



Trump Is Out of It, Yet Very Much In It 11/18/22

If the election were today, Trump would lose. But the election is two years away. We will likely enter a recession sometime this coming year. Inflation will come down, but the level will remain stubbornly high. Unemployment will be rising and when growth returns hopefully by the summer, it will be anemic.

Debt and deficits will continue to rise, and the net interest on the debt will explode as the interest we will be paying on the debt will be rising. Foreign governments are showing increasing reluctance to continue to finance our debt, putting further upward pressure on what we have to pay to get their attention.

Social (In) Security will become a political football, as there are insufficient funds to meet all the obligations (see Social Security recent trust fund report). The narrow victory by the House Republicans will likely result in hearings that on balance will be supportive of Trump. In that light some, not all, will remember the good old days of 2016-2020 when inflation and unemployment was low, our southern border was reasonably secure, and while we weren't loved, we were respected around the world.

If Trump stays on message (as he did this week) and constantly reminds the voters of his record (and doesn't talk about 2020), two years is too far away to write him off. I would have preferred him not running, personally there is not much to like, but his economic record sets him apart.