

US PRESIDENTIAL ECONOMIC ANALYSIS

BATTLEGROUND STATES 2020

Executive Summary

In many respects, the 2020 Presidential election continues a four-election dynamic that is determining the scope of our government's involvement in Americans' lives in the 21st century. The degree to which the federal government engages in the day-to-day lives of citizens in healthcare, work, the environment, law enforcement, education, and other a host of other areas will be articulated by our choice for President and Vice President.

It is important, in fact vital, for voters to be informed not only of the policy agendas of the candidates, but what those agendas will mean in the real lives of Americans. How much will a specific federal proposal in the environment, or healthcare, cost and how will it affect the broader economy? A policy idea may sound exceptional on paper – but what will its impact be when the policy rubber meets the economic road?

That's where this study makes the connection – over the course of this analysis two nationally-recognized economists examine a series of policy proposals and the subsequent impact of those ideas on the lives of everyday Floridians, Ohioans, Michiganders, Pennsylvanians, and Wisconsinites. What will a Medicare for All plan and Green New Deal and repeal of the Tax Cuts and Jobs Act look like for a schoolteacher in Miami, or a single mom in Cincinnati, or a family with kids trying to make ends meet in Pittsburgh? What will their economy look like two or three years down the road?

Our team did the heavy lifting – and what we uncovered when going deep in the weeds is pretty stark. All told, the major elements of former Vice President Joe Biden and his Vice President pick Kamala Harris will cost U.S. taxpayers more than \$36 trillion over ten years, and those are under some fairly conservative assumptions. And that's just the proposals that have been released.

While it may be a fashionable idea these days to order the U.S. Treasury to print money and the Federal Reserve to go along, ultimately the money to pay for those proposals comes from

taxpayers. We make the tradeoffs to send more of our money to Washington D.C. to give the federal government more authority and power over our lives. For example, under the last decade of Obamacare, we saw some gain health insurance who didn't otherwise have it, but most saw their choices in healthcare shrink as government regulations took hold and the cost ballooned well past the original \$1 trillion estimate – that's a tradeoff. The continuation of that path, along with several others proposed by former Vice President Biden and Senator Harris, will be borne by all of us – both in the taxes we pay and the economies we withstand.

With respect to the fiscal impact, overall the cost of the Biden-Harris platform would siphon \$36.4 trillion over ten years from the private sector and divert it to Washington policy proposals. This cost breaks down as follows:

This agenda translates to all 50 states in different ways. For the purpose of this study, JMI economists examined the specific impacts on taxpayers in Florida, Ohio, Michigan, Pennsylvania, and Wisconsin. The analysis includes the cost per resident of each state, the cost for a family of four, the possible budget shock arising from the intersection of the agenda with Covid-19 economic impacts, the resulting job creation figures, and the overall GDP (economic) output. For the five states evaluated, the major highlights include the following:

Healthcare	\$32.6 trillion
Climate	\$2.0 trillion
Taxes	(\$3.8 trillion)
Education	\$1.25 trillion
Trade	\$700 billion
Other	\$3.65 trillion



FLORIDA

■ With respect to the fiscal cost of the policy agenda, enacting the Biden-Harris platform would translate to a \$9,389 tax on every Floridian, or \$37,556 for a family of four.

The Sunshine State would see a marked difference in job creation and overall GDP growth between the Biden-Harris agenda and a second Trump-Pence term. Projected job creation under the Biden-Harris platform would be 35,000 per year, compared to 179,000 under Trump. Annual GDP growth would be approximately \$8.8 billion under Biden-Harris versus \$19.4 billion under Trump-Pence. The impact of the Biden-Harris policy agenda considering a prolonged Covid economy could lead to a budget shock of \$10 billion under the worst-case scenario.



MICHIGAN

■ Enacting the Biden-Harris platform would require a \$8,142 tax on every resident of Michigan, or \$32,568 for a family of four.

The state would see a noticeable difference in job creation and overall GDP growth between the Biden-Harris agenda and second Trump term. Projected job creation in Michigan under the Biden-Harris platform would be 39,000 per year, compared to 112,000 under Trump-Pence. Michigan annual GDP growth would be approximately \$1.9 billion under Biden-Harris versus \$6.7 billion under Trump-Pence. The impact of the Biden-Harris policy agenda considering a prolonged Covid economy could lead to a budget shock of \$3.5 billion under the worst-case scenario.



