

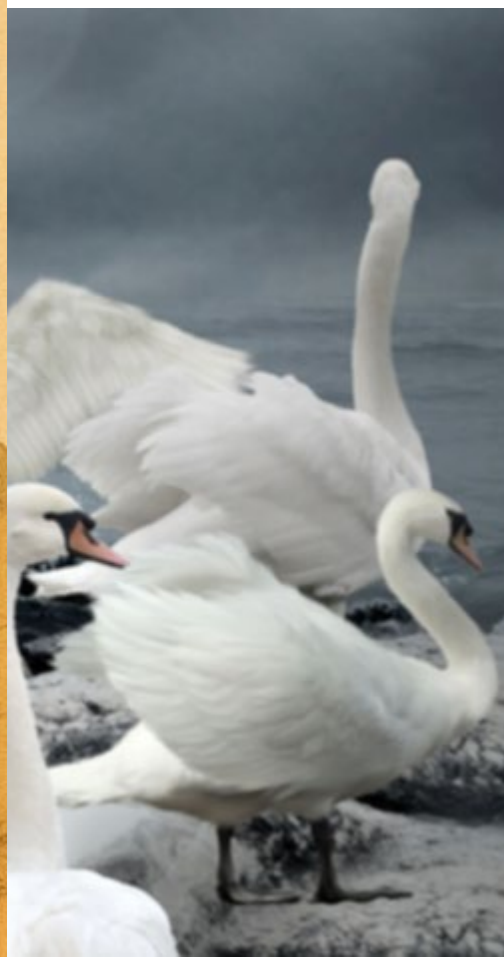
Zions Bank Economic Overview

Tariffs, Taxes, and Doge:

How the World Has Changed in the Last Few Months

May 13, 2025

ZIONS BANK



You Should Not Take Donald Trump Literally

...

But You'd Better Take Him Seriously

$$\Delta\tau_i = \frac{x_i - m_i}{\varepsilon * \varphi * m_i}.$$





The Trump Economic Policy

Reindustrialize

Reprivatize

Refocus

The Trump Trade Policy



Donald J. Trump

@realDonaldTrump

China has been hit much harder than the USA, not even close. They, and many other nations, have treated us unsustainably badly. We have been the dumb and helpless “whipping post,” but not any longer. We are bringing back jobs and businesses like never before. Already, more than FIVE TRILLION DOLLARS OF INVESTMENT, and rising fast! **THIS IS AN ECONOMIC REVOLUTION**, AND WE WILL WIN. HANG TOUGH, it won’t be easy, but the end result will be historic. We will, **MAKE AMERICA GREAT AGAIN!!!**

1.03k ReTruths **3.84k** Likes

Apr 05, 2025, 8:34 AM

[Via Truth Social](#)



The Trump Trade Policy

A User's Guide to Restructuring the Global Trading System

November 2024

Executive Summary

The desire to reform the global trading system and put American industry on fairer ground vis-à-vis the rest of the world has been a consistent theme for President Trump for decades. We may be on the cusp of generational change in the international trade and financial systems.

The root of the economic imbalances lies in persistent dollar overvaluation that prevents the balancing of international trade, and this overvaluation is driven by inelastic demand for reserve assets. As global GDP grows, it becomes increasingly burdensome for the United States to finance the provision of reserve assets and the defense umbrella, as the manufacturing and tradeable sectors bear the brunt of the costs.

Stephen Miran, Senior Strategist

Stephen Miran is Senior Strategist at Hudson Bay Capital. Previously, Dr. Miran served as senior advisor for economic policy at the U.S. Department of the Treasury, where he assisted with fiscal policy during the pandemic recession. Prior to Treasury, Dr. Miran worked for a decade as an investment professional. Dr. Miran is also an economics fellow at the Manhattan Institute for Policy Research. He received a Ph.D. in economics from Harvard University and a B.A. from Boston University.

Please direct enquiries to research@hudsonbaycapital.com





Current Trump Tariffs

As of May 12, 2025

April 5

- 10% “baseline” tariffs on imports from all countries

Aug 10

- 30% tariffs on Chinese imports (10% baseline plus 20% fentanyl)
 - 10% tariffs from China
 - 90-day pause for negotiations

July 9

- “Reciprocal” tariffs on all countries
 - 90-day pause for negotiations

March 4

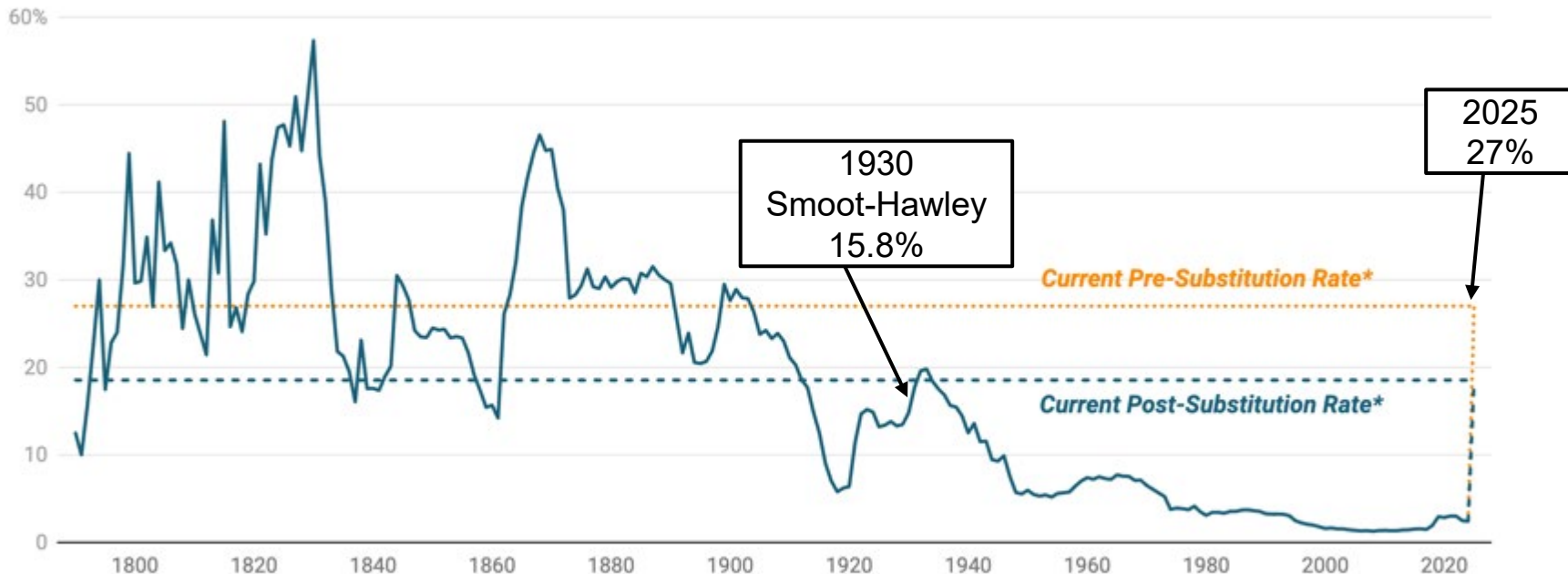
- 25% tariffs on Canada, Mexico, automobiles, auto parts (May 3), steel and aluminum
 - Special exemptions for cars, USMCA industries, Canadian energy

Announced

- Movies, critical minerals, semiconductors, pharmaceuticals, copper, lumber, agriculture, buyers of Venezuelan oil or Russian oil

Average Tariff Rate on U.S. Imports

Customs duty revenue as a percent of goods imports



* Through April 9, including revised April 9 announcement.

Chart: The Budget Lab • Source: Historical Statistics of the United States Ea424-434, Monthly Treasury Statement, Bureau of Economic Analysis, The Budget Lab analysis. • Created with [Datawrapper](#)



Donald J. Trump ✓

@realDonaldTrump

Since our announcement of LIBERATION DAY, many World Leaders and Business Executives have come to me asking for relief from Tariffs. It's good to see that the World knows we are serious, because WE ARE! They must right the wrongs of decades of abuse, but it won't be easy for them. We must rebuild the Wealth of our Great Country, and create true RECIPROCITY. But for those who want the easiest path: Come to America, and build in America!

6.76k ReTruths **30.8k** Likes

Apr 20, 2025, 3:12 PM





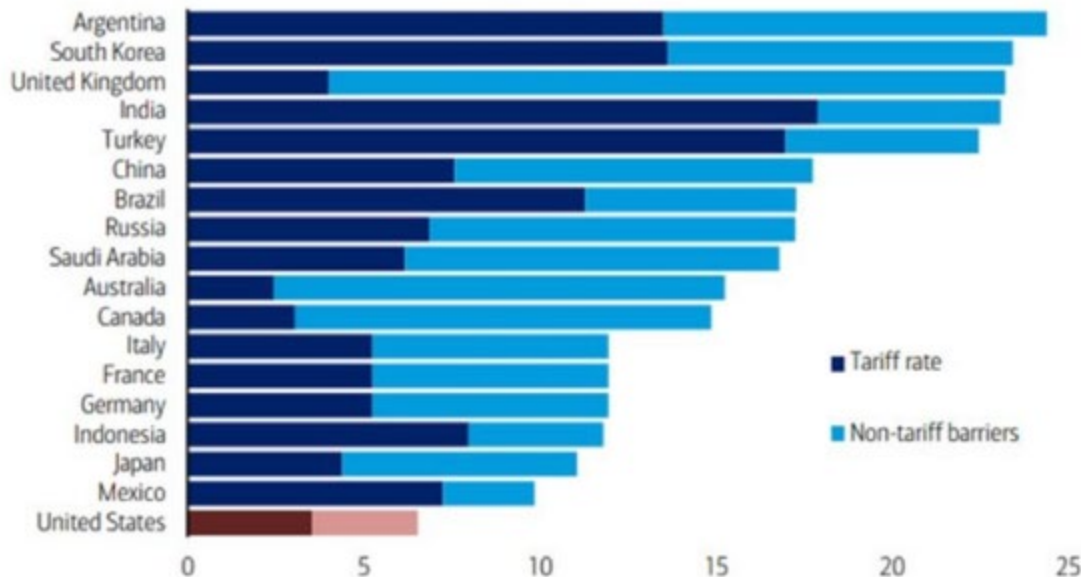
UK Trade Deal Is a Model For Others



Why “Reciprocal” Tariffs?

Exhibit 5: “Free trade”

G20 trade barriers by type, data as of 2022 to 2023, %



Source: BofA Research Investment Committee, World Bank, PWC; tariff rate = MFN simple average, barriers = average ad valorem equivalent; UN Trade and Development data used for non-tariff barriers in Saudi Arabia, China, Türkiye, India, and South Korea; Non-tariff barriers include regulations, rules of origin, and quotas.

BofA GLOBAL RESEARCH





Donald J. Trump



@realDonaldTrump

NON-TARIFF CHEATING:

1. Currency Manipulation
2. VATs which act as tariffs and export subsidies
3. Dumping Below Cost
4. Export Subsidies and Other Govt. Subsidies
5. Protective Agricultural Standards (e.g., no genetically engineered corn in EU)
6. Protective Technical Standards (Japan's bowling ball test)
7. Counterfeiting, Piracy, and IP Theft (Over \$1 trillion a year)
8. Transshipping to EVADE Tariffs!!!

8.07k ReTruths **30k** Likes

Apr 20, 2025, 3:13 PM

 ZIONS BANK.

U.S. Share of Global GDP Trending Down...

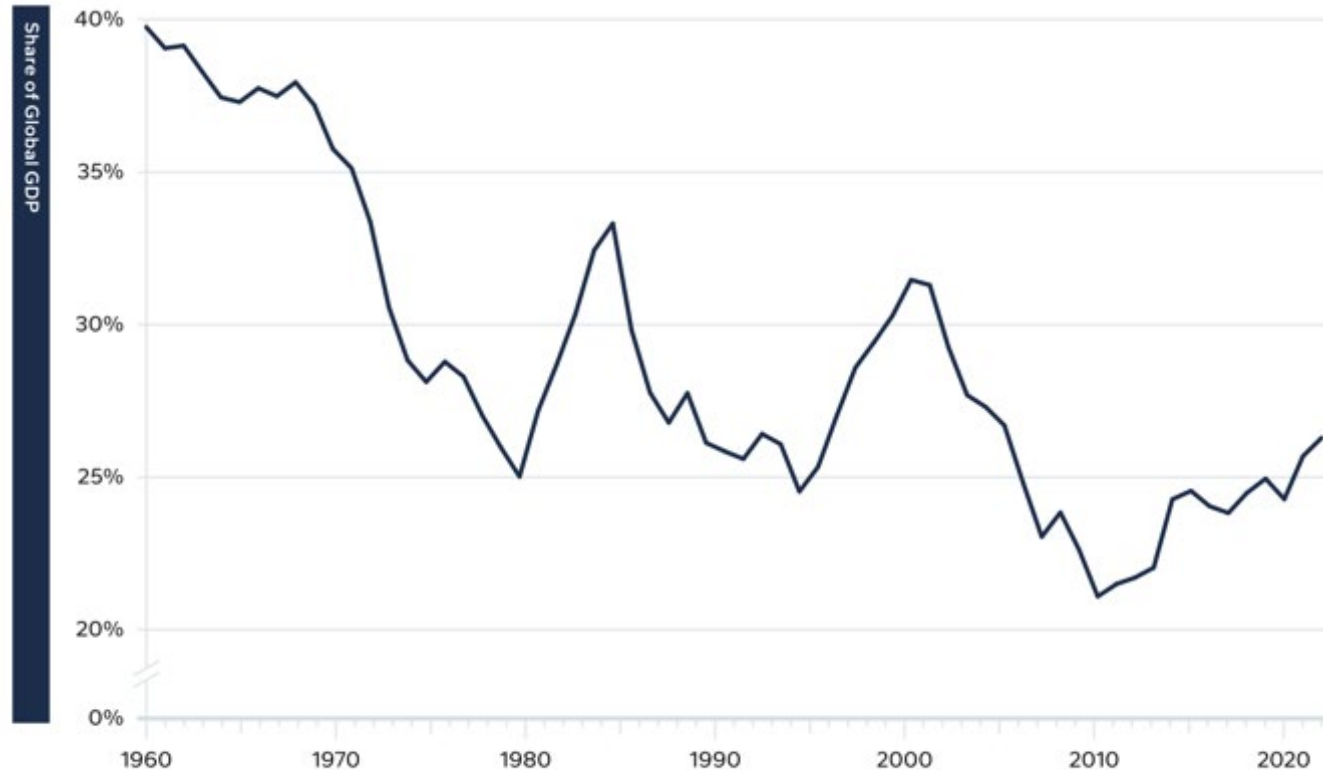
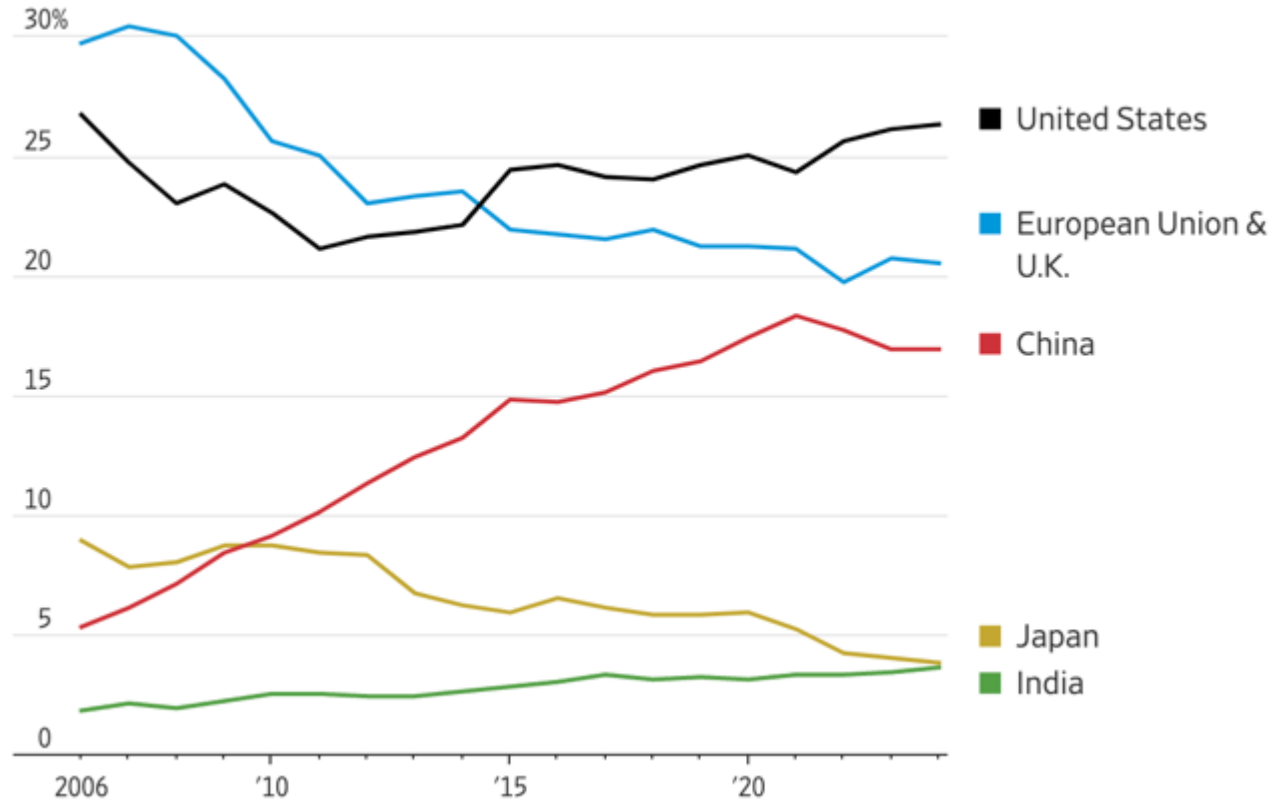


Figure 2 U.S. share of global GDP. Source: World Bank



... China's Share of Global GDP Trending Up





Donald J. Trump



@realDonaldTrump

Our farmers are GREAT, but because of their GREATNESS, they are always put on the Front Line with our adversaries, such as China, whenever there is a Trade negotiation or, in this case, a Trade War. The same thing happened in my First Term. China was brutal to our Farmers, I these Patriots to just hold on, and a great trade deal was made. I rewarded our farmers with a payment of \$28 Billion Dollars, all through the China deal. It was a great transaction for the USA, until Crooked Joe Biden came in and didn't enforce it. China largely reneged on the deal (although they behaved during the Trump Administration), only buying a portion of what they agreed to buy. They had ZERO respect for the Crooked Biden Administration, and who can blame them for that? Interestingly, they just reneged on the big Boeing deal, saying that they will "not take possession" of fully committed to aircraft. The USA will PROTECT OUR FARMERS!!!

