

Research Paper – October 2025

America's New Golden Age or a Gilded One?

America has been promised a "new Golden Age" by Donald Trump, driven by tariffs, tax cuts, and deregulation. So far, the numbers look promising, customs revenues have surged, foreign investment has been redirected, and GDP growth is outpacing peers.

On the other hand, current US economic growth is increasingly unbalanced and on a narrow footing, just like its equity markets which are increasingly dominated by tech and have boomed far beyond real economic growth, with gains accruing overwhelmingly to the wealthiest households driving event greater economic inequality, it bears clo ser scrutiny. At the same time, tariffs are expected to fuel further inflation, with disproportionate effects on lower-income households. Together, these dynamics are driving further inequality in what is already the most unequal country in the OECD, with potentially significant economic, social, and political consequences.

America in the late-19th century experienced a Gilded Age, which initially looked like a Golden one. However, increasingly narrow gains were concentrated at the top, with rising inequality, and fragile foundations that risked future crisis. Such inequalities did not correct themselves and required change following massive systemic shocks like the Great Depression to ultimately put in place governments that addressed the root causes and issues.

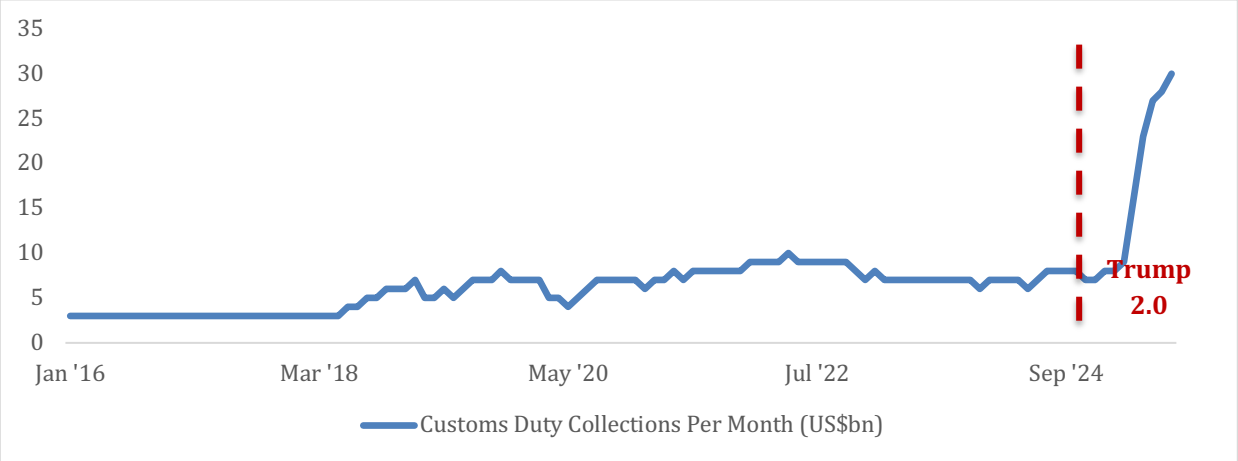
This month's Research Paper explores whether today's apparent boom marks the beginning of lasting prosperity, or the prelude to another painful reckoning, much like the aftermath of the original Gilded Age.

America's Radical Economic Agenda

An "American Golden Age," built on disruption was the promise of President Trump as he started his new term: rejecting "bad deals" with the world, restoring lost jobs, and dismantling regulation. His administration's programme is not incremental reform but a wholesale re-architecting according to proponents and a dangerous experiment according to detractors. What is clear is that the combination is a new approach to the use of American power, and it is anchored in the heavy use of tariffs, tax cuts, deregulation, executive orders, acquiring gifted or purchased stakes in companies, applying direct pressure on executives, and the use of overt high stakes tactics on allies and rivals across the world including threats affecting their security and defence.[i] A new set of rules of engagement are being set. Are these the measures that lead to a Golden Age of renewal?

Arguably, tariffs are at the heart of this strategy. Once a narrow trade-defence tool, they are now a centrepiece of U.S. economic policy. Customs revenue has surged, up 273% year-on-year in July[ii] and already exceeding US$100 billion since January.[iii] The administration hails this as proof that tariffs are "making America wealthy again." Notably, these policies also appear erratic at times (perhaps intentionally so, at least at times), marked by surprise levies and stalled negotiations with allies, reinforcing perceptions of unpredictability, indicating they are a blunt instrument of force to be used if and as when judged necessary. Given the high tariffs levied on so many allies, it appears to be a "friendship tax" too, recalling the (oft misused) warning attributed to Kissinger that, "It may be dangerous to be America's enemy, but to be America's friend is fatal." While America's vast market is not easy to wean off, this assault by tariffs has also led to allies around the world beginning to diversify their security, trade, finance and alliances away from the US[iv].

Chart: Tariff Revenues Explosion - From Tactical Tool to Centrepiece



Source: U.S. Treasury Monthly Treasury Statement (MTS) dataset

Alongside tariffs, the administration's 2025 tax cuts are a cornerstone of his economic agenda. The 2025 "One Big Beautiful Bill" is claimed to be designed to reduce burdens on households and spark a broader surge in economic activity by freeing up trillions in disposable income and corporate cash flow. Analysts point to the disproportionate benefit to higher income earners.[v, vi] Proponents argue that this scale of tax relief will translate into stronger consumer demand and higher capital expenditures, amplifying private-sector spending power. However, by permanently extending the 2017 Tax Cuts and Jobs Act and layering in new deductions for work-related income, the package is projected to reduce federal revenues by about US$4.5 trillion over the next decade,[vii] with the Congressional Budget Office estimating it will still add US$2.8 trillion to deficits even after accounting for growth effects.[viii] This signals a reason to focus on America's rising indebtedness, the debt to GDP ratio now at 100% and interest payments reaching US$1.2 trillion annually,[ix] as well as pointing to the lack of evidence of trickledown economics working well for mass populations.[x]

Collectively the economic policies the Trump Administration are less piecemeal reform that a bid to fully upend traditional norms of US economic management.

