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HEALTHCARE SECTOR STOCK RETURNS AND THE ELECTION OF DONALD J. TRUMP

By

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A thesis submitted in partial fulfillment of the requirements for the degree

Of

MASTER OF SCIENCE

In Financial Economics

## ABSTRACT

The 2016 US Presidential Election was hallmarked by significant policy differences between the Democratic and Republican parties. Healthcare reform was one of the most significant and highly debated issues between the candidates; Hillary Rodham Clinton (D-NY) and Donald J. Trump (R-NY). The Republican platform of repeal and replace was in direct opposition to the expansionary viewpoints of the Democratic Party which was to promote increased regulations on the healthcare and pharmaceutical industries. The media narrative in the months preceding the election assumed a Democratic victory as a sure thing. The New York Times gave Hillary Clinton a 98.5% chance of victory at the beginning of election night, making the landslide victory of Donald Trump over Hillary Clinton one of the greatest political upsets of the modern political era. In order to determine if market indicators were predicting a Republican victory in the election; we analyze financial performance of securities in the healthcare sector through standard event study techniques. In particular I use multivariate regression to calculate cumulative abnormal returns centered around varying time windows surrounding the Presidential Election. Financial data from 402 relevant healthcare firms is used in the analysis. Significant cumulative abnormal returns are observed for pharmaceutical/drug companies and healthcare companies in the event windows leading up to the election date. While negative in longer pre-event windows, returns become sharply positive on the days prior to the election. This is particularly true for pharmaceutical firms and healthcare stocks. Despite the prediction of Democrat victory in both the polls and in prediction markets, it is possible to show that the stock market accurately predicted a Republican victory in the General Election despite overwhelming odds indicating a Democrat victory.

## ACKNOWLEDGEMENTS

Event study techniques were replicated in a manner utilized in a similar study surrounding the passage of the Affordable Care Act and its approval by the Supreme Court<sup>[1]</sup>. Pre- and post-election analysis of the healthcare sector firms was conducted in a manner to analyze the effects of the election on the financial performance of the healthcare related firms<sup>[2]</sup>.

## INTRODUCTION

### ***Political Background of Healthcare Debate***

The 2016 Presidential election is widely considered to be the greatest upset in American political history with Republican nominee Donald Trump accomplishing a surprise victory over the former Secretary of State and Democratic nominee Hillary Clinton. This was preceded by President Trump defeating one of the most diverse field of candidates on the Republican primary stage in a generation. Election night, November 8, 2016, saw Secretary Clinton with a greater than 90% chance of victory according to the Princeton Election Consortium, New York Times, and other new agencies that were reporting the election<sup>[3]</sup>. However, voters turned out in mass in key swing states to secure the victory for candidate Trump. This victory, completely out of left field, created what we would consider to be a raw and unexpected upset to.

One of the most controversial and constantly debated political issues of the 2016 election was the subject of healthcare reform. The average cost of healthcare per individual in the US has been increasing for the last half of the 20th century and into the 21st, with per-capita spending on healthcare having increased 57 times from the inception of Medicaid to 2010<sup>[4]</sup>. This has prompted an increase in government intervention in the healthcare sector and related legislation. The legislation addresses the major issues facing consumers such as: constantly

increasing healthcare costs, the rising population of uninsured individuals in the US and their inability to obtain insurance, and the difficulty of obtaining insurance by person with pre-existing conditions. As a result, legislatures proposed and passed the Patient Protection and Affordable Care Act, commonly known as the Affordable Care Act (ACA) or ObamaCare, in March 2010<sup>[5]</sup>.

The ACA was not passed controversy-free or without extreme opposition in Congress from the Republican party. Not a single Republican representative in the House or Senate voted in favor of the bill<sup>[6]</sup>. The ACA was the subject of a repeal vote on 56 occasions from its inception to the start of the 2016 electoral race when Donald Trump entered the arena in the summer of 2015<sup>[7]</sup>. All Republican candidates for the 2016 race issued promises or held policy positions towards a “repeal and replace” approach to the ACA, a sentiment which was echoed by virtually all of their colleagues running for positions in Congress.

With the repeal and replacement of the ACA as a cornerstone of all Republican candidates campaigns in regards to healthcare, a vote for the Republican ticket could be categorized as a vote for the repeal of the ACA<sup>[8]</sup>.

### ***Democratic Victory A “Sure Thing” and Influences Healthcare Sector***

While Republican candidates were unified in a dissolution of the ACA. The Democratic field of candidates, spearheaded by Hillary Clinton, proposed a fundamentally different approach to the health care question by maintaining the status quo<sup>[10]</sup>.

