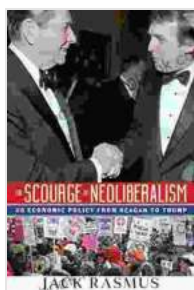


# The Evolution of US Economic Policy: From Reaganomics to Trump's Tax Cuts

Since the Reagan era, US economic policy has undergone a significant transformation. The Keynesian orthodoxy that had dominated economic thinking for decades has been replaced by a neoliberal consensus that emphasizes free markets, deregulation, and fiscal austerity.



## The Scourge of Neoliberalism: US Economic Policy from Reagan to Trump by Jack Rasmus

★★★★☆ 4.2 out of 5

Language	: English
File size	: 502 KB
Text-to-Speech	: Enabled
Enhanced typesetting	: Enabled
Word Wise	: Enabled
Print length	: 286 pages
Screen Reader	: Supported



This article provides an overview of the major economic policies implemented in the United States from the Reagan era to the present day. It explores the key ideas behind each policy, its impact on the economy, and its legacy.

## Reaganomics

Reaganomics was the economic policy of the Ronald Reagan administration (1981-1989). It was based on the supply-side economics

theory, which argues that tax cuts and deregulation will stimulate economic growth by increasing investment and productivity.

Reaganomics included a number of key policies, including:

- Tax cuts: Reagan signed into law a series of tax cuts that reduced the top marginal tax rate from 70% to 28%.
- Deregulation: Reagan rolled back a number of regulations on businesses, including deregulation of the financial industry and the airline industry.
- Increased defense spending: Reagan increased defense spending by more than 50%.

The impact of Reaganomics is still debated today. Some argue that it led to a period of economic growth and prosperity, while others argue that it exacerbated income inequality and led to the financial crisis of 2008.

## **Neoliberalism**

Neoliberalism is a political and economic ideology that emphasizes free markets, deregulation, and privatization.

Neoliberal economic policies have been implemented in the United States and other countries around the world since the 1980s. These policies have included:

- Privatization: The sale of government-owned assets to private companies.

- Deregulation: The reduction or elimination of government regulations on businesses.
- Free trade: The reduction or elimination of tariffs and other barriers to trade.

The impact of neoliberalism is also debated. Some argue that it has led to economic growth and prosperity, while others argue that it has exacerbated income inequality and environmental degradation.

## **Keynesian Economics**

Keynesian economics is an economic theory that emphasizes the role of government spending and fiscal policy in stimulating economic growth.

Keynesian economic policies were implemented in the United States during the Great Depression and after World War II. These policies included:

- Fiscal stimulus: Government spending on infrastructure, education, and other public goods.
- Monetary policy: The use of interest rates and other monetary tools to influence the economy.

Keynesian economics has been used to justify a variety of government interventions in the economy, including the New Deal and the American Recovery and Reinvestment Act of 2009.

## **Trump Tax Cuts**

The Tax Cuts and Jobs Act of 2017 was signed into law by President Donald Trump in December 2017. The law included a number of

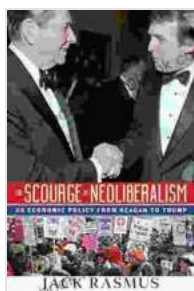
provisions, including:

- Tax cuts: The law reduced the corporate tax rate from 35% to 21% and increased the standard deduction for individuals.
- Deregulation: The law rolled back a number of regulations on businesses.

The impact of the Trump tax cuts is still being debated. Some argue that they will stimulate economic growth and create jobs, while others argue that they will increase the federal deficit and benefit the wealthy at the expense of the poor.

The evolution of US economic policy over the past few decades has been marked by a shift from Keynesian orthodoxy to neoliberal consensus. This shift has had a profound impact on the economy, leading to increased income inequality, financial instability, and environmental degradation.

It remains to be seen whether the Trump tax cuts will reverse this trend. However, it is clear that the future of US economic policy is at a crossroads.



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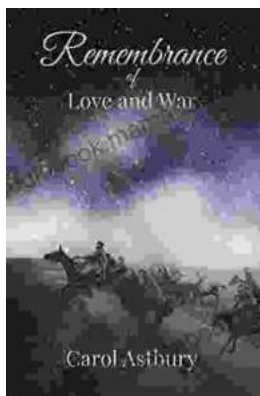
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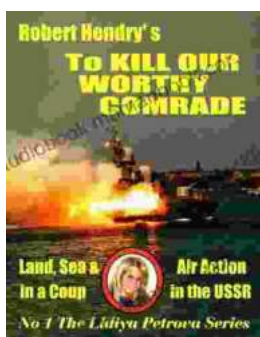
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