

Weekly Commentary

Election Season Has Begun

There are 287 days until the 2024 US presidential election. Our goal in covering the election will be to do so in a non-partisan, objective way that focuses on how the results will impact investment markets and tax/estate planning. There's not much to say right now – the Republican and Democratic conventions take place in July and August, respectively, and we'll have more clarity around potential policy outcomes at that point.

However, we know from experience that US presidential elections can create strong feelings, positively and negatively, even if it's too early to have any clarity around policy outcomes. We saw way too many investors sell out of their investment portfolios because the potential election of Bush, Kerry, Obama, McCain, Romney, Trump, Clinton, or Biden was going to be a death knell for the Republic.

What does history tell us to expect? Election years are usually no better or worse for markets than any others (Fig. 1). 2024 might be a good year, bad year, or average year for the stock market, but factors that have little to do with the election – economic growth, monetary policy, interest rates, and geopolitical risk, to name a few – are likely to be more important drivers of returns this year.

Fig. 1: S&P 500 returns during presidential election and non-presidential election years, 1931-2023

	Election Years	Non-Election Years
Average return	10.5%	13.4%
Median return	15.2%	15.8%
Best year	33.7%	52.3%
Worst year	-37.0%	-34.7%

Source: Bloomberg, Mill Creek.

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