

THE WASHINGTON POST – 9 FEBBRAIO 2026

The best evidence against Trump's tariffs? His own first term

di Phil Gramm e Donald J. Boudreaux

Phil Gramm, a former U.S. Senator from Texas and chairman of the Senate Banking Committee, is a nonresident senior fellow at the American Enterprise Institute. Donald J. Boudreaux is an economics professor at George Mason University.

President Donald Trump [regularly claims](#) to have achieved [unprecedented prosperity](#) in his second term, which [he attributes](#) to his implementation of the highest tariffs since the Great Depression. But no matter what data points the president points to, his tariff policies appear to be holding back the very prosperity he claims to have achieved.

How can one know this? Test the president's claim with a comparison that's as close as you get in the real world to a controlled experiment: Evaluate economic growth in the first year of his first term — which did not see the implementation of tariffs — against the same data in the first year of his second term, which did. This comparison works because all other economic policies in the two terms are virtually identical.

In both 2017 and 2025, Trump dramatically improved the economy's growth potential by lifting crippling regulatory burdens imposed by his predecessors and by enacting pro-growth tax cuts. The only significant economic policy difference is the imposition of the largest tariffs since the 1930s. So, by comparing 2025 to 2017, we can largely isolate the impact of the tariffs. Using such a comparison, Trump's boast about all the good that his tariffs are supposedly bestowing on America falls apart.

In 2025, [nonfarm employment](#) grew by 0.9 percent, which was notably less than the 1.6 percent increase in 2017. The growth of manufacturing jobs, which the administration targets as a primary objective, saw an even worse decline. In 2017, the

nation saw an increase in [manufacturing employment](#) of 0.7 percent, but in 2025 the number of manufacturing jobs actually *fell* by 0.7 percent.

Meanwhile, [inflation-adjusted median household income](#) grew by 1.4 percent last year, less than the 1.9 percent increase in 2017. [Real weekly earnings](#) for full-time wage and salary workers rose by 0.53 percent, slower than the 0.86 percent in 2017. Only in the [narrower measure](#) of average real hourly earnings of production and nonsupervisory workers was wage growth faster in 2025 than 2017, 0.85 percent as compared with 0.37 percent.

[Industrial production](#) also performed better in Trump's first term than in his second. In 2017 it rose 2.5 percent, but in 2025, it rose by only 2 percent.

All told, gross domestic product in the first three quarters of 2017 grew by 2.5 percent, the same as the growth rate for the first three quarters of 2025 (the latest available data).

The Dow Jones Industrial Average finished last year 15 percent higher than its close on election day 2024, but its close at the end of 2017 was a whopping 35 percent above its close on Election Day 2016. The same can be said for the S&P 500 (15 percent compared with 25 percent) and the NASDAQ (26 percent compared with 33 percent).

[Real gross private domestic investment](#) tells a similar story. Over the first three quarters of 2025 (the latest data available), domestic investment increased by 1.6 percent. But over the first three quarters of 2017, it rose by 3.0 percent. It's worth noting that domestic investment in 2025 was likely due in part to the massive federal subsidies carried over from the Biden-era green-energy and chips boondoggles.

The poor economic performance at all levels of the economy over the past year is a direct result of the tariffs. Most American imports are raw materials used in U.S. production. Obstructing American producers' access to these supplies caused production costs to increase – uncertainty generated by the tariffs' volatility only compounds this effect. Tariffs raise consumer costs and lower living standards. Trump [misses these facts](#) because he and his [trade advisers](#) mistakenly think that most of the tariffs' costs fall on foreigners. Yet according to [recent research from the Kiel Institute](#), “importers and consumers in the US bear 96 percent of the tariff burden.”

Comparing the 2025 economy to that of 2017 strongly suggests that if Trump's policies had been more like his first term, our economy would be significantly stronger today.

Lifting regulatory burdens, cutting taxes and controlling spending is what would make America great again. The tariffs — the highest since the Depression — only weigh us down.