President Donald Trump has harmed the workers and middle-class families for whom he pledged to fight, instead helping the rich get richer by catering to the interests of large corporations and the wealthy. This fact sheet outlines how President Trump’s broken promises have harmed Pennsylvania families—from sabotaging affordable health care to weakening protections for workers.

Sabotaging health care

During the 2016 presidential campaign, Trump regularly claimed that “everybody’s got to be covered” by health insurance and promised that uninsured individuals would “be taken care of” under his leadership.

Since taking office, however, Trump has worked relentlessly to strip health care from millions of Americans and gut protections for those with preexisting conditions. Trump and his allies in Congress attempted to pass legislation to fully repeal the Affordable Care Act (ACA) and damage critical programs such as Medicaid, while simultaneously giving more tax breaks to millionaires and billionaires. After failing to gain sufficient support for these dangerous bills—even in a Republican-controlled Congress—Trump took his war on health care to the courts. The U.S. Department of Justice has filed multiple briefs in support of an ongoing Texas lawsuit to invalidate the entire ACA, including provisions that currently protect 5.3 million Pennsylvanians with preexisting conditions.

THE ACA REMAINS IN JEOPARDY AS LONG AS TRUMP IS PRESIDENT

In recent months, Trump has renewed his commitment to taking health care away from millions of Americans while offering no viable replacement plan. Below are several ways Pennsylvanians would be harmed if Trump fully repeals the ACA:

- 858,000 individuals would lose coverage, causing the state’s uninsured rate to increase by 133 percent.
- 5.3 million individuals with preexisting conditions would face higher premiums or be barred from coverage altogether—a discriminatory practice that the ACA outlawed.
TRUMP'S BROKEN PROMISES TO PENNSYLVANIA FAMILIES

- 2 million individuals would face cost limits on employer-based coverage.]
- The state of Pennsylvania would lose $5.1 billion in federal Medicaid funding, and demand for uncompensated care would increase by $1.8 billion.]

TRUMP HAS ALREADY UNDERMINED KEY COMPONENTS OF THE ACA MARKETPLACE

Trump has stated[10] that “the best thing [Republicans] can do, politically speaking, is let Obamacare explode,” and he has done everything in his power to impair the law at the expense of Pennsylvania families.

To undermine the insurance market, his administration expanded the availability of limited, short-term plans that do not cover essential benefits such as prescription drug coverage and mental health services.]

Trump and the Republican-controlled Congress also eliminated an integral component of the ACA in order to finance tax cuts for corporations and the wealthiest Americans. This deliberate sabotage of the insurance market has prompted uncertainty for insurers as well as increased health care costs for working families.

This year alone, Trump’s ACA sabotage will cost the average family of four in Pennsylvania an additional $3,650.]

PRESCRIPTION DRUGS PRICES HAVE CONTINUED TO SKYROCKET UNDER TRUMP’S WATCH

After promising to lower prescription drug costs and claiming that the drug industry was “getting away with murder,”] Trump appointed pharmaceutical lobbyists to key roles directing health policy in his administration.]

With foxes guarding the hen house, it is no surprise that drug companies have continued to raise prices. Nearly 30 drug companies announced price increases that will take effect this year.]

While Pennsylvanians continue to face the difficult decision to skip essential medications due to high costs, the same large pharmaceutical companies spent billions on stock buybacks to enrich their own executives following the tax breaks they received with the passage of the 2017 Tax Cuts and Jobs Act (TCJA).

Trump’s proposed trade deal also favors Big Pharma by effectively protecting these companies’ monopolies on brand-name patents, stifling competition, and preventing consumers from accessing lower-cost generic biologics.
On the campaign trail, Trump repeatedly claimed\textsuperscript{21} that no one would gain more from his tax plan than low- and middle-income Americans. Rather than keep this promise, he and congressional Republicans designed the TCJA, a law that showered massive tax breaks on large corporations and wealthy individuals—including Trump himself—who were already receiving a disproportionate share of the economy’s gains.

\begin{figure}
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\includegraphics[width=\textwidth]{figure01.png}
\caption{The wealthiest 1 percent received an enormous share of the tax bill’s benefits

\textbf{Distribution of federal tax change for the Tax Cuts and Jobs Act, by income group, 2027}}
\end{figure}

