Flash Economics

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When will Americans start protesting?

Economic policy (tariffs, immigration, fiscal policy, and tax cuts) is unfavourable to the U.S. economy, as evidenced by recent developments in inflation, employment, growth, and public deficit forecasts.

Americans are increasingly skeptical about economic policy, as polls show, with significantly more Americans disapproving of Donald Trump's actions than approving of them.

We don't hear many protests about the policies being pursued, but the shift in public opinion towards rejecting them is very clear.

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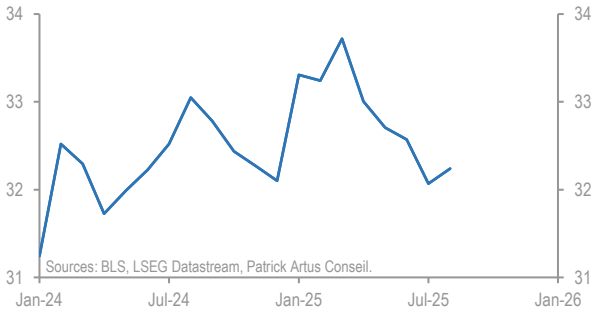
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The economic policy pursued by the Trump administration is detrimental to the US economy

Since coming to power, the Trump administration has implemented:

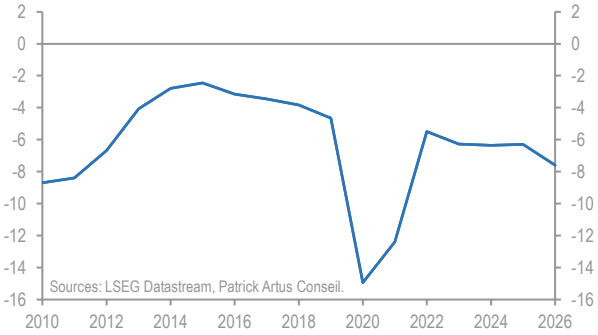
- **Tariffs** averaging 17.4% (according to Yale University's Budget Lab);
- **Severe restrictions on immigration** (the number of immigrants in employment has fallen by 1.5 million since March 2025 (**Chart 1**);

Chart 1
United States: Foreign-born labour force
(in millions of persons)



- **Tax cuts**, which, despite additional tax revenues from tariffs, will expand the public deficit (**Chart 2**), which is expected to reach 6.3% of GDP in 2025 and, according to Fitch's calculations, 7.6% of GDP in 2026.

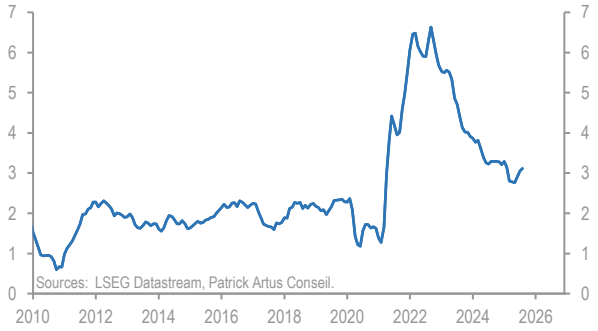
Chart 2
United States: Budget deficit (as % of nominal GDP)



The impact of this set of measures on the US economy is negative, as shown by:

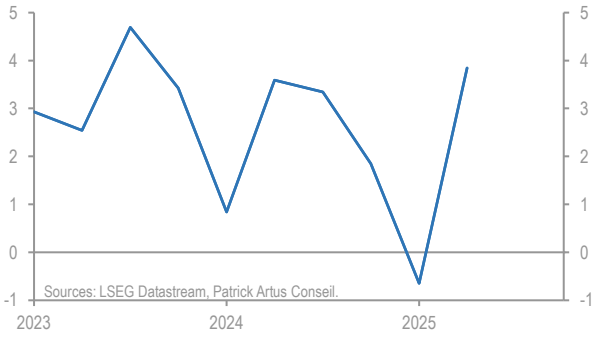
- **Rising inflation** (**Chart 3**);

Chart 3
United States: Core inflation
(CPI excl. food and energy, Y/Y as %)



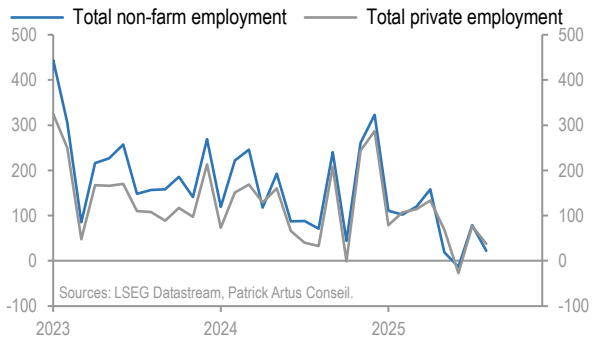
- The decline in growth (Chart 4);

Chart 4
United States: Annualised quarterly % change in real GDP



- The decline in jobs creation (Chart 5).

Chart 5
United States: Change in payroll employment
(M/M, thousands of person)



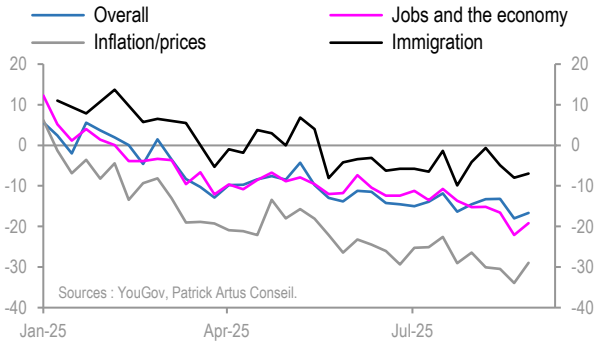
Disapproval apparent in polls

We look at the poll conducted regularly by The Economist (with YouGov).

Donald Trump went from a **net positive approval rating** (approval is the percentage point difference between the share of adult Americans who say they "strongly approve" or "somewhat approve," minus the share who say they "strongly disapprove" or "somewhat disapprove") from +2 points on February 1, 2025, to a net negative score of -9 points in early June and -17 points on September 20.

When considering various economic issues, the **decline in approval ratings is also very clear** (**Chart 6**).

Chart 6
Approval of Donald Trump's handling of major issues*



(*) Net opinion balance on Donald Trump's handling of key issues (% of U.S. adult citizens who strongly or somewhat approve minus the % who strongly or somewhat disapprove)

Summary: will this disapproval of Donald Trump's policies translate into political action?

The overall opinion of Americans, or their specific opinion on inflation, employment, immigration, and Donald Trump's policies, has become very negative.

For now, polls concerning the election to the House of Representatives (which will be entirely renewed) show an advantage for Democratic candidates (44.7% of voting intentions against 41.5% for Republicans), which is very different from the situation at the beginning of January 2025 (47.6% for Republicans, 43.3% for Democrats).

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