

The Mirage of Presidential Control: Why Elections Don't Always Shape the Economy

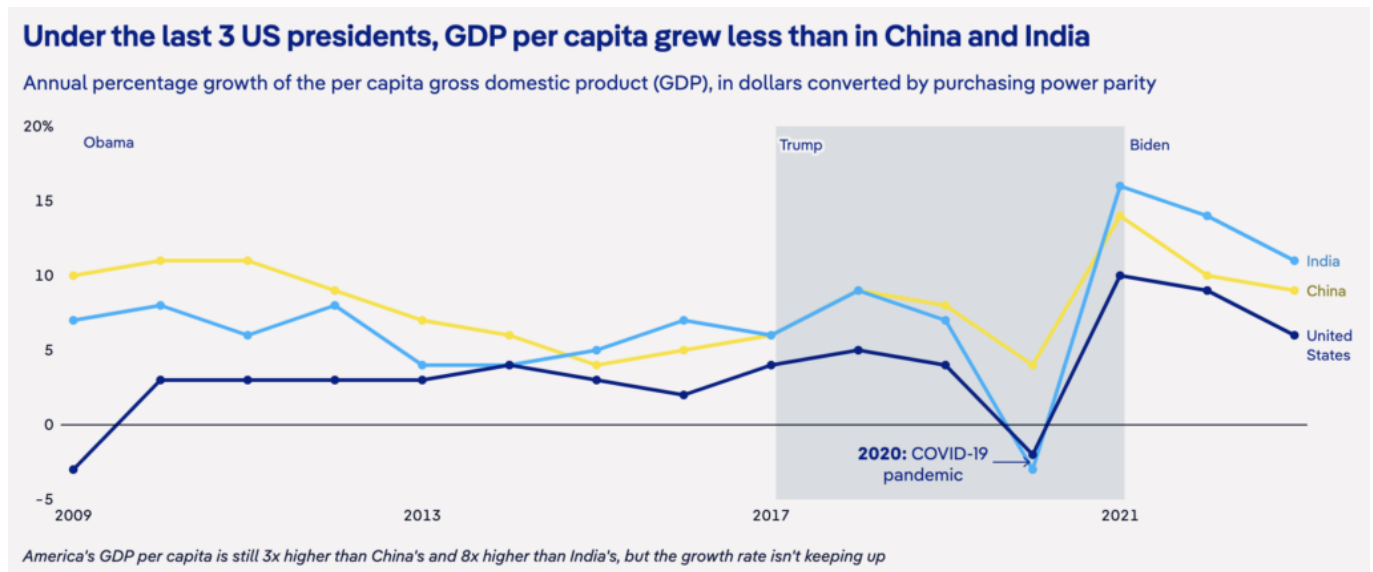
As election fever grips the United States once again, the airwaves are filled with promises and predictions about the future of the economy. But if history teaches us anything, it's that the fate of the economy is far less controlled by the president than we might believe. Since 2009, despite the changing hands of power—from Barack Obama to Donald Trump and now Joe Biden—the economic narrative has been shaped not just by who sits in the Oval Office but by forces far beyond Washington's control.

Take a step back and consider the last 15 years. We've seen the collapse of the financial system, the rise of the gig economy, the COVID-19 pandemic, and the inflationary spiral of 2022. What's striking is how consistent the economic outcomes have been across very different administrations, driven not by the promises of the president but by global events, demographic shifts, and technological change.

Crisis Politics: The Bookends of Obama, Trump, and Biden

The Great Recession and the COVID-19 pandemic are two of the largest disruptions to the U.S. economy in modern history. Neither was caused by a sitting president, yet each consumed their terms in office and left indelible marks on the economy. Barack Obama inherited a country reeling from the 2008 financial meltdown. His administration, in concert with the Federal Reserve, put out the fires and helped avert an even deeper collapse. But it wasn't until late in his presidency that unemployment rates returned to normal, with much of the recovery unfolding during Trump's term.

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Similarly, Donald Trump couldn't have predicted that the final year of his presidency would be consumed by a global pandemic that shut down economies and locked billions of people in their homes. COVID-19 knocked out years of economic growth overnight, yet recovery was swift, thanks in part to aggressive fiscal stimulus, which ironically was passed by both Democrats and Republicans.

