

Trump's populism is about to face a rude awakening

By [Matt O'Brien](#) November 28 at 6:00 AM



(Alex Brandon/AP)

It only took seven years, but middle-class incomes are finally [rising again](#), and nothing President-elect Donald Trump does will change that.

The question, though, is whether they'll go up quite as much as they would have if we weren't, as Speaker of the House Paul D. Ryan (R-Wis.) put it, at "the dawn of a new unified Republican government." And the answer is maybe not. Take President Obama's [new overtime rule](#), which was just about to go into effect before a federal judge put an [injunction](#) on it. It would require companies to automatically pay salaried employees making \$47,476 or less annually time-and-a-half overtime when they work more than 40 hours a week. That'd be more than double the \$23,660 threshold that we currently have, and would give a raise to as many as 4 million workers.

Republicans, though, want to repeal it, because, as Rep. [Bradley Byrne](#) (R-Ala.) put it, "a ton of private-sector businesses" will "either have to eat that cost or pass that cost on to their customers." Now, on the one hand, that's true. But on the other, that doesn't seem like it should be much of a concern when profits are still near [all-time highs](#). Indeed, corporate profits have averaged 8.6 percent of gross domestic product since 2008, compared to just

6.0 percent before then. It's just another example that, whether it's wages or taxes or entitlements, non-Trump Republicans want policies that mostly help those who don't need much help. Ryan's tax plan, of course, being another. It would give [99.6 percent](#) of its total tax cuts to the top 1 percent of households. Populism this is not.

Insofar as Trump campaigned as a different kind of Republican, one who would rebuild our infrastructure, wouldn't touch Medicare, and would slap tariffs on companies that shipped jobs overseas, this sets up a potential showdown with his ostensible allies. Sure, Trump is on board with their big tax cut for the rich, but what about the rest of their agenda? Does he really want to get rid of Obamacare? Or voucherize Medicare? Or possibly privatize Social Security? And do they want to threaten a trade war against our own companies and other countries? In other words, will Trump change the Republican Party, or will the Republican Party change Trump?

Nobody knows, not even them. But whatever happens, it seems doubtful that Trump will be able to get Democrats to help him pass his nontraditional Republican policies. Politics, after all, is zero sum. If you win an election, that means I've lost it. There's no incentive for Democrats to make Trump a successful president, just like there wasn't for Republicans with Obama. Not to mention that while Democrats might agree with some of Trump's goals — among them, child care and infrastructure — they don't agree with the way he wants to use tax breaks that would mostly benefit the rich and well-connected to achieve them. Which is to say that Trump might not have the leverage he thinks he does with Senate Majority Leader Mitch McConnell (R-Ky.) and Ryan.

Trump might have to decide between giving up on his populism, and giving up on getting anything done. Whichever he chooses, though, there's a good

chance that wages will continue to go up and up as the labor market gets closer and closer to full employment. The irony is that they might not rise as much, at least not for the "forgotten men" and women who pushed Trump into the White House, as they otherwise would have.

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The good news for Trump, though, is there are no counterfactuals in politics.

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