9.13k ReTruths 40.6k Likes

Apr 15, 2025, 8:46 AM

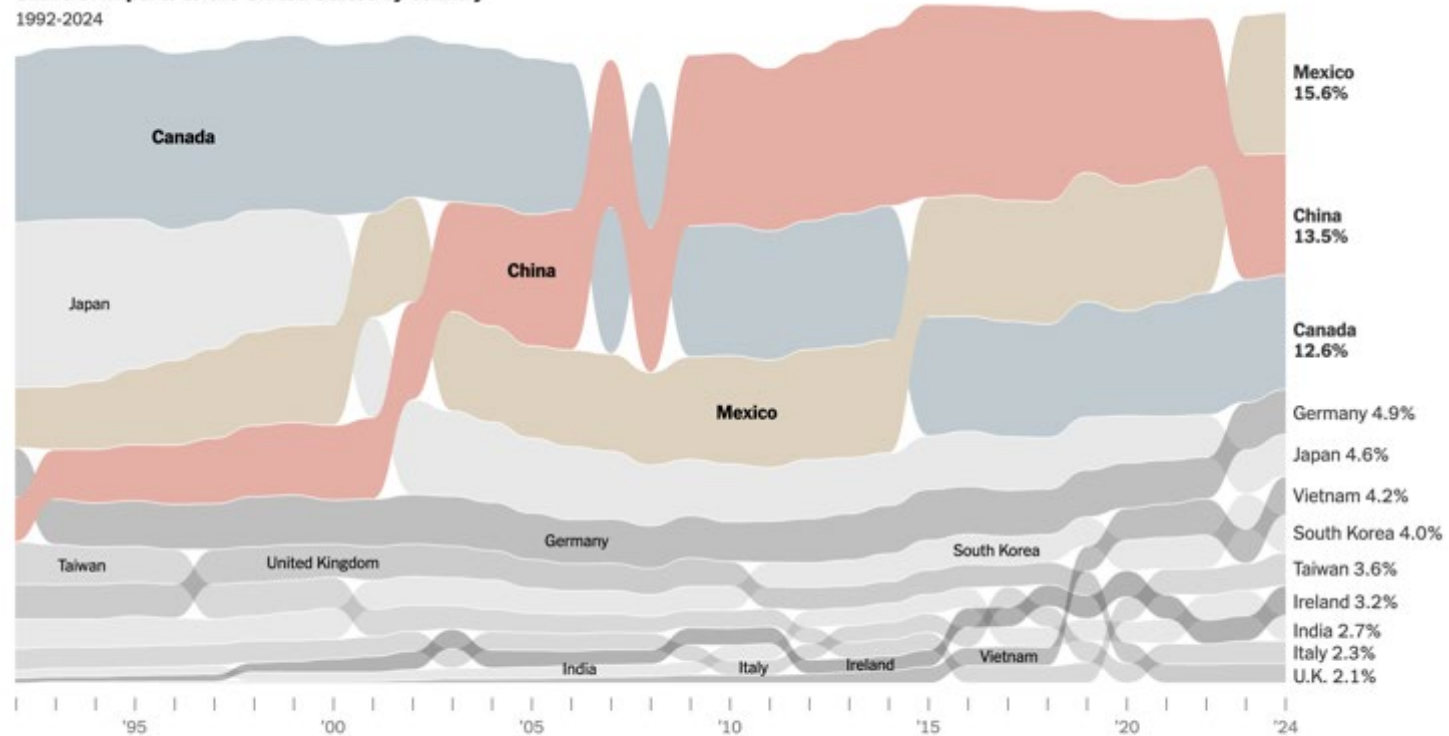


ZIONS BANK.

China Country Hopping to Avoid US Trade Policy

Share of imports to the United States by country

1992-2024

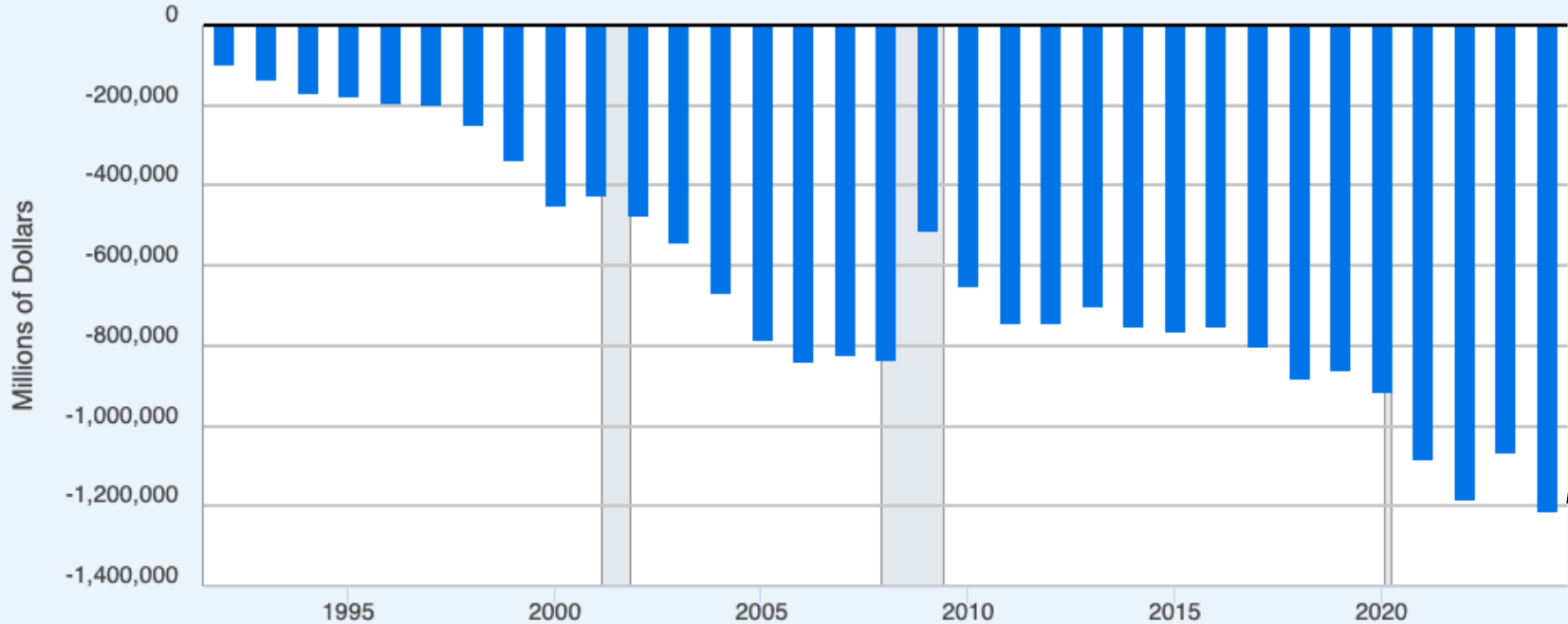


Source: Census Bureau - Notes: Countries with at least a 2 percent share in 2024, through November, are shown, accounting for about three-quarters of imports. - The New York Times

US Trade Deficit Growing

FRED

● Trade Balance: Goods, Balance of Payments Basis



Sources: U.S. Bureau of Economic Analysis; U.S. Census Bureau via FRED®
Shaded areas indicate U.S. recessions.

fred.stlouisfed.org



Donald J. Trump 

@realDonaldTrump

When Tariffs cut in, many people's Income Taxes will be substantially reduced, maybe even completely eliminated. Focus will be on people making less than \$200,000 a year. Also, massive numbers of jobs are already being created, with new plants and factories currently being built or planned. It will be a BONANZA FOR AMERICA!!! THE EXTERNAL REVENUE SERVICE IS HAPPENING!!!

18.1k ReTruths **78.4k** Likes

Apr 27, 2025, 7:06 AM



U.S. Manufacturing Employment

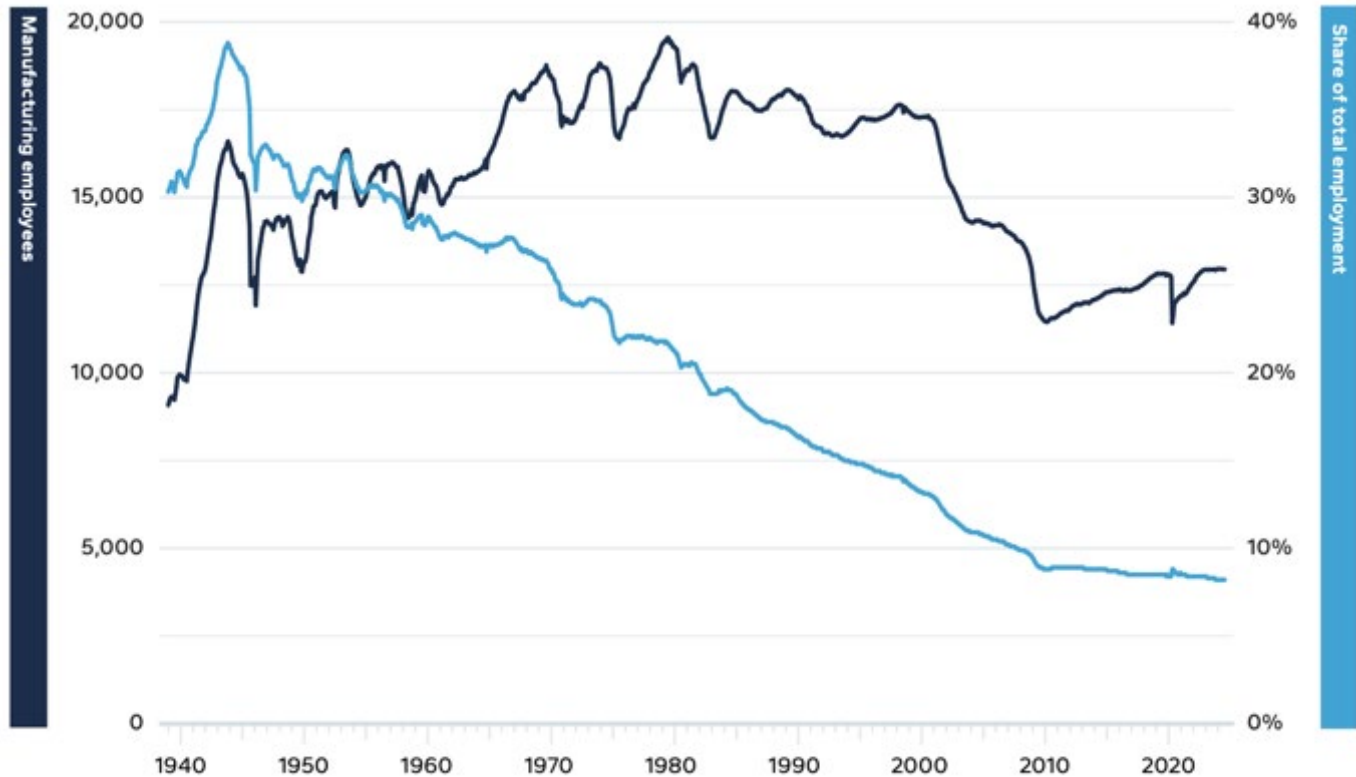
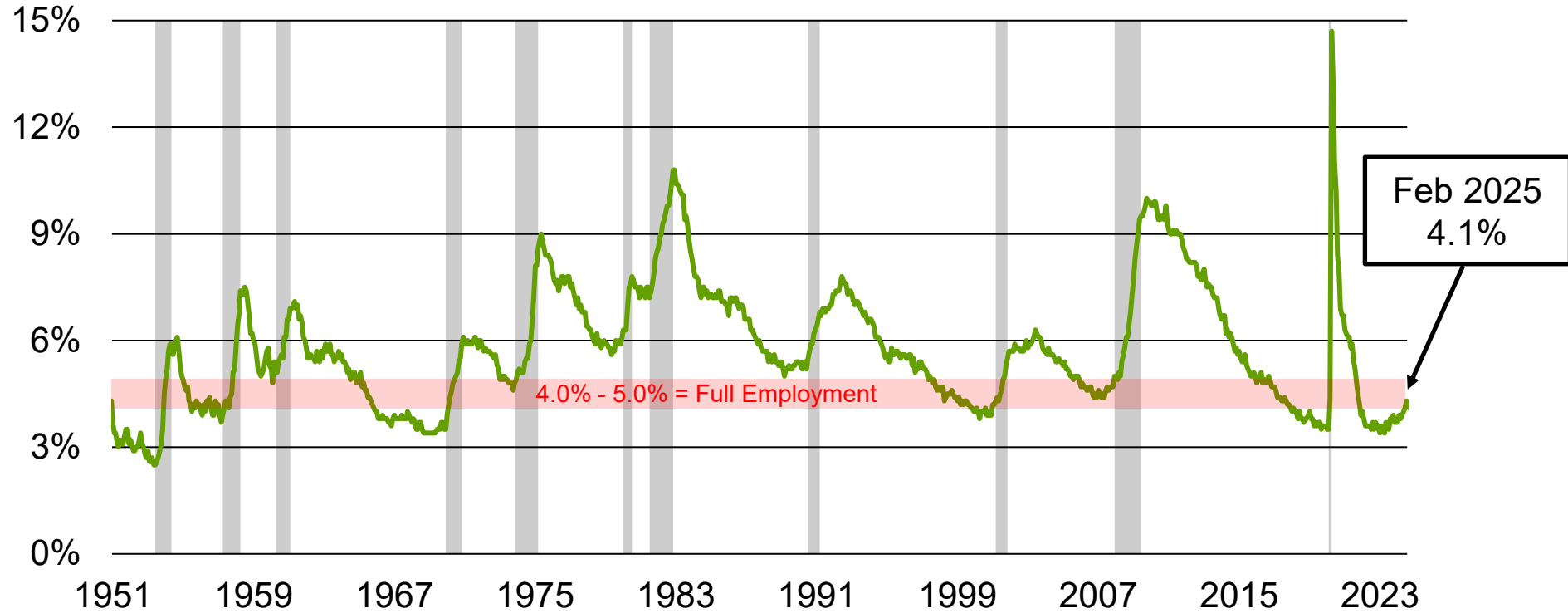


Figure 1 Manufacturing employment in the United States. Source: Bureau of Labor Statistics

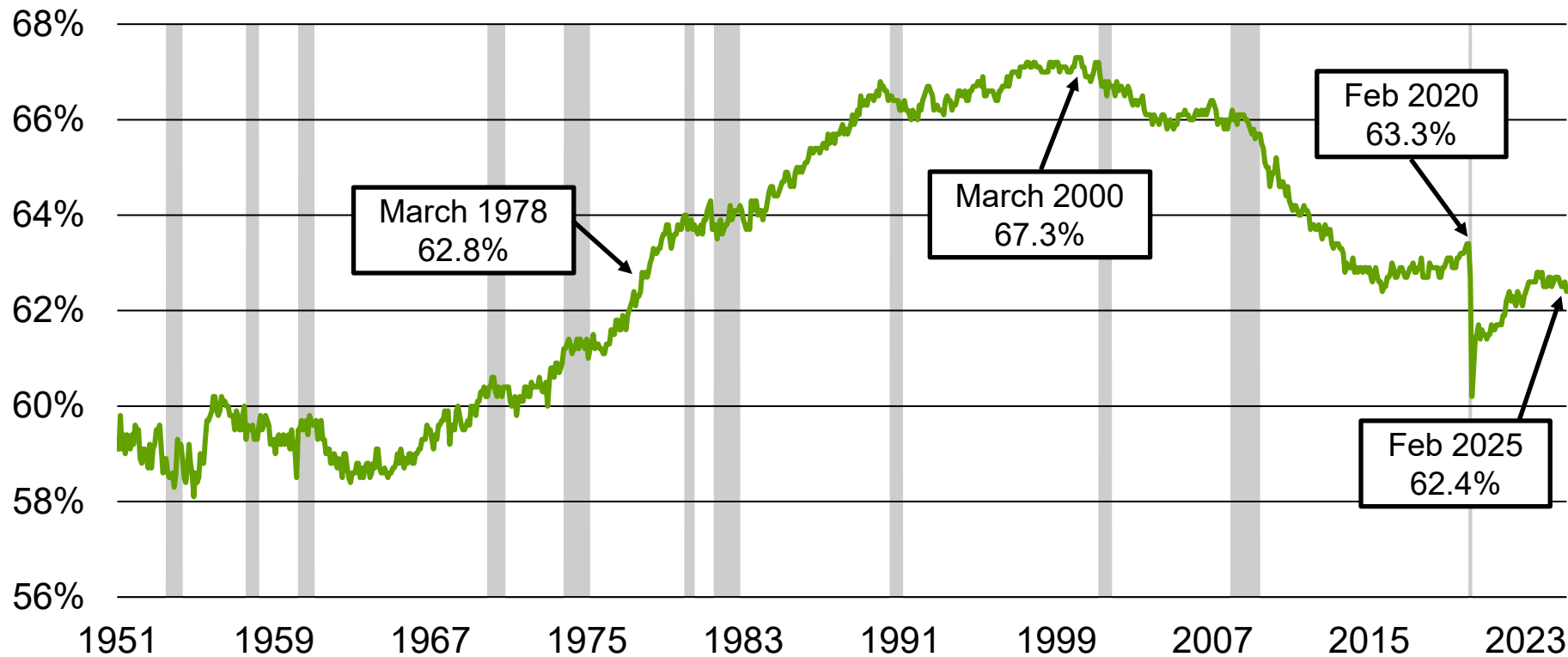


U.S. Unemployment Low...