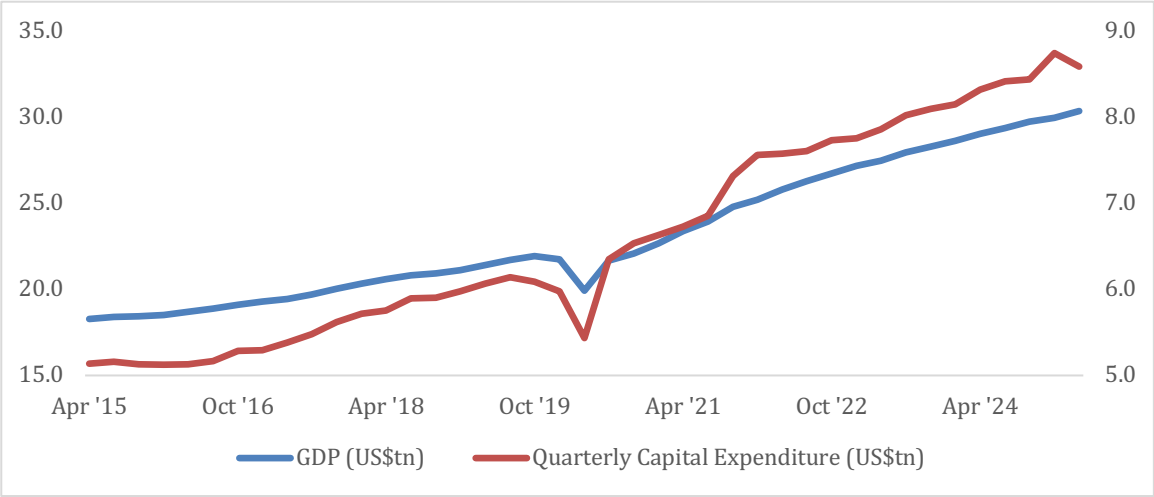
The third prong of the administration's economic agenda is widespread deregulation across finance, energy, and the environment; climate offices were closed, permitting accelerated investments in fossil

fuels, and post-2008 banking rules relaxed. President Trump framed this as an assault on the "deep state bureaucracy" that he said was "killing American jobs." He also used executive orders, from quitting the Trans-Pacific Partnership to freezing new regulations, favouring unilateral actions over drawn-out negotiations to support the initiative.[xi] Together, these steps signalled not piecemeal reform but a bid to re-imagine traditional norms of US economic management.

Investment and Market Uplifts Offering Hope of Golden Age

Investment and market uplifts offering hope of a Golden Age raise a fundamental question - are these signs of a lasting transformation in America's economic base, or a temporary distortion created by tariffs, subsidies, and investor optimism? The cumulative impact of the administration's economic actions has been a conspicuous surge in short-term indicators. Tariff receipts could reach US$200 billion by year-end, and US$2.8 trillion over a decade, [xii] an unprecedented windfall that S&P cited in reaffirming America's "AA+" rating despite tax-driven deficits.[xiii]

Chart: Macro-Boost in Economic Activity



Source: Federal Reserve Bank of St. Louis

While the White House counts over US$10 trillion in corporate and government commitments, [xiv] analysts estimate closer to US$6 trillion, and evidence much of it as recycled and non-binding. [xv] Historical precedent suggests that only a fraction of such pledges translate into real investment, making the gap between marketing and economic substance stark. Independent analysts reinforced this scepticism, observing that such announcements often serve as political theatre in response to tariff threats, rather than evidence of long-term capital flows.[xvi] Indeed, Moody's Analytics argued that investment forecasts had not shifted in line with the pledges, and that trade frictions had weakened underlying investment drivers.[xvii]

The positive narrative regarding economic growth, rising markets, soaring tech values point to an America that is booming, but excluding big tech the US the second worst performing major equity market globally

Yet even if only a portion of these commitments materialize, they would mark a structural shift: the United States is now attracting more foreign direct investment than it sends abroad, reversing decades of net outflows.[xviii] This reorientation reflects both the current steep decline in Western investment into China, which has slumped by 70% since 2022, and the redirection of global capital toward "future-shaping" sectors, artificial intelligence, digital infrastructure, and energy transition industries, further underpinned by geopolitical favouring nearshoring and allied supply chains. Indeed, US tech giants have committed over US$1 trillion in domestic investments since the start of Trump's second term, commitments that appear to further cement what looks like a commanding American lead in key technologies like artificial intelligence.

Perhaps buoyed by this optimism, thus far, headline numbers such as GDP growth have held up, and capital expenditures in the first half of 2025 climbed by 16.6%, the strongest increase since 1997, excluding post-COVID rebounds. Together, these indicators create a positive narrative regarding economic growth. Whether this momentum proves durable of course, remains to be seen.

