

Trump's Economic Policies Show Mixed Impact: Macro Gains Amid Middle-Class Pressures With Some Retirement Savings Boosts

New Analysis: Trump's Economic Policies Deliver Strong Macro Gains but Impose Costs on Middle-Class Households, Offset by Targeted Retirement Savings Benefits

DEERFIELD, IL, UNITED STATES, February 16, 2026 /EINPresswire.com/ -- A [comprehensive review](#) of economic data one year into President Donald J. Trump's second term reveals a U.S. economy with notable strengths—including record stock market performance and projected GDP growth of 2.5–3% in 2026—while middle-class families face higher costs from tariffs and [uneven tax](#) relief. However, certain retirement-focused provisions offer meaningful advantages for middle-income savers.

Broad tariffs implemented in 2025, ranging from 10–60% on imports from major partners such as China, Canada, and Mexico, have raised more than \$200 billion in [revenue](#) to support programs including family bonuses. These measures have increased consumer prices for everyday goods, adding an estimated \$1,700–\$3,800 annually per household, with lower- and middle-income families experiencing the most significant proportional impact. Households in the second income decile may see disposable income reductions of 2.3–4%, or \$980–\$1,700 per year.

The One Big Beautiful Bill Act (OBBBA), signed into law in 2025, provides tax relief through expanded child tax credits (up to \$2,200, indexed for inflation), elimination of taxes on tips (up to \$25,000) and overtime (up to \$12,500), and higher standard deductions. Middle-class households could see average federal tax savings of \$900–\$1,800.



MyTsv.com analysis poster in a Chicago newsroom highlights the mixed effects of President Trump's 2025–2026 economic policies: strong macro gains in stock markets and GDP contrasted with middle-class cost pressures from tariffs, partially offset by enhanc

Distributional analyses, however, show that approximately 70% of net benefits accrue to the top 20% of earners, with the top 1% gaining over \$50,000 per household on average, while the middle quintile receives about 10%. After accounting for tariff effects, many middle-income families may face net annual losses of \$470–\$2,000.

Other pressures include slowed job growth (50,000 net additions in December 2025, down sharply from prior levels), more than 1.2 million layoffs announced in 2025, and unemployment at 4.4%. Inflation stands at 2.7% year-over-year, with tariffs contributing 0.5–1.5 percentage points. Proposed reductions to Medicaid and SNAP, exceeding \$1 trillion to offset tax cuts, could affect millions' access to health coverage and food assistance.

Consumer confidence remains subdued at approximately 57 on the University of Michigan index, with 65% of Americans viewing the policies as favoring the wealthy, 18% reporting personal financial improvement, and 70% concerned about tariff impacts.

On the positive side for middle-class retirement planning, OBBBA and related reforms enhance 401(k) and similar accounts. Catch-up contribution limits for workers aged 50+ increased in 2025: an extra \$7,500 for ages 50–59 and 64+, and \$11,250 for ages 60–63, enabling greater tax-deferred savings. A new \$6,000 annual income tax deduction (or \$12,000 for joint filers) for those 65+ from 2025–2028 provides additional support for retirees. The Trump Accounts initiative, seeded with a \$1,000 government contribution for eligible children born after 2025, allows up to \$5,000 in annual contributions for long-term goals, with tax advantages benefiting middle-class families.

Administration officials point to rising blue-collar wages, prioritized employment for native-born workers, and potential rebate programs funded by tariffs as drivers of broader prosperity, with forecasts for possible 4–6% growth in 2026.

February's jobs and CPI reports will provide further clarity on the trajectory ahead of the 2026 midterms.

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