

**From:** [Skift | Trump Effect](#)  
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## The Trump Effect



SATURDAY

AUGUST 23, 2025

**Good morning, readers.**

***Tracking how the U.S. president is reshaping the global travel industry,***

***one decision at a time.***

It was another scatter shot week in Washington with tough talk around visas and a mini market rally with investors – travel and otherwise – liking what they heard from Fed Chair Jerome Powell at Jackson Hole.

“The balance of risks appears to be shifting.” Those were the magic words that made markets hear CUT. By Friday’s close, traders put the odds of a 25-basis-point September cut at about 85%, up from roughly 75% before he spoke; stocks rallied, yields fell, and the dollar softened.

Powell also acknowledged the policy crosswinds travel executives actually see in P&Ls: “Significantly higher tariffs across our trading partners are remaking the global trading system.” Translation: imported inflation risks haven’t died, they’ve just stopped screaming. If tariffs keep passing through, the Fed eases carefully, not generously – which means airlines should not bet the fleet on a sudden collapse in rates, and hotel owners should still pencil contingencies into capex. But taken on its own, Friday’s tone eased the sector’s biggest headache since 2022: the cost of money.

The second lever was less subtle and more immediate at the border. The State Department confirmed it was applying “continuous vetting” to “all...visa holders,” part of a review covering “more than 55 million” foreigners with valid U.S. visas. Officials spelled out the triggers – overstays, criminal activity, threats to public safety, or terrorism links – and said they would “review all available information,” including social-media content. The department also touted that, since Inauguration Day, it has revoked “more than twice as many visas, including nearly four times as many student visas,” as the same period a year earlier. That means more friction in trip planning, longer lead times for meetings and events, and higher cancellation risk for international talent, students, and family visits.

Put together, last week sorted into a familiar American pairing: looser money and tighter borders. Powell gave indebted parts of travel space to breathe; immigration policy took some of that breath away. If you run an airline, you liked the yield curve more on Friday afternoon than on Thursday, and you’ll like corporate demand even more if equities keep purring. If you run a gateway hotel, you’re calling your sales teams to warn overseas accounts that paperwork – not cost – may be the bottleneck this fall.

– Sarah Kopit, Editor-in-Chief

State of Travel cover image

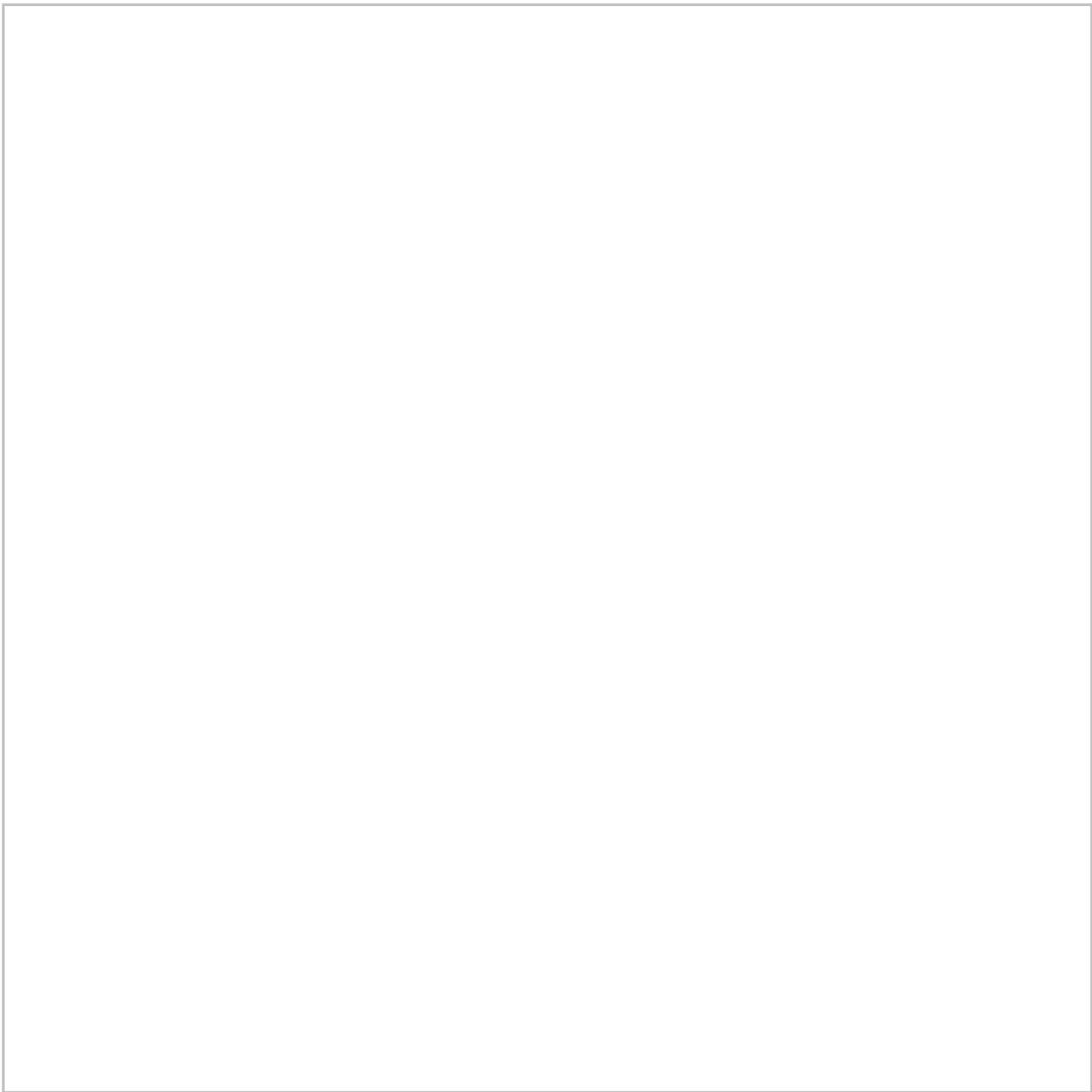


Illustration by Skift

There is an apocryphal ancient curse: “May you live in interesting times”. We in the travel industry are certainly living through an interesting time for tourism in 2025. Our *State of Travel 2025* report is designed to be your reference handbook for navigating our evolving landscape.

From proprietary consumer research and sector deep-dives to executive perspectives and market forecasts, we’ve assembled over 300 charts and insights covering nearly every corner of the industry. We hope this report helps you take these interesting times and turn them into a blessing, rather than a curse.

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