

# Is it all about competence? The human capital of U.S. presidents and economic performance

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Published online: 18 May 2013  
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**Abstract** This paper explores the extent to which human capital improves the economic policy competence of US presidents. Several recent studies have used international data to test similar hypotheses. However, international studies suffer from a variety of comparability issues, not all of which can be avoided through fixed effects and error correction. The US results developed in this paper suggest that both career paths and education have significant effects on a president's economic policy judgment, particularly in the period after the Civil War. However, the paper also suggests that more than good economic management skills are required to win national elections.

**Keywords** Public choice · Political business cycles · Human capital · Presidential policy

**JEL Classification** D7 · E2 · D9

## 1 Introduction

Until very recently, rational-choice-based political analysis has focused exclusively on the policy positions of candidates for elective office and their campaign funds, rather than on characteristics of the candidates themselves. There are many reasons to do so, including the fact that policy choices are the main “output” of elected officials. Moreover, it is possible that there is nothing general about candidate

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