The Reality of Trump’s Claim of Superior Economic Growth

By Jerome T. Bock

[jerometbock@gmail.com](mailto:jerometbock@gmail.com)

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This note documents the reality of economic growth and Trump’s claim that he is responsible for “Great” economic growth prior to the pandemic. It uses US Bureau of Economic Analysis Data[[1]](#footnote-1) from 1948 until 2019 to compare growth in Real Gross Domestic Product during 2018 – 2019 versus history.

This Graph is Real GDP growth since 1948.

Growth was very volatile before 1983 due to poor government policy and shocks such as the OPEC oil embargo. After 1983 government policy (especially Fed policy) was better able to control the economy, The only negative growth years were 1991 (the DotCom bust) with -0.11% growth and 2008 and 2009 (the Bush Debacle) with growth of -0.21% and -2.54%.

The Table below shows average growth during different periods.

|  |  |  |
| --- | --- | --- |
| Period | Real GDP Growth | Notes |
| 1948-2019 | 3.18% | Total period Growth |
| 1948-1960 | 3.74% | Post WWII |
| 1961-1980 | 3.74% | Kennedy thru |
| 1981-2000 | 3.39% | Reagan thru Clinton |
| 2001-2019 | 2.00% | Bush II through Obama |
| 2001 - 2008 | 2.19% | Bush II |
| 2009 - 2016 | 1.62% | Obama |
| \*\* 2010 - 2016[[2]](#footnote-2) | 2.30% | Obama after Bush recession |
| 2016 - 2019 | 2.50% | Trump b4 Covid-19 |

These data show that real economic growth was greatest during the 60’s and 70’s. It was less during the 80’s and 90’s. It was even less since 2000 and none of the three presidents during that period achieved growth over 2.5%.

So, while growth during Trump’s administration prior to the pandemic is slightly better than Obama’s, and much better than Bush’s, it compares poorly to prior decades. It can hardly be called the greatest economy of all time.

Trump also boasts of the longest economic growth in history. The Table below lists the longest continuous growth periods in this history.

|  |  |  |
| --- | --- | --- |
| Period | Years of growth | following GDP % |
|  |  |  |
| 1959 - 1974 | 16 | -0.21 |
| 1983-1990 | 8 | -0.11 |
| 1992-2007 | 16 | -0.14 and -2.54 |
| 2009-2019 | 11 | tbd |

So, there are two periods of 16 years continuous growth. The Obama/Trump growth was only 11 years and Obama was in charge for 8 of those years. A good argument can also be made that the first year of a President’s administration is basically inherited since most fiscal legislation was set in place prior to inauguration. So, Trump is only responsible for the last three years.

Thus, both of Trump’s claims of the longest and strongest economic growth in history are not true, indeed, not even close. And most of the credit for length is due to Obama.

1. See <https://fred.stlouisfed.org/series/GDPCA> for the data. [↑](#footnote-ref-1)
2. This period is Obama after Bush’s Great Recession [↑](#footnote-ref-2)