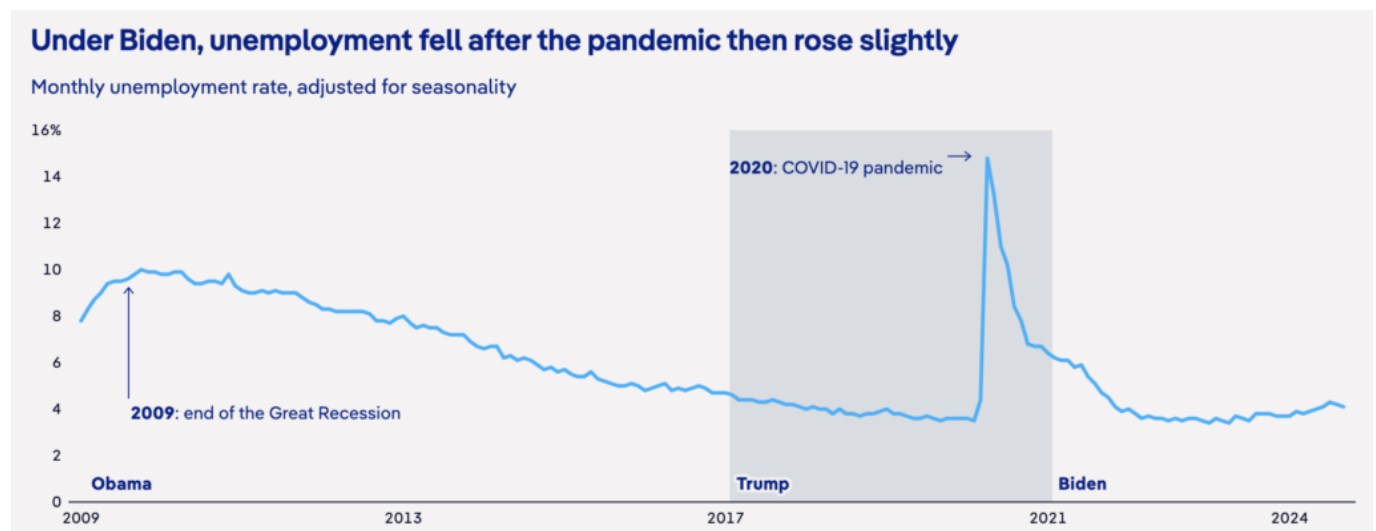
These crises highlight a sobering truth: the world's largest economy can be profoundly reshaped by events that no administration could prevent or fully prepare for. No president can control a pandemic or global financial collapse, yet each is judged by the timing of these cataclysms.

The Reality of Presidential Influence

The complexity of the U.S. economy means that even when presidents take bold action, the impacts often take years to materialize. Take, for instance, Biden's ambitious infrastructure bill. While the investments in roads, bridges, and broadband may spur long-term growth and

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innovation, voters today won't feel those effects in their wallets before the upcoming election. Similarly, Trump's attempts to tighten immigration policies may have reduced the flow of migrants, but it will take time for the impact of those labor shortages to ripple through industries like agriculture and construction.



Meanwhile, demographic changes, technological advancements, and global competition have consistently reshaped America's economic landscape, with or without presidential intervention. Since 1990, American GDP per capita has steadily risen, only briefly interrupted by the financial crisis of 2009. Yet during that same period, China and India have seen their economies grow at a much faster pace. Despite these rapid gains, the U.S. remains an economic powerhouse, its GDP still dwarfing that of China and India by trillions of dollars.

