

POTENTIAL ECONOMIC IMPACTS OF TRUMP ADMINISTRATION POLICY

Presentation to Alameda County
Workforce Development Board

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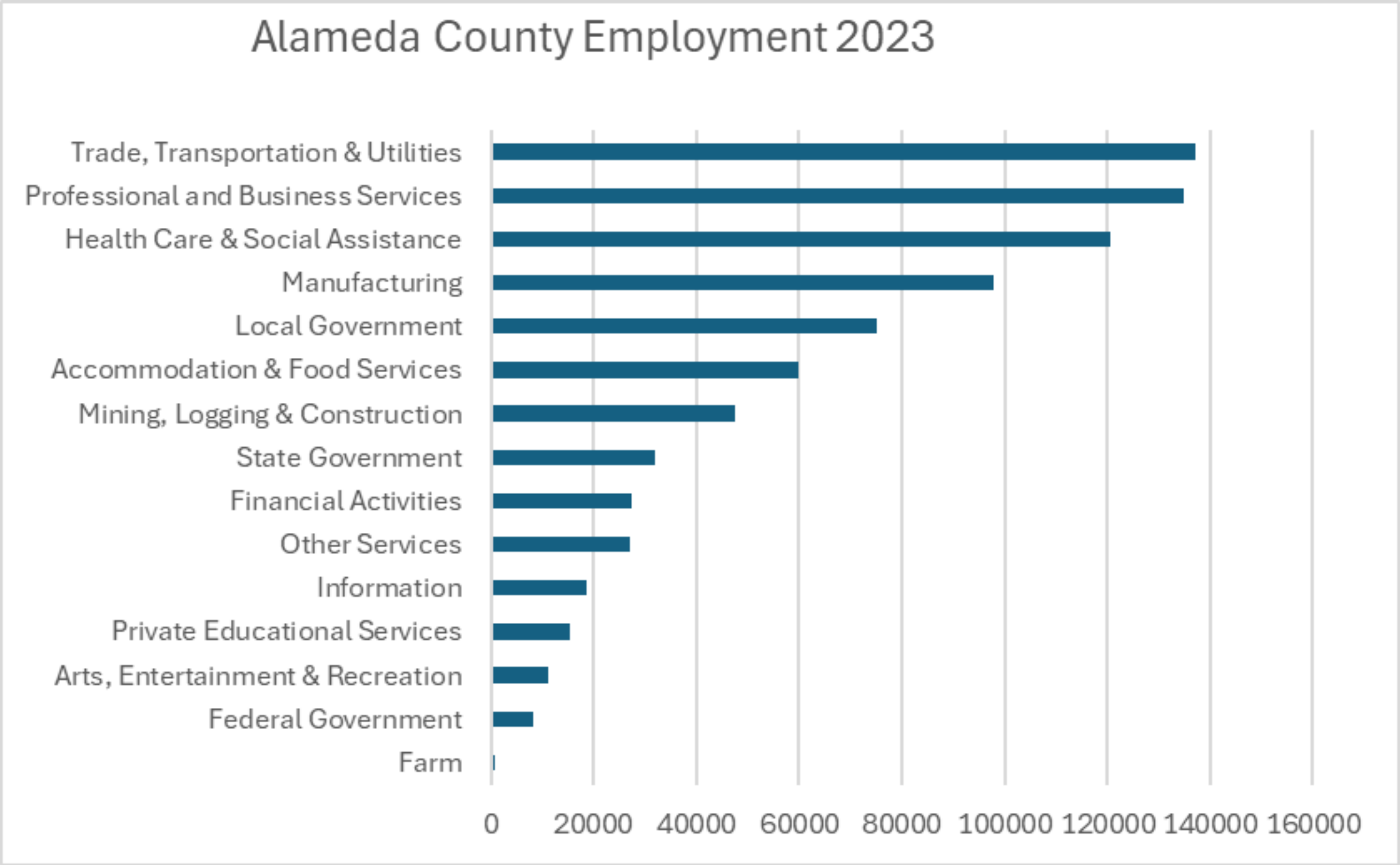
OVERVIEW

