



DAYS OF FUTURE PAST – THE OUTLOOK FOR PRESIDENT-ELECT DONALD TRUMP'S POLICY AGENDA

Executive Summary

Donald Trump returns to the White House in 2025, Republicans won back control of the Senate, and retained the House – albeit with another razor-thin majority. Now the question is how much of the GOP’s policy wish list will make it into law?

Using the economic policy proposals in the 2016 Republican Platform as a case study, SW4 Insights’ review shows a narrow slate of GOP legislative wins (tax reform, slimming down Dodd-Frank regulations), an issue that will be compounded this time around by what continues to be a fractious House GOP caucus.

With the exception of expiring provisions in the 2017 Tax Cuts and Jobs Act and shifts in government spending more broadly, history suggests the Trump Administration will rely primarily on executive orders and federal agency rulemakings to advance its policy agenda.

UNIFIED CONTROL MIGHT NOT BE ENOUGH TO ADVANCE REPUBLICANS' POLICY AGENDA

SW4 INSIGHTS TAKEAWAY:

- Unified control is no guarantee of an end to the infighting within the GOP over the past two years, impeding Republicans' ability to implement all of their agenda.
- This will force the Trump Administration to govern through executive orders and political appointees at federal agencies, while also relying on conservative judges to survive any legal challenges.
- The massive spike in the U.S.' debt burden, fueled by massive spending bills from the first Trump as well as Biden administrations, will be a much bigger constraint on tax cut-related incentives of any sort.
- Another potential obstacle is the Senate filibuster's 60-vote threshold for advancing legislation – meaning simply taking back the chamber is not enough, Republicans might need the support of moderate Democrats or resort to budget reconciliation.
- In the absence of spectacular economic growth, the next administration and lawmakers will be forced to prioritize productivity-enhancing policies, spurring capital investment and structural fiscal reform.

BACK TO THE FUTURE – THE 2016 GOP PLATFORM VS REALITY

TAX REFORM – BOON FOR CORPORATIONS, LESS SO FOR INDIVIDUAL TAXPAYERS

“The current tax code is rightly the object of both anger and mockery. Its length is exceeded only by its complexity. We must start anew.”

“We will eliminate as many special interest provisions and loopholes as possible and curb corporate welfare.”

What They Did

- 2017 Tax Cuts and Jobs Act – lowered the corporate income tax rate, expanded small business expensing.
- Temporarily lowered the pass-through tax rate, increased the child tax credit, and included a one-time repatriation tax break.

What They Didn't Do

- Border Adjustment Tax
- Permanent changes to the individual income tax brackets.
- Eliminate the ‘Carried Interest’ tax deduction

TRADE POLICY – HEAVY ON TARIFFS, LIGHT ON DEALS

“We envision a worldwide multilateral agreement among nations committed to the principles of open markets.”

“A Republican president will insist on parity in trade and stand ready to implement countervailing duties if other countries refuse to cooperate.”

What They Did

- Withdrew from Trans-Pacific Partnership talks.
- Trade war with China and the European Union.
- Updated NAFTA: U.S.-Mexico-Canada Trade Agreement.*
- Tariffs on aluminum and steel imports.
- Mini-trade agreement with Japan.

What They Didn't Do

- Multilateral trade agreements with increased market access for U.S. companies.

*Required additional negotiations and tweaks to pass the Democrat-controlled House

FINANCIAL REGULATION – NOT MUCH LEGISLATION, LOTS OF RULEMAKING

“We support removing roadblocks and regulations that prevent access to capital.”

“The worst of Dodd-Frank is the Consumer Financial Protection Bureau, deliberately designed to be a rogue agency.”

What They Did

- Partial easing of the Dodd Frank Act’s requirements for small and mid-sized banks.
- Confirm a new Fed Chair, and pro-laissez faire leadership at other regulatory agencies.
- Roll back Obama-era consumer financial protection regulations and reduced enforcement actions.
- Revise regulations implementing the Community Reinvestment Act.

What They Didn’t Do

- Abolish the Consumer Finance Protection Bureau or change its single-Director structure.
- Eliminate stringent capital and liquidity requirements for the largest banks.
- Impose caps on high interest rate loans.

TECHNOLOGY – LOTS OF HEARINGS, VERY LITTLE ACTION

“Public policies should encourage the innovation and competition that are essential for an Internet of Things to thrive.”

“We intend to advance policies that protect data privacy while fostering innovation and growth and ensuring the free flow of data across borders.”

What They Did

- End ‘Net Neutrality’.
- 2017 MOBILE NOW Act – allocated more spectrum to the private sector for 5G usage, streamlined approval process for building broadband networks.
- Tech War with China – Huawei, TikTok, WeChat, and ZTE bans.
- ‘Big Tech’ anti-trust review by Justice Department.

What They Didn’t Do

- A U.S. equivalent of the EU’s General Data Protection Regulation (GDPR).
- Comprehensive infrastructure legislation.
- Address the rural digital divide.



Having the right plan is an essential first step.

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