Due to the forecasted victory of the Democratic party in the 2016 election. The financial performance of the healthcare sector continued normally as it had done in the 8 years since the passage of the ACA<sup>[17]</sup>. The supposed incoming administration’s healthcare policy direction mirrored that of the Obama administration resulting in a ‘business-as-usual’ attitude in the markets<sup>[9]</sup>.

Hillary Clinton took the position which advocated for expansions of coverage offered by the ACA and an increase in participation related tax credits. Hillary repeatedly went after

healthcare and pharmaceutical manufacturers by accusing companies of domestic price gouging and calling for increased regulations on pharmaceutical manufacturers<sup>[11]</sup>. Hillary's campaign position was to pursue implementing higher rebates for prescription drugs through Medicare thus opening the way for open negotiations of drug prices<sup>[12]</sup>. The Democratic platform also advocated for the elimination of barriers preventing the importation and use of prescription medications and regulate companies that utilized their influence to delay the release and distribution of generic drugs<sup>[13]</sup>.

Hillary's viewpoints and campaign platform on healthcare was a major contributing factor to her election platform; as a result, there were observations of stock price fluctuations based on her 'tough talk' regarding the pharmaceutical companies and the Democratic Party's antagonistic stance against the healthcare provider field.

The Democratic Party has continually championed the merits of the ACA and the platform of all candidates was to preserve the ACA and secure its continued existence. The ACA was passed under a Democrat administration and was the crowning achievement of the Obama presidency; most if not all democrats want it to continue unabated.

### ***ACA's Effect on the Healthcare Firms***

The continued support of the ACA by the Democratic Party and the negative commentary by the Dems regarding pharmaceutical and health insurer companies reflected in their financial performances and molded their strategies in Congress<sup>[14]</sup>. It was noted Pharmaceutical and healthcare related firms took an extreme level of interest in the effects the ACA would have on their industry. The amount of capital spent on lobby efforts in congress by pharmaceutical and healthcare firms increased exponentially from the time of the passage of the bill to the present day<sup>[15]</sup>. This increase in lobbying underlined an environment of uncertainty in regards to the effects of the ACA and caused a continual downward trend in abnormal returns of the healthcare sector.

## ***Scope of Study***

The objective of this study is to determine whether the performance indicators for healthcare sector companies were predictive of the surprise election results in 2016 and if those trends continued into the post-election period. Results show that, despite late-stage polling and even prediction markets that pointed to a Clinton victory, stock returns in the healthcare industry turned abnormally positive in the days leading up to the election. This is particularly true for pharmaceutical and healthcare stocks. These results indicate that while polls and prediction markets were completely taken by surprise on Election night, the equity market for the healthcare sector seemed to anticipate a Trump victory

## DATA DESCRIPTION

### ***Data Source***

The financial data used in this study was collected from the Center for Research on Security Prices (CRSP). Individual firms were selected based on the designation of their Standardized Industry Codes (SICs), which are widely used to categorize each firm by type. The analysis conducted in this paper was constrained to four different categories of firms: drug/pharmaceutical companies, health insurers, healthcare providers, and medical device producers. The financial data compiled from these firms was used to execute a series of stand event studies surrounding the day after the 2016 Presidential Election results were announced;  $t=0$  being designated as November 9, 2016. Due to the unexpected election results, we can examine the behavior of the healthcare sector in response to such an unfavorable event to the established ACA.

A total of 402 firms were analyzed with 59 designated as Pharmaceutical/Drug companies, 378 firms listed as health care providers, 14 listed as insurers, and 51 listed as

medical product manufacturers. It should be noted; several of the listed companies fall into one or more categories listed above, as a result the results of the event study do not sum to 402.

