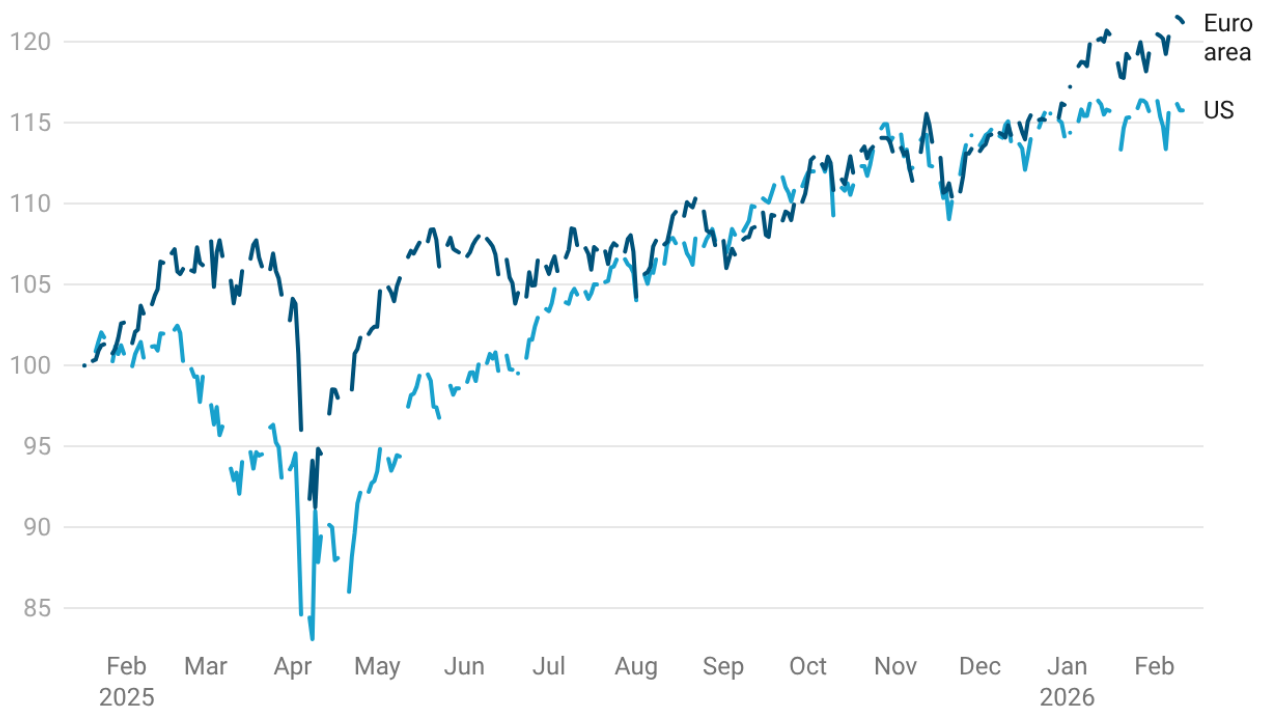


The MAGA Bubble Is Imploding

di Paul Krugman

Stock prices since Inauguration Day



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Source: Haver Analytics. US is S&P 500, Euro area S&P Euro 350.

Attorney General Pam Bondi's [meltdown](#) on Wednesday while being questioned the House Judiciary Committee was exceptional, even by this administration's rock-bottom standards. Has any high-level official ever before shrieked at a member of Congress, "You don't tell me anything, you washed-up, loser lawyer"?

Yet what truly amazed me was her [demand](#) that Democrats stop talking about Jeffrey Epstein because the Dow was above 50,000. This plumbed new depths of moral bankruptcy, effectively saying: “How dare you complain about child rape when the stock market is up?”

There was an unmistakable stench of desperation in Bondi’s tantrum. And it fooled no one. The cracks are showing, as some congressional Republicans have now voted against [Trump’s tariffs](#), Justice Department lawyers are [quitting](#) en masse or just plain [cracking up](#), and attempts to weaponize prosecutions [keep failing](#).