... But Labor Force Participation Trending Down





Donald J. Trump 

@realDonaldTrump

When Tariffs cut in, many people's Income Taxes will be substantially reduced, maybe even completely eliminated. Focus will be on people making less than \$200,000 a year. Also, massive numbers of jobs are already being created, with new plants and factories currently being built or planned. It will be a BONANZA FOR AMERICA!!! THE EXTERNAL REVENUE SERVICE IS HAPPENING!!!

18.1k ReTruths **78.4k** Likes

Apr 27, 2025, 7:06 AM

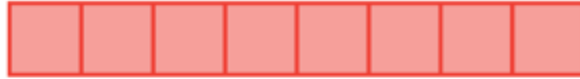




Overview of House Budget Bill

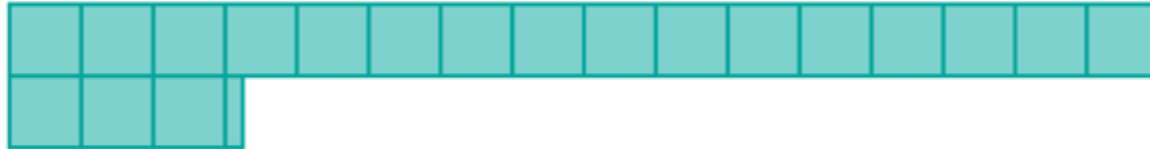
Spending cuts

\$2 trillion



Tax cuts and spending increases

\$4.8 trillion



Deficit increase

\$2.8 trillion



Each square represents \$250 billion over 10 years.



The DOGE Tracker

 An official website of the United States government



Department of Government Efficiency

The people voted for major reform.

[Savings](#)

[Payments](#)

[Spend](#)

[Workforce](#)

[Regulations](#)

[Join](#)

Estimated Savings

\$165B

Combination of asset sales, contract/lease cancellations and renegotiations, fraud and improper payment deletion, grant cancellations, interest savings, programmatic changes, regulatory savings, and workforce reductions.

Amount Saved Per Taxpayer

\$1,024.84

Per taxpayer amount is calculated using an estimate of 161 million individual federal taxpayers.

We are working to upload all of our receipts in a digestible and transparent manner consistent with applicable rules and regulations. To get started, listed below are a subset of contract, grant, and lease cancellations, representing ~30% of total savings.

The contracts listed below have been posted publicly on [fps.gov](https://www.fps.gov). FPDS posting of the contract termination notices can have up to a 1 month lag. There may be discrepancies between FPDS / USAspending and the posted numbers, the latter of which originate directly from agency contracting and grant officials.

Last updated **May 3rd, 2025**. This will initially be updated weekly; over time, the website will improve and the updates will converge to real-time.

Do Tariffs Generate Revenue?

Table 1: The Effects of President Trump's Tariffs on Revenues and Imports

Billions of dollars

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025-2034	2025-2054
Revenues	419	570	566	561	554	544	532	518	501	481	5,246	16,390
Value of imports	-319	-434	-492	-555	-627	-706	-794	-892	-1,000	-1,118	-6,937	-37,236
Memorandum:												
Dynamic revenues	388	516	504	492	477	462	444	425	405	383	4,496	11,829

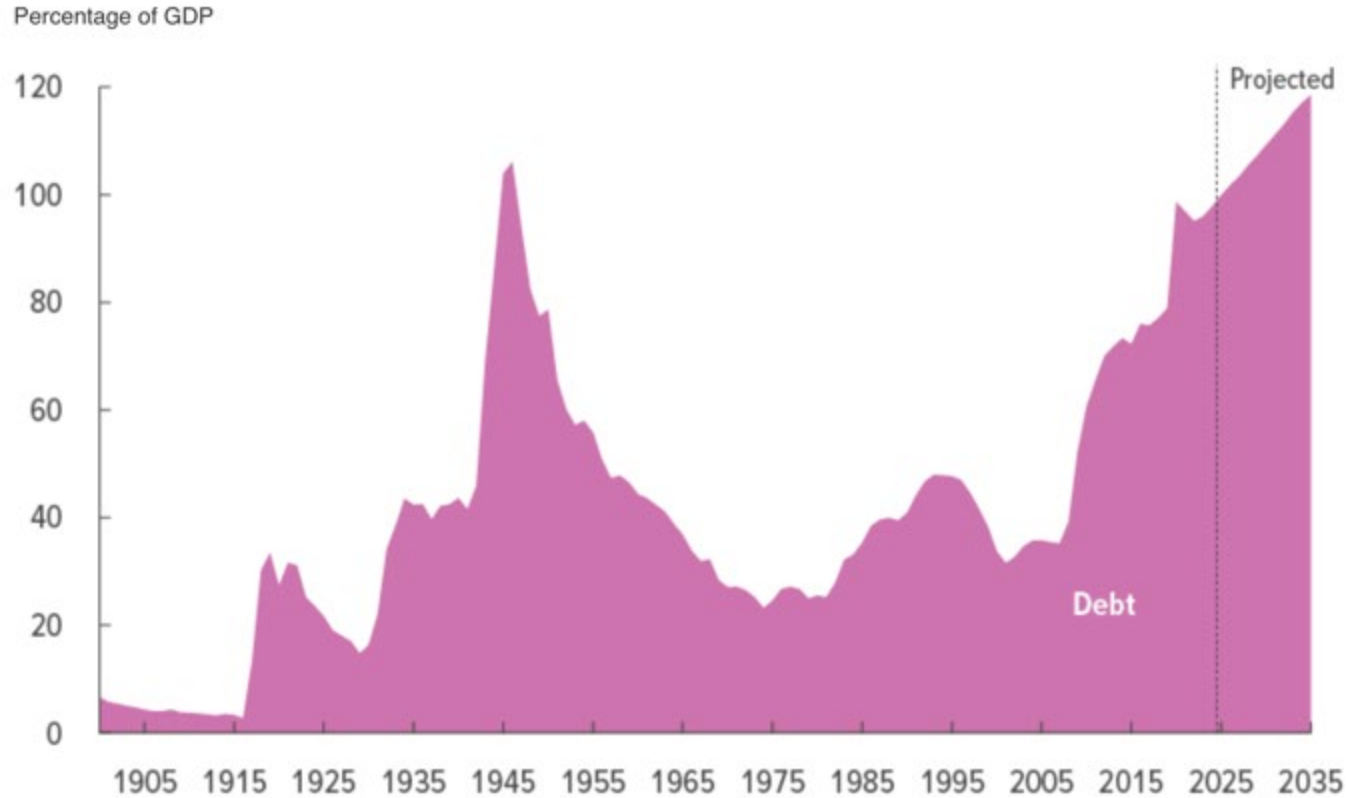
Source: Penn Wharton Budget Model.

Notes: Revenues include an estimate of how demand will respond to higher prices.

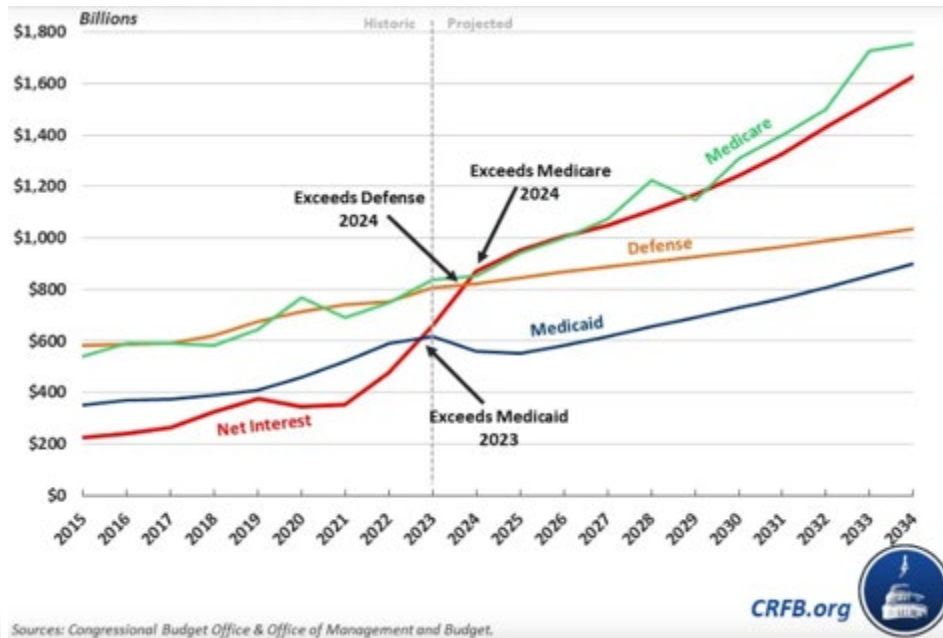
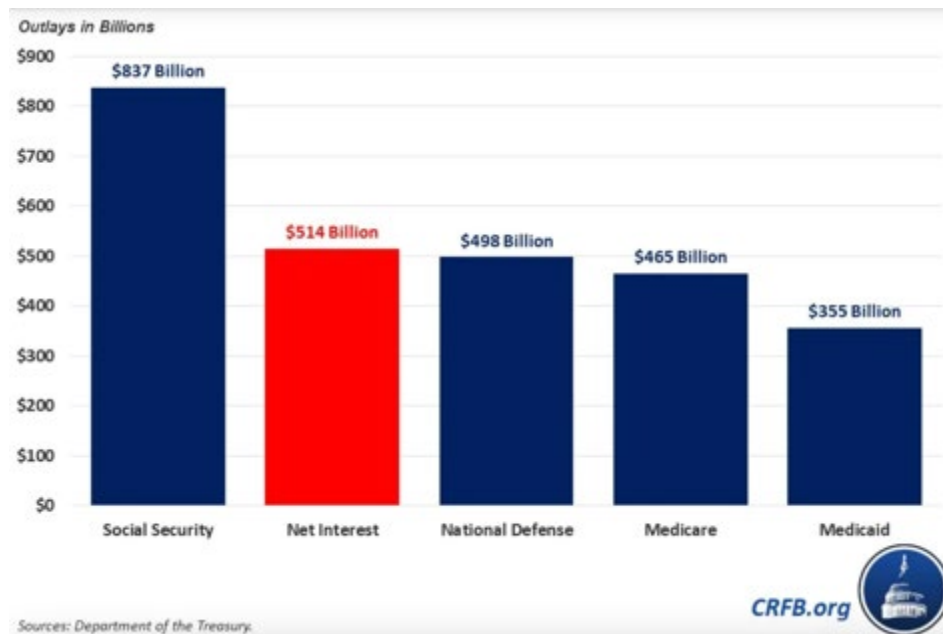
Dynamic revenues reflect the tariff revenues after households adjust their consumption in response to the higher import prices, thus capturing the broader behavioral and economic feedback effects.



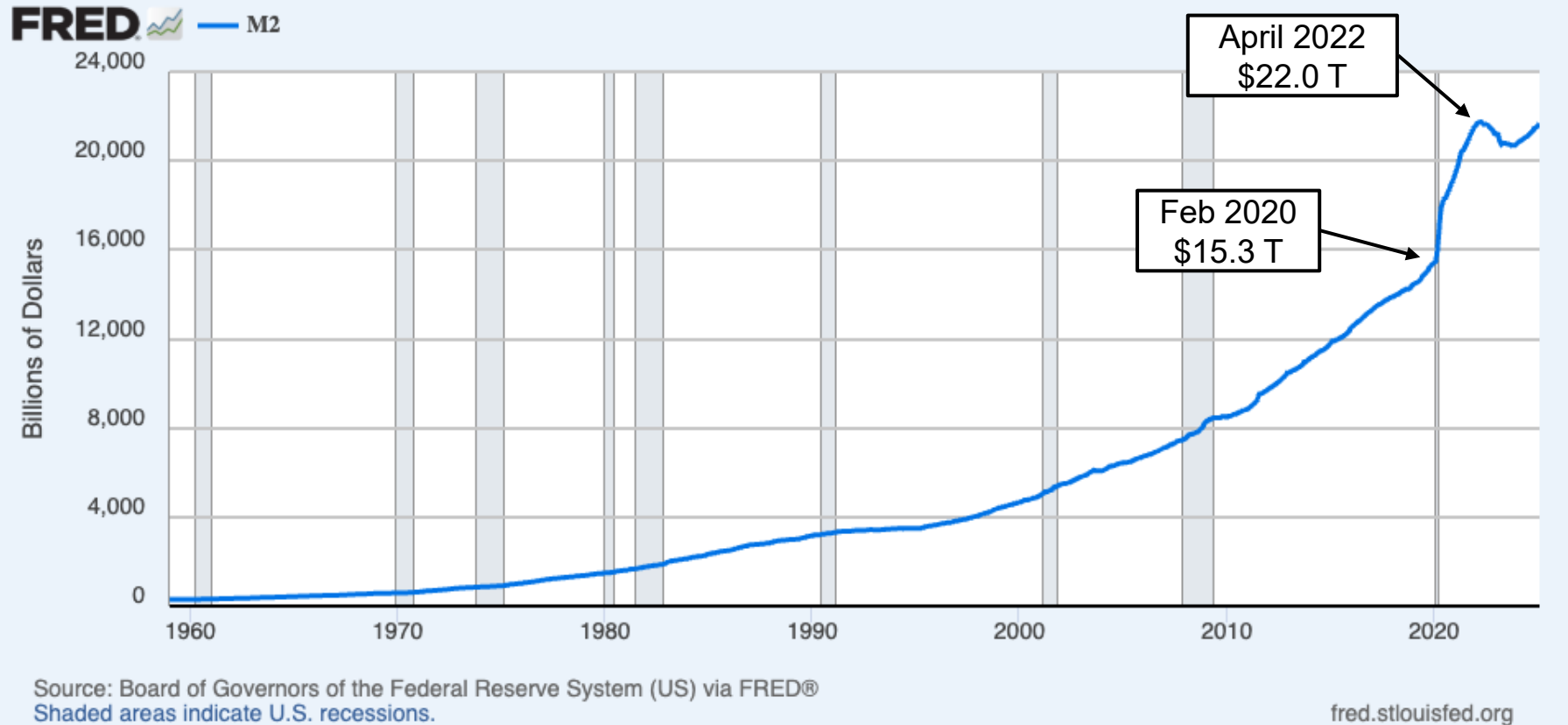
National Debt a Mounting Problem



Spending on National Debt Is Now Larger than Defense, Medicare, and Medicaid



U.S. Money Supply Jumped Nearly \$7 Trillion





DOGE Spending Tracker

An official website of the United States government

Department of Government Efficiency
The people voted for major reform.