This presentation outlines the potential impact of federal policies on the local economy and job market, with a focus on:

- Taxation
- Deregulation
- Trade
- Health and Social Services
- Immigration
- Labor
- Energy
- Government Operations

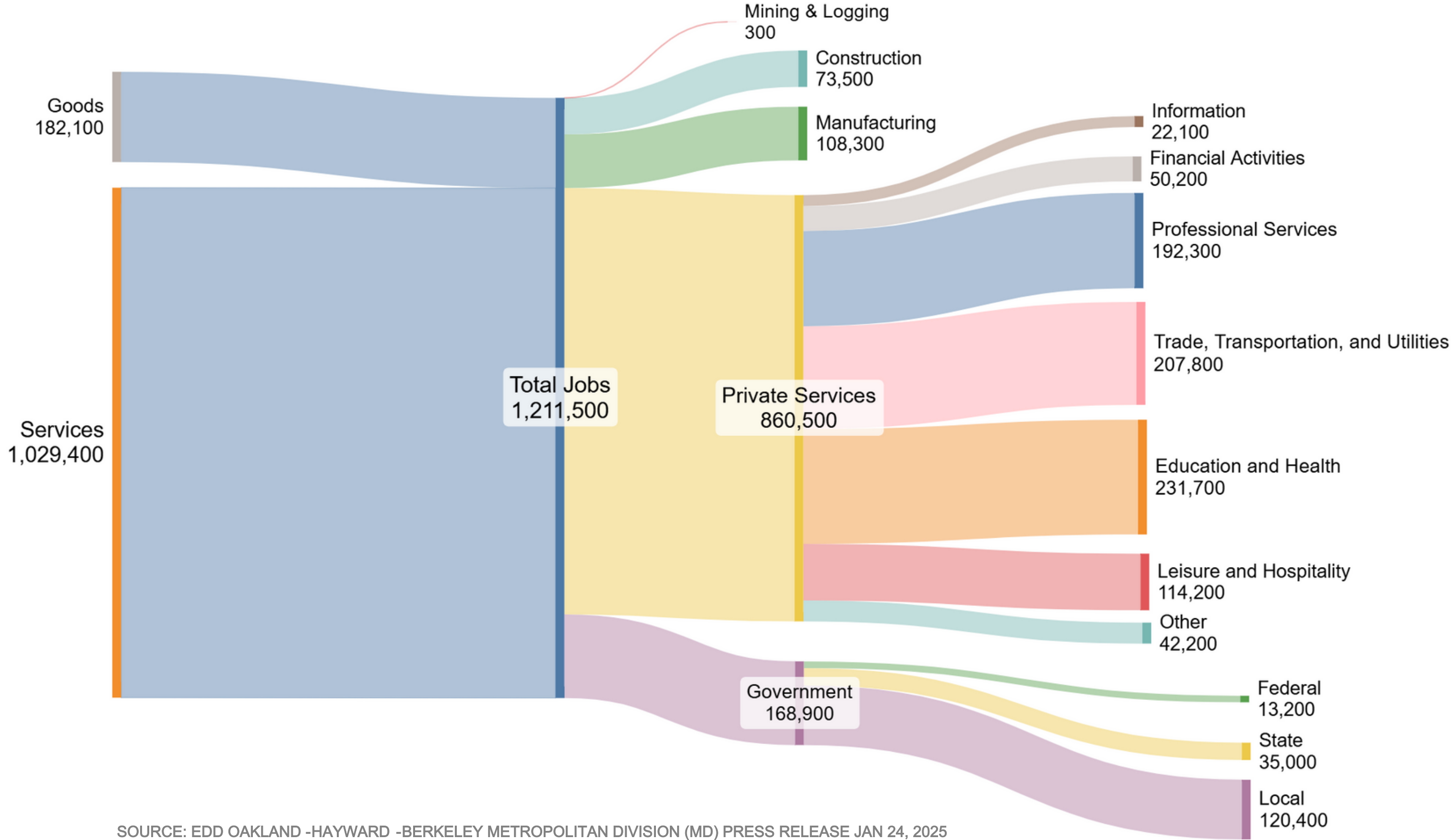


EMPLOYMENT BY SECTOR



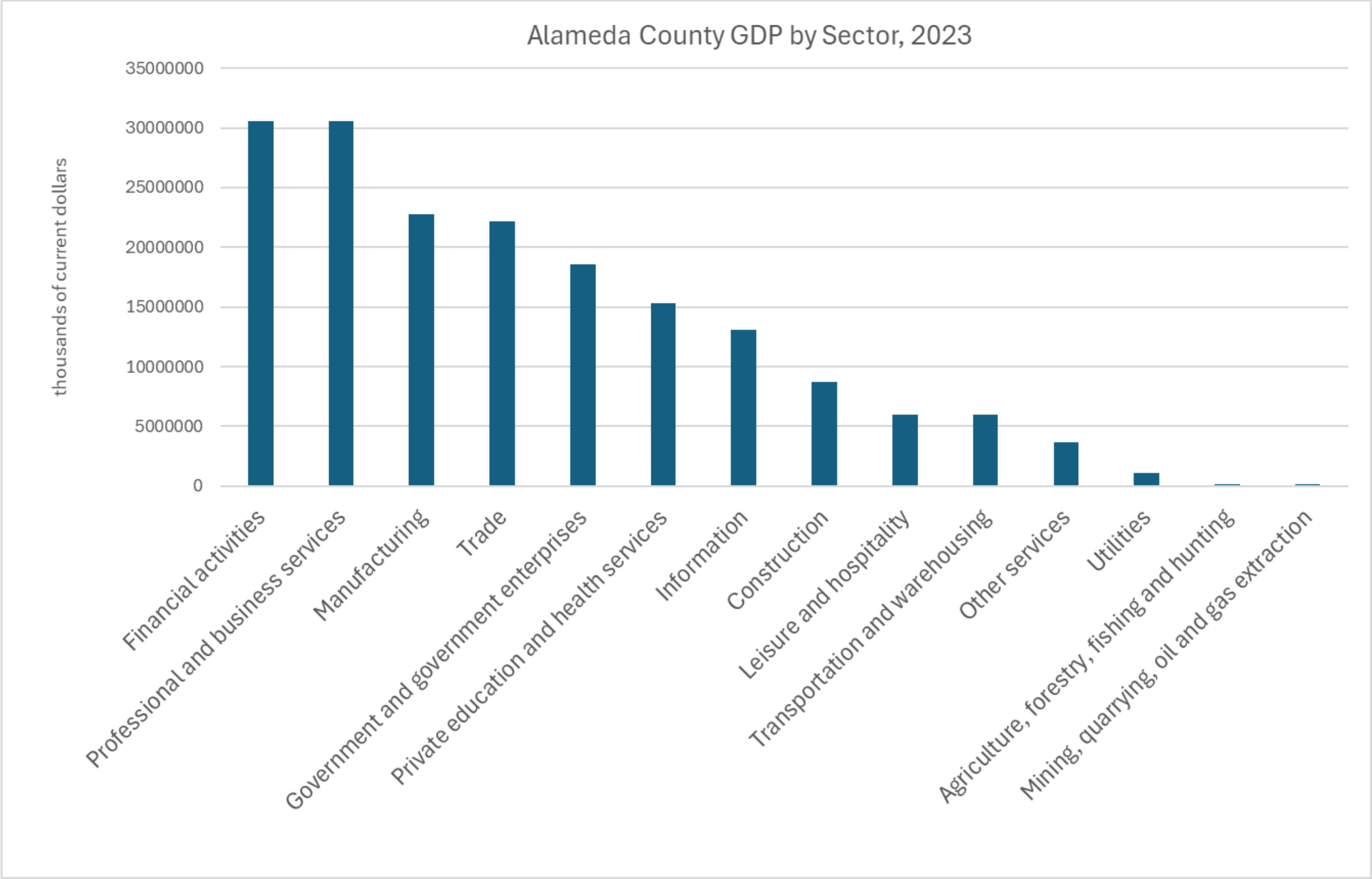
SOURCE: [EDD PRESENTATION 8 -21-2024](#)

