



The Daily Dish

The Economic Consequences of President Trump

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[Today President Donald Trump](#) is expected to meet with healthcare executives to discuss replacing Obamacare. Last week the president stated that he will announce his repeal and replacement plan in the coming weeks and that his plan would offer better care at a lower cost to Americans. President Trump and congressional Republicans have vowed to make the repeal and replacement of Obamacare a top priority.

[On Friday President Trump signed](#) an executive order requiring federal agencies to appoint regulatory watchdogs to oversee their rule making authority. The President said that rules made by agencies will be examined to ensure that the rules “make life better for American workers or consumers.” The administration has directed agency heads to appoint “regulatory reform officers” to ensure President Trump’s orders are being followed.

Eakinomics: The Economic Consequences of President Trump

What are they, exactly? Since the election equity markets have rallied in anticipation of the immediate boost from tax cuts, a big infrastructure spending boom, and deregulatory efforts. More recently, the Federal Reserve seemingly bought into this as well, hinting at raising rates more quickly and, as the Wall Street Journal [reported](#) “citing in minutes from their latest policy meeting an improving economy and the possibility of more spending and less taxing by the Trump administration.” More recently, the private [pension funds](#) have become optimistic of improved solvency, anticipating that firms would accelerate contributions — which are tax-deductible for corporations — to deduct them at the 35 percent current tax rate before it is cut to 20 percent or lower.

But not so fast, perhaps. Axios [reports](#) that the Trump Administration will push off any consideration of the infrastructure plan until 2018. This would be an acknowledgment of the crowded legislative calendar — budget resolution for 2018, tax reform, border security,

funding the government for 2017 and 2018, confirming Trump Administration appointees, repealing and replacing Obamacare, confirming a Supreme Court justice, and more — and the hope of picking up Democratic support under the pressure of midterm elections. At the same time, the administration has yet to signal clearly where it stands on the House tax reform blueprint (which is revenue-neutral, not a tax cut) or provide its own alternative.

The best scenario remains continued regulatory reform, a solid pro-growth tax reform, and a patient and sensible infrastructure program that raises productivity and economic growth in a durable fashion. But that is very different than the near-term boost that markets over-anticipated, and remains a legislative work-in-progress.