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What are the election's economic implications?

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The rhetoric surrounding the presidential election has turned very dark but hasn't had meaningful impact on the economy, at least not yet.

Consumer and business confidence remains sturdy. Sentiment isn't as strong as in previous expansions, but it isn't too far off. Financial markets are calm, even buoyant, as stock prices hover near record highs.

This is probably because Hillary Clinton, who represents the status quo in economic and foreign policy, is widely expected to be the next president. Uncertainty is corrosive on financial markets, business investment decisions, and big consumer purchases. Donald Trump represents change in policy, and what changes he has in mind are not well-known. If it looked as if he could win, there likely would be fallout on markets and the economy.

But the odds of a Trump victory appear very low. Based on the polls, Clinton has more than an 85 percent chance of winning, and my model of the Electoral College gives her 332 electoral votes to only 206 for Trump. She needs only 270 to win. A Trump victory is not inconceivable, but nearly so.

Assuming Clinton is the next president, the makeup of Congress will determine which of her policy proposals, if any, ultimately become law. This is much tougher to handicap.

Odds are good that the House will remain in Republican hands, but control of the Senate appears to be a toss-up. The Pennsylvania election battle between Democrat Katie McGinty and Republican Pat Toomey is pivotal to determining which way the Senate goes. And McGinty would likely be a close ally to the new president, considering her like-mindedness on most economic policies.

Given this political backdrop, what are the implications for economic policy? The strongly held consensus view is that it likely means more stalemate. Not only wasn't there much law-making in President Obama's second term, but rancor over the federal budget got so bad that it resulted in a government shutdown.

To be sure, the policy debate of the election season likely precludes some policy decisions even getting a hearing. Most notable is the Trans-Pacific Partnership trade deal. TPP has become so politicized that it's hard to see how it can go anywhere in the next Congress. Any changes to Obamacare, which needs a few, will also be difficult to engineer.

Having said this, the consensus could be wrong. While it surely won't be graceful, more is likely to get done in Washington during the next couple years than expected. There is a meaningful amount of bipartisan agreement, at least in principle, around a number of important economic policies. And if a political window cracks open, some could come to fruition.

Substantially more federal funds for infrastructure development and an increase in the federal minimum wage seem like reasonable bets. Both are very popular among much of the electorate, and they are must-haves for Clinton's political base. Some bipartisan political consensus also exists around tax reform. Save for making corporate inversions by multinationals more difficult, Clinton has been mum on the campaign trail about reforming the corporate tax code. Ironically, that may help with passing tax reform, since it hasn't been politicized.

Reform would involve lowering marginal rates for corporations in exchange for limiting tax preferences and encouraging repatriation of foreign earnings by taxing them at a lower rate. Small businesses could also get some relief. Tax reform will likely require some increase in the burden of very-high-income taxpayers. Congressional Republicans will object, but that will be the price of getting corporate-tax reform.

Nothing has created more political heat during the election than immigration. Trump's signature policies are to build a wall between the United States and Mexico, curtail the flow of refugees, and require undocumented immigrants living in the United States to leave. Clinton's immigration policy is the mirror image. She would provide a path to legalization and citizenship for the undocumented, admit more qualified refugees, and double the number of legal immigrants allowed into the country.

Given the vitriol over the issue, prospects seem dim that immigration reform would soon be at the top of the policy agenda. But that could change, and quickly. With the economy near full employment, labor shortages are developing in more industries and regions of the country. Businesses will clamor for Congress to allow more immigration, and worker opposition will fade with the better job opportunities and higher wages.

More immigration, particularly of higher-skilled and educated workers, is the most direct and quickest way to lift the economy. It will result in more open job positions being filled.

And it will mean more entrepreneurship. Immigrants are risk-takers almost by definition, given what's involved in moving to a new country and culture, and are more likely than the domestic population to start new companies.

Though it's a long shot, what if all the Clinton economic policies I've identified as possibly becoming a reality actually do? The economy would benefit. By my estimate, a decade from now, real GDP would be about 2.5 percent larger.

That might not sound like much, but it is the difference between an uninspired decade for the economy and a genuinely good one.

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