\textbf{TRUMP’S TAX PLAN IS NEITHER PRO-WORKER NOR PRO-FAMILY}

The TCJA gave significantly larger tax cuts to the wealthy than to low- and middle-income workers.\textsuperscript{24} In fact, 1 million Pennsylvania households either received no tax cut or experienced a tax increase after the law’s passage.\textsuperscript{25} In contrast, five Pennsylvania-based corporations—Aramark, Penske Truck Leasing, PPL Corporation, UGI Utilities, and U.S. Steel—and 50 other Fortune 500 companies paid zero federal income taxes in 2018.\textsuperscript{26} Instead of spending this windfall to improve workers’ wages or on capital investment—as the tax bill’s supporters claimed the companies would—Aramark\textsuperscript{27} and U.S. Steel\textsuperscript{28} spent millions on stock buybacks to enrich executives and shareholders. And these companies were not alone: Annual U.S. stock buybacks hit a record high in 2018 following Trump’s corporate tax breaks.\textsuperscript{29} The tax bill’s provisions for workers and families expire over time, while its benefits for corporations were made permanent.
To pay for the enormous tax breaks for the wealthiest 1 percent, Trump and congressional Republicans eliminated the ACA’s individual mandate, undermining the insurance market and raising health care costs for Pennsylvania families. The average tax cut that working- and middle-class Pennsylvanians received was less than half the additional premium costs for families due to Trump’s health care sabotage.

FIGURE 02
Tax cuts received by Pennsylvania middle-class families did not even cover the cost of President Trump’s health care sabotage

Average 2019 tax cut received by income group, and estimated 2019 health care premium increase for a family of four due to ACA sabotage

| AVG TAX CUT FOR THE WEALTHIEST 1% | $53,580 |
| AVG TAX CUT FOR THE BOTTOM 80% | $644 |
| AVG PREMIUM INCREASE FOR A FAMILY OF FOUR | $3,650 |


AN AMERICA-LAST TAX PLAN

On the campaign trail, Trump promised to punish companies that moved U.S. factories to other countries. His tax plan incentivizes companies to outsource jobs and keep profits overseas, however, by creating new loopholes that reward companies for relocating operations and assets overseas.

FIGURE 03
In 2019, foreign investors would receive $5 billion more from the final congressional GOP tax bill than working- and middle-class families in these states, combined

Note: For the purposes of this map, working- and middle-class families are defined as tax units in the bottom 80 percent of the income distribution in these states.

Trump’s tax breaks delivered $5 billion more in benefits to foreign investors than it did to all of the working- and middle-class families in every state that elected him president. This year, foreign investors are expected to gain $48 billion from the bill, while the bottom 99 percent of Pennsylvanians will only receive $9.2 billion.

Making the American dream increasingly out of reach

Due to stagnant wages and increasing income inequality, the American dream and the middle-class lifestyle associated with it are under threat. While the United States remains one of the world’s most prosperous countries, recent economic gains have fallen into the hands of very few. For more and more Americans, traditional hallmarks of the middle-class lifestyle are out of reach, including upward social mobility, homeownership, aspirations toward college education, and earning wages to ensure family economic security. The share of 30-year-olds earning more than their parents has declined from 90 percent in 1970 to just 50 percent today. The share of adults in middle-class households has decreased from 61 percent in 1971 to 52 percent today.

STAGNANT WAGES

Pennsylvania has the nation’s 14th-highest level of income inequality among U.S. states. The average income of the top 1 percent—those earning more than $389,000 a year—is 22 times greater than the average income of the rest of the Pennsylvania population. Since the Great Recession, the top 1 percent has captured 33 percent of all income growth in Pennsylvania. During the same period, incomes for the top 1 percent of earners in the state grew by 28 percent, while the rest of the Pennsylvania population only experienced a 11 percent increase in average income.

FIGURE 04

In Trump’s economy, wages are stagnant while corporate profits soar

Percentage growth since January 2017 in after-tax corporate profits and average hourly earnings of private employees

Sources: Federal Reserve Bank of St. Louis, “Corporate Profits After Tax with Inventory Valuation Adjustment (IA) and Capital Consumption Adjustment (CCAdj),” available at https://fred.stlouisfed.org/series/CPATAX (last accessed May 2019); Federal Reserve Bank of St. Louis, “Average Hourly Earnings of All Employees: Total Private,” available at https://fred.stlouisfed.org/series/CES0500000003 (last accessed May 2019); Data were adjusted using Federal Reserve of St. Louis, “Consumer Price Index for All Urban Consumers: All Items,” available at https://fred.stlouisfed.org/series/CPIAUCSL (last accessed May 2019).
As wages have failed to keep pace with rising costs of living, 31 percent of Pennsylvanians have a debt that has been sent to collections. Among these consumers, the average person in Pennsylvania has $5,000 in debt collections.