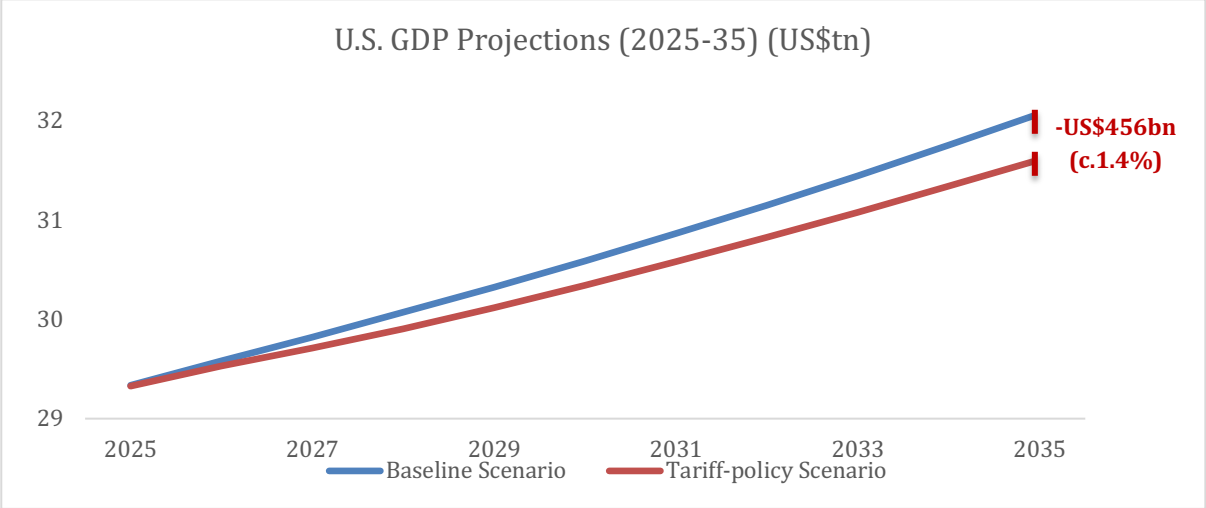
Similarly, equity markets in the US continue to rise, with the S&P 500 having gained 10.7% in the first six months of the year. Critically, the gain is highly reliant on tech, being driven by five tech giants (NVIDIA, Apple, Alphabet, Microsoft, and Amazon) without whom equity market growth reduces to 2%, which would make the US the second worst performing major market globally (following Japan).[xix] At the same time, U.S.-focused equity funds have experienced four straight months of net redemptions through August (the latest month for which data is available)[xx] as investors redirected capital away from the US over macro-economic uncertainty and a weakening dollar, pointing to the risk of US markets softening. So, the positive sentiment around headline numbers requires caution.

Taken together, the data present a story of both strength and fragility, of record short term revenues and investment surges offset by concentration risk and fiscal strain. Thus, hopes that investment and the caveated market uplifts signal a golden age remain contingent on whether these early gains evolve into longer term productivity growth and long-term economic resilience.

Long-term Economic Costs Outweigh Short Term Gains

Analysis of longer-term trends reveals that the short-term gains mask significant long-term costs. Economists project tariffs will cut real GDP by 0.5 percentage points annually in 2025-26,[xxi] and by nearly 1% over the decade, an enduring loss of about US$275 billion a year.[xxii] History shows that protectionism not only slows growth, but also drives lasting declines in productivity, raises costs for US consumers and firms, disrupts supply chains and erodes global competitiveness.

Chart: Long-term Costs of Trump Economic Policy



Source: Congressional Budget Office, GTAP v7 [Corong et al (2017)], The Budget Lab analysis, World Bank

Sectoral dynamics underscore this imbalance: While manufacturing might expand slightly, its gains are offset by losses in construction, agriculture, and other sectors. For instance, historical precedents suggest that wages and output in advanced manufacturing can shrink even as non-advanced production grows modestly, revealing a misalignment of national economic interests. Countries that increase tariffs experience persistent declines in output, productivity, and employment, and often see widening inequality.[xxiii]

Short-term gains mask significant long-term costs … tariffs will cut real GDP by 0.5% annually in 2025-26, and by nearly 1% over the decade, an enduring loss of about US$275 billion a year.

A second structural concern is the increasingly unbalanced nature of US growth. Nearly all (c.92%) of 2025's GDP gains year to date stem from investment in information-processing equipment and software. Unlike past investment booms in railroads or housing, today's surge is concentrated in data centres and AI hardware that depreciate rapidly. Roughly half of the nearly US$2 trillion in data-centre spending is devoted to chips and GPUs,[xxiv] assets vulnerable to technological obsolescence within just a few years, Monetising these investments on a short timescale is therefore critical as is the need to believe that the global electricity demand from data centres can be met without disrupting every other industry; it is projected to more than double by 2030, - with data centre electricity consumption growing fourfold, and representing nearly half of all new U.S. electricity demand this decade, underscoring both the transformative potential and the systemic energy challenges of the AI era.[xxv]

Importantly, a US Golden Age, rather than a global one, requires US tech dominance, which is increasingly being challenged by China, with a commanding position in cleantech across technologies like solar, wind, batteries, and new energy vehicles, attracting 76% of global investment capital in these sectors.[xxvi] But China is also making rapid strides in AI-development despite restricted access to the high performance chips and investing far less than the US, with the performance gap between the best Chinese and U.S. AI models having narrowed from 9.3% in 2024 to 1.7% in February.[xxvii] And more worryingly for the US in the long term, China has overtaken the US in terms of research

performance across 57 of 64 high tech sectors, including high-performance computing, space launch, and advanced integrated circuit design and fabrication.[xxviii]

