

*Trumpenomics:
It's the Real
Economy, Stupid*

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TRUMPENOMICS: THE ECONOMICS OF A TRUMP PRESIDENCY
HOBART, 9 MARCH 2017*

Trump's Economic Plan

Cancel Trade Agreements & introduce Tariffs

America's Infrastructure First

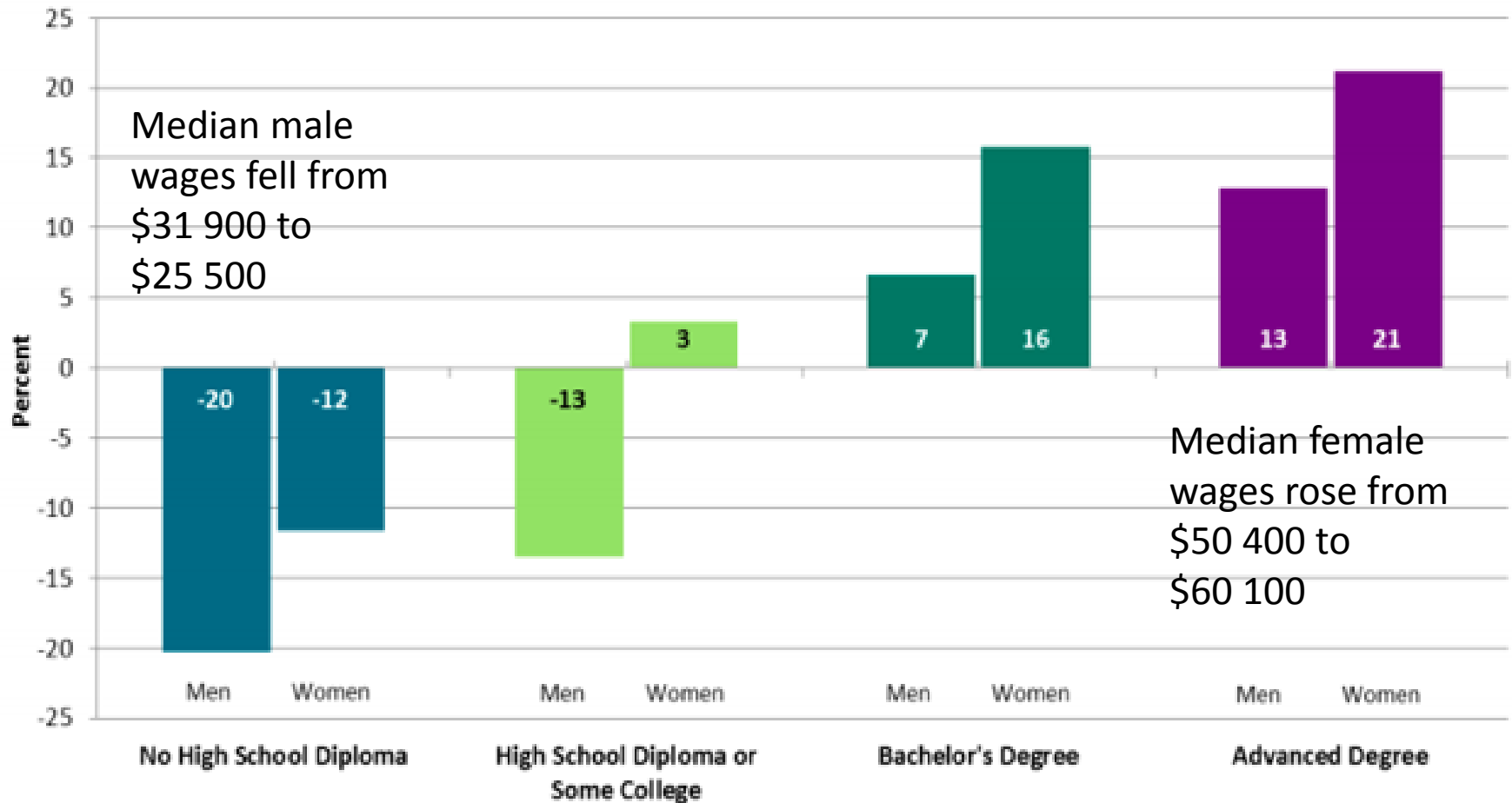
Rebuild America's Military