Trump promised voters that he would prioritize the interests of the middle class. Instead, his administration is rewriting the rules to reward corporate interests and making it harder for working Americans to get ahead:

- The Trump-appointed director of the Consumer Financial Protection Bureau proposed rolling back restrictions on predatory payday lenders that require them to ensure borrowers can repay loans.
- The Trump administration abandoned a rule designed to ensure that middle-class workers are properly compensated for working overtime, lowering the Obama-era income threshold so that fewer workers are covered. Under Trump’s proposed threshold, 304,000 Pennsylvanians would lose overtime protections, costing them a projected $42 million in lost wages each year.
- Trump’s administration weakened U.S. Department of Labor rules that required financial advisers to act in the best interests of their clients. Now, sophisticated investment advisers can effectively exploit consumers by offering conflicted financial advice, costing Pennsylvania retirement savers an estimated $783 million per year.

**COSTLY HIGHER EDUCATION**

Within one generation, the average cost of public four-year education has tripled, and the cost of a public two-year education has doubled. In Pennsylvania, 47 percent of student loan borrowers owe more than $20,000, and 38 percent of all borrowers are more than 34 years old.

Trump has repeatedly promised to address the rising cost of college education. Instead, however, he has allowed for-profit education corporations to exploit vulnerable students, including 52,500 students currently enrolled at for-profit colleges in Pennsylvania. For example, Career Education Corporation, a for-profit university, deceived thousands of students about its program costs and graduate outcomes. The company then settled with the Trump administration and saw record earnings within months. The U.S. Department of Education—led by Secretary Betsy DeVos, a major Trump donor with little relevant expertise—has not conducted proper oversight of for-profit education corporations, even as these companies have failed to make millions in financial aid payments to students.
HOUSING AFFORDABILITY CRISIS

In Philadelphia, more than half of renting households spend more than one-third of their income on rent; 1 in 4 households spends more than half of their income on rent. The median price for a single-family home in the Philadelphia metropolitan area is now $225,000. In order to qualify for a mortgage, residents must have an annual household income of about $56,000, but the median income is only $40,000, leaving homeownership out of reach for many. Rather than help solve this housing affordability crisis, Trump has proposed slashing federal funding for housing assistance to pay for more tax breaks.

Energy and climate

Since taking office, Trump has undermined public lands and the renewable energy economy by catering to special interests. For example, Trump selected Andrew Wheeler, a coal lobbyist, to lead the Environmental Protection Agency (EPA) and filled the department’s staff with fossil fuel industry allies. Trump has also proposed using emergency executive authorities to bail out and subsidize coal power plants, which would raise consumers’ energy prices. Trump’s proposed budget cuts to the EPA would threaten Pennsylvanians’ access to clean water and hinder ongoing research that supports clean energy innovation in the state.

Trump’s efforts to prop up the fossil fuel industry could have a particularly harmful effect on Pennsylvania’s developing clean energy economy. Pennsylvania ran second in the nation in electricity generation from nuclear power, which supplied more than 40 percent of the state’s electricity. The state has set a requirement of 18 percent of the electricity generation from renewable sources by 2021; as of 2017, renewable energy represented a 4.5 percent share. Pennsylvania’s outdoor economy currently supports 251,000 jobs and $29 billion in consumer spending annually.

Enforcing inhumane immigration policies

Throughout his campaign and since taking office, Trump has vilified immigrants, portraying them as a burden on the nation’s economy and a U.S. security threat. Trump, however, has also relied on a large immigrant workforce to operate his businesses and exploited the U.S. immigration system for his financial gain by paying undocumented workers lower wages.
The Trump administration has significantly expanded the use of private prisons in the U.S. immigration enforcement system, lining the pockets of prison industry officials—many of whom donated to Trump’s 2016 campaign. Today, private prison corporations operate more than 70 percent of U.S. immigration detention centers. As thousands of immigrant children remain separated from their parents in U.S. custody, the administration now plans to expand the use of family detention.

Trump’s divisive rhetoric about immigrants flies in the face of reality. Immigrants are a vital part of the nation’s social fabric and its shared prosperity. Each year in Pennsylvania, Dreamer households pay $174 million in federal taxes; pay $104 million in state and local taxes; and provide $730 million in spending power to their communities.


7 Emily Oex, “Number of Americans with Pre-Existing Conditions by Congressional District,” Center for American Progress, April 5, 2017, available at https://www.americanprogress.org/issues/healthcare/news/2017/04/05/430059/number-americans-pre-existing-conditions-congressional-district


9 Blumberg and others, “State-by-State Estimates of the Coverage and Funding Consequences of Full Repeal of the ACA.”


12 Ibid.


30 See and Krishnaswamy, “Estimated Increases in 2019 Premiums by Congressional District Due to ACA Sabotage.”
