Flash Economics

N° 20
February 20th, 2026

Will Republican voters continue to vote for Donald Trump?

In recent polls, a large majority of Americans disapprove of the policies pursued by the Trump administration. Voters who voted Republican in 2024 believe that inflation and employment are the most important issues faced by the U.S. economy.

It is clear that the economic policies pursued by the Trump administration are detrimental to Donald Trump's electoral base, which is mainly composed of low-income Americans. Indeed, these economic policies imply:

- A reduction in the generosity of Medicaid (health insurance for the poorest Americans) and food assistance programmes;
- Tax cuts that mainly benefit the wealthiest Americans;
- Tariffs that drive up domestic prices;
- Support for the stock market, even though 87% of market capitalization is held by the richest 10% of Americans; capital gains on stock portfolios have enabled the wealthiest Americans to significantly increase their consumption, while that of other Americans has stagnated;
- Increased income inequality, with only university graduates seeing an increase in their income since 2017.

If low- and middle-income Americans took an objective look at the economic policies implemented by Donald Trump, they would not vote for the Republican Party at the midterm elections in early November 2026.

Patrick Artus
Senior Economic Advisor
patrick.artus-ext@ossiam.com
@PatrickArtus
Patrick Artus

Isabelle Gravet
Research Assistant
isabelle.gravet-ext@ossiam.com

Marketing communication: this document is a marketing presentation. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research; and it is not subject to any prohibition on dealing ahead of the dissemination of investment research.

Even Republican voters disapprove of the Trump administration's economic policies.

The majority of Americans disapprove of the Trump administration's economic policies, given their effects on inflation, public spending, employment, and even immigration. According to Yougov for The Economist, 38% of Americans approve of these policies, while 56% disapprove. Even Republican voters believe that the most important issues faced by the United States are inflation, employment, and taxes.

We will show that **the economic policies pursued by the Trump administration have negative effects on Americans with low or modest incomes. Yet these Americans constitute Donald Trump's electoral base**. In fact, 50% of Americans with an annual income below $50,000 voted for Trump in 2024, whereas in the past only 36% voted Republican; 64% of white Americans without a college degree voted for Trump in 2024, according to the Financial Times.

Economic policies detrimental to the poorest Americans

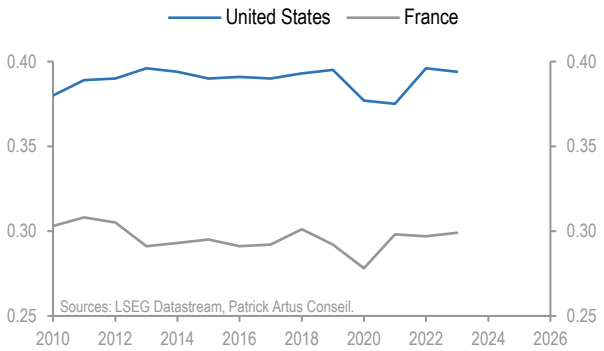
1. The One Big Beautiful Bill Act

The One Big Beautiful Bill Act signed by the House of Representatives and the Senate in July 2025:

- **Reduces Medicaid spending** (health insurance for low-income individuals) and curtails the **Supplemental Nutrition Assistance Program** (food assistance for low-income households). According to the CBO, reducing the generosity of Medicaid will ultimately reduce the number of Americans receiving health coverage by 8.6 million;
- **Extends the tax cuts** of the Tax Cuts and Jobs Act of 2017, which mainly benefit high-income earners. The effect of the One Big Beautiful Bill Act (OBBBA) is a 2.7% increase in income for the top 10% of Americans and a 3.2% decrease in income for the bottom 10% of Americans, who are most affected by Medicaid credit reductions.

We therefore expect an **increase in income inequality after redistribution**, which is already very high in the United States (**Chart 1**), following the implementation of the OBBA.

