



# Here's Trump's record on the middle class

by Heather Long

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**As President Trump hits the 100-day milestone, one of the key questions is this: Is Trump delivering for the middle class?**

Trump campaigned as the champion of the "little guy" (and gal). In his inaugural address he proclaimed that he would fight for the "forgotten men and women of our country" with "every breath in my body."

His supporters ate up this message. Middle class incomes are nearly the same as they were two decades ago. Over and over again, Trump voters told CNNMoney they want "better-paying jobs," and they believed in their gut that a billionaire businessman was their best chance to get them.

At the 100-day mark, the White House is making it sound like prosperity is back. In contrast, Trump's critics make it sound like he's abandoned the little guy in favor of the Wall Street set.

A fair assessment is probably this: Trump has done a little for the middle class, but he could be doing a lot more.

"In the Heartland, they're looking for very immediate, tangible improvements in their day-to-day well-being. I'm not seeing that yet," says Peter Atwater, president of Financial Insights.

Here's a rundown:

1. His record on jobs. When it comes to jobs, Trump has added 317,000 in two full months so far. His pace of job gains is almost exactly the same as what happened last year under President Obama. It's early days, but the economy has yet to be turbocharged like Trump promised.

2. His executive orders. Trump says he is saving the coal industry and enacting "Hire American" policies. He has signed several executive orders along those lines, but just about everyone -- even coal executives -- agree the coal jobs aren't coming back. The U.S. has lost two-thirds of its coal jobs since the 1980s. Only 53,000 people still work in coal, far less than the 200,000+ workers in solar energy.

Another accomplishment Trump touts is approving the Keystone XL Pipeline. That will create some temporary construction work, but it only creates 35 permanent jobs, according to a government report.

3. His trade deals. Perhaps the biggest surprise in Trump's first 100 days is how much he has toned down on trade. Yes, his administration has already slapped tariffs on Canadian lumber, but he isn't ripping up NAFTA, the free trade agreement with Canada and Mexico that he says "destroyed" America.

4. His tax plan. As promised, the White House tax plan includes cuts for middle and moderate income folks, but the rich and corporations get even more goodies.

"The majority of the benefits go to high-income people," says Joe Rosenberg, a senior research associate at the Tax Policy Center, a nonpartisan think tank.

A typical middle class family would save about \$1,000 on their taxes, according to a Tax Policy Center analysis of the tax plan Trump pitched on the campaign trail. In contrast, a family in the top 1% would save about \$215,000 and family in the top 0.1% would save over \$1 million. The details were thin Wednesday, but the one-page sheet the White House released with bullet points showed a very similar tax plan outline to what Trump proposed while campaigning.

"What he's done directly for the middle class is very little," says economist Stephen Rose of the Urban Institute.

The key benefit for people who make roughly \$30,000 to \$100,000 is that the standard deduction would double. (It's currently \$6,300 for individuals and \$12,600 for married couples filing jointly.) That does reduce taxes, but here's the catch: We still don't know what other deductions Trump is going to eliminate. People who take deductions for moves or health expenses or student loans or business travel may have to kiss those goodbye.

## How Trump can help the middle class

Trump understands that "real America" wants more money in their wallets. He talks (and tweets) about "jobs, jobs, jobs." It helps explain why nearly 6 in 10 Americans say economic conditions are good, even though his overall approval rating is just 44%, according to the latest CNN/ORC poll.

The White House has its messaging on the economy down. It made a big effort Wednesday to emphasize how real people would benefit from the tax plan.

"This [tax] bill is about creating economic growth and jobs," Treasury Secretary Steve Mnuchin said Wednesday. "What this is not going to be is a loophole to let rich people pay 15%."

But there's growing concern that the Trump administration is doing a repeat of trickle-down economics, which hasn't worked in the past. It's the theory that if the government cuts taxes on businesses, then corporations will prosper and hire more people and raise wages.

"Supply side economics has emerged from the grave once again, despite the fact that history and economic research have repeatedly discredited it," says **Bernard Baumohl, chief global economist at The Economic Outlook Group.**

Mnuchin also argues that Trump's tax plan won't add to the \$19 trillion debt. He says the economy will grow so much after tax cuts that it will fully offset any lost tax revenues.

That's just "magical thinking," says Rose. He points out that tax cuts didn't pay for themselves or unleash a great economic renaissance under President George W. Bush or more recently in the state of Kansas.

If Trump really wants to help the middle class, Rose says he should push for more money for education and infrastructure. The jobs of the future require at least some college, and improving roads and bridges could help the economy and provide very tangible improvement across America. Atwater (and plenty of Trump voters) also advise Trump to raise the minimum wage. That would be an immediate boost for the working poor. And there's still time for Trump to scale back some of the tax breaks for the wealthy so his tax plan doesn't add as much to the debt. ###