### **Summary Statistics November 9, 2016**

Table 1 of the Appendix is a report of summary statistics for the healthcare firms sampled in this study on the date of the presidential election November 9th, 2016. *Price* is the closing share price according to CRSP. *MktCap* is the firm's market capitalization. *Turn* is the share turnover or the daily volume scaled by shares outstanding. *Spread* is the bid-ask spread using closing bid and ask prices from CRSP. *Pvolt* is a measure of price volatility, which is the difference between the daily high price and the daily low price scaled by the daily high price. *DRUG* is an indicator variable equal to one if the firm is classified as a pharmaceutical company according to standard industry codes, otherwise it is denoted by a zero. *HEALTHCARE* is an indicator variable capturing healthcare companies. *INSURER* is an indicator variable capturing whether the company is considered a health insurer. *DEVICE* is an indicator variable equal to one if the company is classified as a medical product or manufacturer company. Companies are designated to these categories by their standard industry codes (SICs). In this study, *HEALTHCARE* companies made up 94.26% of the sample, *DRUG* made up 14.93%, *DEVICE* 12.72%, and *INSURER* was the smallest at 3.49%. We note that these percentages do not sum to 100%; some firms are identified as two or more types according to their SIC's. Inasmuch the components analyzed in Table 1 do not sum to 402. It should be noted that a limitation of this study is that the small sample size of some of our categories, specifically *INSURER* (N=14), *DEVICE*(N=51), and *DRUG* (N=59); it may be difficult to determine significant results.

Table 1 shows that the average firm had a share price (*Price*) of \$34.84 and a market capitalization (*MktCap*) of approximately \$7.7 billion. Average share turnover (*Turn*) on the day after the election was 18.625%. The average security's bid-ask spread was calculated using closing ask and bid prices from CRSP<sup>[16]</sup>. The price volatility (*Pvolt*) variable is denoted from a



study from Diether, Lee, and Werner (2009) that the method of computing price volatility as a difference between the highest price during a particular day and the lowest price during a particular day, scaled by highest price, is better able to capture more volatile stocks.

## EMPIRICAL RESULTS AND FINDINGS

To begin our study, we conducted univariate tests wherein we examine the performance of our entire sample of healthcare firms using traditional event study methods surrounding our  $t=0$  reference of November 9, 2016. This is then followed by a firm specific series of multivariate tests to analyze financial performance of the individual company types designated *DRUG*, *HEALTHCARE*, *INSURER*, and *DEVICE*.

### ***Cumulative Abnormal Returns - Industry Wide - Pre-Election***

Table 2 is a report of mean Cumulative Abnormal Returns (CARs) and Z-statistical tests for the entire sample of healthcare companies for various pre-election time window. We determined CARs estimations through a daily market model and abnormal returns are defined as the residuals from the market model.

In Table 2 we report our estimates of mean cumulative abnormal returns of the entire sample for the pre-election time windows of [-30 to -1], [-20 to -1], [-10 to -1], [-5 to -1], [-3 to -1], and [-1 to 0], where day zero is the day after the election day November 9, 2016. We use the day after the election day since this is the first full day after election results were in. The Jackknife Z-statistic, and Patell statistic are also included to assist in determining the overall statistical significance of the results. The Patell test is a widely used test statistic determined by standardizing the abnormal returns before calculating the test statistic. The Jackknife Z-test is used due to its robustness to changes in information flow during a financial event in not assuming stationary variance in returns; this gives us a more fluid and accurate representation

of our distribution of results. The results of the Patell and Jackknife test in Table 2 show that the results of the cumulative abnormal returns performing well below the mean return of the market; our results show the Z-statistics trending toward the positive in the days preceding the election and support the evidenced claim of the market predicting a Trump Election.

Table 2 reports estimated CARs are statistically significant and are negative in the windows leading to the election while trending towards the positive as the election drew closer. Trending from -9.83% abnormal returns in the 30-day pre-event period to 1.13% in the previous 4 days. That's a shift in a month from a -79.91% to 94.92% in annualized returns. The Patell and Jackknife Z tests also display a shift from a negative to positive mean return distribution lending evidence to the hypothesis that the market was predictive of a Trump victory with upward trending abnormal returns; this is directly contrary to the media narrative that was prevalent at the time of the election.

### ***Cumulative Abnormal Returns - by Firm Type - Pre-Election***

CARs are reported based on company type in Table 3. Like Table 2; mean CARs are estimated along with two separate Z-test statistics (Patell [in brackets] and Jackknife [in parentheses]) for each of the four types of firms used in the sample, which are categorized by their SIC designation. *DRUG* is designated for any companies that are classified as pharmaceutical in column [1], *HEALTHCARE* in column [2] denotes healthcare companies, *INSURER* in column [3] identifies companies who are health insurers, and *DEVICE* in column [4] identifies medical product manufacturers. Similar to the firm wide event study, our windows of observation are the prior 31 days to the event, November 9, 2016 designated with CAR(-1,0), CAR(-1,1), CAR(-5,-1), CAR(-10,-1), and CAR(-20,-1) and CAR(-30,-1). These event windows are used to obtain estimates of CARs using a daily market model and summing the residual returns

The results of the analysis determine a high level of statistical significance in the period before the election among the *DRUG*, *HEALTHCARE*, and *DEVICE* designations. *INSURER* observed significance in the 3 days surrounding the election CAR(-1,1) but not in the month preceding the election.