EMPLOYMENT BY SECTOR



SOURCE: EDD OAKLAND -HAYWARD -BERKELEY METROPOLITAN DIVISION (MD) PRESS RELEASE JAN 24, 2025

GDP BY SECTOR



SOURCE: BUREAU OF ECONOMIC ANALYSIS

POLICIES

TAXATION

- The Administration aims to extend the Tax Cuts and Jobs Act of 2017, which cut individual and corporate tax rates, plus a further cut to the corporate tax rate from 35% to 21%.
- The law boosted corporate investment by about 10%. A further cut might result in job growth through increased purchasing and hiring.
- Individual tax cuts could translate to a modest increase in consumer spending, although 45% of the benefit would go to persons earning \$450k or more per year, who are more likely to save rather than spend what they keep from the IRS.
- The projected \$5-11T cost of the tax cuts over 10 years could create pressure for federal spending reductions, which could affect the government sector in the county.

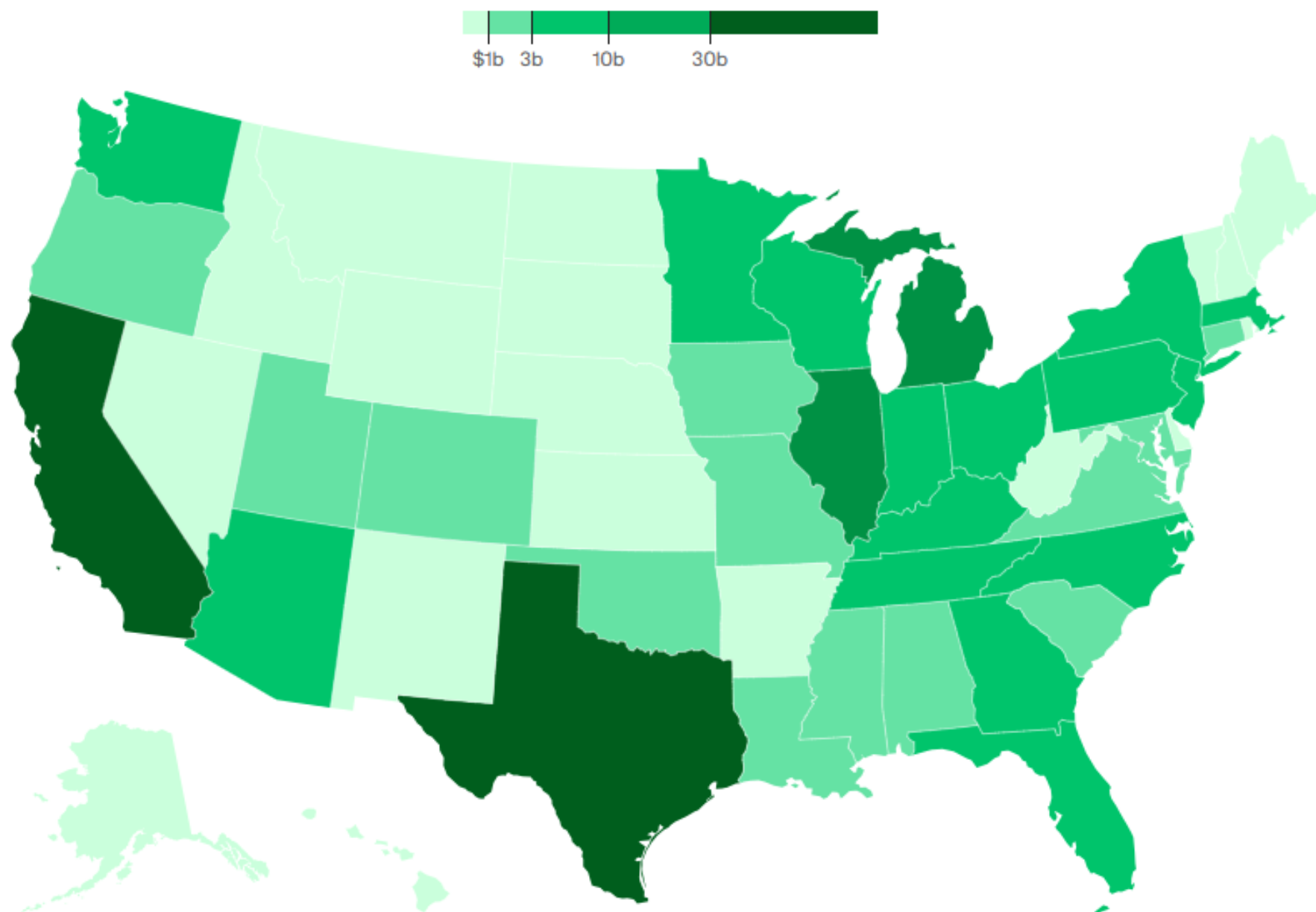
DEREGULATION

- The Administration has proposed wide-ranging deregulation, from crypto and banking to food safety to AI and environmental protection.
- In general, deregulation lowers the cost of doing business, which favors job creation.
- Looser banking regulations could lead to increased lending and financial services, but this could raise the risk of financial instability if financial institutions become insolvent.

POLICIES

TRADE

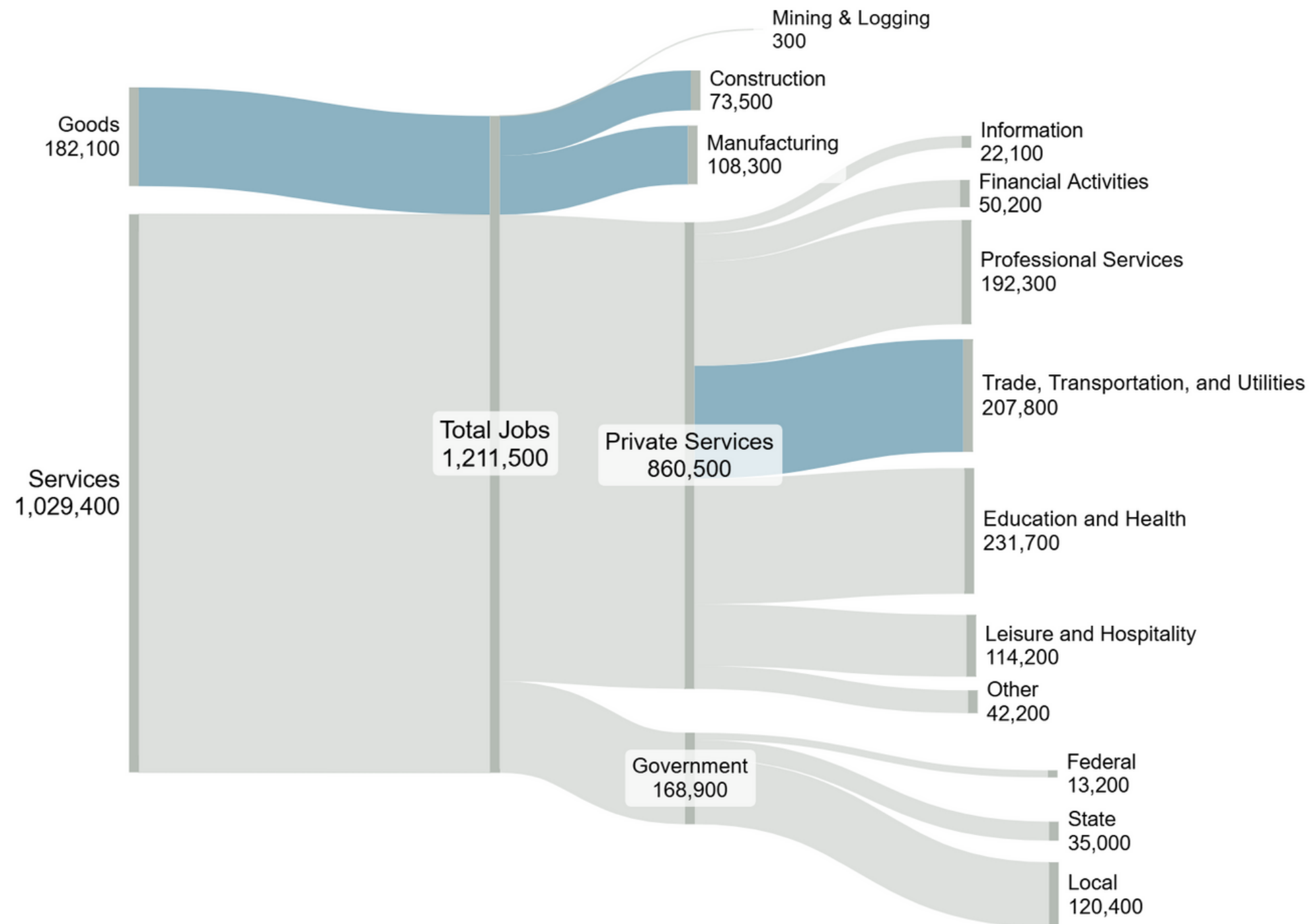
Estimated impact of Trump tariffs on goods from Canada, Mexico and China



