Research

The Budgetary Impact of Candidate Trump's Proposals

GORDON GRAY | OCTOBER 19, 2016

Donald Trump's policy proposals as a candidate for president would have a deleterious effect on the federal budget.[1] Until recently, the Trump campaign did not provide a sufficient degree of specificity in its policy proposals to make an analysis feasible. However, more recent proposals have included greater detail, while other organizations, most prominently the Tax Policy Center (TPC) and the Committee for a Responsible Federal Budget (CRFB), have provided excellent third-party estimates of the current candidates' proposals. This analysis primarily relies on public statements provided by the Trump campaign, news reports, and third party estimates, specifically from TPC, CRFB, the American Action Forum, and the Center for Health and the Economy.

Based on these estimates, Mr. Trump's proposals would, on net and over a ten-year period (2017-2026), reduce revenues by $6.5 trillion and increase outlays by $323 billion, for a combined deficit effect of nearly $6.8 trillion over the next decade.

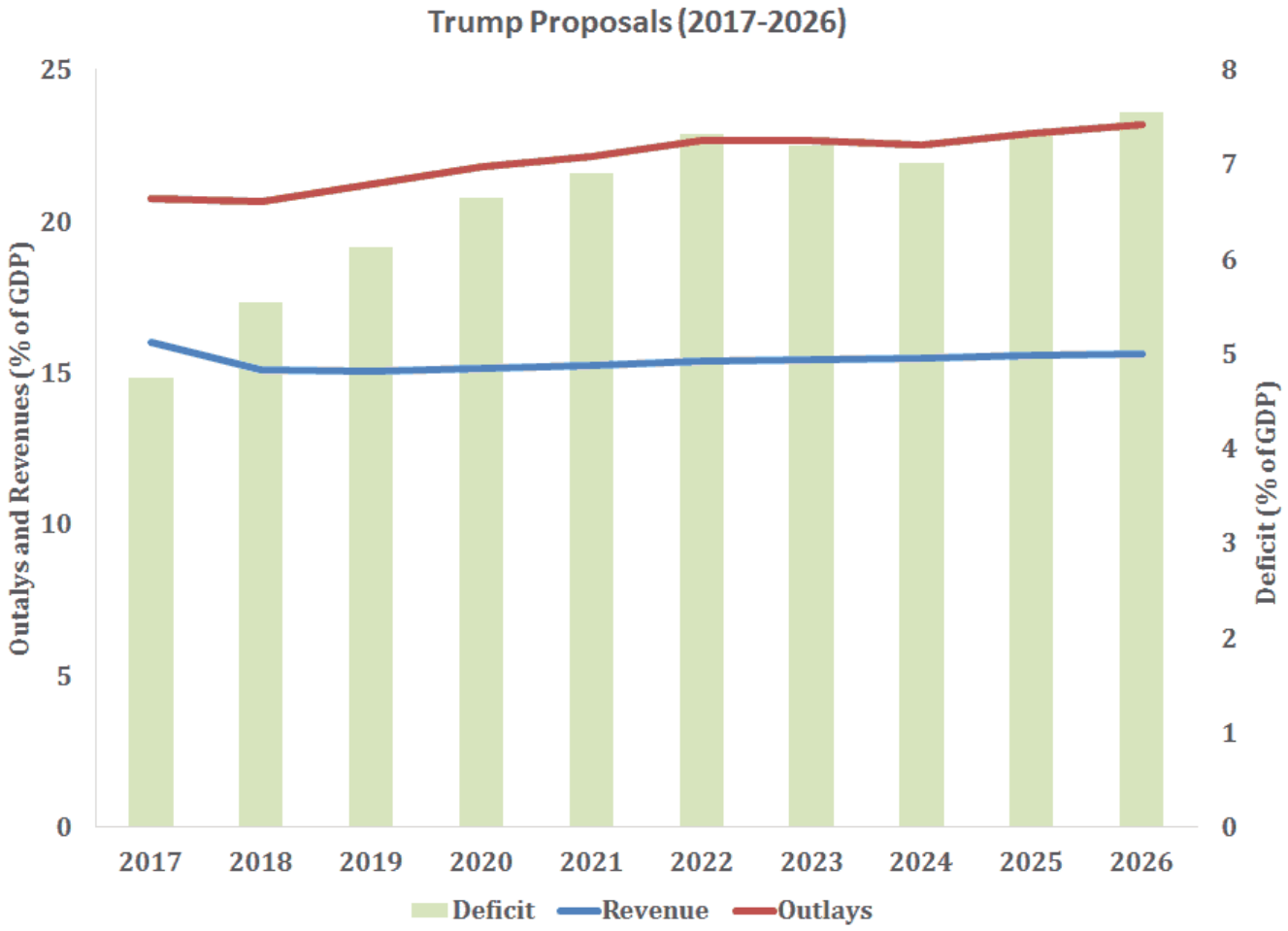
Table 1: Budgetary Effects of Mr. Trump's Proposals