Additionally, US economic imbalances extend beyond technology; healthcare now absorbs nearly one-fifth of GDP, an outsized share by international standards, tying economic expansion to a sector plagued by inefficiency and cost inflation.[xxix] Another sector of rising economic concentration is financial services, which has scaled to become a global behemoth managing 42% of the US$270 trillion invested of capital markets.[xxx] Its scale gives America unmatched financial leverage but also creates a macroeconomic vulnerability: growth and employment are becoming increasingly reliant on asset prices rather than productivity. Notably, further deregulation is expected to amplify risk-taking, moves underway to reduce reporting requirements will reduce bureaucracy but also transparency, moves to bring the Fed more under executive influence or control are feared to add high risk, and the promotion of a crypto based financial system would represent material risks to the current financial sector.

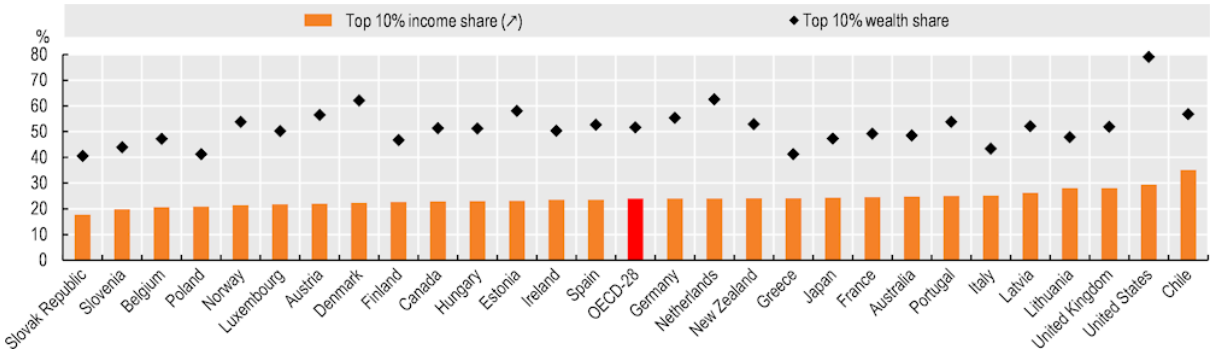
In sum, current trade and fiscal strategies are delivering short-term political gains but these appear to be at the cost of long-term economic health, resulting from the convergence of tariff distortions, financial excess, and a lopsided tech-led expansion which risks embedding structural fragility into the U.S. economy. The long-run impacts, lower GDP, weaker wages, and structural mismatches, create a lasting drag on American competitiveness, risking deindustrialization, diminished living standards, and entrenched inequality. Not addressing the fundamental issues means that the longer-term American outlook risks being defined by losing manufacturing to robots of poorer countries (and domestic inflation if they resist), social services and liabilities they cannot fund, and debt paying for a lifestyle they cannot afford.

In this light, the promise of a new Golden Age may depend less on how brightly the U.S. economy now burns than on whether it can rebalance growth toward productivity, reap industry-wide benefits from AI, win in international technology competition, and create shared prosperity before its foundations give way.

Inequality is the Defining Feature of the Times

In addition to the long-term consequences, the current short-term economic gains obscure a deeper, more enduring, shift: surging inequality. Much of the incremental prosperity has flowed to asset holders; the richest 1% own over half of U.S. equities, while the top 10% control nearly 90%.[xxxi] For lower- and middle-income families, the story is reversed: tariffs are pushing grocery bills up by thousands of dollars,[xxxii] while wage growth for the lowest earners has slowed sharply.

Chart: The United States Tops Wealth and Income Inequality Ranking in the OECD



Source: OECD, Wealth and Income Distribution Databases

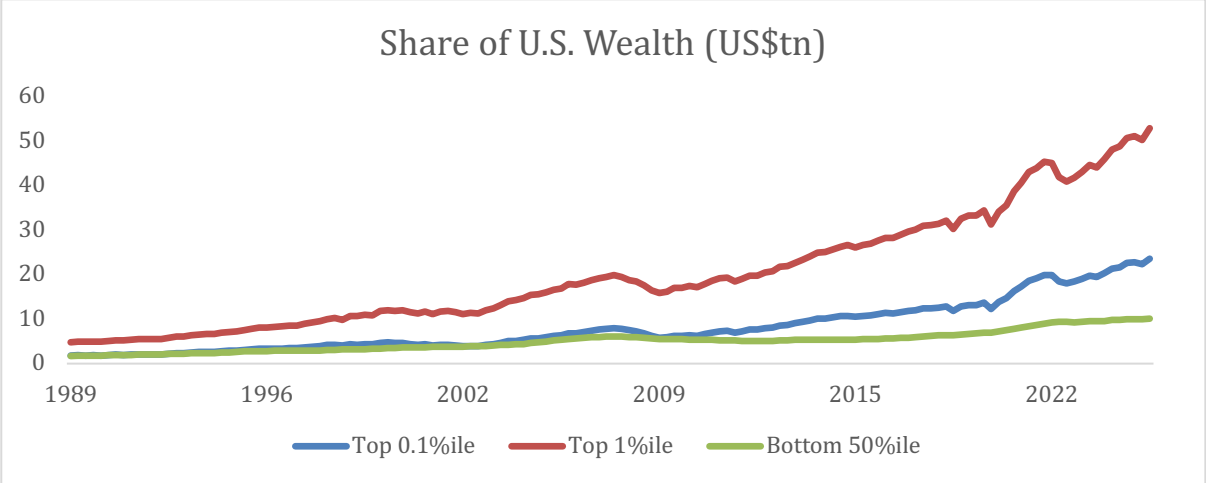
Data from mid-2025 shows that for workers earning under US$806 per week, wage growth decelerated sharply to 3.7%, (down from 7.5% post-pandemic), while higher earners maintained relatively stronger growth at 4.7%.[xxxiii] Collectively, this dual dynamic of asset-led gains for the top tier, and falling real income for the bottom is deepening wealth and income inequality, in a country that is already the most unequal among industrialised economies, With wealth inequality levels roughly 40% higher than the OECD average.[xxxiv] These figures reveal not only widening disparities but also a structural fragility: growth is increasingly financed by asset inflation rather than productivity, embedding inequality as the defining economic feature of the US.