*DRUG* and *HEALTHCARE* companies displayed statistically significant abnormal returns throughout the entire event window. It is observed that the CARs steadily peaked from negative to positive leading up the election; as will be evidenced in the post-election results. *DEVICE* oriented firms saw significant negative CARs in the 30, 20, and 10 day time windows prior to the election but were trending in the positive from -9.55%(CAR(-30,-1)) (-77.63% annualized abnormal return) to 0.34% (28.56% annualize abnormal return) in the 3-day period surrounding the event (CAR(-1,1)). These positive trends in CARs continued into the post-election time windows. The *DRUG* and *HEALTHCARE* firms had the greatest to gain from a Republican victory in the Presidential Election; with the promise of deregulation coupled with the repeal and replace of the ACA. *DRUG* and *HEALTHCARE* both saw a sharp increase on the day of the event; obviously in reaction to the Republican victor in the election. This is evidenced in columns [1] and [2] of Table 3 as mean CARs jumped by 4.03% in *HEALTHCARE* and 0.71% in *DRUG* in the day after the election.

The trend of CARs in in *DRUG* and *HEALTHCARE* makes a shift from negative to positive in the time period of CAR(-3,-1). From CAR(-5,-1) to CAR(-3,-1): *DRUG* increased from -2.94% to 1.33%, *HEALTHCARE* increased from -1.2% to 1.33%. *INSURER* dropped its CARs in the CAR(-3,-1) period and raised dramatically the day after the election and showed greater statistical significance.

These results coupled with the industry wide analysis in Table 2, indicate that stock market for the healthcare industry seemed to accurately predict a victory for Donald Trump days before the election ever took place and contrary to polls and all the predictive markets.

### ***Cumulative Abnormal Returns - Industry Wide Post-Election***

The following is a recreation of a previous post-election CAR event study for the healthcare sector to coincide with our pre-election results<sup>[2]</sup>.

Table 4 is a summary of the Cumulative Abnormal Returns (CARs) for the selected event windows on a sector wide view incorporating our entire sample for the post-election time windows. As above, also included are the Jackknife and Patell Tests, reported in parentheses and brackets respectively in the table. We determine cumulative abnormal returns for a variety of post-event time periods where CARs are estimated through a daily market model and abnormal returns are defined as the residuals from the market model.

In Table 4, we report our estimates of cumulative abnormal returns for the 10-day period leading up to our event date (CAR(-10,-1)) due to its high statistical significance among all company types as explained earlier, the three day period surrounding the event date (CAR(-1,1)), the two day period immediately following the event date (CAR(0,1)), which is then followed by the following 11, 21, and 31 days (CAR(0,10), CAR(0,20), CAR(0,30)).

The results of the test display statistically significant abnormal returns over a majority of our event window and the presidential election. We find that mean CARs are reliably different from zero in columns [1] through [5], and not reliably different from zero in column [6]. The results in column [1] are negative while [2] through [6] are positive. Column [3] (CAR(0,1)) reports a cumulative abnormal return of 3.97% which annualized to a total return of 500.22%. CARs remain statistically significant up to 21 days out CAR(0,20). There are no significant CARs reported in column [6], the 30-day window of our study.

Based on the results of our CAR(0,20) and CAR(0,30), we see that as time went on the prelection trends of positive CARs continued, but investors began to realize that the repeal of

the regulation heavy ACA, which was promised by President Trump, would be much more difficult to accomplish than initially thought.

### ***Cumulative Abnormal Returns - Firm Specific - Post Election***

Cumulative Abnormal Returns are reported based on company type in Table 5. Similar to Table 4; mean CARs are estimated along with two separate Z-test statistics (Patell [in brackets] and Jackknife [in parentheses]) for each of the four types of firms used in the sample, which are categorized by their SIC designation as in Table 3. Similar to the firm wide event study, our windows of observation are the prior 10 days to the event, November 9, 2016 (CAR(-10,-1)) and similarly with CAR(-1,1), CAR(0,1), CAR(0,10), CAR(0,20), and CAR(0,30). These event windows are used in obtained estimates of CAR using a daily market model and summing the residual returns.

