

Trump says brief economic pain is worth long-term gain. Will Americans agree?

The White House says economic pain is a temporary side-effect of its overhauls. But Americans might not be willing to endure much more uncertainty.

By Abha Bhattarai

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The economy is on shaky footing — a necessary moment of upheaval, the Trump administration says, as it overhauls the federal government with layoffs, funding cuts and turbulent new tariff policies. “A detox period,” Treasury Secretary Scott Bessent called it on Friday.

But the question for many Americans, who are already feeling down on the economy and glum about their financial futures, is: Are they willing to go through the pain of higher prices and job losses, even if it’s temporary, on the promise of better times ahead? “There’s already a complete collapse of confidence — not just among consumers, but also investors and financial markets,” said **Bernard Baumohl, chief global economist at the Economic Outlook Group**. “Businesses are shaking their heads. They can’t quite figure out what’s happening in Washington.”

Americans are increasingly downbeat on President Donald Trump’s economic policies, with measures of consumer sentiment tumbling in the past month to a 15-month low, even as CEOs remain optimistic. A slim majority of Americans, 53 percent, disapprove of Trump’s handling of the economy, according to a Washington Post-Ipsos national survey conducted in mid-February.

Progress on inflation has recently stalled, and economists warn that new tariffs that went into effect this week could quickly lift prices even higher on a number of essentials. Jobs growth has also slowed — U.S. employers added 151,000 jobs in February, down from 222,000 a year earlier, according to data released Friday. And crucially, the number of people who are unemployed or underemployed spiked to 8 percent in February, the highest level in more than three years.

Trump and his top advisers have acknowledged economic disruption, with Trump saying Friday that “there could be some disturbance, a little bit of disturbance,” to reporters. But

they've brushed aside concerns that recent economic turbulence might spiral into something worse.

"Could we be seeing this economy that we inherited starting to roll a bit? Sure," Bessent said in an interview on CNBC on Friday. "I don't think it's a radical change. It's just a much-needed course adjustment."

The White House pointed to new investments from U.S. and foreign companies as proof that the president's economic plan is working. This week, Taiwan Semiconductor Manufacturing Company and French shipping giant CMA CGM Group said they were doubling down on their U.S. operations — by investing \$100 billion and \$20 billion, respectively — over the next four years.

"This Administration's all-of-government approach to lower taxes, roll back regulations, advance our energy infrastructure, and level the playing field for American companies are key components to the Great American Comeback," White House spokesman Harrison Fields said in an email.

Even so, major uncertainties also remain. The Trump administration imposed sweeping tariffs on goods from China, Mexico and Canada on Tuesday, only to roll back certain provisions for automakers on Wednesday, and offer a broader reprieve to some imports from Canada and Mexico a day later. Those exemptions are expected to expire on April 2, the same day that reciprocal tariffs on all imported goods are scheduled to begin. Those vacillations have unsettled business owners and rattled financial markets, with the S&P 500 notching its worst week in six months.

"We're starting to see the soft underbelly of the economy," said Diane Swonk, chief economist at KPMG. "It's no surprise consumers are upset: Wage growth has slowed, people are working fewer hours and prices are still elevated. They're feeling the pinch."

American discontent over the economy helped Trump cinch the election in November, and polls these past few months show that similar shares of Americans think the economy is still in bad shape. More than 9 in 10 Americans say they have negative views about food prices, while more than 7 in 10 feel dissatisfied with the incomes of average Americans, according to the Post-Ipsos poll conducted in mid-February.

The past few months have been tough for Jimmy Loyd, a 58-year-old Trump voter in Leland, North Carolina, who recently lost his rental home and Medicaid, forcing him to move back in with his mother. Food prices are still high, housing is out of reach, and he says there's no way he can afford the \$400 tooth extraction he needs.

"I keep hoping, but I do find it disappointing that nothing has changed," said Loyd, a prep cook who makes about \$16 an hour. "I keep hearing the president say housing is going to get cheaper, prices are going to come down, but I haven't seen it. I know it's early, but how long do we have to suffer before things get better?"

Still, it's only six weeks into Trump's term, and economists say it remains to be seen exactly how his policies will play out. They generally expect tariffs to result in higher prices for U.S. families, but say it's less clear how aggressive efforts by Trump and Elon Musk's U.S. DOGE Service to slash government spending will ripple through the economy.

"We've been on a fiscal bender here for years, and as some of us may remember from our college days, there's a price to pay when we change our ways," said Sean Snaith, director of the University of Central Florida's Institute for Economic Forecasting. "We know the economy is going to slow — everyone is forecasting that — but by how much? We're waiting to see how much of this is going to stick and how much is just a passing policy fever dream."

The main challenge with Trump's overhaul, economists said, is that the costs and benefits to Americans are on completely different timelines. Layoffs have already hit thousands of government workers and contractors, and tariffs are likely to begin lifting prices in the coming weeks.

But the benefits of a shake-up are likely to take much longer to materialize. Trump has promised widespread tax cuts to families and businesses, including no taxes on tips, overtime pay or Social Security benefits, though it's uncertain when Congress will approve those measures or when they might take effect.

In the meantime, economic red flags are piling up, leading some Wall Street analysts to voice recession fears. Factory orders are slowing, businesses are hiring fewer people and consumers are pulling back. **Baumohl, of the Economic Outlook Group**, says his forecasts show a 60 percent chance of an economic downturn by July. Others, meanwhile, are warning of "stagflation," a slowing economy combined with rising inflation, which the country hasn't experienced in about 50 years.

Still, for many households, there hasn't been much discernible change in the economy since Trump took office in late January. Some Americans say they remain hopeful that Trump's policies will eventually quash inflation, lower taxes and leave them with more spending power. The Post-Ipsos poll conducted in mid-February found that among Trump voters, just 5 percent said they oppose what he has done since taking office.

"I voted for Trump and would do so again; no complaints," said Bliss Streeks, 34, a single mom of three who owns a nail salon in Eugene, Oregon.

"I know people think what Trump is doing is extreme, but I am just waiting for the tax cuts," she said. "Tips are a significant portion of my income, and not having them taxed is going to make a huge difference. I know that money is going to come, and that's what I'm waiting for."

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