Savings Payments **Spend** Workforce Regulations Join

Agency Spending

Agency	FY2019	FY2024
Department of Health and Human Services #9	\$1213.8B	\$1720.6B
Social Security Administration #8	\$1101.8B	\$1519.7B
Department of the Treasury #15	\$689.5B	\$1311.9B
Department of Defense #17	\$654.0B	\$826.3B
Department of Veterans Affairs #11	\$199.6B	\$325.0B
Department of Education #2	\$104.4B	\$268.4B
Total Spending	\$4446.6B	\$6746.5B

+51.7% change from FY2019 to FY2024



DOGE Regulation Tracker

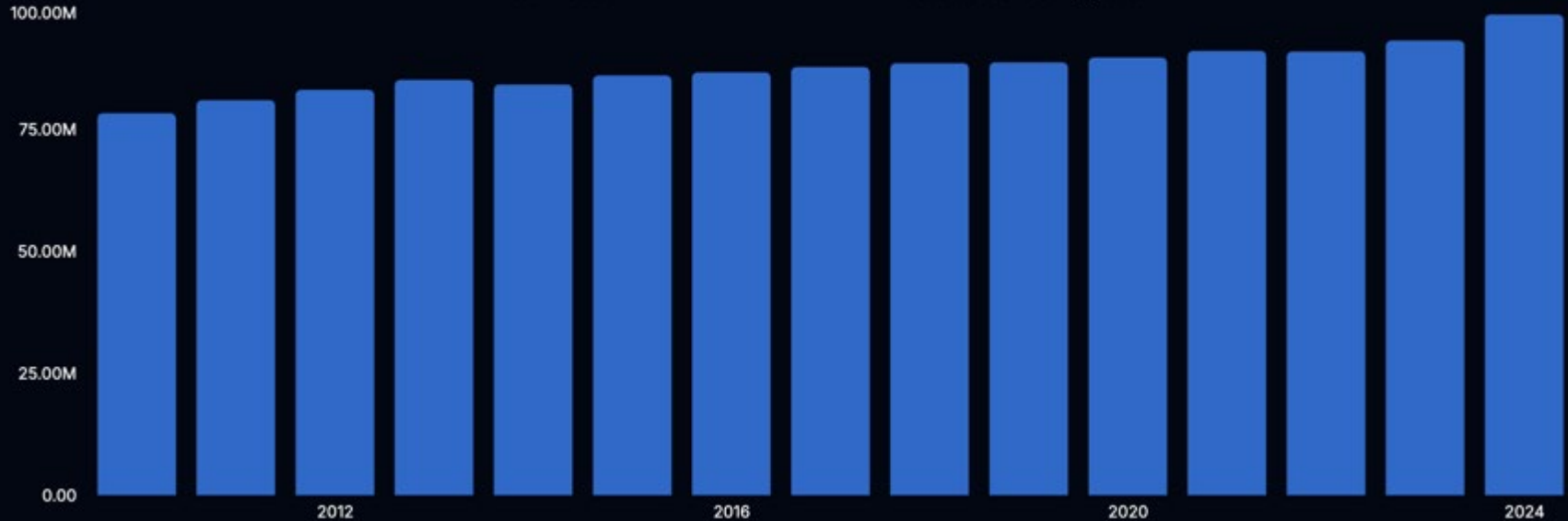
Code of Federal Regulations

98.68M

Total Words

215.23K

Total Sections of regulation





The Trump Economic Policy

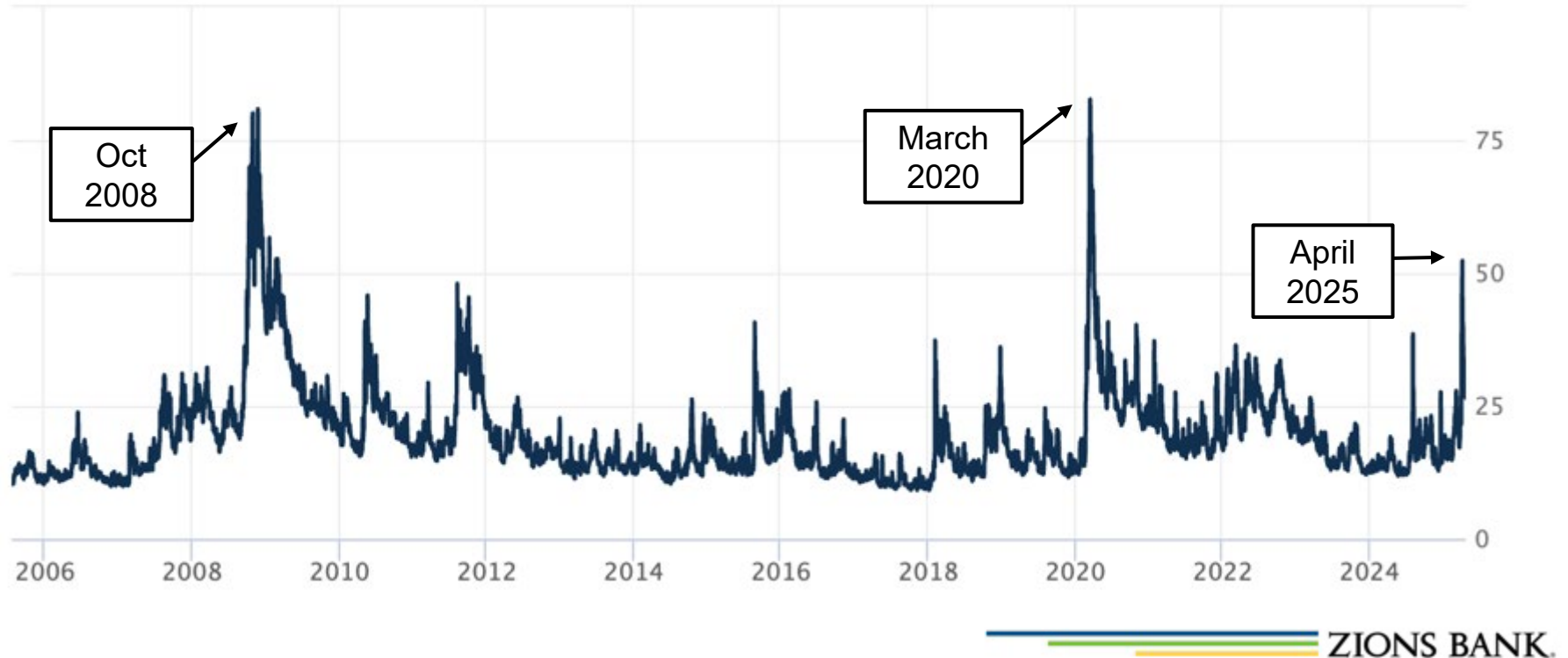
- Increased tariffs – reduce international imports
 - Slow international migration
 - Reduce government spending and support
- VS**
- Lower taxes
 - Support domestic workforce
 - Deregulation
 - Reduced government debt

Market Reaction



Market Volatility Spiked

US:VIX

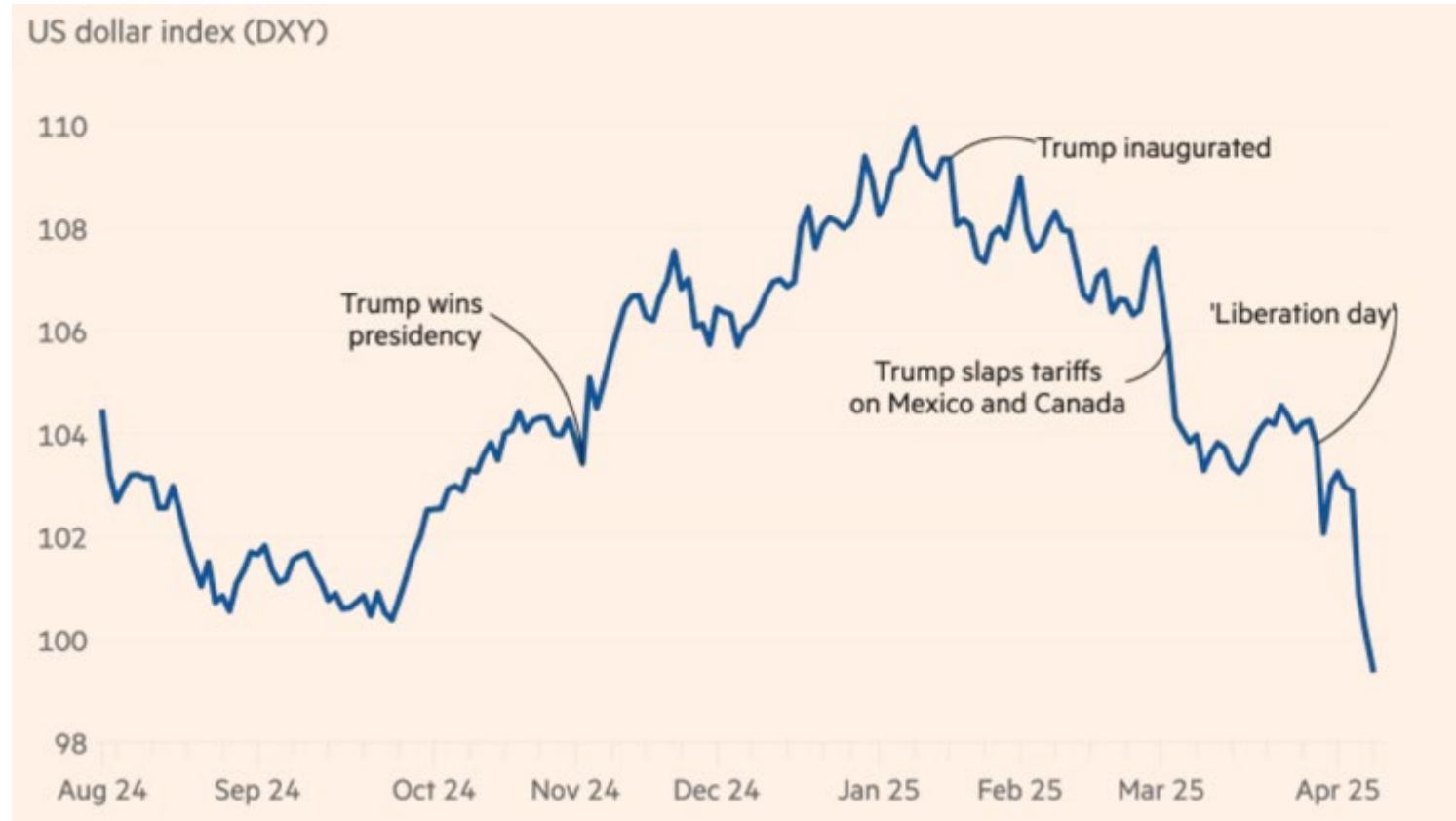




Bond Markets Showed Signs of Distress



The Dollar Selloff...





The Dollar Has Fallen Compared to Other Currencies





Stephen Miran on the “Exorbitant Privilege” of Dollar Dominance

- “Most economists and some investors dismiss tariffs as counterproductive at best and devastatingly harmful at worst. **They’re very wrong.**”
- President Trump has made it clear that he will no longer stand for **other nations free riding** on our blood, sweat and tears, whether in national security or trade.
- The best outcome is one in which America continues to create global peace and prosperity and remain the reserve provider, and other countries not only participate in reaping these benefits, but **they also participate in bearing the costs.**
- The world can still have the American defense umbrella and trading system and reserve assets, but **it should start paying its fair share** for them.