Figures in Billlions($)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Revenue	-365	-592	-633	-661	-667	-665	-678	-701	-728	-762	-6,453
Outlays (w/o Interest)	-54	-17	-18	-1	-9	-24	-57	-94	-127	-158	-560
Net Interest	2	9	25	46	71	96	121	145	171	196	882
Outlays	-52	-8	7	46	62	71	64	52	43	38	323
Deficit	313	584	641	706	730	736	742	753	771	800	6,775
Debt	15,056	16,222	17,538	19,001	20,570	22,294	24,060	25,853	27,799	29,893	

As a share of the economy, Mr. Trump would increase deficits to 7.6 percent of Gross Domestic Product (GDP), with outlays increasing to 23.2 percent of GDP, compared to

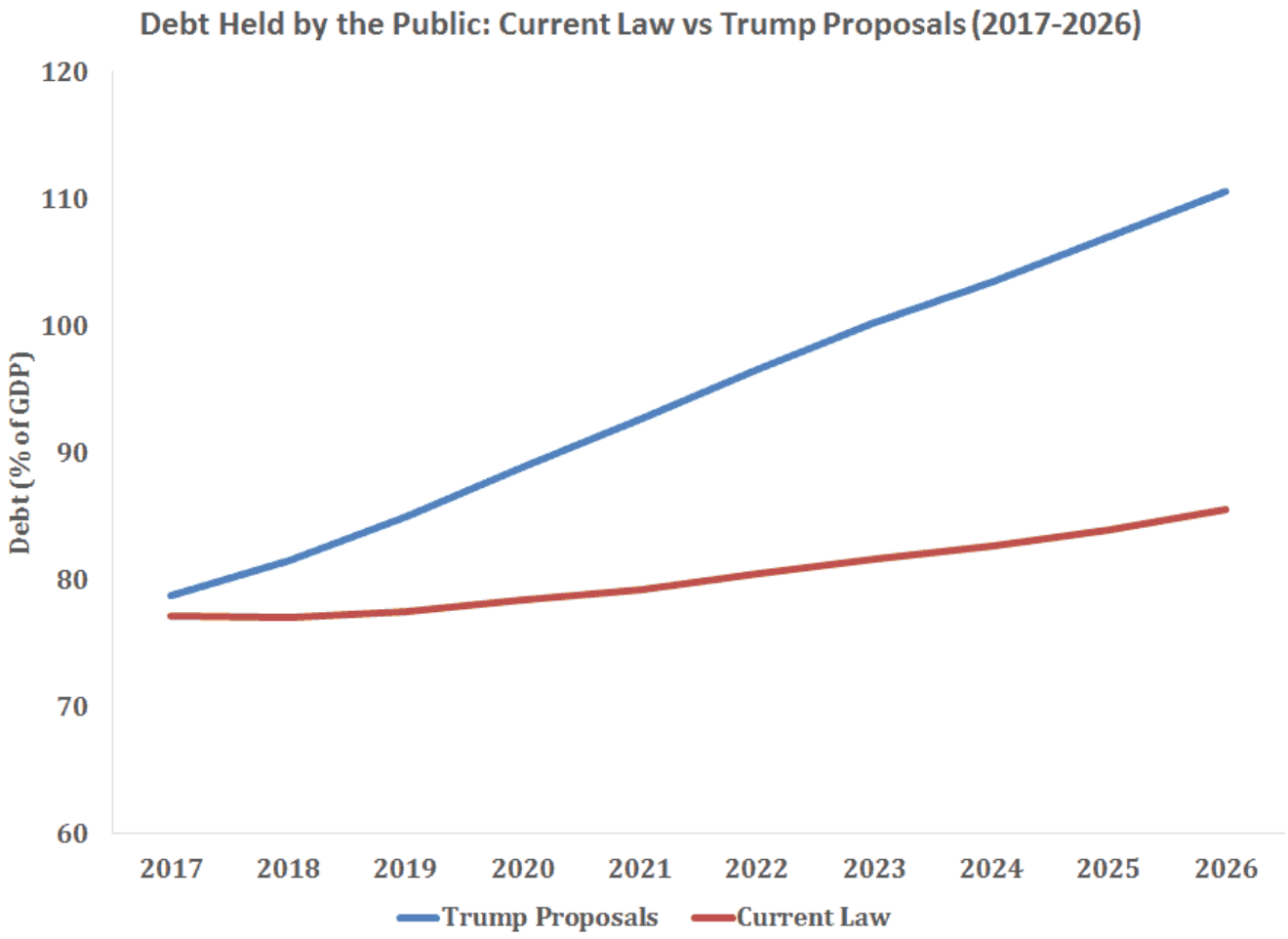
revenues of 15.7 percent of GDP.

