



## Trump Versus Clinton: How Would Each Handle the Economy?

*“It is one thing to decide to climb a mountain. It is quite another to be on top of it.” — Herbert A. Simon*

Even if Americans aren't fully cognizant of the math regarding the trajectory of the American economy, they know that it's not good. They *feel* it as they work long hours just to pay the bills, deal with debt, and — if possible — set aside money for the future.



Although the trend line has gotten markedly worse during the Obama presidency, it isn't a short-term problem. According to the Congressional Research Service based upon data provided by the Bureau of Economic Analysis, the U.S. economy has experienced progressively slower post-recession recoveries over the past half century. During the past four recoveries, GDP growth clocked in at 4.5 percent, 4.2 percent, 2.8 percent, and the current 2.0 percent. That's hardly the stuff of a robust economic engine, especially considering that the average post-WWII recovery has been almost twice as strong as it is today.

Millions of Americans feel left out in the cold and are disaffected with those in power, leading to the rise of populist candidates Donald Trump and Bernie Sanders. Sanders may have faded away, but the bombastic Trump remains the Republicans' last hope to retake the presidency.

For many voters, the candidacy of Hillary Clinton is unnerving in an entirely different way. Bruised after a long primary battle with Sanders, she narrowly avoided an indictment over her handling of classified e-mails as secretary of state — the latest in a long list of scandals and controversies that have dogged her over the last 25 years. Furthermore, she is a dyed-in-the-wool establishment candidate in a year in which that tune just doesn't play very well.

### **It's the Economy, Stupid**

The phrase “It's the economy, stupid” was coined by former campaign strategist James Carville during Bill Clinton's 1992 presidential campaign. Given that the economy seems hopelessly stuck in neutral, it is natural that both of today's candidates are zeroing in on economics as a critical component to their presidential hopes.

How would each candidate be likely to handle the economy?

### **Donald Trump**

The Merriam-Webster dictionary defines the term “conservatism” as follows:

A political philosophy based on tradition and social stability, stressing established institutions, and preferring gradual development to abrupt change; specifically: such a philosophy calling for lower taxes, limited government regulation of business and investing, a strong national defense, and individual financial responsibility for personal needs (as retirement income or health-care



coverage).

Let's address the large elephant trumpeting in the room: Donald Trump is not a conservative. Not only was he previously a Democrat, but according to the *Washington Times*, he's changed or disavowed party affiliation at least four different times:

Trump registered for the first time in New York as a Republican in July 1987, only to dump the GOP more than a decade later for the Independence Party in October 1999, according to the New York City Board of Elections.

In August 2001, the billionaire enrolled as a Democrat. Eight years later, he returned to the Republican Party, *The Smoking Gun* reported.

After only two years as a registered Republican, Trump left the party again, and in December 2011 marked a box that indicated, "I do not wish to enroll in a party."

Trump's ideological zigzag is telling. It explains his belief that there is a contrast between the Republican Party and conservatism. In an interview with George Stephanopoulos of *This Week* last May, he said so himself: "This is called the Republican Party. It's not called the Conservative Party."

Perhaps as a direct result of his untethered political moorings, Trump's key economic platforms are scattered across the ideological spectrum:

- **Taxes:** His tax plan appears conservative, calling for a simpler code with lower marginal tax brackets.
- **Regulation:** He has consistently proposed the reduction or elimination of a number of regulations and regulatory agencies.
- **Government spending:** He has vowed not to touch entitlements and to greatly expand the military, leaving little room for cuts. Per the *Washington Post*, his \$86 billion in potential spending reductions — not accounting for savings gained by pledging to eliminate the ubiquitous waste, fraud, and abuse — are dwarfed by projected revenue losses from his tax plan.
- **Trade:** Trump's philosophy appears to be a merger of conservative and libertarian principles. He's against both NAFTA and the proposed Trans-Pacific Partnership.
- **Healthcare:** He has called for the repeal of ObamaCare and vowed to "broaden health care access, make health care more affordable and improve the quality of the care available to all Americans."

There is plenty to digest in Trump's proposals. As a result of the mixture of populism, conservatism, and seat-of-the-pants governance principles, the net effect could be literally anything. Given his erratic style, there's no way to predict how he'll perform in any given month, much less the first four years of a Trump presidency.

And that's the greatest appeal — and perhaps the biggest weakness — of Donald Trump. He says it repeatedly on the stump: "We're totally predictable. And predictable is bad."

## **Hillary Clinton**

The blueprint of a Hillary Clinton economy is simpler to predict. Not only is she the quintessential establishment candidate, but as a self-described "policy wonk," has embraced the tenets of Obamanomics. Considering the GDP's anemic two-percent average growth rate since 2010, the economy's long-term slide would be all but certain to continue.

Clinton's views on economics are classically liberal:



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- Taxes: Her tax plan leaves the existing tax brackets unchanged except for the wealthiest Americans, who would see an increase by as much as five percent.
- Regulation: She has repeatedly called for greater regulation of Wall Street and would continue the increase in rules promulgation seen under Barack Obama.
- Government spending: With a jobs plan that could cost \$350 billion over a decade, \$200 billion for government-supported child care, free college and other giveaways, the trend toward socialism would continue.
- Trade: Her trade positions have repeatedly shifted over the years, making her philosophies impossible to judge.
- Healthcare: ObamaCare would be expanded.

Markets prefer stability, so the Dow would probably see fewer wild swings than if Trump were president. However, the acceleration of the country's hard turn to the Left threatens a dystopian, government-dependent future.

## **Bad Choices**

For most of us, there are simply no good choices this year.

Trump's rhetoric has connected with millions of voters, but he has no serious plan to reduce budget deficits and is the dictionary definition of the word "impulsive." Clinton's exacting tax-and-spend Keynesian economics would continue the country's march into socialism.

As Ray LaMontagne wrote, "You can make bad choices and find yourself in a downward spiral or you can find something that gets you out of it."

Many of us are still waiting for that third option to present itself.



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