



How Trump's Policies Could Reshape the U.S. Economy

With his election victory on Tuesday, Donald Trump now has the opportunity to pick up where he left off in 2020: [bringing back a robust and freer economy](#).

He has made three major promises: seal the border, end the two wars raging in Europe and the Middle East, and stimulate America's energy industry. In addition, he plans to achieve his goal of making America great again by reducing government regulations (demanding that agencies cut 10 regulations for every new one they create), cutting the corporate income tax rate from 21 percent to 15 percent, making permanent his Tax Cuts and Jobs Act of 2018, and returning millions of illegals to their native countries. He has also promised across-the-board tariffs of between 10 and 20 percent on imports, with a 60-percent tariff applied to imports from China.



AP Images

He will have the assistance of Elon Musk as head of his new Department of Government Efficiency, along with businessmen Doug Burgum, presently the governor of North Dakota, and Vivek Ramaswamy. And Trump won't be encumbered by the Republican turncoats who infested his first administration, nor the fence-straddling Senate Majority Leader Mitch McConnell.

Establishment Warnings

Warnings from establishment figures on the Right and the Left, along with liberal think tanks such as Brookings, Nomura, and other notables are already warning of the disastrous impact such measures are likely to have on the U.S. economy (which is presently staggering under Bidenomics).

Jason Furman, the former head of Obama's Council of Economic Advisors, declared that "the losers [in Trump's new economy] are consumers and most businesses." Maurice Obstfeld, former chief economist at the globalist International Monetary Fund (IMF), warned that Trump's "tariffs are not going to bring down the trade deficit [and] they're not going to restore manufacturing jobs." Bloomberg economist Chris Collins declared that Trump's policy of deporting millions of illegals would shrink the economy by three percent, hitting industries such as construction, leisure and hospitality, and agriculture the hardest.

The "nonpartisan" Committee for a Responsible Federal Budget (CRFB) estimates that Trump's agenda could increase the national debt by as much as \$15 trillion over the next 10 years.

Tariff Troubles

The Tax Foundation estimated that Trump's tariff increases would raise costs on businesses and result in a shrinkage of the economy by almost one percent. They would also reduce employment, by its



Written by [Bob Adelman](#) on November 7, 2024

calculations, by some 700,000 jobs. Economists at the globalist Peterson Institute for International Economics (PIIE) estimated that the combined impact of Trump's tariffs and his proposed mass deportation of illegals would cut U.S. economic output by between three and nine percent over his second term. And Margot Crandall-Hollick, a research associate at the Urban-Brookings Tax policy Center, said that Trump's policies "would probably provide pretty limited, if any, benefits for low income folks." She added, "And if you add the tariffs, which are going to increase the cost of goods that everyday people use, it would be a net negative for most low and moderate income folks."

No Cause for Alarm

The first place to look is at how well these plans worked during Trump's first administration. Household net worth, the most telling measure of how families fared under Trump, jumped by \$10,000 a year in real dollars after taxes. Oil production brought gas prices to under \$2 a gallon. Employment soared, unemployment dropped, and the country became energy independent for the first time in decades.

The second place to look is Wall Street. The Dow soared by 1,500 points, or three percent, on Wednesday, a positive move portending a stronger economy in the next six to nine months.

The third place to look will be at the energy sector. With free-market principles ruling once again, and drilling and fracking being acceptable once again, oil production in the United States will soar to new heights, bringing down gas prices to manageable levels once again and reducing energy costs all across the American economy.

The next place to look will be at new business startups. As the Trump administration removes regulations, entrepreneurs will see and seize new opportunities to profit in the newly recovering economy. Big companies will be encouraged to expand their operations nationally. Warren Buffett, CEO of Berkshire Hathaway, has been waiting for a moment like this: He currently has more than \$350 billion in cash waiting to seize those new opportunities that will sprout like sunflowers in Kansas under Trump's second term.

According to the Coalition for a Prosperous America, which supports much of Trump's economic agenda, the "universal" 10 percent tariff, combined with the tax cuts that Trump is promising beyond what he passed in his first term, would add more than \$700 billion to the nation's annual economic output and create nearly three million new American jobs.



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