



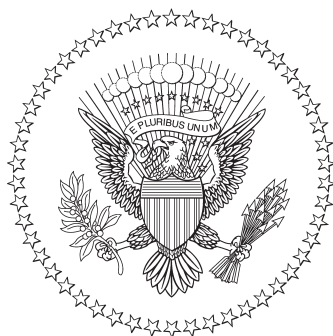
# ECONOMIC REPORT

*of the*

# PRESIDENT

TOGETHER WITH THE ANNUAL REPORT *of the*  
COUNCIL OF ECONOMIC ADVISERS

APRIL 2026



ECONOMIC  
REPORT

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Economic Report  
of the  
President





# Economic Report of the President

April 13

To the Congress of the United States:

In the inaugural year of my Administration, we've laid the groundwork to make the American economy great again. My policies—including landmark tax cuts, record deregulation, renewed trade deals, and secure borders—unleash lasting job creation and drive business expansion. By revitalizing the economy and making America the best place in the world to start and grow a business, my Administration is succeeding in making life better for the average American family. This Report will detail some of the policies and goals of my second term so far.

My Administration, and the American people, inherited an underperforming economy. Under Biden, inflation hit 40-year highs and real wages shrank substantially for the typical worker. Although some saw their paychecks increase, inflation eroded purchasing power, hitting lower earners the hardest. Meanwhile, seemingly strong job growth was bolstered by government and adjacent sectors, and paid for by the taxpayer. The first summer after I assumed office, Americans faced the prospect of the largest tax hike in history. Uncontrolled illegal immigration inflated the price of housing and lowered real wages for Americans—all while burdening taxpayers with hundreds of billions of dollars in benefits paid to these illegal immigrants annually. During my Presidency, Democrats in Congress allowed federal government funding to lapse, causing significant economic harm.

So far, we have averted and alleviated these problems. My Administration and Republicans in Congress passed the One Big Beautiful Bill Act (OBBBA), the largest tax cut in American history. For the second time, I passed landmark tax legislation helping workers and businesses to flourish and spark an investment boom. Passed in my first term, the Tax Cuts and Jobs Act (TCJA) succeeded in delivering an additional 2.5 percent of real GDP growth and a \$4,992 increase in average real wages compared to CBO baseline estimates. The OBBBA not only cemented key TCJA provisions, but also delivered more wins the American people voted for.

The CEA estimates that, in the first four years of implementation, OBBBA will increase real GDP by 4.6 to 4.9 percent, which equates to about 1.1 to 1.2 percent higher average growth per year. Strong fundamentals demonstrate our progress towards this goal.

Permanently extending lower tax rates and full expensing of capital investment eases obstacles to business formation and expansion. These and other relevant provisions are estimated to increase inflation-adjusted (real) investment by 7.3 to 10.2 percent in the first four years of implementation. This investment will drive more and better jobs for Americans, higher wages, and enhanced competitiveness in the global arena. In 2025, real nonresidential business fixed investment increased 5.5 percent, significantly exceeding the 3.7 percent pace recorded in the final two years of the previous Administration. Some of this investment is incentivized to occur within my landmark Opportunity Zones, which draw businesses to overlooked pockets of our nation.

I pledged and delivered no tax on tips, no tax on overtime, and tax relief for seniors through the OBBBA. In addition to this targeted relief, families will continue to receive a doubled Child Tax Credit, and all taxpayers will benefit from lower tax rates relative to TCJA expiration. In addition to this immediate relief, the OBBBA will generate long-run gains for Americans. After four years, OBBBA will boost average annual real wages \$4,000 to \$7,200 per worker across all industries and demographics, corresponding to \$7,600 to \$10,900 higher annual after-tax-take-home pay for a typical family with two children. These gains will support American workers in recovering the roughly \$3,000 in spending power they lost during the previous Administration. To give the next generation a stake in the American economy, the OBBBA will provide every American child born from 2025-2028 a Trump Account worth \$1,000, to which their parents, their parents' employers, and philanthropists can contribute.