Heading towards a Gilded rather than a Golden Age

While the current administration's policies may have delivered short-term boosts to growth, tariffs, some investment, and news headlines, the design threatens to entrench a structural inequality more lasting and destabilizing than before. Rather than a "new Golden Age," the trajectory bears a striking resemblance to America's Gilded Age (1877-c.1900), so-called precisely because its brilliance was only a thin layer masking deep societal fractures.[xxxv] Like that earlier era, today's apparent prosperity conceals widening disparities, fragile foundations, and a system tilted toward the wealthiest few. At the dawn of the 2020s, for instance, the top 0.01% of Americans held about 10% of national wealth, up from 2% in the late 1970s.[xxxvi]

The original Gilded Age seemed to showcase brilliance, but was a thin layer masking deep societal fractures

Chart: Heading to A New Gilded Age



Source: Board of Governors of the Federal Reserve System. (2025, June 20). Distribution of household wealth in the US since 1989 [Data visualization]. Federal Reserve. https://www.federalreserve.gov/releases/z1/dataviz/dfa/distribute/chart/

While this is not *quite* at Gilded Age levels yet, we are closer than at any point since the 1920s. And the parallels between then and today run deep across many levels, as the table below comparing the two eras across key social, political and economic dimensions demonstrates.

Dimensions	America Today (2025)	Gilded Age America (c. 1877-1900)	Level of Overlap
Wealth Generation - Rising Inequality	▪ Top 1% own ~31% of wealth ▪ Bottom 50% hold ~2.5%	▪ Top 1% owned ~51% of wealth (1890); ▪ Bottom 44% held ~1.2%	High
Stock Market Boom - Asset Price Inflation	▪ S&P 500 up 230% since 2015	▪ DJIA rose >200% between 1896-1906 (before 1907 crash)	High
Industrial Monopolies - Power Concentration	▪ Google: ~90% search share ▪ Microsoft: ~70% OS share	▪ Standard Oil: ~90% refining share (1880s); ▪ U.S. Steel: ~60% steel share (1901)	High
Entrepreneurship - Wealth Accumulation	▪ Elon Musk peak wealth: 1.6% of GDP ▪ 902 billionaires in 2025	▪ Rockefeller peak wealth: 1.5% of GDP ▪ 4,047 millionaires in 1892	High
Demographics - Mass Immigration	▪ ~13.9% foreign-born (2023) ▪ Immigration central to politics	▪ ~14.7% foreign-born (1890); ▪ Immigration sparking nativist movements	High
Electoral Dynamics - Rising Populism	▪ MAGA movement reshaping Republican Party	▪ William Jennings Bryan ’ s “Cross of Gold” ▪ Populism fracturing political alignments	High

Dimensions	America Today (2025)	Gilded Age America (c. 1877-1900)	Level of Overlap
	▪ Populist rhetoric dominates campaigns.		
Influence of Money - Political Capture	▪ Lobbying spend hit US$4.5bn in 2024 ▪ PACs raised US$15.7bn in 2023-24 cycle	▪ Presidential elections and congress funded by corporate magnates	Medium
Technological Innovation - Disruptive Transformation	▪ Internet penetration rose from 73% (2014) to 93% (2024) ▪ E-commerce from US$304bn to US$1.2tn	▪ Railroads grew 5× (1871-1900), freight rates fell by one-third ▪ Telegraph use grew 6×, rates fell ~40%	Medium
Infrastructure Investment - Asset Bubbles	▪ Data-centre and IT build-out at ~4% of GDP	▪ Railroad construction at >10% of GDP in 1880s	Medium
Media & Communication - Undermining Traditional Information Sources	▪ Social media platforms dominate ▪ Polarisation fuelled by digital echo chambers	▪ Rise of mass newspapers ▪ Hearst & Pulitzer pioneered sensational "yellow journalism"	Medium
Financialisation & Speculation - Boom and Bust Cycles	▪ Bitcoin surged to US$68k (2021), then fell to US$16k (2022) ▪ S&P 500 plunged 34% in 33 days during COVID (2020)	▪ Panic of 1873: 18,000 business failures ▪ Panic of 1893: ~575 bank failures	Low

Then, as now, rapid economic gains favoured capital over labour, steel, oil, and rail magnates, the tech entrepreneurs of their day, amassed unprecedented fortunes while wages stagnated, just as today's financial markets and corporations thrive while real income growth for the average household lags. Then, monopolistic consolidation and speculative finance defined the age of Carnegie, Rockefeller, and Morgan. Today, Big Tech and scaled financial institutions command outsized influence, and their stock prices drive the market's overall performance.