Now Tom Homan [says](#) that the ICE surge in Minnesota will be wound down — an ignominious retreat if true — while Democrats are standing firm on refusing further DHS funding without significant reforms. And Bondi’s yelling isn’t making Epstein go away.

But let’s examine Bondi’s demand that Americans ignore the omnishambles because stocks are up. It’s morally depraved, but what about the economics?

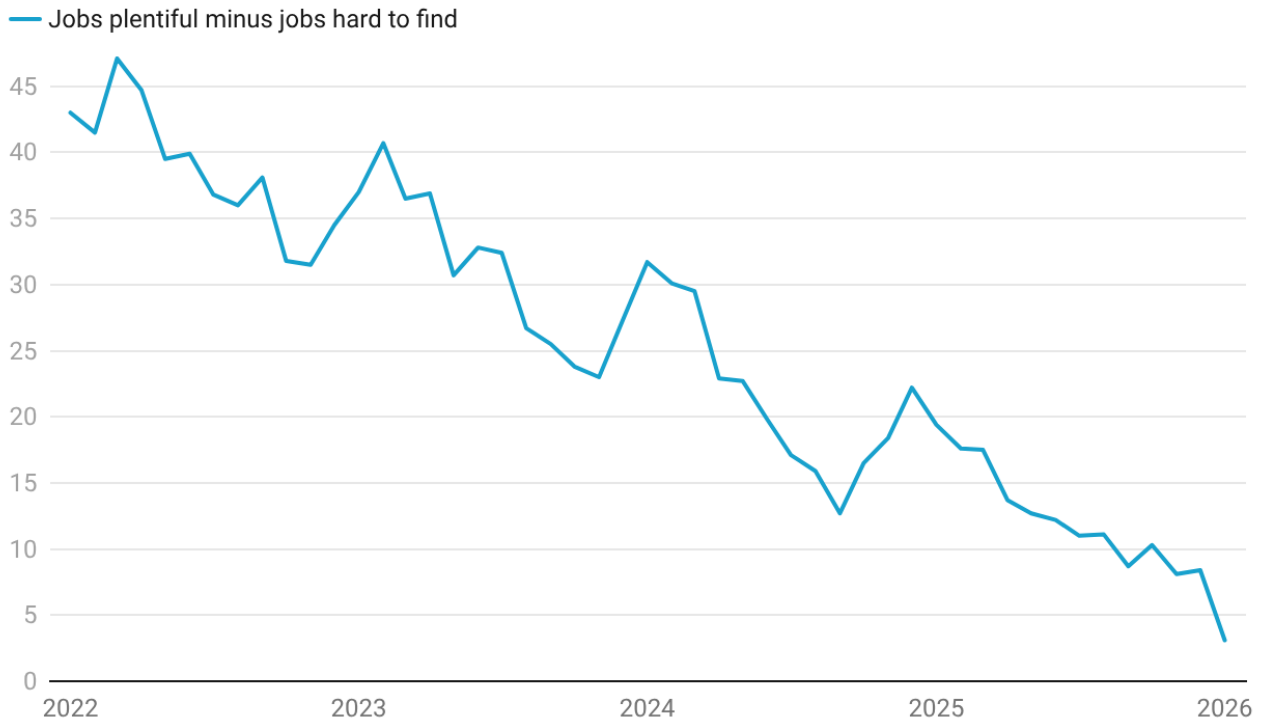
Yes, stock prices are up. As any economist can tell you, however, the stock market is a poor indicator of the economy’s overall health. Paul Samuelson famously quipped that the market had predicted nine of the last five recessions.

Furthermore, stock prices are up almost everywhere — and up more in other countries than they are in the United States. The chart at the top compares stock prices in the U.S. and in the euro area; since the latter is measured in euros, and the euro has risen against the dollar, Europe has substantially outperformed America.