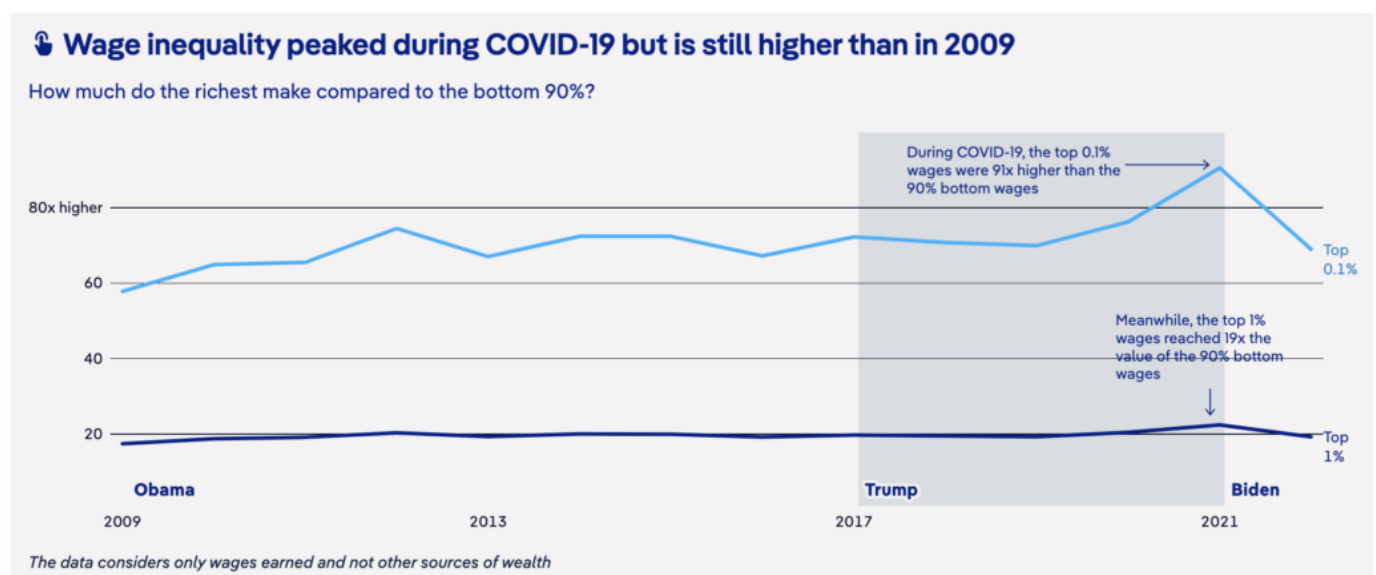
The irony is that the daily economic concerns of most Americans—rising prices at the supermarket, job opportunities, wages—are often more affected by global supply chains, central banks, and even demographic trends than any single piece of legislation signed in the Oval Office. Voters are understandably frustrated by inflation and stagnant wages, but these are not problems any president can easily solve, especially in a globalized economy where

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disruptions in one part of the world ripple across borders.

The Wealth Gap and Economic Inequality

If there's one issue that transcends administrations, it's the widening wealth gap. Under Obama, Trump, and Biden, the richest Americans have continued to get richer, while income inequality has worsened. The top 1% of Americans now hold a staggering portion of the nation's wealth, while the middle and working classes struggle with wage stagnation and rising costs.



In 1979, the top 1% of American families earned 7% of all after-tax income. By 2007, that figure had more than doubled to 17%, and the trend shows no signs of reversing. This is perhaps one of the most persistent economic trends of the last few decades, and it's largely immune to the policies of any single president.

Americans might wonder why this happens no matter who's in power. The answer lies in the

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structural forces at play: automation, globalization, and the shift toward a knowledge-based economy disproportionately benefit those who already hold wealth and influence. While presidents can tweak tax codes or advocate for higher minimum wages, they can't stop the relentless advance of technology or the ways it rewards capital over labor.

The Global Economy is the Puppet Master

Ultimately, what this period from 2009 to 2024 shows is that while presidents can steer the ship, they don't control the tides. Global events, like the financial crisis or the COVID-19 pandemic, have far greater impacts on economic outcomes than any speech or executive order. The Federal Reserve, Congress, and even Wall Street arguably have as much say in the direction of the economy as the commander-in-chief.



As voters head to the polls in 2024, they'll once again hear promises of economic renewal, of stronger growth, and of solutions to inflation. But voters should take these pledges with a grain of salt. The reality is that the next four years will be shaped by forces far beyond the

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president's control: global markets, demographic shifts, and technological advancements will all play a much bigger role in determining the future than anything a candidate can promise today.

In the end, we elect a president not to control the economy, but to navigate it. And as the last 15 years have shown, that's a job filled with uncertainty, where success is as much about adapting to unforeseen events as it is about pushing through a legislative agenda.