The Daily Dish

Trump Economic Plan v 2.0

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On Wednesday members of the House passed legislation aimed at preventing agencies from promoting proposed rules, mainly through social media. The Regulatory Integrity Act directs agencies to only tweet and post blogs that inform the public based on substance and/or status of a proposed rule and prohibits them from posting what could be seen as promotion for a particular proposed rule. The legislation is said to help the government become more "open, transparent and unbiased."

A new report released this week shows that the average American is paying 3.4% more for health care than they were in 2015. According to CNN, in 2006 the average family plan cost $11,480 a year, today the average family plan costs $18,142 a year. Premiums are not the only thing rising. The report found that deductibles have also drastically risen over the past decade. In 2006 the average family plan had a deductible of $747 and today the average family plan has a deductible of $1,221.

On Thursday, September 22nd the American Action Forum will host an event focusing on examining FSOC and its designation process. Specifically, the event will focus on factors the FSOC considers in designating banks and non-bank financial institutions, how to determine the systemic risk posed by these companies, and how the process can and should be improved.
To find out more about the event and to RSVP please click here.

Eakinomics: Trump Economic Plan v 2.0

Yesterday, Donald Trump took to the podium to provide additional details on his economic vision and respond to criticisms that "it doesn't add up." There were four basic takeaways from the speech.

First, in a tone much more befitting a supposedly-conservative candidate (with time outs on trade and the Fed — oh well), he made the case that the United States is growing too slowly and that faster trend economic growth is a national imperative. He is right, and it stands in sharp contrast to the given-up-on-growth approach of the Clinton campaign and its plethora of tax and transfer fantasies.

Second, he took seriously the budgetary criticisms and sharply modified his tax plan in response. He then made the case that, including growth effects, the plan is budget neutral.

Third, it is not. The feedback from growth lowers the $4.4 trillion revenue loss (over 10 years) to $2.6 trillion — a growth offset of 40 cents on the dollar. That is at the very upper end of plausibility for a purely pro-growth plan and the Trump plan still has some weaknesses on that front. Second, it relies on growth from a regulatory freeze and energy boom to trim another $1.8 trillion off the deficit. The regulatory freeze will stop damaging growth, true, but it's questionable how much upside it has. The energy boom has already happened (President Obama owes the energy sector a big thank you for essentially being his recovery) and additional growth means higher oil and gas prices that are hardly the recipe for the rest of the economy. On the whole, it is hard to see how one ends up jumping from 2 percent to 3.5 percent growth. Finally, the plan assumes that non-defense discretionary spending gets cut 1 percent a year every year for 10 years — while military spending and entitlement spending keep rising. That’s not going to happen.

Fourth, it leaves Clinton and Trump weirdly in the same position. Both will inherit an unsustainable fiscal situation from Barack Obama. Neither has a plan to address it, nor the willingness to face the entitlement reforms that are a necessary part of the process. But both are also promising that “honestly, really, down-to-the decimal my plan will not make things worse.” Big deal and I don’t believe you.

So the difference is growth, and Trump landed on the right side of the growth debate.