Figure 1: Budgetary Effects as a Share of GDP



Because of persistent budget deficits over the next ten years, Mr. Trump's proposals would increase debt held by the public to 110.6 percent of GDP – well above the current law projection of 85.5 percent.

Figure 2: Debt Effects



The spending and revenue proposals reflect 6 broad spending proposals, the net effects of Mr. Trump's tax proposals and the interest effects.

Table 2: Costs Estimates of Proposals

Figures in Billions ($)	Overall Proposal	2017-2026
Outlays		
1	Infrastrucutre Proposal	476
2	Net Immigration Proposals	247
3	Net Defense Proposals	237
4	Paid Maternity Leave	47
5	Net Health Provisions*	-583
6	Penny Plan	-983
Sub Total Spending Proposals		-560
Net Interest		882
Sub Total Outlays		322
Revenue		-6,453
Deficit		6,775

*Note this includes tax provisions related to coverage. Non-coverage tax provisions are included in the revenue estimate

In several instances, these proposals reflect the net budgetary effects of several proposals, particularly with respect to defense, immigration and health care. Moreover, many additional proposals are included in the net revenue effects. The revenue estimate reflects the revenue loss of Mr. Trump's tax plan as analyzed by the Tax Policy Center, as well as the costs of additional revenue losses from repealing the Affordable Care Act. The Appendix provides more specific details, including cost estimates for more specific elements of the broader proposals, annual spend-out totals and sources for the proposal itself and sources for the basis of the estimate. This estimate does not include proposals where it does not appear evident that the campaign intended to budget for them, for example, Mr. Trump's education proposal suggests that additional funds would be reprogramed from other areas of the budget. Also absent is a budgetary estimate of Mr. Trump's trade proposals. Lastly, this budget estimate does not incorporate the macroeconomic effects of Trump's proposals.[2]

APPENDIX

[1] Note that a separate analysis by AAF found that Secretary Clinton's proposals would add about $1.5 trillion to the debt over the next ten years: https://www.americanactionforum.org/research/estimating-costs-candidate-clintons-proposals/

[2] For example, see: https://www.americanactionforum.org/research/labor-output-declines-removing-undocumented-immigrants/; https://www.americanactionforum.org/research/tariffs-on-chinese-and-mexican-imports-could-cost-consumers-250-billion/