Tax Plan – close loopholes, cut rates

Reduce restrictions on oil and coal

Cut spending and Obamacare

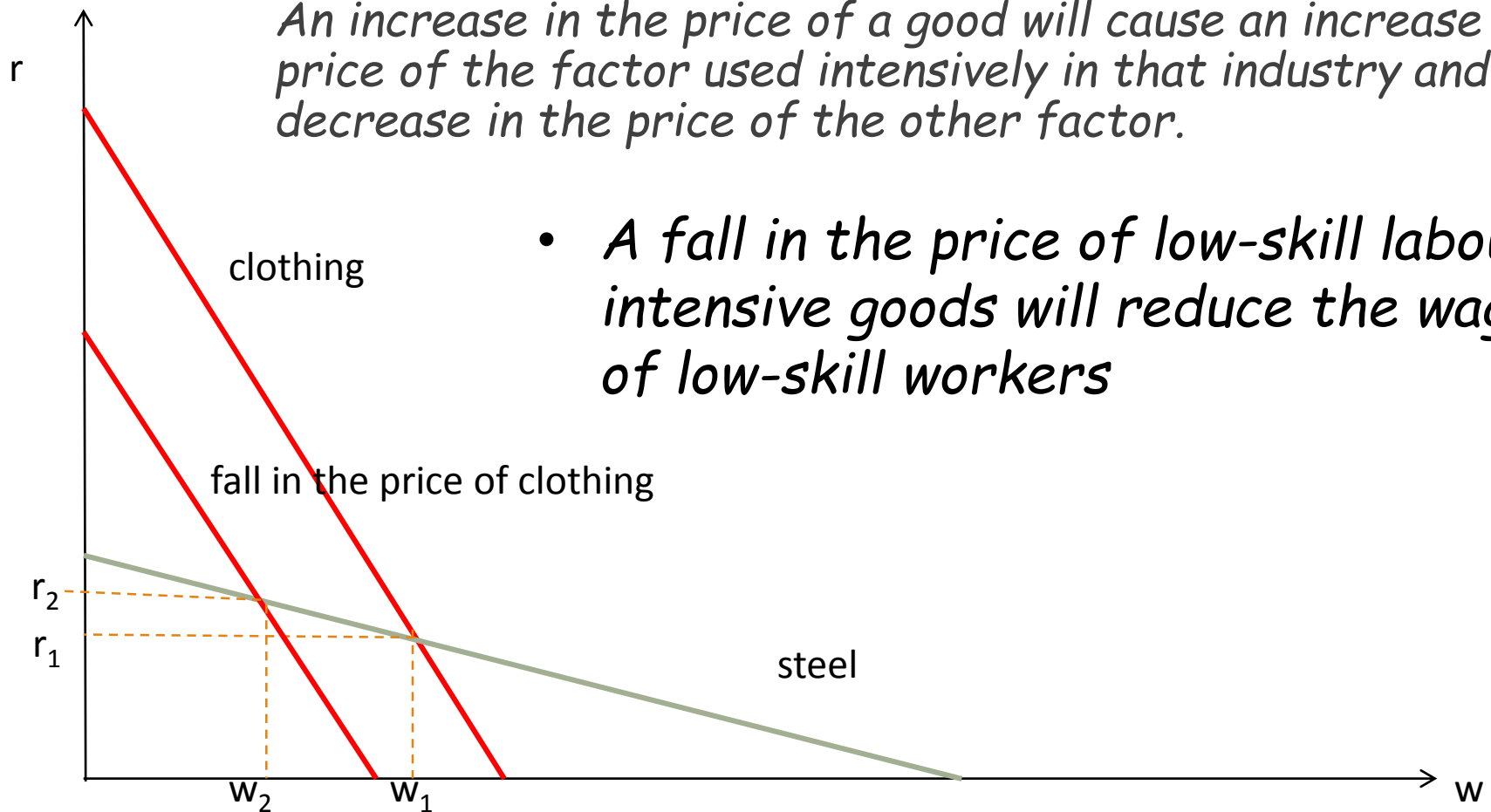
Real wages for uneducated white men are falling



The Hamilton Project – Profiles of change: Employment, Earnings and Occupations 1990 to 2013
Kearney, Hershbein and Jacome, 2015

