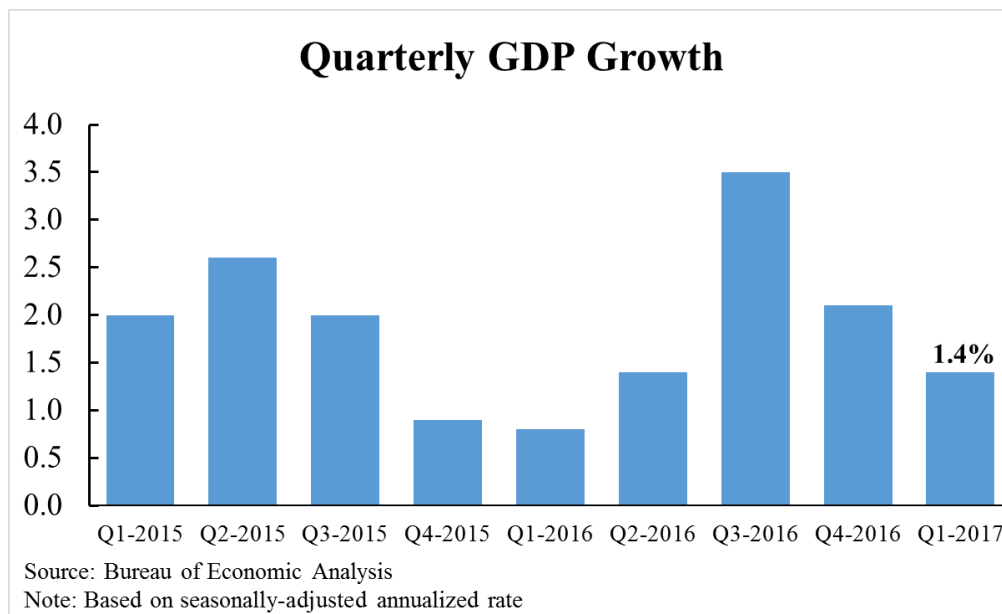




Trump Has a Long Way to Go to Meet Promises on Economic Growth

Throughout his campaign, President Trump made bold promises on economic growth. His agenda would lead to 4, 5, even 6 percent annual growth in GDP, depending on what day he was asked—at the higher end, this means doubling the post-WWII average growth rate. His first budget promised that his agenda would lead to annual growth rates of 3 percent, lower than his campaign promises, but still an ambitious target considering long-run trends, and one that experts generally consider to be unlikely.

The final number for the first quarter came in yesterday, and the President has a long way to go if he wants to meet his promises. GDP grew at a 1.4 percent annual rate in the first quarter, more than half a point lower than the average over the last seven years. If the economy were to reach the President’s 3 percent goal, we would need to average 3.5 percent growth for the next three quarters, something the economy has not done since 2014. The math to hit his more farfetched promises is even bleaker.



The President’s current agenda will not help the country achieve these targets. Holding press conferences taking credit for jobs and factories that were planned years ago does not lead to actual economic growth. Implementing travel bans that prevent workers and tourists from entering the country does not create jobs. Proposing to cut successful federal programs and robbing people of their health care will not boost the economy. Creating uncertainty in



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regulations and international agreements leaves businesses in a position where they are unable to plan and invest for the future.

If the President really wants to jumpstart long-term growth, there are ideas out there waiting for him. An investment in repairing and modernizing the nation's physical and technological infrastructure (one that does not rely on fantastical notions of the private sector bearing the cost) is desperately needed. We can improve our education system and make college affordable for all, so that the innovators of tomorrow are able to maximize their potential. We can support the emerging sectors that will create new companies and good-paying jobs, like advanced manufacturing, clean energy, and health care.

The economy faces substantial challenges. Productivity growth has been historically slow. The baby boomer generation is starting to retire, slowing the growth in the labor force. Income inequality has risen to levels where it is harming growth. We need a serious agenda that addresses these problems, not one built on tax cuts for the wealthy and benefit cuts for everyone else.