Chart 1
Gini index of income inequalities (after redistribution)



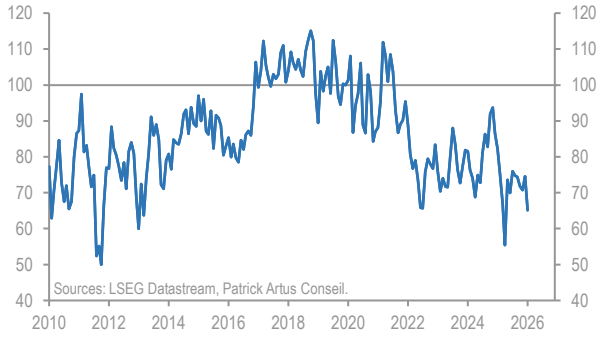
1. Tariffs

Average customs duties calculated on all US imports rose from 2% at the beginning of January 2025 to 17.5% at the beginning of January 2026, according to calculations by Yale University's Budget Lab. This research center estimates that **the effect of the tariff increase on domestic prices in the United States** is a 1.3% rise. This explains the **rise in US consumer inflation expectations** (**Chart 2A**) and the **decline in consumer confidence** (**Chart 2B**).

Chart 2A
United States: Consumer's inflation expectations for the year ahead (as %, Conference Board)



Chart 2B
United States: Consumer confidence index - Expectations index (Conference Board, 1985 = 100)

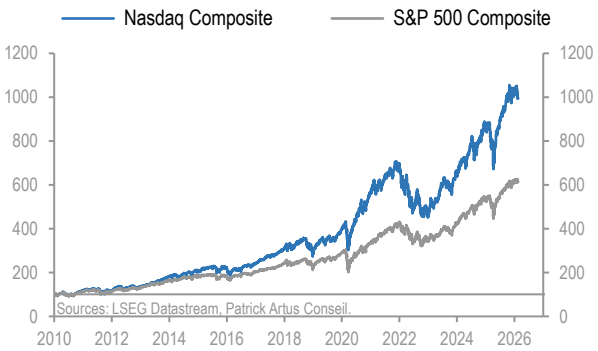


Consistently, Americans, as we have seen, view the effect of the Trump administration's policies on inflation negatively.

2. Stock market wealth and consumption

The **stock market wealth of Americans** has grown rapidly since the beginning of 2025 (**Chart 3A**).

Chart 3A
United States: Stock market indices (01.01.2010 = 100)



However, **this increase in wealth only benefits Americans with the highest incomes and wealth**, due to the high concentration of equity ownership in the United States (**Charts 3B/3C**).

Chart 3B
United States: Share of corporate equities and mutual fund shares held by the 10% of individuals with the highest wealth (as %)

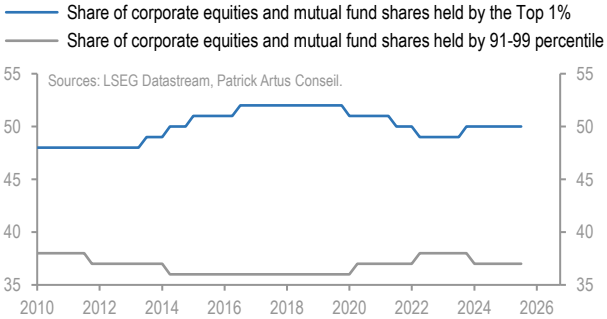
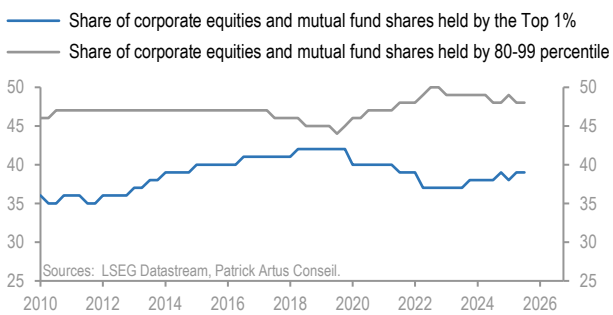


Chart 3C
United States: Share of corporate equities and mutual fund shares held by the 20% of individuals with the highest income(as %)

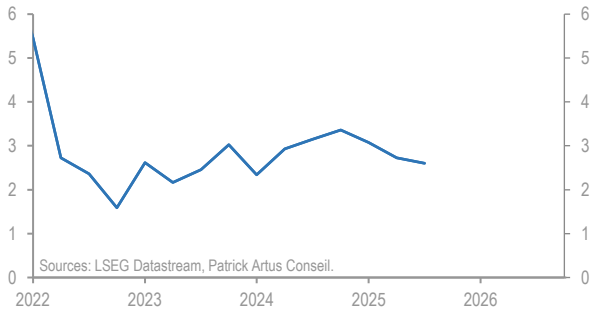


As a result, **households with the highest incomes and wealth are the only ones that have been able to increase their consumption**. The Federal Reserve Financial Accounts show that from the second quarter of 2024 to the second quarter of 2025,

consumption by the top 10% of Americans by income rose by 18.7%, while that of the rest of the population (90% of Americans) increased by only 0.5%.