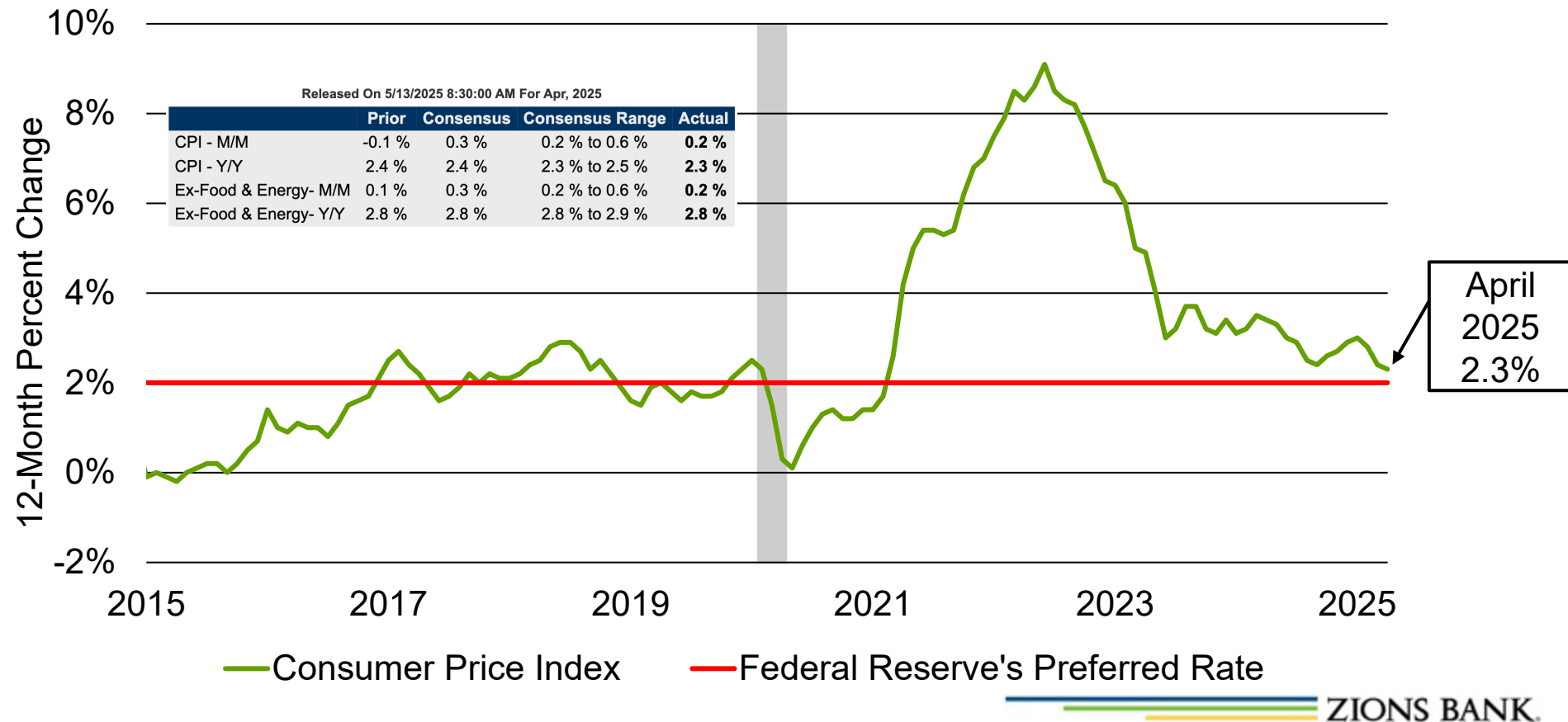
Gold Price Surged to Historic High

US:GC00



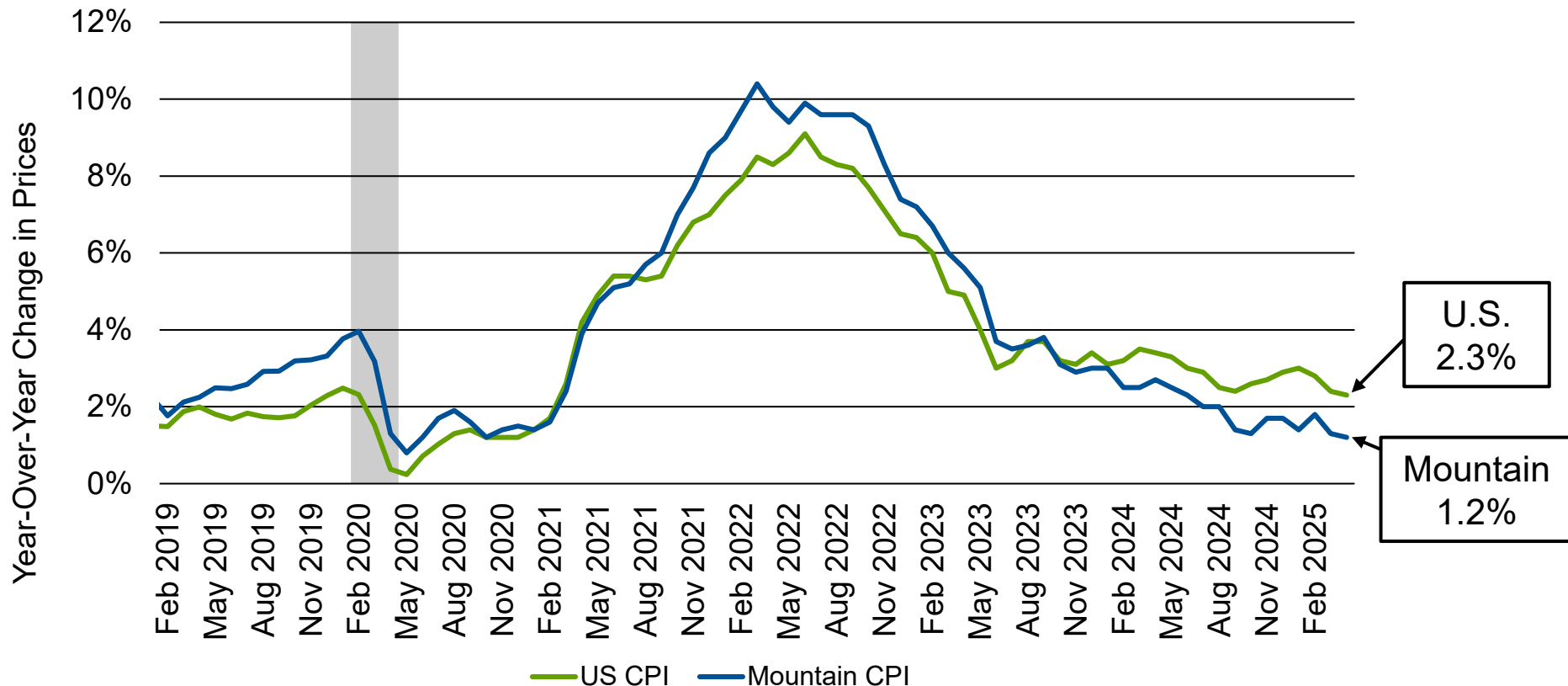
Economic Reaction

Consumer Inflation Slowed in April



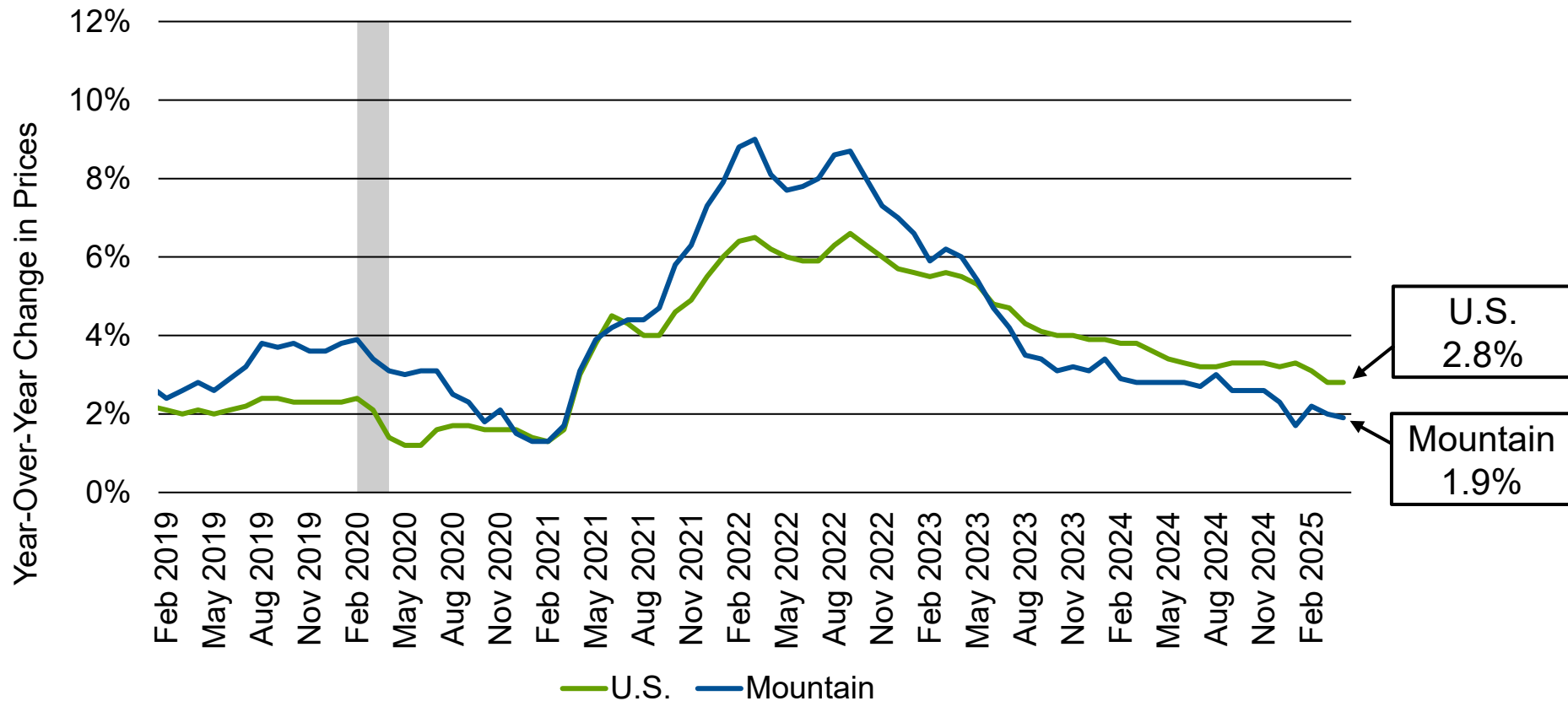


U.S. and Mtn Region Inflation Down in April



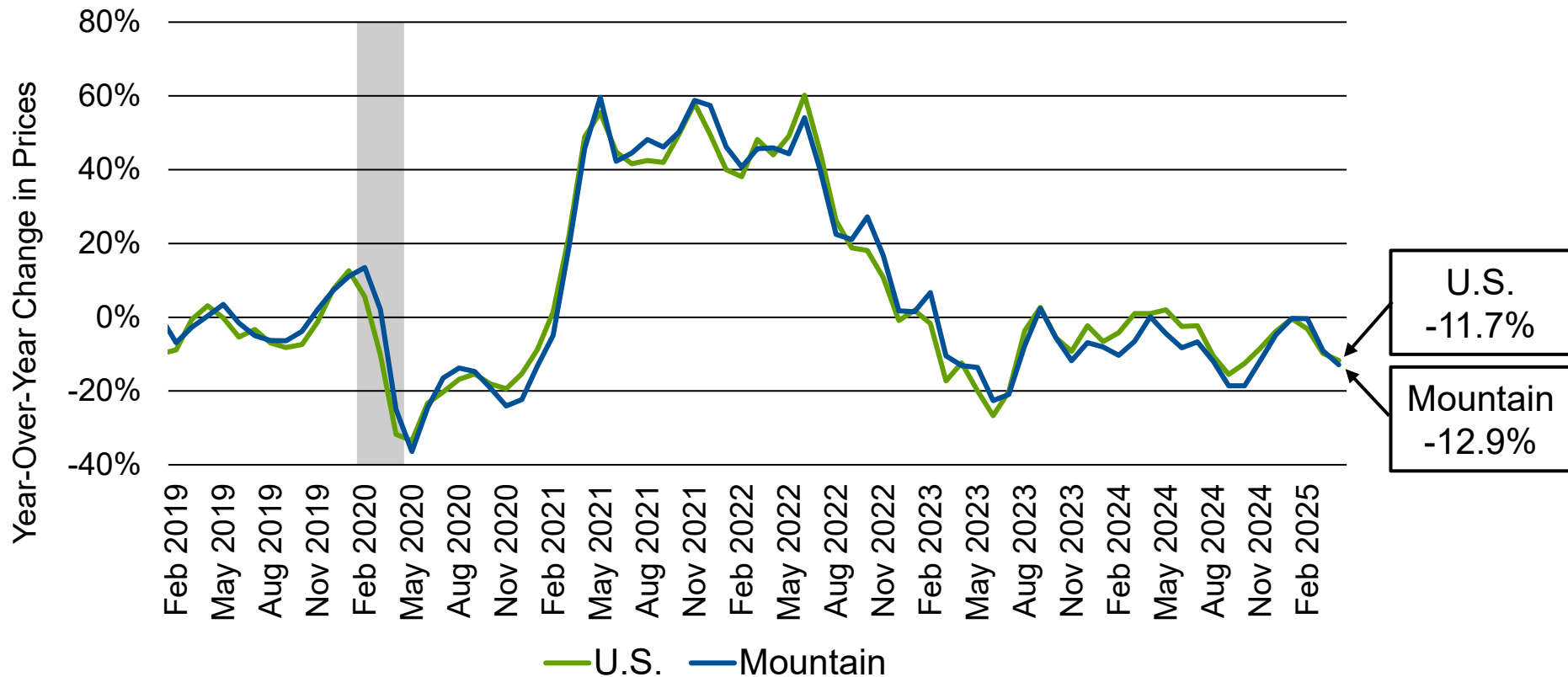


Regional Core Inflation Down in April



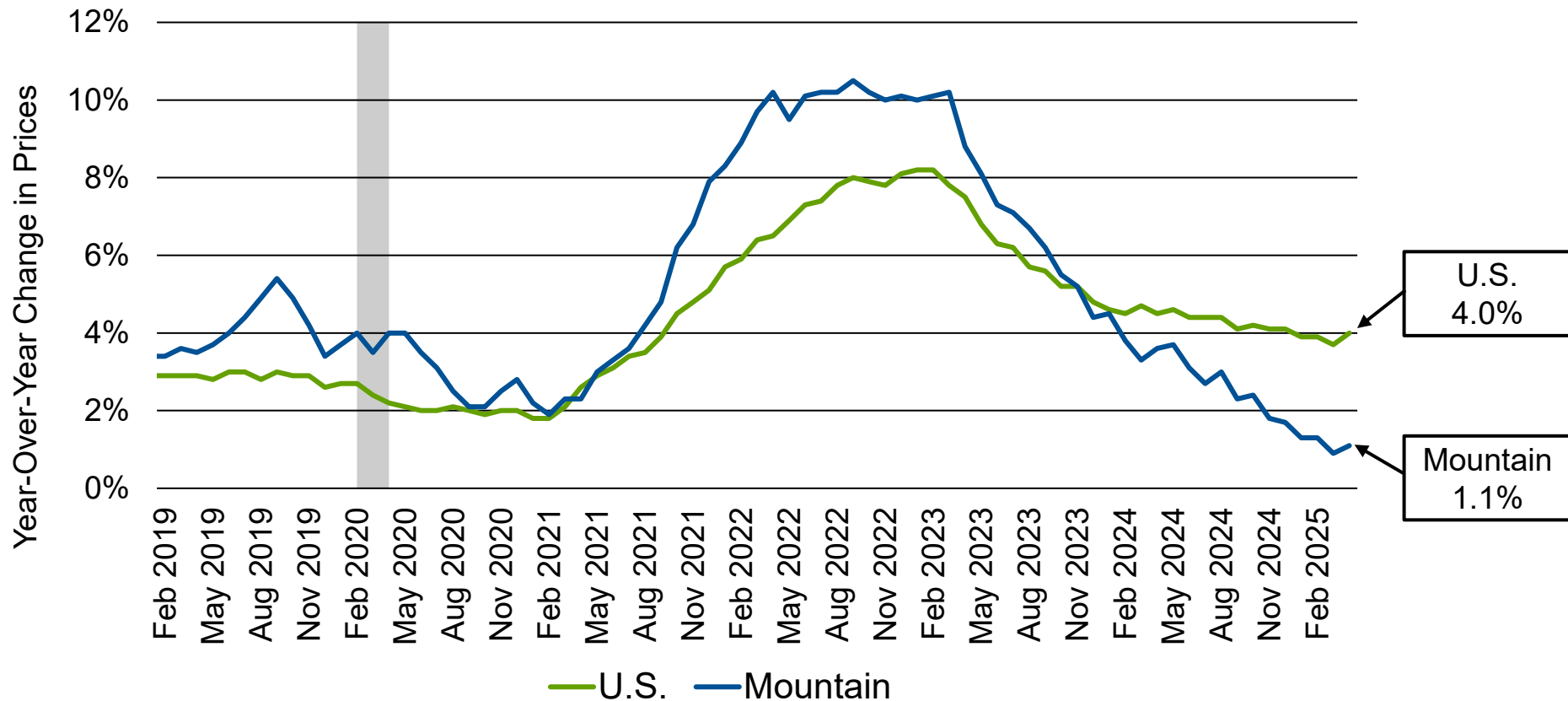


Motor Fuel Prices Lower Than One Year Ago



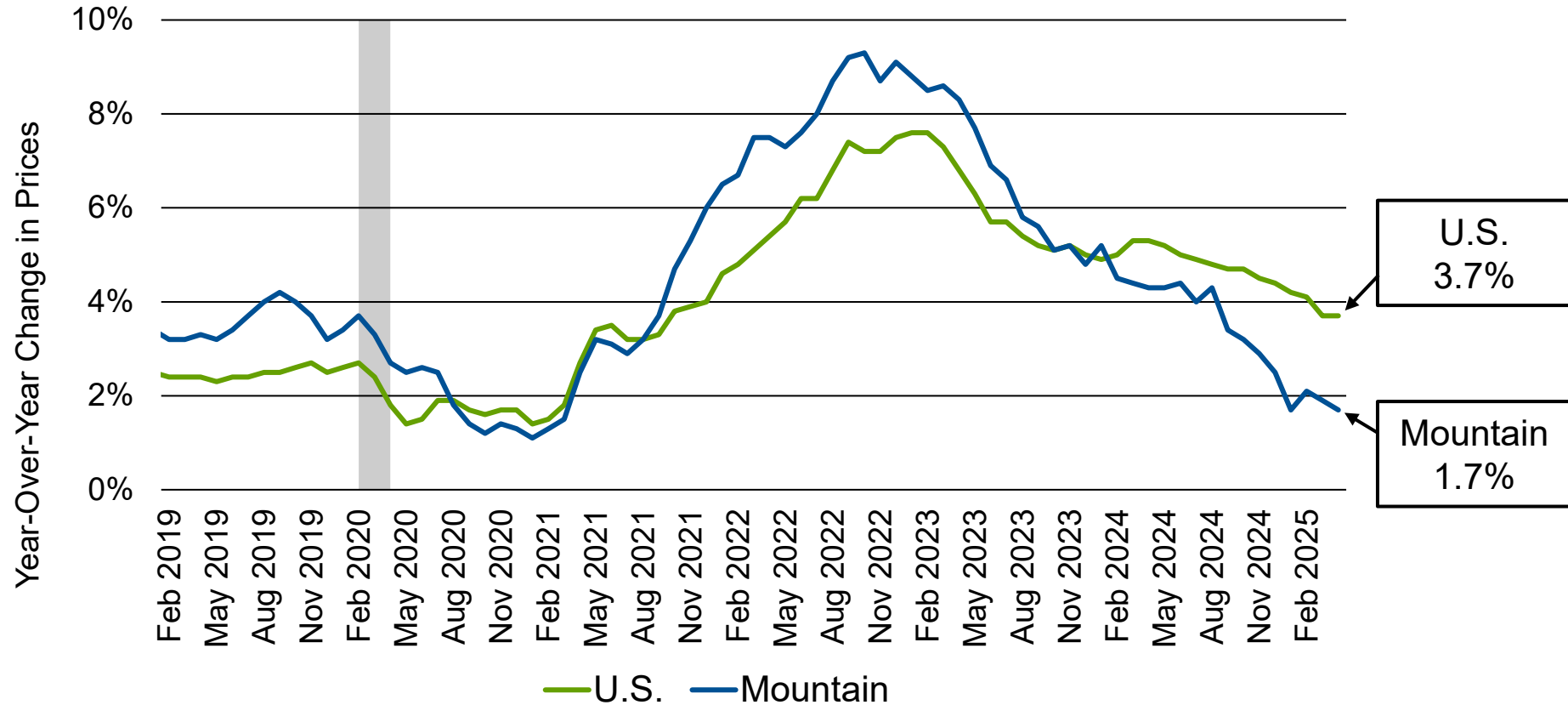


Mountain Housing Inflation Better Than U.S.