The empirical results displayed in the Table 5 display that there is a presence of statistically significant cumulative abnormal returns in the *DRUG* (column [1]), *HEALTHCARE* [2], and *INSURER* [3] operating companies and none offered in the post-election time window of the *DEVICE* [4] category. This can be viewed as a continuation of the increasing abnormal returns from the pre-election period and now the market has reacted in full to the results of the election.

*DRUG* and *HEALTHCARE* both saw a significant amount of negative abnormal returns in the preceding days of the election. However, as explained in the previous sections, trends in CARs shifted to positive prior to the election which would indicate a victory for Republicans and an outlook forecasting the repeal and replacement of the ACA.

In examining the time window of the day of the election and the day following (CAR(0,1)) that cumulative abnormal returns are significant across all company types except *DEVICE*. *DRUG* [1] cumulative abnormal return from CAR(-10,-1) is -6.4% or -146.62% CAR(0,1) 7.69% annualized to 968.94%. This is a clearly evidenced effect of the surprise election of Donald

Trump; the industry was in a steady decline leading up the election and then shifted to make a massive upturn in the wake of the result, in just a 2-day period. *HEALTHCARE* stocks saw a CAR (-10,-1) of -4.99% (-114.32% annualized) to CAR(0,1) of 3.78% (476.28% annualized).

*INSURER* saw statistically significant CAR(0,1) of 1.95% (245.70% annualized).

*HEALTHCARE*, representative of the industry as a whole with its significant sample size, loses its significance after CAR(0,10) or 11 days from the event while the smaller *DRUG* [1] and *INSURER* stocks hold significance 21 and 31 days out respectively *DRUG* [1] CAR(0,30) annualizes to 29.508% and *INSURER* CAR(0,30) annualizes to 46.905%. While *DRUG* designated companies display much larger cumulative abnormal returns in the early days of the study and after the election, *INSURER* designated companies report the larger abnormal returns and statistical significance in the longer term 31-day window. This may be indicative that insurance designated companies may continue to exhibit continued abnormal returns into the future.

## CONCLUSIONS AND INTERPRETATION OF FINDINGS

The implications of the performance of healthcare sector firms leading up to the US Presidential Election, especially in the pharmaceutical and healthcare provider industries, have shown that they are capable of accurately predicting the results of the election. The statistical significance in our tested time windows leading up to the election accurately show that the tested *HEALTHCARE* firms is the greatest indicator regarding the healthcare sector. The continually upward trending abnormal returns accurately predicted an impending policy shift in Washington. This finding is supported by the continually upward trending, statistically significant, pre-election abnormal returns for the *HEALTHCARE*, *DRUG*, and *INSURER* companies. It is further supported by the shift in CARs from negative to positive occurring before the election took place, mostly evidenced in CAR(-3,-1) of Table 3.

The result of this analysis showcase the market as predicative indicator in regards to impending policy shifts in Washington. The completely opposite party platforms related to healthcare may have also sharpened the accuracy of the predictions as well.

## APPENDIX & TABLES

**Table 1**

SUMMARY STATISTICS OF SAMPLED HEALTHCARE STOCKS - NOVEMBER 9TH 2016

	Mean	Median	Std. Deviation	Min	Max
	[1]	[2]	[3]	[4]	[5]
<i>Price</i>	34.84	12.7	60.2209	0.0515	651.46
<i>MtkCap</i>	\$7.7M	\$472,223.77	\$26.79M	2290.61	\$329.15M
<i>Turn</i>	18.6245	11.0858	26.1708	0.0484	297.9262
<i>Spread</i>	0.0673	0.0100	0.4390	0.0001	7.8999
<i>Pvolt</i>	0.0774	0.0686	0.0436	0.0000	0.3120
DRUG	0.1493	0.0000	0.3543	0.0000	1.0000
HEALTHCARE	0.9426	1.0000	0.0233	0.0000	1.0000
INSURER	0.0349	0.0000	0.1838	0.0000	1.0000
DEVICE	0.1272	0.0000	0.3336	0.0000	1.0000

**Table 2**

Pre 2016 Election- Full Sample - Full Sample Statistical Significance

	CAR(-30,-1)	CAR(-20,-1)	CAR(-10,-1)	CAR(-5,-1)	CAR(-3,-1)	CAR(-1,0)
Mean	-0.0983***	-0.0869***	-0.0495***	-0.0135	0.0113***	0.0201***
Median	-0.0848	-0.0672	-0.0324	-0.005	0.012	-0.02
Jackknife						
Z	-12.187	-14	-8.405	-0.599	-5.263	-7.49
Patell Z	-12.654	-12.872	-9.593	-0.875	5.850	9.727

Statistical significance at the 0.10, 0.05, and 0.01 level are denoted by \*, \*\*, and \*\*\* respectively.