Political and regulatory power capture in the Gilded Age by political organisations (such as Tammany Hall, which captured New York for the Democrats) find echoes in today's lobbying complex, where special interests heavily shape policy outcomes. Tariff battles, once central to late-19th century politics, again dominate the economic agenda. Both periods show high inequality, speculative markets, rapid immigration, urbanization, and tech shocks or their equivalents of the day, alongside political capture and media disruption. While the details underlying each dimension are different, the outcomes are often remarkably similar, for example, the political capture today built around political donations and Super PACs is more institutionalised and financialised than the 19th century patronage networks built around local party bosses, but both are equally powerful in shaping policy (and distorting democracy in the process).

There are of course also significant differences between the two eras, where the present era demonstrates significantly increased resilience versus the Gilded Age. The risk of labour conflict, for

instance, is far lower today; in the Gilded Age, violent strikes were a recurrent feature of industrial life, as workers without rights or safety nets fought for basic protections. Now, legal safeguards, workplace standards, and social insurance are embedded in the system, and while union density is much lower, this reflects the protections won by the unions having been institutionalised. As a result, labour disputes today tend to be more contained and less destabilizing to the broader economy than in history. Financial shocks are also less damaging. In the late 19th century, panics such as 1873 and 1893 triggered deep, prolonged depressions with no policy response. The US Federal Reserve was only established in 1913, before which there was no central mechanism to provide liquidity or restore stability, leaving the bail-out of the US government in 1893 (and again in 1907) to individual bankers like John Pierrepoint Morgan. Today, by contrast, the Fed and modern fiscal and monetary tools limit systemic risk and cushion downturns. Bubbles still burst, but they no longer bring the kind of economy-wide collapse that defined the Gilded Age.

This increasing resilience, however, comes with its own vulnerabilities. The speed of technological disruption and the sheer scale of the US economy amplify the impact of shocks when they do hit. The Global Financial Crisis of 2008 originated as a US housing market collapse but reverberated across the globe and all financial markets within weeks. Further, the rapid adoption of AI risks reshaping labour markets faster than institutions can adapt. And while inequality may not be as extreme as in 1900, the omnipresence of social media ensures that wealth disparities are constantly on display, making the divide between winners and losers more glaring, and potentially more politically explosive, than a century ago.

A broad-based "golden age" is a social, economic and political project that must avoid deepening social and political divides, reducing economic inequality, and driving meaningful inclusion across the country

So, while there are clearly difference between America today and in the Gilded Age, it is the similarities, and the risks that they bring, that outweigh. Far from inaugurating a broad-based "golden age," the current policies therefore risk deepening divides, and leaving many Americans more vulnerable to shocks. Taken together, these patterns suggest the US may be experiencing a period of apparent prosperity underpinned by structural vulnerabilities, a dynamic more reminiscent of the Gilded Age than a true Golden one.

Consequences of A Gilded Age: Increasing Fragility and Risk of Deep Correction

The deeper consequence of America entering a Gilded Age (rather than a Golden one) is that the current growth trajectory is a risky one which without remedies is unsustainable. This is not to say that the leading participants in today's capital markets cannot continue to make outsized profits and gather assets, particularly given they can ride both rises and falls. However, for America as a whole, history shows that periods of extreme inequality and speculative growth have tended not to unwind gradually, but to end in systemic crises that reset the balance of wealth and power. Throughout history,

Once inequality becomes embedded, it rarely reverses without profound disruption. Catastrophic shocks have been the only true "levellers": mass-mobilization warfare, revolutions, state collapse, and pandemics.

inequality has been the default rule rather than the exception. As societies grow wealthier and more complex, elites accumulate resources, entrench their positions, and design institutions to protect their privileges. Once inequality becomes embedded, it rarely reverses without profound disruption. Catastrophic shocks have been the only true "levellers" and have taken the form of mass-mobilization warfare, revolutions, state collapse, and pandemics.[xxxvii] The fall of empires annihilated fortunes along with states, and pandemics like the Black Death shifted bargaining power to workers by decimating populations. More recently, the two World Wars destroyed elite wealth and forced redistribution, while communist revolutions in Russia and China upended entrenched hierarchies. Such shocks affect all participants in the system.

In the first Gilded Age, concentration of wealth and fragile credit markets helped produce repeated financial panics in the markets that shook the public confidence.[xxxviii] Each wave destroyed household wealth, bankrupted firms, and destabilized politics. It was ultimately only the twin shocks of the Great Depression and World War II that imposed a structural correction whereby incomes were redistributed, new financial rules imposed, and the power of organized labour increased. The result was a broad-based middle-class prosperity in the mid-20th century that stands in contrast to the inequality of the 1890s. and the fragility of the 1920s.

By the 1950s the income share of the top 1% in America had fallen to less than 10% (from a high of 24% prior to the Great Depression), [xxxix] while real median wages rose consistently across income groups.[xl] As outlined, by contrast, today the top 0.1% alone holds as much wealth as the bottom 90%.[xli] If left unaddressed, this concentration points toward the same instability that defined earlier episodes.