And if we go beyond the stock market and look at what really matters to most Americans — affordability and jobs — the Trump economy isn’t delivering. Inflation remains stubbornly elevated. Despite one good month, employment growth has [shriveled](#). And it keeps getting more difficult to find a job.

Here’s one measure I find useful, the Conference Board’s “labor market differential” — the difference between the percentage of Americans saying that jobs are plentiful and the percentage saying that jobs are hard to find:

Labor market differential



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Source: The Conference Board via Haver Analytics

This is certainly not a great economy. It's not even a healthy economy. And Americans are not buying the administration's lies.

MAGA types constantly bash Joe Biden while deifying Trump. Yet it took only a year for Americans outside the Republican base to decide that Biden was actually a better president. Here are results from the latest YouGov poll:

Comparing presidential performance



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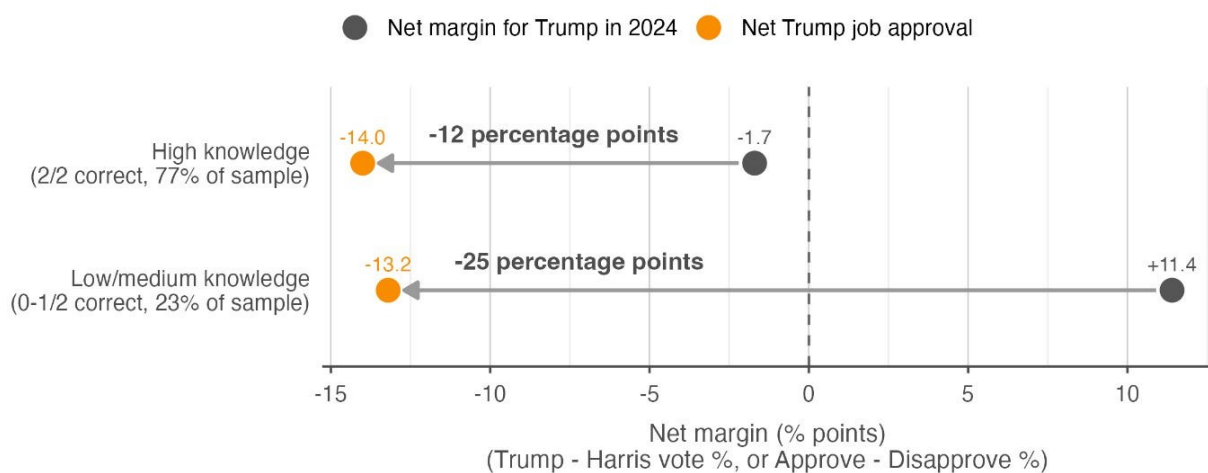
Source: YouGov

That was fast. And it belies the conventional wisdom that still sees Trump’s 1.5 percentage point popular vote margin in 2024 — smaller than [Hillary Clinton’s margin](#) in 2016! — as marking a fundamental realignment of U.S. politics.

What actually happened in 2024 was that low-knowledge voters believed Trump when he promised to bring prices way down and deliver unprecedented prosperity. “Low-knowledge” isn’t a pejorative: [G. Elliott Morris](#) uses it to mean voters who don’t know which party controls the House and Senate. These voters went strongly for Trump in 2024, but their opinion of him has crashed:

Low-knowledge voters have shifted more against Trump

Net Trump job approval vs. net 2024 vote margin, by political knowledge
(Knowledge = correctly identifying which party controls the U.S. House and Senate)



Data: Strength In Numbers/Verasight poll of 1,532 U.S. adults, conducted Jan. 14-20, 2026.
Analysis subset to 1,239 self-reported 2024 voters.

So while people inside the MAGA bubble keep insisting that Trump is a great president, the greatest president ever, presidenting like nobody has ever seen before, their cheerleading reeks of desperation. The MAGA implosion is gathering force. Americans are mad as hell, and they won’t be gaslit anymore.