**Table 3**

## CAR Results by Firm Type - Pre-Election Results

	DRUG (N=59)	HEALTHCARE (N=378)	INSURER (N=14)	DEVICE (N=51)
	[1]	[2]	[3]	[4]
CAR(-30,-1)	-0.0857*** [-3.858] (-3.578)	-0.1050*** [-11.375] (-11.512)	0.0198 [1.031] (1.182)	-0.0955*** [-5.125] (-3.995)
CAR(-20,-1)	-0.1073*** [-5.354] (-5.513)	-0.0914*** [-11.353] (-12.594)	0.0195 [1.105] (1.330)	-0.0592** [-4.295] (-4.555)
CAR(-10,-1)	-0.064*** [-4.062] (-3.779)	-0.0499*** [-8.157] (-7.49)	0.0124 [1.163] (1.355)	-0.0462** [-3.774] (-2.538)
CAR(-5,-1)	-0.0294 [-2.008] (-1.074)	-0.012 [-0.783] (-0.735)	0.0342 [3.355] (2.655)	-0.0185 [-0.212] (-0.091)
CAR(-3,-1)	0.0133* [1.741] (1.980)	0.0133*** [5.360] (4.824)	0.0287 [3.301] (2.231)	-0.011 [0.158] (0.251)
CAR(-1,0)	0.0516*** [8.665] (6.078)	0.0206*** [8.593] (6.691)	0.0003 [1.131] (0.715)	-0.0143 [-2.789] (-1.400)
CAR(-1,1)	0.0729*** [9.488] (7.251)	0.0368*** [12.114] (8.969)	0.0277*** [4.404] (2.322)	0.0034 [-0.321] (0.575)

Statistical significance at the 0.10, 0.05, and 0.01 levels is designated with \*, \*\*, and \*\*\* respectively

Z-Statistics reported in Parentheses (Jackknife) and Brackets [Patell] respectively.

**Table 4**

Post 2016 Presidential Election - Full Sample Statistical Significance

	CAR(-10,-1)	CAR(-1,1)	CAR(0,1)	CAR(0,10)	CAR(0,20)	CAR(0,30)
	[1]	[2]	[3]	[4]	[5]	[6]
Mean	-0.0495***	0.0374***	0.0397***	0.0443***	0.0187**	0.0006
Median	-0.0324	0.036	0.0375	0.0361	0.0098	-0.004
Jackknife						
Z	-8.405	10.616	11.078	7.147	1.636	-0.625
Patell Z	-9.593	14.403	17.945	7.03	1.033	-0.4

Statistical significance at the 0.10, 0.05, and 0.01 level are denoted by \*, \*\*, and \*\*\* respectively.

**Table 5**

CAR Results by Firm Type - Post Election  
Results

	DRUG (N=59)	HEALTHCARE (N=378)	INSURER (N=14)	DEVICE (N=51)
	[1]	[2]	[3]	[4]
CAR(-10,-1)	-0.064*** [-4.062] (-3.779)	-0.0499*** [-8.157] (-7.49)	0.0124 [1.163] (1.355)	-0.0462** [-3.774] (-2.538)
CAR(-1,1)	0.0729*** [9.488] (7.251)	0.0368*** [12.114] (8.969)	0.0277*** [4.404] (2.322)	0.0034 [-0.321] (0.575)
CAR(0,1)	0.0769*** [11.951] (8.172)	0.0378*** [14.869] (9.200)	0.0195** [4.097] (1.88)	0.016 [0.908] (1.326)
CAR(0,10)	0.0808*** [4.965] (6.038)	0.0390*** [4.976] (5.349)	0.065*** [4.352] (3.259)	0.0354 [0.599] (1.147)
CAR(0,20)	0.0608*** [2.241] (2.680)	.0083 [-0.358] (0.304)	0.0713*** [3.490] (3.818)	0.0323 [-0.049] (0.298)
CAR(0,30)	0.0363 [1.237] (1.277)	-0.0071 [-0.994] (-1.218)	0.0577*** [2.255] (3.008)	0.0006 [-0.868] (-0.772)

Statistical significance at the 0.10, 0.05, and 0.01 levels is designated with \*, \*\*, and \*\*\* respectively

Z-Statistics reported in Parentheses (Jackknife) and Brackets [Patell] respectively.



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