



How four Trump issues may affect NJ's economy



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As talk now turns to the transition of power, there's a new focus on President-elect Donald J. Trump's economic policy proposals.

Those measures, as they take shape, would cause ripples throughout New Jersey.

"Business hates uncertainty," said James W. Hughes, dean of the Edward J. Bloustein School of Planning and Public Policy at Rutgers University. "For a number of months going forward, there is going to be a high degree of uncertainty, wondering what will be the impact of some major changes in trade policy, regulations and the like."

Let's sketch out four issues that are central to New Jersey's economy.

1. [Trade.](#)

New Jersey is the the third-largest warehouse and distribution market in the United States, accounting for about 10 percent of the state's jobs, and a center for fulfillment, Hughes said. Look no further than Amazon's massive center in Robbinsville, and plans for two more in the state, to appreciate why trade policy matters in New Jersey. New York and New Jersey have the largest ports on the East Coast, including Port Newark and the Elizabeth-Port Authority Marine Terminal.

Opposed to President Obama's trade deals, President-elect Trump has promised to withdraw the United States from the Trans Pacific Partnership and renegotiate the North American Free Trade Agreement. "Anything that hurts trade is going to be felt in the port

and in our distribution systems within the state," Hughes said. That could include the warehouses that store goods and truckers who distribute them.

2. Infrastructure improvements.

President-elect Trump has promised to transform America's "crumbling infrastructure" with investments in transportation, water, and energy infrastructure, among others. It could be a boon to companies that employ construction workers and build roads, power grids or railways, said Douglas S. Roberts, founder and chief investment strategist for Channel Capital Research Institute in Shrewsbury. The GOP-controlled Congress, however, has resisted such large infrastructure spending proposals from President Barack Obama.

3. Pharmaceuticals

With the defeat of Hillary Clinton, who advocated for reining in the prices of prescription drugs, the state's pharmaceutical and bio-tech industries could stand to benefit, said Scott Mahoney, senior portfolio management director at Morgan Stanley in Morristown. "She was going to after pricing of drugs .. so that's probably off the table," he said. "There is a big rally today (in biotech stocks) because she's not going to be the president."

4. Taxes

Amid questions on how to pay for it, President-elect Trump's tax plan promises tax cuts for most Americans. But it will hit some low-income families, those with a single parent and five or more children, hard. While most taxpayers will see a cut in taxes, those families will see an increase, said Anthony J. Nitti, a partner at WithumSmith+Brown, a tax and accounting firm.

And the rich will do quite well. "The wealthiest 1 percent are going to enjoy huge tax cuts under the Trump plan," Nitti said. They will receive 47 percent of the tax cuts, he added.

How will that work out? Someone making \$800,000 a year could see \$175,000 in savings while a worker who earns \$40,000 will save about \$400.