OHIO

■ The Biden-Harris platform would translate to a \$12,299 tax on every resident of Ohio, or \$49,197 for a family of four.

The Buckeye State would see a marked difference in job creation and overall GDP growth between the Biden-Harris agenda and second Trump term. Projected job creation under the Biden-Harris platform would be 62,000 per year, compared to 141,000 under Trump. Annual GDP growth would be approximately \$1.1 billion under Biden-Harris versus \$6.8 billion under Trump-Pence. The impact of the Biden-Harris policy agenda under a prolonged Covid economy could lead to a budget shock of almost \$7 billion under the worst-case scenario.



PENNSYLVANIA

■ With respect to the cost of the policy agenda, enacting the Biden-Harris platform would translate to a \$10,605 tax on every resident, or \$42,419 for a family of four.

The Keystone State would see a marked difference in job creation and overall GDP growth between the Biden-Harris agenda and second Trump term. Projected job creation under the Biden-Harris platform would be 28,000 per year, compared to 110,000 under Trump. Annual GDP growth would be approximately \$4.6 billion under Biden-Harris versus \$11.1 billion under Trump-Pence. The impact of the Biden-Harris policy agenda in light of a prolonged Covid economy could lead to a budget shock of \$4.4 billion under the worst-case scenario.



WISCONSIN

■ With respect to the cost of the policy agenda, enacting the Biden-Harris platform would translate to a \$9,020 tax on every Floridian, or \$36,078 for a family of four.

The state would see a marked difference in job creation and overall GDP growth between the Biden-Harris agenda and second Trump-Pence term. Projected job creation under the Biden-Harris platform would be 5,000 per year, compared to 45,000 under Trump. Annual GDP growth would be approximately \$2.8 billion under Biden-Harris versus \$5 billion under Trump-Pence. The impact of the Biden-Harris policy agenda in light of a prolonged Covid economy could lead to a budget shock of \$3 billion under the worst-case scenario.

For more than 30 years, The James Madison Institute has been on the front lines delivering unvarnished truth to policy debates. This is because every single one of us deserves the opportunity to achieve. We all deserve the opportunity to pursue success, become an entrepreneur, educate our children in the best way fit for them, pursue the American dream, build a life that leaves more to the generations to come, and speak out.


In an age when what passes for truth is siphoned down to 280-character threads on social media, it's no simple task to engage in complex discussions about the tradeoffs of one policy agenda over another. The current reality would much rather sell us a vision that we can have everything we want without any negative consequence. That there are no downsides to benevolent government and that if only we trust them and hand over a little more of our liberty, our leaders in Washington will always act in our best interests and make decisions that reflect what they know we need.

Our 233 years as a Republic and thousands of years of history reveal a more complicated truth. A truth that this crazy system of free market capitalism, a healthy and cautious aversion to government, property rights, and the consistent rule of law has turned a planet of marauding tribes and warring factions desperate to acquire and maintain power by coercion and violence into the greatest prosperity engine in the history of mankind. A brief blip on the timeline of world history within which more than two billion people are lifted out of deep poverty. Continuing that record of progress requires an ever-standing vigilance and recognition that the more power we cede, the more the powerful will seek. The more liberty we relinquish, the more we will be controlled. And with every step we take to surrender more authority to the elite in Washington, no matter how infinitesimal it may seem, we are redirected away from the formula that has created more wealth for more people than anything ever witnessed in human history.

And while this November is not the be-all-end-all point for our nation, it is, to recall the wisdom of a prior occupant of the chair, “a time for choosing.” We should make our choices with more than 280 characters at our disposal for discernment. We should know the facts, know the tradeoffs, know the nature of what we can expect from the choice we make. That's what is meant by the “civic duty” of casting the ballot. Not just selecting a leader – but knowing the why and the what. The why we choose this candidate over another, and the what happens when our candidate carries the day.

This has been the mission of JMI since 1987.
And we shall persist.



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