The overall consumption figures (Chart 3D) are therefore misleading: **only Americans with the highest incomes and the most significant wealth can consume more**.

Chart 3D
United States : Evolution of household consumption expenditure (in volume terms, Y/Y as %)

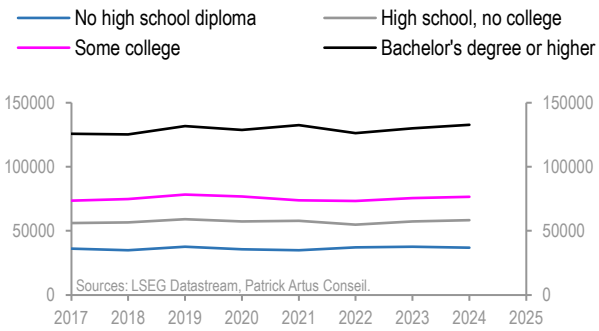


Donald Trump's electoral base did not benefit from an increase in wealth or the opportunity to consume more.

3. Level of education and income

Figures published by the Census Bureau show that **only Americans with a bachelor's degree or higher have seen their incomes rise since 2017** (Chart 4).

Chart 4
United States: Median household income by educational attainment (annual USD)



During Donald Trump's second term as president (we are comparing the third quarter of 2025 with the fourth quarter of 2024), the holder of a bachelor's degree or higher saw their salary increase by 2.5%, an American who finished high school saw 0.5%, and an American who did not finish high school only 0.1% (US Bureau of Labor Statistics).

Summary: Can Donald Trump win the midterm elections?

Donald Trump's electoral base consists largely of Americans with low levels of education and low incomes. Yet, these Americans are suffering from the policies pursued by the Trump administration: less generous Medicaid benefits, higher tariffs; their incomes and consumption are stagnating, while the wealthiest Americans are benefiting from tax cuts and significant capital gains on their stock portfolios.

It is therefore legitimate to wonder whether the Americans who joined Donald Trump's electorate in 2024 will stop supporting him in the midterm elections of November 2026.

Disclaimer

Ossiam, a subsidiary of Natixis Investment Managers, is a French asset manager authorized by the Autorité des Marchés Financiers (Agreement No. GP-10000016). Although information contained herein is from sources believed to be reliable, Ossiam makes no representation or warranty regarding the accuracy of any information of which it is not the source. The information presented in this document is based on market data at a given moment and may change from time to time. This material has been prepared solely for informational purposes only and it is not intended to be and should not be considered as an offer, or a solicitation of an offer, or an invitation or a personal recommendation to buy or sell participating shares in any Ossiam Fund, or any security or financial instrument, or to participate in any investment strategy, directly or indirectly. It is intended for use only by those recipients to whom it is made directly available by Ossiam. Ossiam will not treat recipients of this material as its clients by virtue of their receiving this material. All performance information set forth herein is based on historical data and, in some cases, hypothetical data, and may reflect certain assumptions with respect to fees, expenses, taxes, capital charges, allocations and other factors that affect the computation of the returns. Past performance does not predict future returns. Any opinions expressed herein are statements of our judgment on this date and are subject to change without notice. Ossiam assume no fiduciary responsibility or liability for any consequences, financial or otherwise, arising from, an investment in any security or financial instrument described herein or in any other security, or from the implementation of any investment strategy. This information contained herein is not intended for distribution to, or use by, any person or entity in any country or jurisdiction where to do so would be contrary to law or regulation or which would subject Ossiam to any registration requirements in these jurisdictions. This material may not be distributed, published, or reproduced, in whole or in part.