- California is the largest importer and second-largest exporter in the United States
- Mexico, Canada, and China account for 37% of California's exports and 41% of its imports
- In 2024, California exported \$65B in goods and imported \$187B in manufactured goods and \$9B in agricultural goods

POLICIES

TRADE



- Alameda County is a strategic trade location
- ~1/3 of Alameda County jobs are goods-movement dependent
 - \$60.8B or 34% of Alameda County's GDP
- Port of Oakland and Oakland Airport move high volumes of goods between domestic and international markets
 - The Port of Oakland:
 - Handles 99% of container volume for Northern California
 - Is the 8th busiest port in the nation by volume
 - 90% of Bay Area trade in agriculture, wine, and heavy machinery by weight goes through the Port of Oakland

POLICIES

TRADE

- New tariffs being put in place by the Administration are likely to lead to higher consumer prices and potential job losses in sectors reliant on imported materials, such as construction, which, for example, largely depends on materials imported from Canada.
- General inflation resulting from tariffs could suppress discretionary consumer spending, reducing jobs in sectors like retail and restaurants.
- Trade wars resulting from protectionist trade policies could disrupt global supply chains, increase production costs, and harm industries that rely on imports.
- A reduction in international trade could affect employment at the Port of Oakland and related transportation and storage services.

POLICIES

IMMIGRATION

- Immigrants are an important part of the County workforce. Mass deportations would decrease labor availability and drive up labor costs, hurting both businesses and consumers.
- Limitations on H-1B visas could negatively impact technology and other firms that rely specialty labor.

LABOR

- The Trump Administration is expected to oppose union protections and reduce labor-related mandates on employers. This may be advantageous to employers and result in increased investment, though it could also result in decreased worker pay and consumer spending.

ENERGY

- A shift away from renewable energy incentives, including a moratorium on offshore wind approvals, could raise electricity costs. This policy direction would likely also reduce economic activity by renewable energy companies and associated areas, such as planning and consulting services related to energy transition.
- The federal government may revoke California's ability to set higher emission standards and remove incentives for electrical vehicles. This could unwind local investment in sales and charging stations.

POLICIES

GOVERNMENT OPERATIONS

- A federal hiring freeze implemented in January 2025, a freeze on grants and contracts (since rescinded), and expected and actual cuts to the federal workforce could reduce federal employment and reduced output of public services. Approximately \$464M of UC Berkeley's nearly \$3.8B budget is from federal research grants. A reduction in research funding could result in staff reductions.
- In July 2024, the largest number of open jobs were for elementary and secondary schools. Elimination of the Department of Education could cut budgets by an average of 13%, which could result in job losses.
- A reduction in federally funded programs such as Medi-Cal and Cal-Fresh would decrease funds flowing into the community and generally reduce economic activity.
- The State's loss of federal revenue and subsequent spending reductions could further tighten local economic activity.

HEALTH AND SOCIAL SERVICES

- Cuts to Medi-Cal could increase uncompensated care, putting pressure on healthcare providers.
- Cuts to other public benefits would reduce consumer spending, reducing economic activity.

SOURCES

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QUESTIONS AND DISCUSSION