When combined with deregulatory policies and tariffs, this monumental legislation will substantially reduce the deficit. The TCJA demonstrated that instead of levying higher taxes on a slow-growing economy, we can collect greater revenues at lower rates from a faster-growing one. By growing the economy, our policies will decrease federal debt to 94 percent of GDP versus a 117 percent TCJA-expiration baseline over a 10-year budget window. In the long term, this sounder fiscal path will deliver lower interest rates, more affordable housing, reduced inflation, and lasting economic stability for American families.

My Administration is right-sizing the Federal workforce and clamping down on waste, fraud, and abuse. In the final two years of the Biden Administration, the public sector drove over 25 percent of job growth. In my Administration to date, the private sector has accounted for the overwhelming majority of net nonfarm job growth, helping to put the economy on a sustainable trajectory. Due to this and other cost-saving initiatives, the Federal deficit is down \$362 billion in 2025 compared to 2024.

Excessive regulation, often imposed by unelected bureaucrats, stifles growth and raises the cost of living for Americans. My Administration is

committed to removing 10 regulations for each new regulation imposed, with many agencies exceeding this goal. The American people will continue to hear about deregulation throughout this *Report* and throughout my Administration as the Federal Government steps out of the way of American prosperity.

A number of these deregulatory actions target the energy sector. Misguided energy policies have increased costs and created unnecessary barriers to business and innovation. My Administration pursues an agenda of energy abundance. We need more energy and are committed to delivering it. Accordingly, my Administration has aggressively removed red tape, reduced permitting timelines, and ended the preferential treatment of intermittent energy sources over dispatchable energy. These reforms help deliver abundant energy precisely when America needs it—now. Energy is a critical input to virtually every good and service we produce; its abundance is critical to the competitiveness of our businesses and our national security.

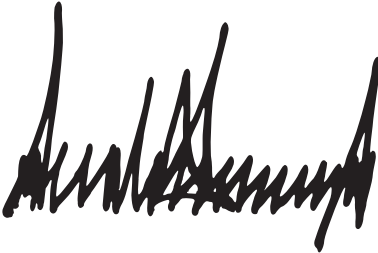
For decades, Americans have been resigned to an unfair position in international markets. Once the foremost manufacturing nation in the world, we have ceded many of our industries and jobs to other countries. We offered access to our market in the name of “free trade,” while other nations engaged in unfair trade practices, tariffed our goods to protect their own key industries, and pursued nonmarket practices. As a result, Americans have lost not only access to important manufacturing jobs, but control of some industries critical to our national security.

Tariffs have already catalyzed trade deals that substantially open foreign markets to American firms and aim to close our persistent trade deficit. These trade deals are broad and deep. Some have contributed to the trillions of dollars of new pledged investment into the United States, while others have lowered existing tariffs and nontariff barriers on U.S. exports and even worked to dismantle the epidemic flow of fentanyl into our country. These agreements work toward an overarching aim: to bring about more advantageous and sustainable trade in the long term.

Under the previous Administration, millions of illegal immigrants were permitted to cross our borders. Record flows of illegal immigrants depressed wages for Americans, inflated the demand for housing, and drained the welfare system. My Administration has closed the border, reducing illegal border crossings to effectively zero, and continues to reverse the economic damage imposed on American taxpayers and communities as a result of unfettered immigration.

The full suite of my policies is invigorating our economy and making life more affordable for Americans. My trade policy now incentivizes companies to invest, manufacture, and hire in America—a goal made possible by pro-growth tax policies, diminishing red tape, and abundant energy.

In just the first year, we have enacted far-reaching reforms whose full benefits will compound over this term and beyond. As they do, I will work tirelessly to continue to deliver wins for Americans, and to put Americans First. The policies and successes outlined in the Report that follows demonstrate how we can make America great again.

A large, stylized handwritten signature in black ink, characteristic of Donald Trump's signature.

The White House  
April 2026



The Annual Report  
of the  
Council of Economic Advisers





## Letter of Transmittal

Council of Economic Advisers  
Washington, April 13, 2026

Mr. President:

The Council of Economic Advisers herewith submits its 2026 Annual Report in accordance with the Employment Act of 1946, as amended by the Full Employment and Balanced Growth Act of 1978.

Sincerely yours,



Pierre Yared  
*Chairman*



Aaron Hedlund  
*Member*