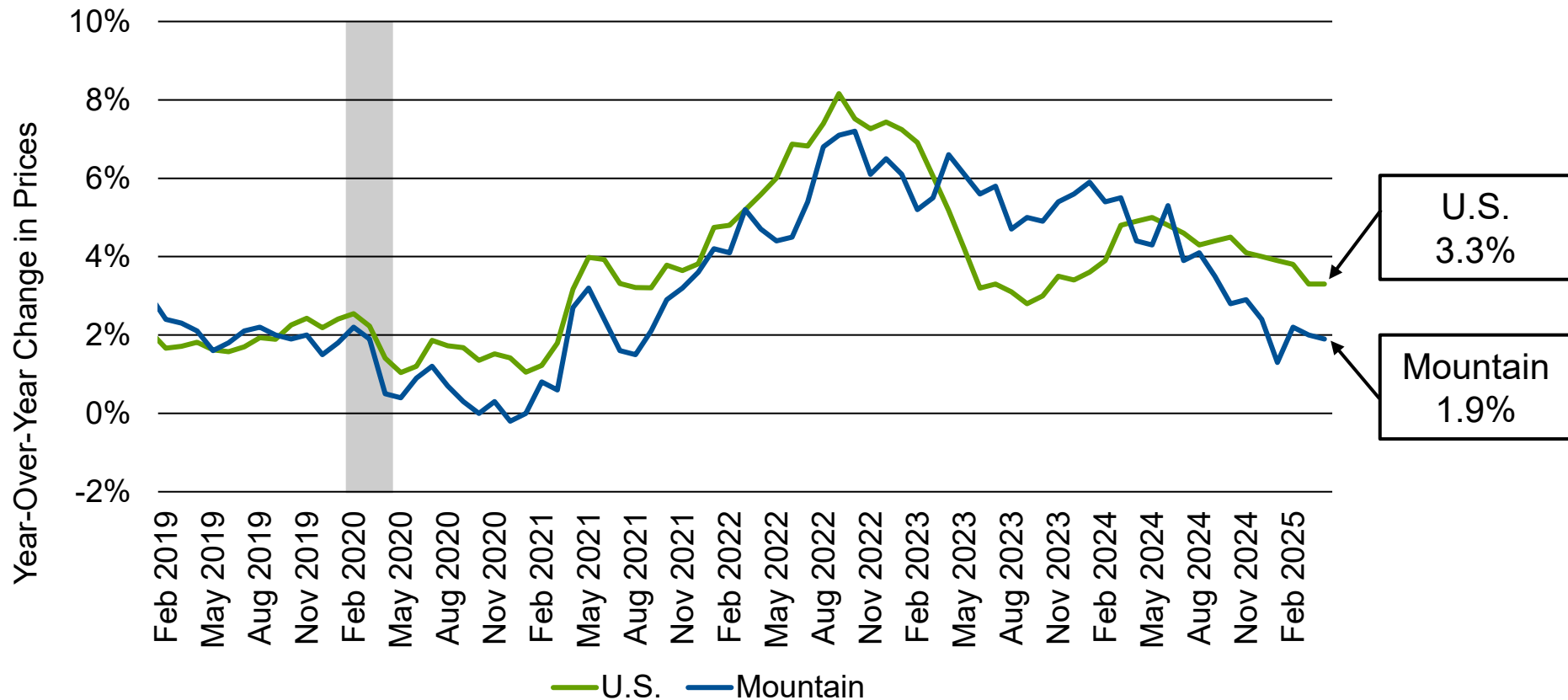


Services Price Inflation Slowing





Regional “Supercore” Inflation Slowed in April



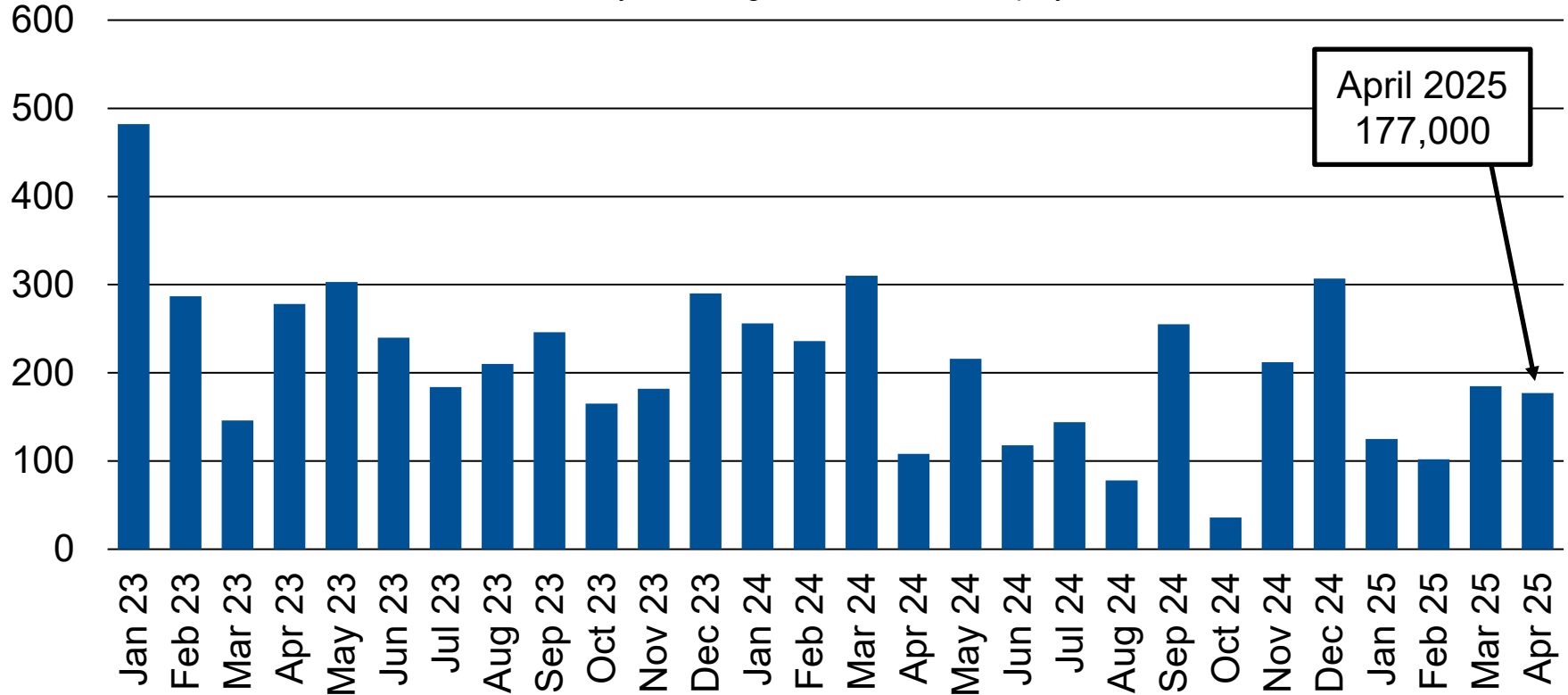
Source: U.S. Bureau of Labor Statistics

Note: Mountain states include AZ, CO, ID, MT, NV, NM, UT, WY



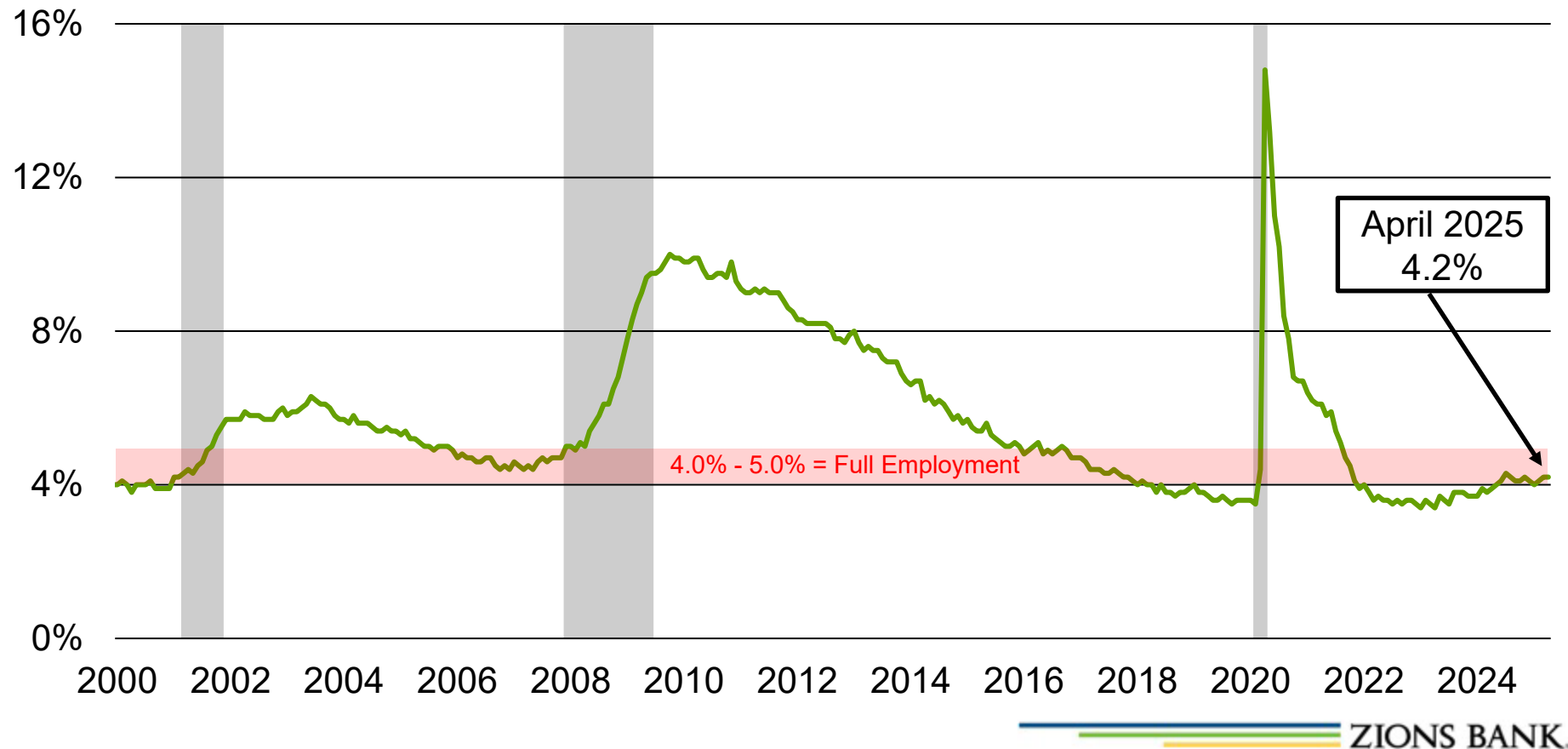
U.S. Job Growth Strong in April

Nonfarm Payroll Change: Thousands of Employees



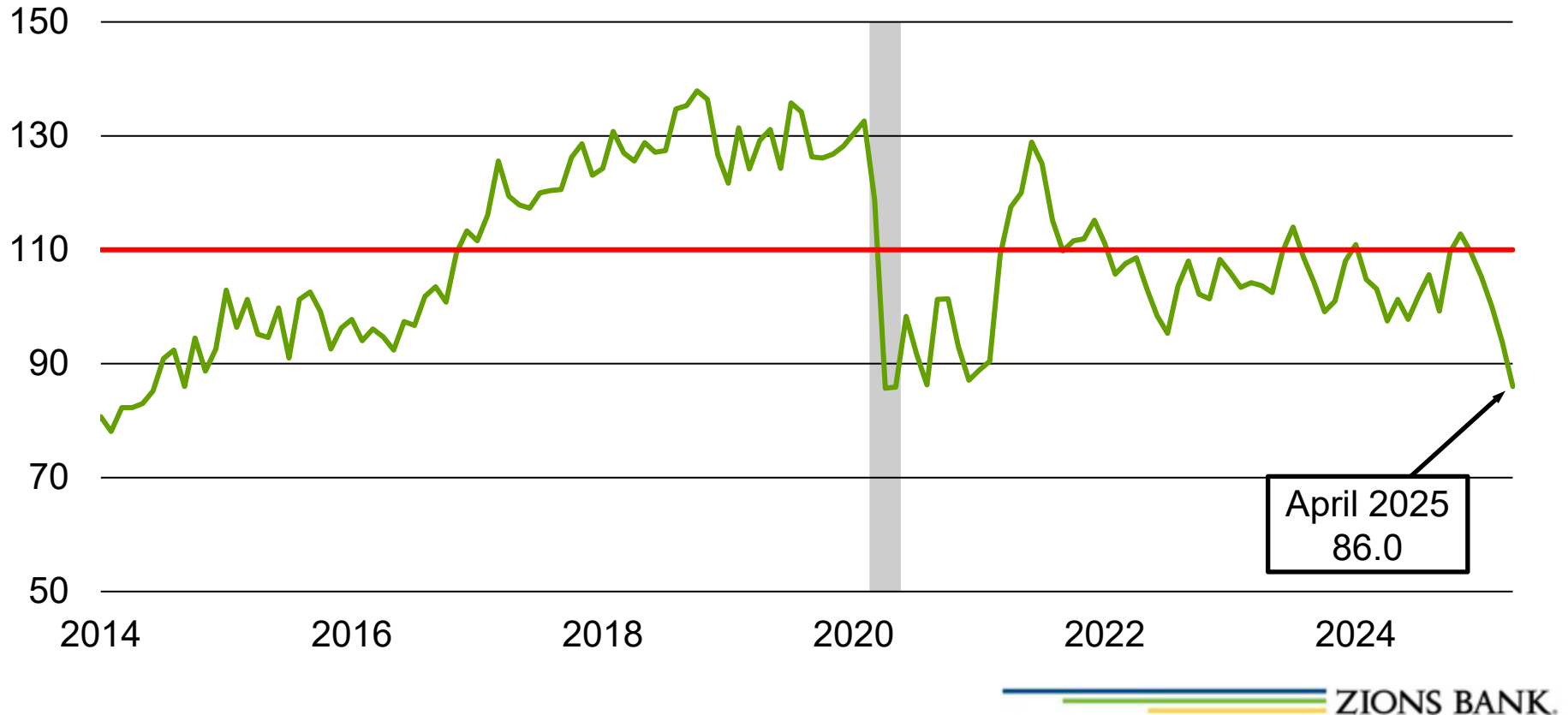


U.S. Unemployment Rate Steady in April





Consumer Confidence Continued to Drop in April



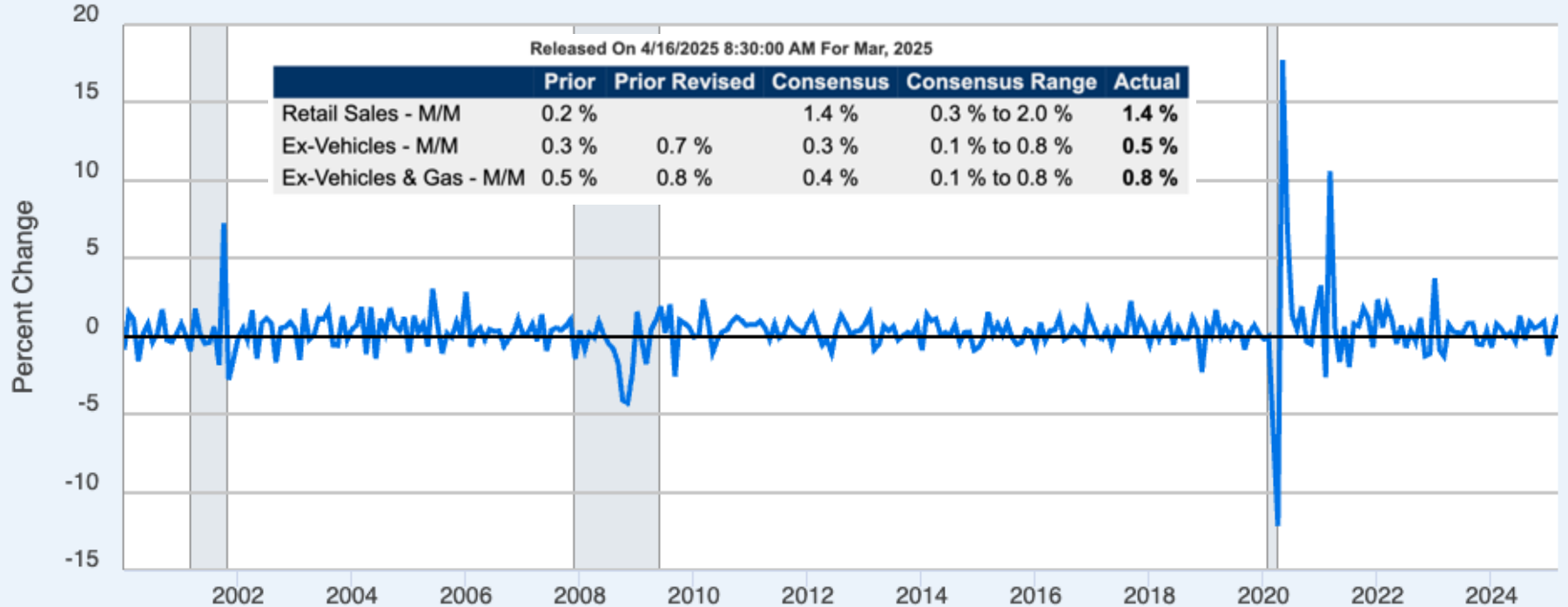
Retail Sales Still Stable

FRED

— Advance Retail Sales: Retail Trade

Released On 4/16/2025 8:30:00 AM For Mar, 2025

	Prior	Prior Revised	Consensus	Consensus Range	Actual
Retail Sales - M/M	0.2 %		1.4 %	0.3 % to 2.0 %	1.4 %
Ex-Vehicles - M/M	0.3 %	0.7 %	0.3 %	0.1 % to 0.8 %	0.5 %
Ex-Vehicles & Gas - M/M	0.5 %	0.8 %	0.4 %	0.1 % to 0.8 %	0.8 %



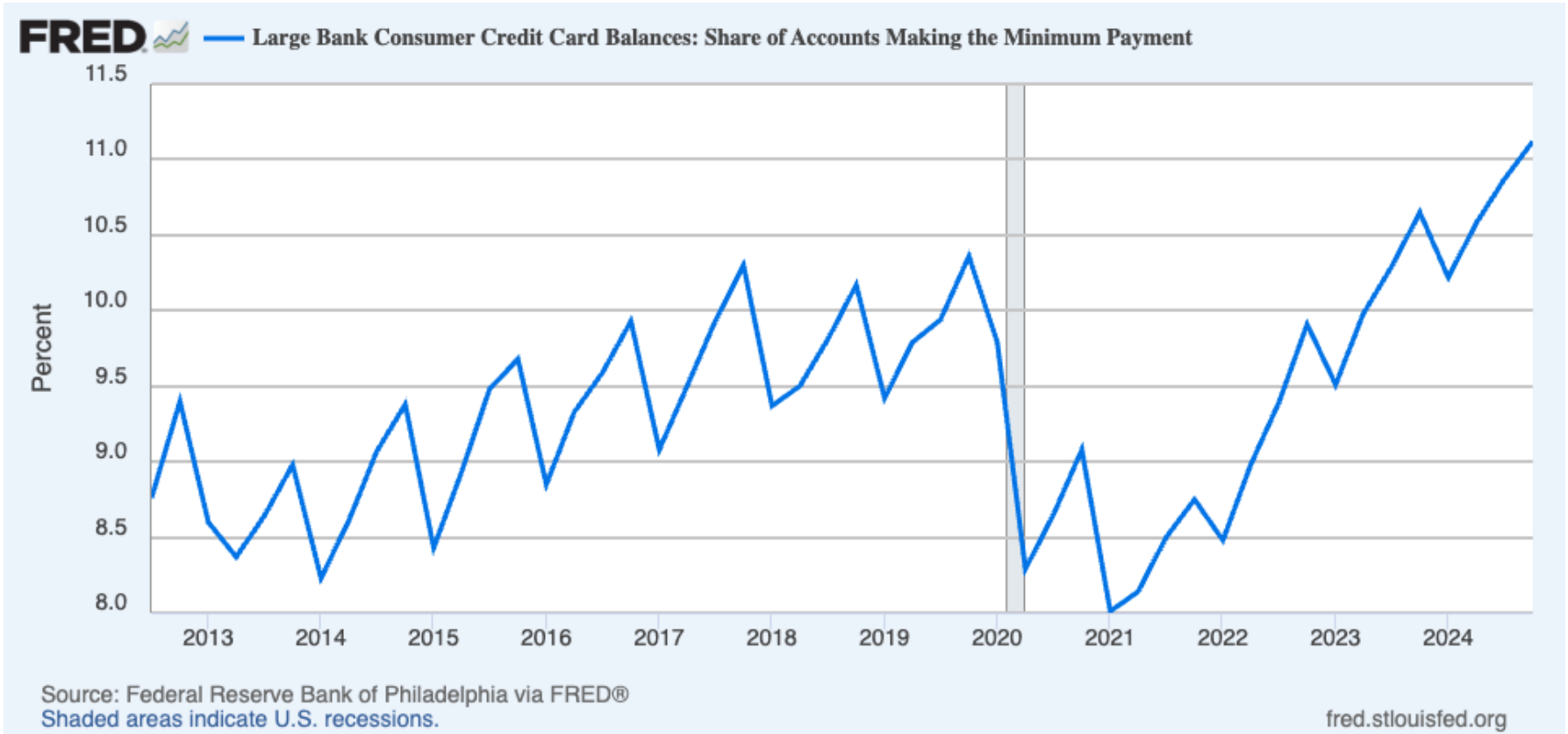
Source: U.S. Census Bureau via FRED®
Shaded areas indicate U.S. recessions.

fred.stlouisfed.org

ZIONS BANK.