Rising inequality breeds destabilisation, and so the treading of a gilded path yields not only inequality, but also fragility which leaves economies more suspectable to the inevitable shocks that act as levellers. Headline wealth creation may appear dazzling, yet it leaves societies vulnerable to crisis, and it is through crisis that redistribution has historically been forced. The policy choices ahead will determine whether this cycle can be broken through reform rather than radical experiments and disruptive rearchitecture.

Conclusion: A Surge to Where?

This administration's economic strategy reflects a deliberate break from the post-Cold War consensus, aiming to rebuild industrial sovereignty in a zero-sum game of global value extraction using protectionism, subsidies, and technology dominance. Its gamble could succeed if temporary barriers catalyse lasting productivity gains, if reshoring produces full value-chain renewal rather than symbolic assembly, and if fiscal and monetary discipline can sustain confidence through the transition. Equally, its punitive measures toward allies and rivals - using tariffs, sanctions, and investment restrictions to extract value and compel alignment - could yield short-term bargaining power if global demand for US markets and technology remains strong, and do not lead to effective retaliation and diversification. Yet these conditions are exacting, and history suggests that when such gambles fail, they rarely end in quiet correction, they unravel through financial crisis, violent geopolitical confrontation, or internal civil fragmentation and conflict. In that sense, the stakes of America's current approach are no longer merely economic, they are civilisational.

The trajectory of the US economy under Trump highlights a paradox. On the surface, tariff revenues, reshoring, and market gains suggest a resurgence of American economic dynamism. Yet beneath these

headline numbers, deepening inequality, structural fragilities, and a politics increasingly organized around division point to more brittle foundations. History warns that such imbalances are rarely sustainable for long, and that absent deliberate reform, they have often been resolved only through disruptive shocks.

Left unaltered, America's current trajectory raises the question whether it is heading towards a disruptive leveller. While President Trump and the administration's rhetoric and executive actions, escalating the culture war, immigration raids, escalations to the supreme court, sidelining of Congress, dismantling DEI and environmental policies, and branding resistance as treason, seem popular with many who feel the pendulum needed to swing back from liberal social politics, they have strained the country's social fabric to unprecedented levels, by design. While the American left has mobilized in protest, it is worth noting that the only attempt to overturn the government in recent history came not from progressives, but from Trump's own supporters on January 6th. If centralized authority is used in the way that it is today, it could light the fuse of civil conflict.

America is moving towards greater centralisation of power. While this may enable radical change, if it serves mainly the wealthy or ideological interest, the public cost of sustaining it, and the eventual reckoning, could be severe

While the average MAGA voter may be worse off economically than he was under Biden at this stage,[xlii] the Administration retains strong support from its electoral base given for many ardent supporters, their losses are outweighed by cultural and ideological fulfilment, and perhaps a faith that the economics will return. Delivering on promises of stricter immigration controls, economic nationalism, and identity-based appeals provides a sense of empowerment and belonging that economic losses alone are not currently eroding. This political resilience allows the Administration to maintain a loyal following despite the evidence that its policies negatively impact inequality.

Meanwhile, financial, technology and corporate America continue to thrive. Deregulation and tax cuts have lifted earnings, while the volatility from trade wars and unpredictable policymaking has generated enormous profits for sophisticated financial market players. Public criticism by business leaders of the president's economic policies has been muted, reflecting a level of caution, and a strategic calculation (and perhaps hope) that things will not go too far.[xliii] In the absence of an unbearable heightening of inequalities - and the American public have a high threshold - and economic vulnerabilities turning into serious downturn, absent corrective measures, the risk is one of gradual erosion. The opportunity cost for the country as a whole comes from the social divisions widened, the economic vulnerabilities not addressed, the future liabilities increased, and the geopolitical price in lost trust.

Looking forward, the uncertainties surrounding America's economic future remain to be addressed: social disruption driven by digitalization and artificial intelligence; the massive capital reallocation required for the global energy transition; the rise of geopolitical rivals with allies drifting or thrust into their arms; and the redistribution of global economic power toward Asia, reshaping the contours of growth and power in the twenty-first century.[xliv] None of these forces can be held at bay by tariffs, tax cuts, short-term fiscal cushions or ideological manoeuvring. A genuine, sustainable Golden Age for America will require grappling with these challenges methodically and strategically.

America has addressed radical issues before of course and is a product of having done so better than others. In the aftermath of World War II, it combined innovation with domestic reform,

and international institution-building, creating not just decades of prosperity at home but a rules-based order that underpinned global growth and stability. History shows that a real Golden Age comes not from short-term gains or headline statistics, but from adapting to new realities and building national strength on broad, lasting prosperity. Whether the United States can again shift from disruption to renewal will define not only its own trajectory but will also have a material impact on the global economy.

The Leader: Endnotes

[i] Greater Pacific Capital (April 2025) *The Strength of America's Economic Foundations,* GPC Sign of the Times; Greater Pacific Capital (May 2025) *Tariffs and Trade Wars: Can They Help America Create Prosperity?,* GPC Sign of the Times;

[ii] Associated Press. (2025, August 12). *U.S. budget deficit climbs despite record income from Trump's tariffs*. AP News. https://apnews.com/article/us-budget-deficit-trump-tariffs-treasury-992949ccc115fddbf3838a6213cf2c94

[iii] Primack, D. (2025, June 30). *Scoop: Trump admin customs revenue tops $100 billion, boosted by tariffs*. Axios. https://www.axios.com/2025/06/30/trump-tariffs-customs-revenue?

