The Daily Dish

Promise Check, Wash, Rinse, Repeat

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The president made news on the first night of the newly launched Republican midterm convention. As reported by *The Wall Street Journal*:

> *"Because of our tremendous strength and success economically, I will issue a dividend to every adult citizen in the United States of America for $5,000," Trump said.*
> *…*
> *"So if the Republicans win, you win with us, and you get $5,000," he said to loud cheers from the crowd. "It will be called the Trump dividend."*

That's either a big bribe or, er, a big campaign promise, depending on how you look at it: The total cost is somewhere in the vicinity of $1.3 to $1.5 trillion. But while it *is* big, there are a lot of things it *is not.*

It is not credible. The president has promised "DOGE dividends," tariff dividends, and a variety of other freebie checks. None has actually arrived in the mailbox.

The fantasy is not a tax cut. The $5,000 would go to tens of millions of people who do not pay taxes.

It is not budgetarily or economically realistic. Borrowing $1.5 trillion is not wise right now. But if the bond market did not choke on the federal deficit ballooning by 75 percent, the bribes – er, "dividends" – would constitute an enormous fiscal stimulus. It would be just a bit shy of the horrific policy error known as Biden's American Rescue Plan, which did all of us the great favor of driving inflation quickly from 1.4 percent to 9.1 percent beginning in April 2021. Of course, it would not be stimulus if the Congress chose to raise taxes by $1.5 trillion. Raise your hand if you see that happening.

It is not a favor to the Fed. To fight the inflation threat that is $5,000 bribes – er, "dividends" – the Fed would have to raise rates sharply (and not repeat the mistake it made in 2021). The president has been lobbying for lower interest rates. Sending out the bribes – er, "dividends" – guarantees conflict.

The bribes – er, "dividends" – are not going to happen.

In the same news cycle, the White House rolled out a different sort of check-writing scheme: Working Families Obamacare Refunds. As the fact sheet puts it:

> *The Biden Administration overcharged Americans through Obamacare plan exchange "user fees" that were passed on to consumers in the form of higher premiums, funding the operations of the federal Obamacare exchange far in excess of what was needed to run the exchange.*
>
> *As a result, the Biden Administration accumulated a significant surplus of funds that were not used to benefit the Americans who paid these higher premiums.*

That is what happened. The Biden Administration discovered that it had collected more money than was necessary to run the exchanges, roughly $500 million too much. It checked the law and found that the money could be used for some other ACA-related purpose. It proposed to use the dollars to cover the cost of no cost-sharing on over-the-counter contraceptives.

The proposal ran into political headwinds and was dropped. The money remains, so President Trump is proposing to provide a $500 refund to those that do not receive premium assistance in the 30 states that use the federal exchange for the operations of their Obamacare markets. The administration estimates that nearly 1 million Americans will receive a refund check beginning in October 2026.

The president likes to promise checks to voters, but not all bribes – er, "dividends" – are created equal. And some are just a bad idea.