, and

America had the ride of a lifetime.

The person to whom I replied had cited a source for a supposed “90% tax”. The source is:

<http://www.stanford.edu/class/polisci120a/immigration/Federal%20Tax%20Brackets.pdf>

Apparently what that document says is "percent of annual income taxed", which is NOT the same as a tax rate. What that meant was that for people earning more than \$400,000 annually 91% of their income was the base for which the tax was applicable. In other words they did NOT pay 91% of their income, but rather that they could be taxed on 91% of their income. If you earned \$400,001 you would thus pay taxes on \$364,000.19. (That by-the-way was the highest in the 1960s.)

So that there is the "maximum taxable income" (the amount of income allowed to be taxed on. It sets aside the difference as an amount of one's income that is not to be considered taxable. Think "deductions".)

And there is the "tax rate", which is the percent of the taxable income paid as a tax.

So if you earned \$400,001, in 1960 (and filed jointly as married), you would pay (let's just say 45%) tax rate on \$364,000.19. Which would be \$163,800.09 (rounding up to the nearest penny) paid to the IRS. Clearly you can see that that is NOT 90% of your income. Realistically, if you earned \$400,001 in a year, you pay your taxes and have \$236,200.91 that you keep. That's 59% of your income you keep, not 9%. Now remember that's in the 1960s and that's assuming the worst case scenario. Honestly, most people would have paid MUCH less than that, in the same bracket.

Citation of Sources

Further reading on each President found in this analysis;

http://en.wikipedia.org/wiki/John_F._Kennedy

http://en.wikipedia.org/wiki/Lyndon_B._Johnson

http://en.wikipedia.org/wiki/Richard_Nixon

http://en.wikipedia.org/wiki/Gerald_Ford

http://en.wikipedia.org/wiki/Jimmy_Carter

http://en.wikipedia.org/wiki/Ronald_Reagan

http://en.wikipedia.org/wiki/George_H._W._Bush

http://en.wikipedia.org/wiki/Bill_Clinton

http://en.wikipedia.org/wiki/George_W._Bush

https://en.wikipedia.org/wiki/Barack_Obama

Further reading on how monetary inflation works;

<http://en.wikipedia.org/wiki/Inflation>

For unemployment rates by year;

U.S. Department of Labor, Bureau of Labor Statistics

www.bls.gov/cps/prev_yrs.htm

For the Budget Deficit / Surplus, by year;

<http://www.gpoaccess.gov/usbudget/fy07/browse.html>

select “Summary Tables PDF”

<http://www.gpoaccess.gov/usbudget/fy05/browse.html>

select “Summary Tables PDF”

www.cbo.gov/ftpdoc.cfm?index=5163&type=0&sequence=0

<https://www.whitehouse.gov/omb/budget/Historicals>

select table 1.1 Summaries PDF

For National Debt, by year;

U.S. Department of Justice, Department of The Treasury

www.treasurydirect.gov/govt/reports/pd/histdebt/histdebt.htm

(select; 2000 – 2006 & 1950 – 1999)

For the Gross Domestic Product, by year;

U.S. Department of Commerce, Bureau of Economic Analysis

www.bea.gov/azindex/index.htm

(Select; “H”, “current-dollar and real GDP” downloadable .xls type file.)

For the Percent of Change in GDP from previous year, each year;

U.S. Department of Commerce, Bureau of Economic Analysis

www.bea.gov/azindex/index.htm

(select; “H”, “percent change from preceding period” downloadable .xls type file.)

For inflation rates, by year;

U.S. Department of Labor, Bureau of Labor Statistics

<http://www.bls.gov/bls/inflation.htm>

(select; “CPI inflation calculator”)

Input \$1, then select the starting year and the following year (for example: \$1 / 1960 / 1961. The result being the value of \$1 in 1960 equals \$1.01 in 1961).

Just for the fun of learning how to calculate a GDP;

www.brazosport.cc.tx.us/~econ/arch/GDPcalc.html

For National Median Household Total Debt

<https://www.census.gov/people/wealth/files/Debt%20Highlights%202011.pdf>

For National Median Household Income

1: <https://fred.stlouisfed.org/series/MEHOINUSA672N>

2: <ftp://ftp2.census.gov/programs-surveys/cps/techdocs/cpsmar14.pdf>

3: <https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-income-households.html>

4: (for 2013 and 2014) –

<https://www.census.gov/content/dam/Census/library/publications/2015/demo/p60-252.pdf>