Increase in Consumers Making Minimum Credit Card Payments



Credit Card Delinquency Rate Elevated but Stable

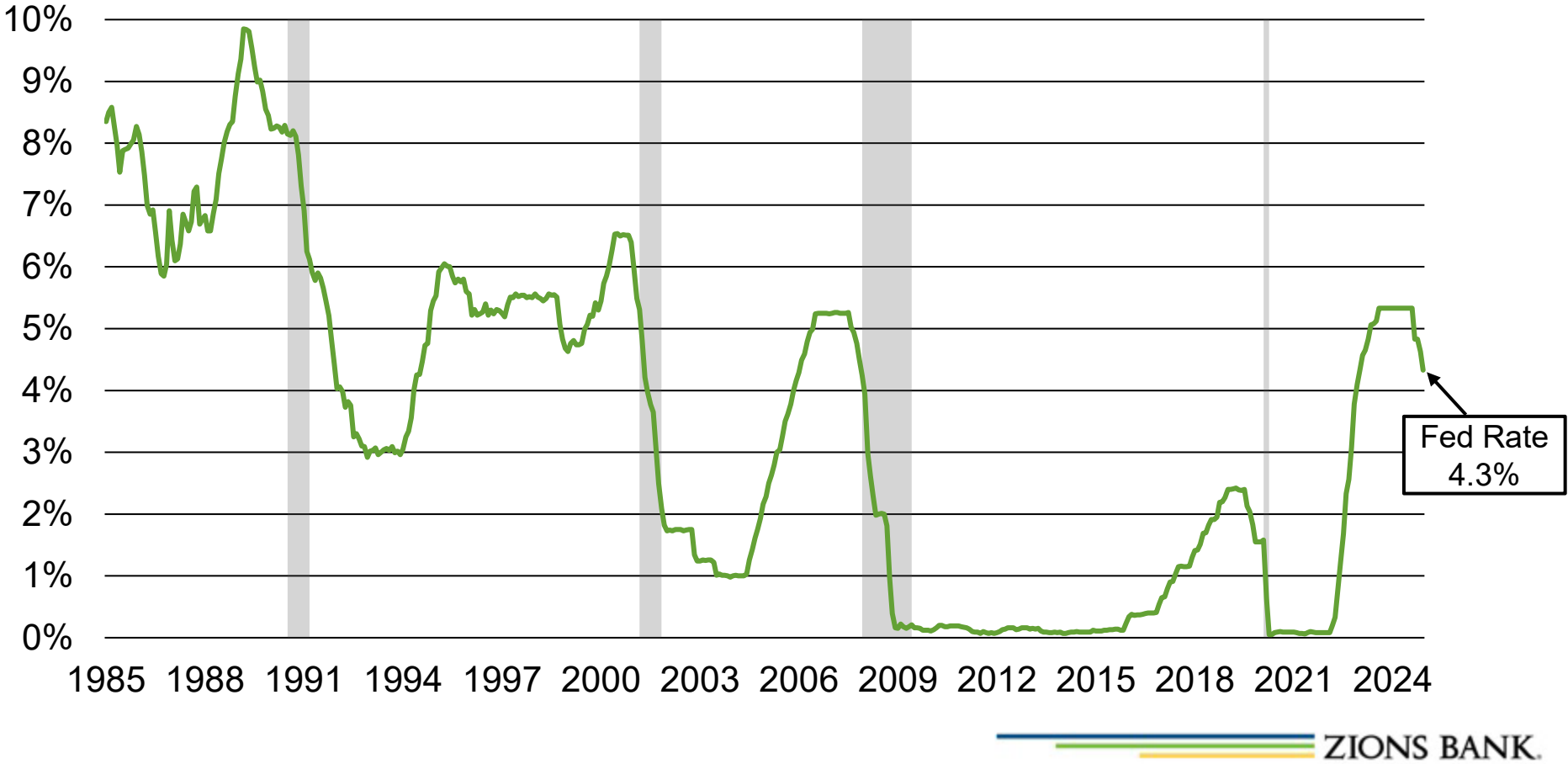


Source: Board of Governors of the Federal Reserve System (US) via FRED®
Shaded areas indicate U.S. recessions.

fred.stlouisfed.org



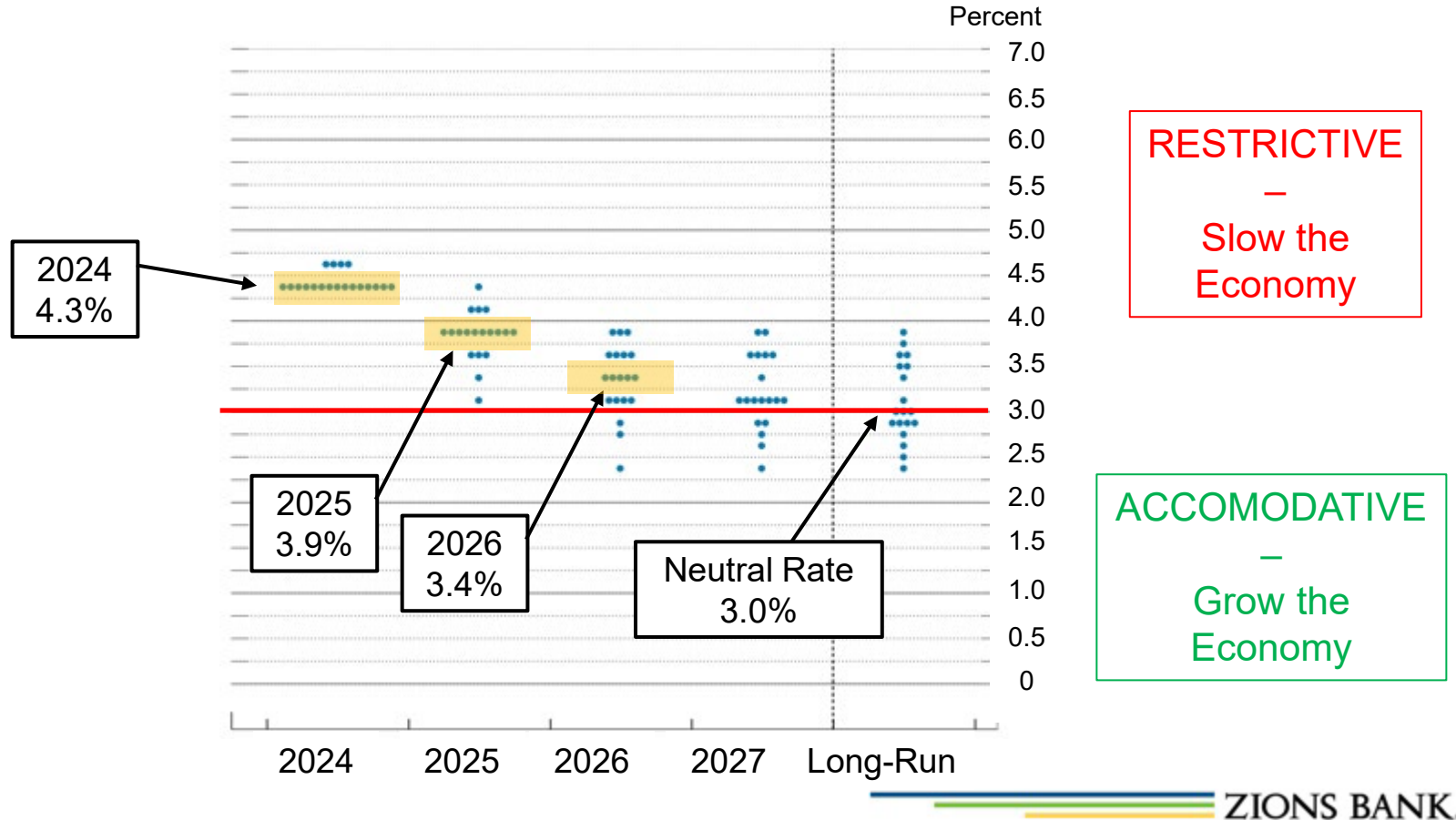
Federal Reserve On Hold



Source: Federal Reserve Board of Governors



Fed Funds Rate Still Restrictive

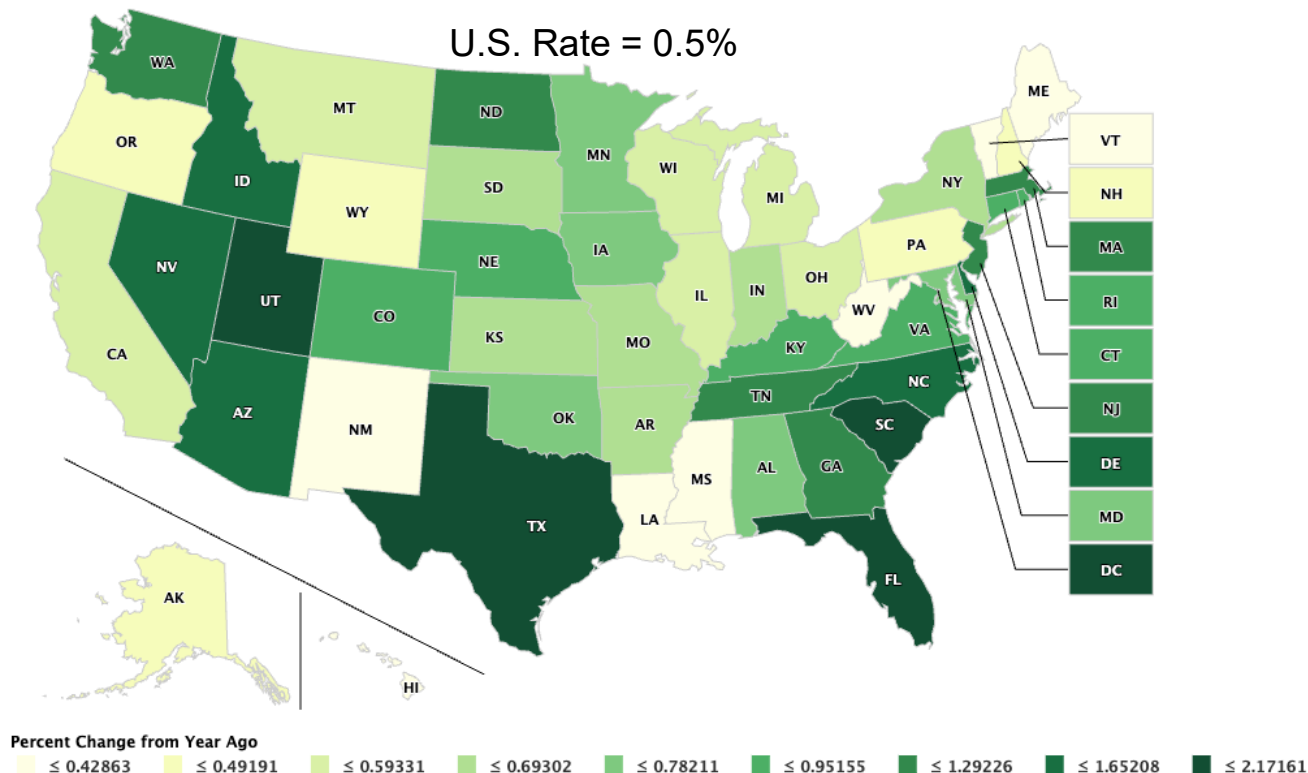


Regional Economic Conditions

Population Growth By State



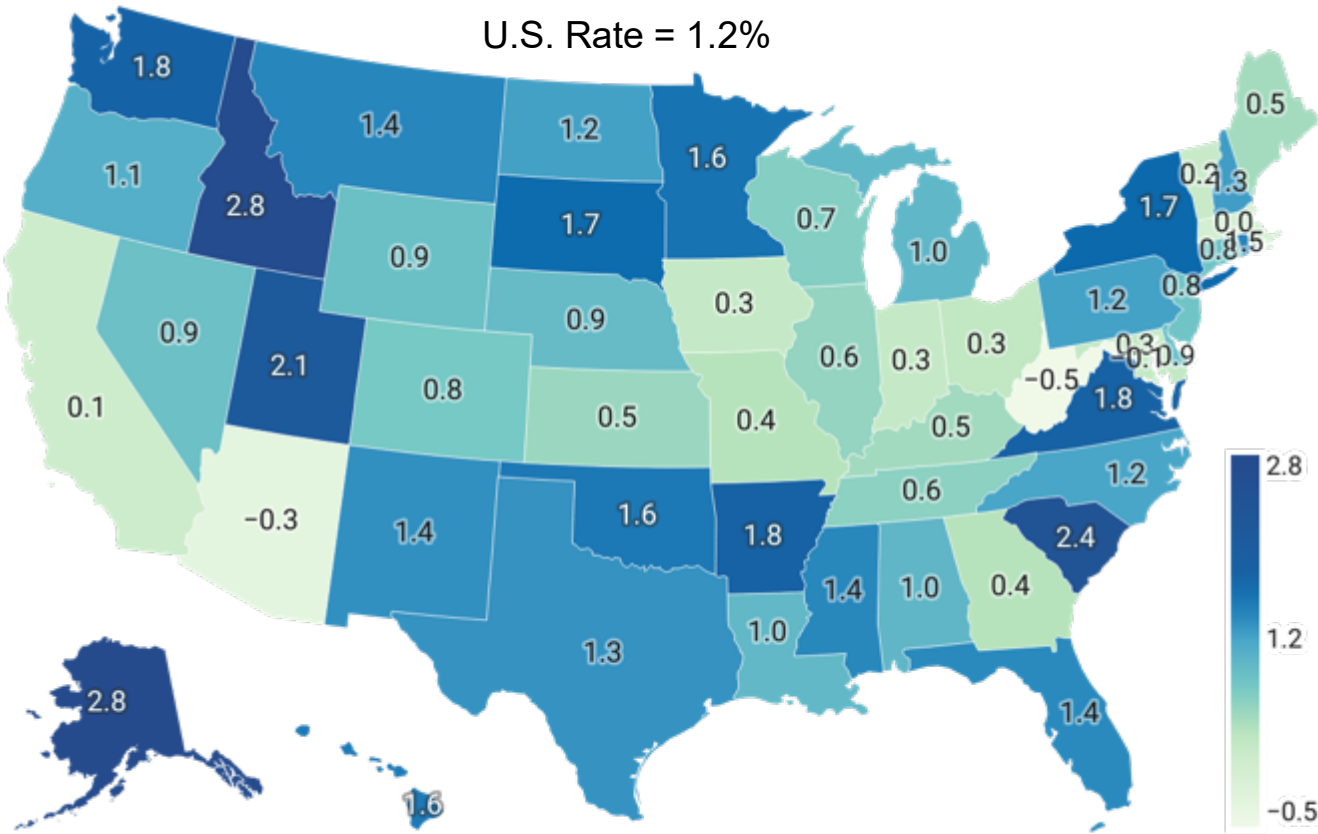
2024 Resident Population by State (Percent Change from Year Ago)