Trump, Trade and the Stolper-Samuelson Theorem

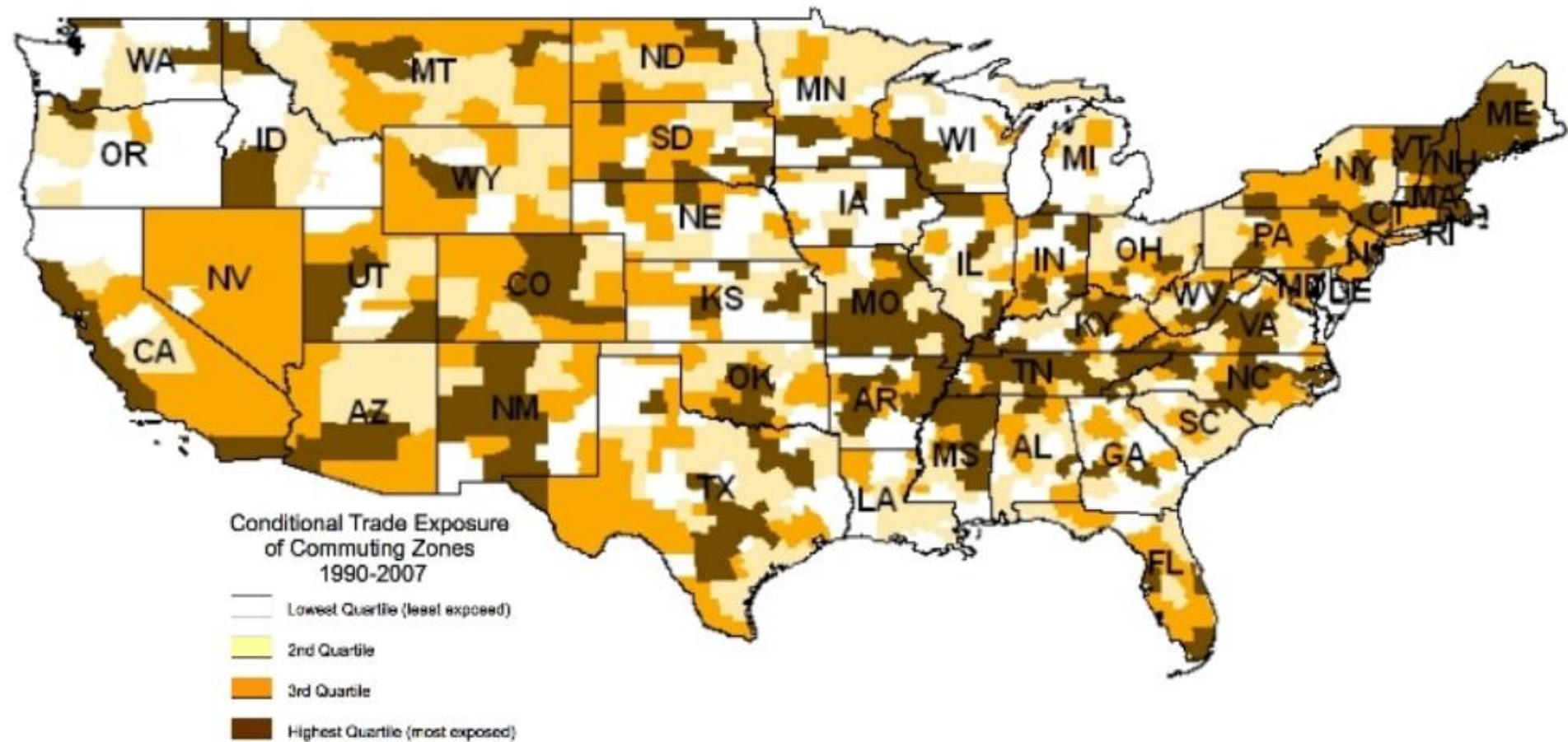
An increase in the price of a good will cause an increase in the price of the factor used intensively in that industry and a decrease in the price of the other factor.



- A fall in the price of low-skill labour intensive goods will reduce the wages of low-skill workers*

Who got hit by China? Geographic Exposure to Trade Shocks

B. Quartiles of Exposure Conditional on Manufacturing Employment Share



A Trump Growth Model ?

A. Fiscal Expansion to move to the Production Possibility Frontier

B. Technology and infrastructure investment is biased towards material goods

C. Changing priorities – away from services to infrastructure, defence and consumption?