Employment Growth By State

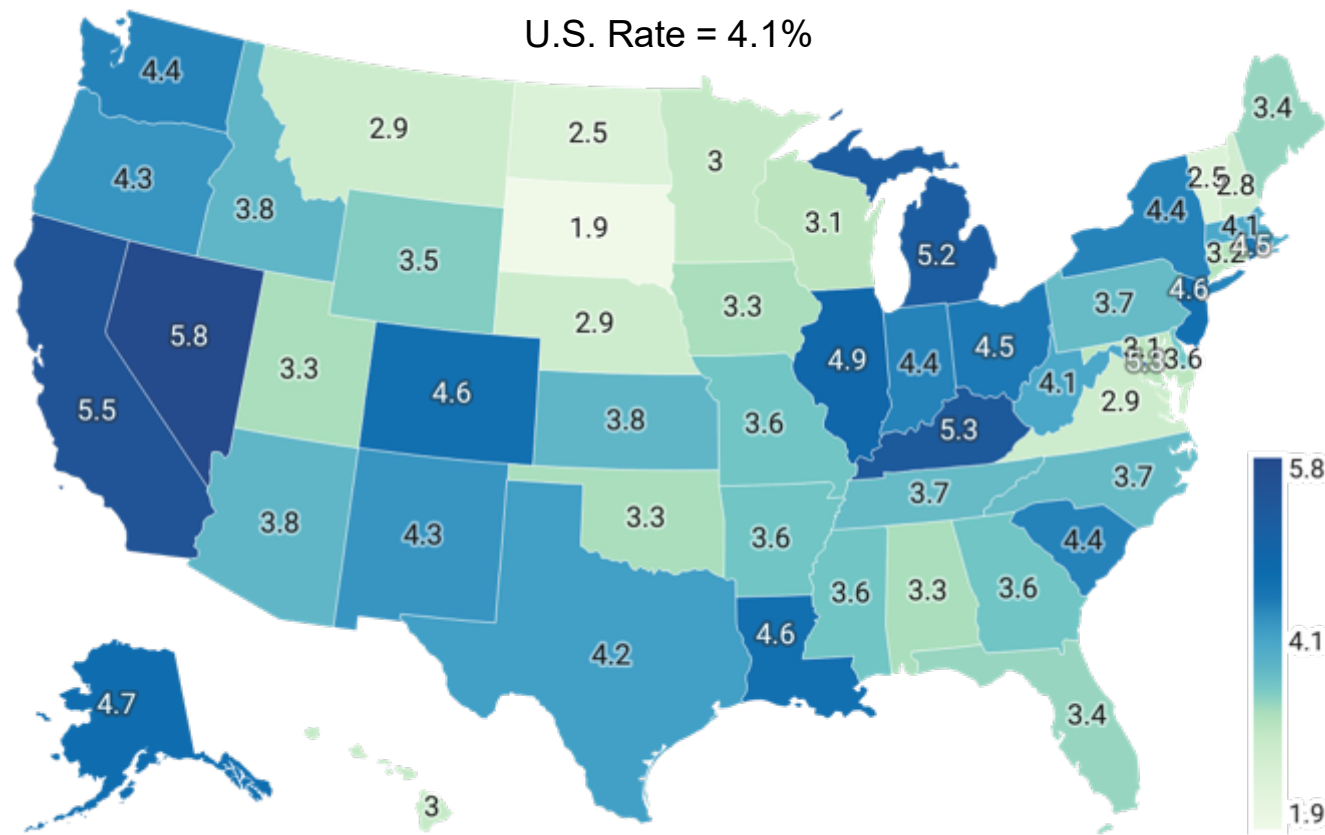


Created with Datawrapper



Source: U.S. Bureau of Labor Statistics

Unemployment Low in Much of the U.S.

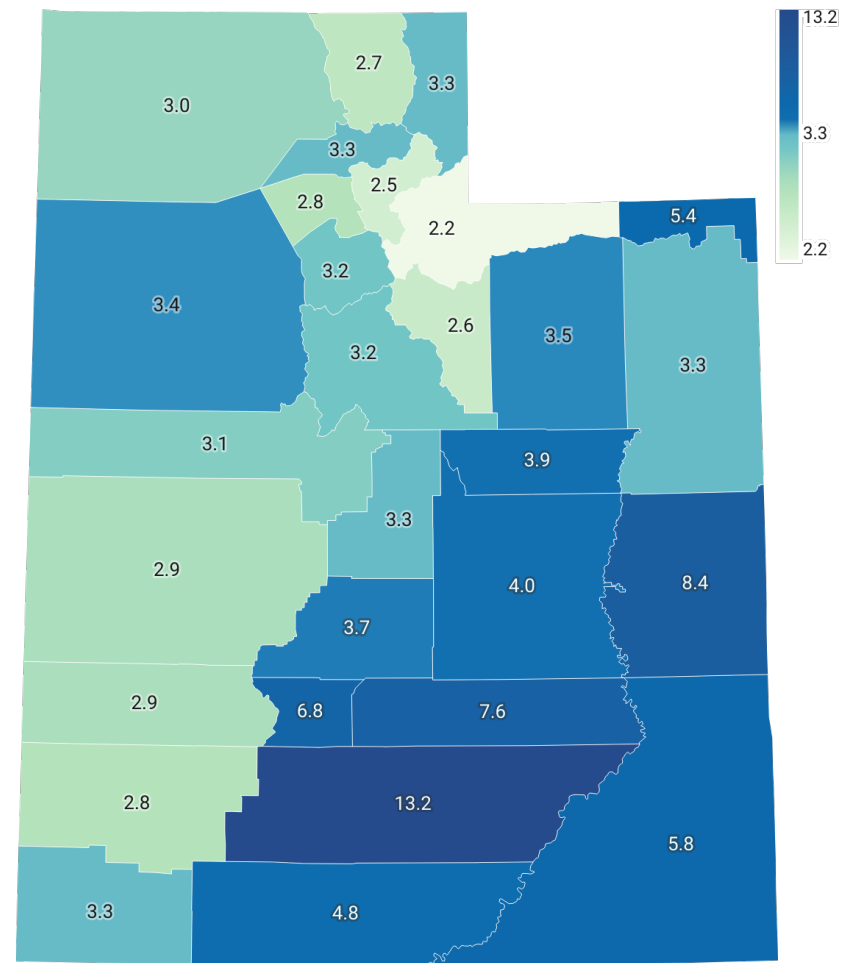


Created with Datawrapper

ZIONS BANK.

Utah Unemployment Rate By County

State Average = 3.3%



Created with Datawrapper

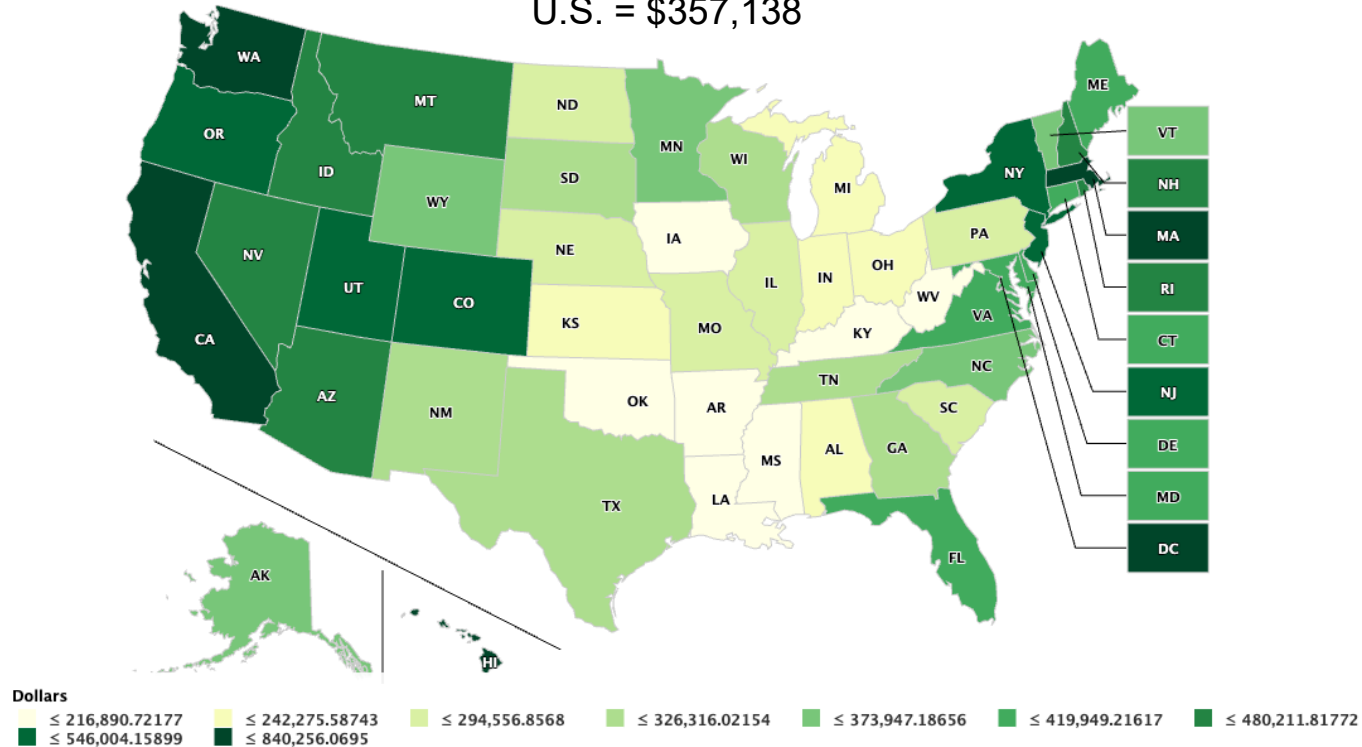


Median Home Price By State



2025 February Zillow Home Value Index (ZHVI) for All Homes Including Single-Family Residences, Condos, and CO-OPs by State (Dollars)

U.S. = \$357,138



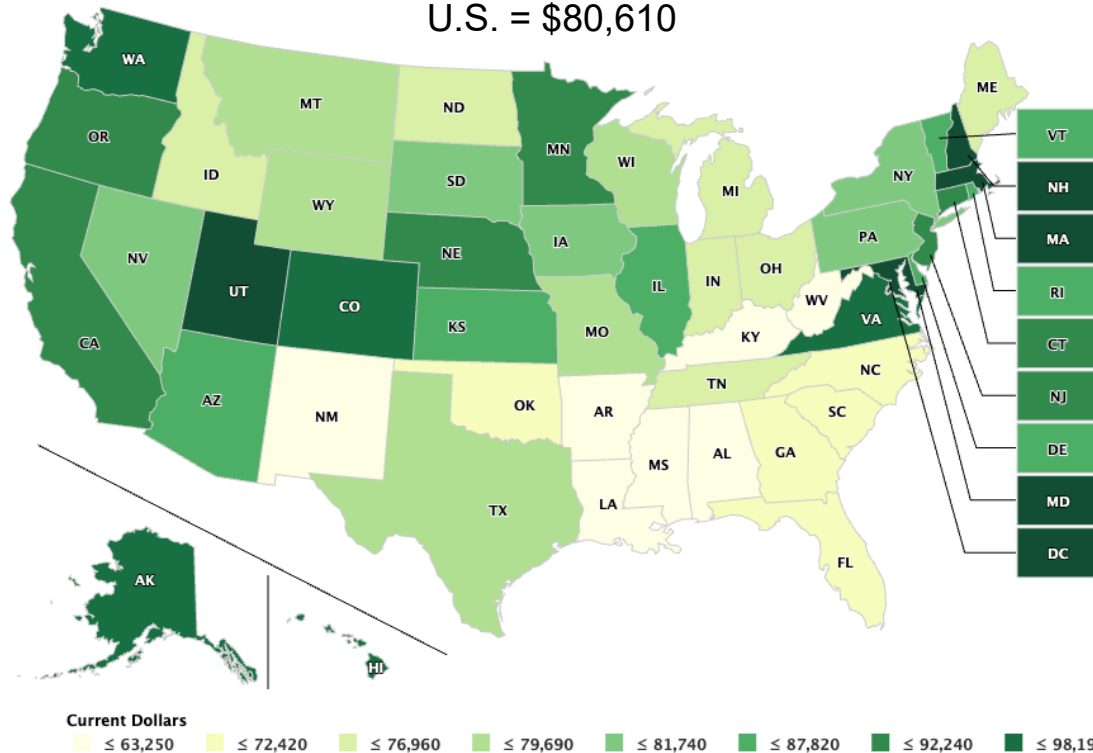
Source: Zillow via FRED®



Median Household Income By State

FRED 2023 Median Household Income by State (Current Dollars)

U.S. = \$80,610

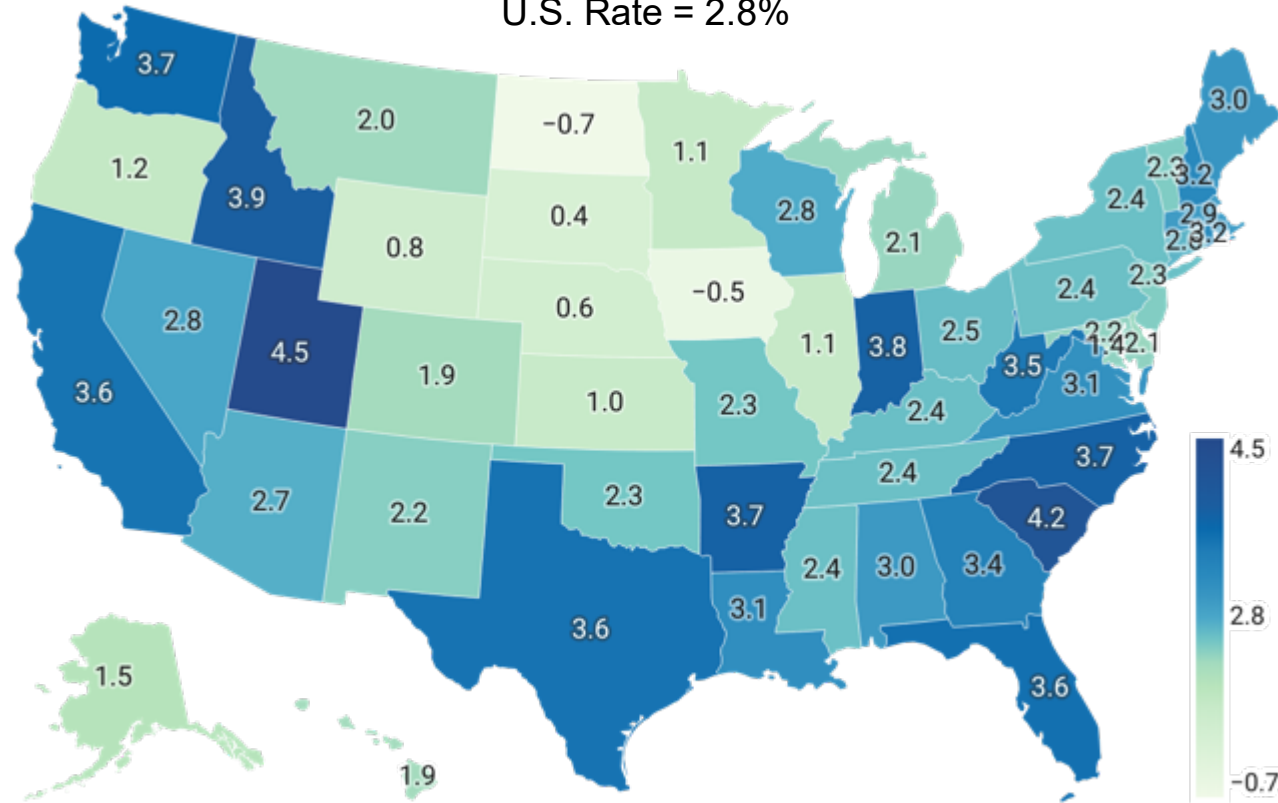


Source: U.S. Census Bureau



2024 GDP Growth By State

U.S. Rate = 2.8%



Created with Datawrapper

ZIONS BANK.



2025 Economic Outlook

- Trade policy and government cuts leading to uncertainty and risk
- Economic downturn more likely
- Consumer confidence dropping and lower income groups stressed
- Labor market growth *could* slow, but remains solid
- Inflation *could* reaccelerate under tariffs
- Continued focus on trade, immigration, taxes, debt, and deregulation

ZIONS BANK®

WE HAVEN'T FORGOTTEN
WHO KEEPS US IN BUSINESS®

Robert Spendlove Senior Economist

Robert.Spendlove@zionsbank.com

801-560-5394



Robert Spendlove
Senior Economist at Zions Bank



Zions Bank, A Division of Zions Bancorporation, N.A. Member FDIC.

Content is offered for informational purposes only and should not be construed as tax, legal, financial or business advice. Please contact a professional about your specific needs and advice. Content may contain trademarks or trade names owned by parties who are not affiliated with Zions Bancorporation, N.A. Use of such marks does not imply any sponsorship by or affiliation with third parties, and Zions Bancorporation, N.A. does not claim any ownership of or make representations about products and services offered under or associated with such marks.