[iv] Turnbull, M. (2025, June 6). *America's allies must save themselves*. *Foreign Affairs*. https://www.foreignaffairs.com/united-states/americas-allies-must-save-themselves

[v] The Budget Lab. (2025, August 12). *Combined distributional effects of the One Big Beautiful Bill Act and of tariffs*. Yale University. https://budgetlab.yale.edu/research/combined-distributional-effects-one-big-beautiful-bill-act-and-tariffs-0

[vi] Doe, J. (2025, March 10). *What is in Donald Trump's giant tax-cutting bill?* Financial Times. https://www.ft.com/content/7eca7746-79a4-4eef-92ce-a63f71be58b7

[vii] Lautz, A. (2025, July 23). *What does the One Big Beautiful Bill cost?* Bipartisan Policy Center. https://bipartisanpolicy.org/explainer/what-does-the-one-big-beautiful-bill-cost/?

[viii] Congressional Budget Office. (2025, June). *H.R. 0001: Dynamic estimate* (CBO publication). https://www.cbo.gov/system/files/2025-06/hr0001-dynamic-estimate.pdf

[ix] Pringle, E. (2025, October 14). *America is 'going broke slowly' says JPMorgan, as national debt balloons and tariff revenue looks shaky*. Fortune. https://fortune.com/2025/10/14/america-going-broke-jpmorgan-david-kelly-debt-tariffs/

[x] Hope, D. (2023, January 24). *Tax cuts for the wealthy only benefit the rich: Debunking trickle-down economics*. London School of Economics. https://www.lse.ac.uk/research/research-for-the-world/economics/tax-cuts-for-the-wealthy-only-benefit-the-rich-debunking-trickle-down-economics

[xi] Greater Pacific Capital (July 2025) Project 2025, Trump and the Remaking of the World, Sign of the Times; Greater Pacific Capital (Feb 2025) The President's Executive Orders, Reshaping America and its Place in the World, Sign of the Times;

[xii] *CBO: Trump tariffs would bring down deficits by trillions, tax bill widens them*. Axios. https://www.axios.com/2025/06/04/trump-tariffs-taxes-budget-cbo?

[xiii] Barbuscia, D. (2025, August 21). *Economic impact of tariffs will be key for U.S. rating, says S&P analyst*. Reuters. https://www.reuters.com/business/economic-impact-tariffs-will-be-key-us-rating-says-sp-analyst-2025-08-21/?

[xiv] Financial Times. (2025, May 16). Donald Trump's investment deals are a mirage. Financial Times. https://www.ft.com/content/58c17421-f0f2-4d51-a1a1-ae8ee11926a0

[xv] Briggs, J., & Dong, S. (2025, May 16). U.S. investment pledges: Separating announcements from reality [Client research note]. Goldman Sachs Global Investment Research.

Financial Times. (2025a, May 16). A multitrillion-dollar wave of investment? Think again, says Goldman Sachs [White House $10tn claim; Goldman Sachs $6tn estimate; Apple and TSMC pledges; $4.6tn government commitments; Q1 2025 FDI flows]. https://www.ft.com/content/58c17421-f0f2-4d51-a1a1-ae8ee11926a0

[xvi] Gertken, M. (2025, May). Global trade tensions and FDI commitments [Research commentary]. BCA Research.

[xvii] Zandi, M. (2025, April 29). U.S. economic policy headwind [Working paper]. Moody's Analytics.

[xviii] Irwin-Hunt, A. (2025, April 9). *Homecoming: US foreign investment shifts course* — All the while, Chinese firms are accelerating their overseas expansions. *fDi Intelligence*. https://www.fdiintelligence.com/content/0178d023-ebc5-48ab-93e6-9ab1778ea408

[xix] Oxlade, A. (2025, August 22). *Markets in 2025: the colour-coded table that explains all*. Fidelity International. https://www.fidelity.co.uk/markets-insights/markets/global/markets-in-2025-the-colour-coded-table-that-explains-all/

[xx] Refinitiv. (2025, September). *Everything flows UK (8/25): Equity & US rebounds in August despite net redemptions for asset class*. Lipper Alpha.

[xxi] The Budget Lab. (2025, July 28). *State of U.S. tariffs: July 28, 2025*. Yale University. https://budgetlab.yale.edu/research/state-us-tariffs-july-28-2025

[xxii] Tax Foundation. (n.d.). *Trump's tariffs & the trade war*. Retrieved from https://taxfoundation.org/research/all/federal/trump-tariffs-trade-war/

[xxiii] Furceri, D., Hannan, S. A., Ostry, J. D., & Rose, A. K. (2019). Macroeconomic consequences of tariffs (IMF Working Paper No. 19/9). International Monetary Fund.

[xxiv] Lee, V., Seshadri, P., O'Niell, C., Choudhary, A., Holstege, B., & Deutscher, S. A. (2025, January 20). *Breaking barriers to data center growth*. Boston Consulting Group. https://www.bcg.com/publications/2025/breaking-barriers-data-center-growth

[xxv] International Energy Agency. (2025, April 10). *Energy and AI*. https://www.iea.org/news/ai-is-set-to-drive-surging-electricity-demand-from-data-centres-while-offering-the-potential-to-transform-how-the-energy-sector-works

[xxvi] BloombergNEF. (2025, April 28). *China dominates clean technology manufacturing investment as tariffs begin to reshape trade flows*. BloombergNEF. https://about.bnef.com/insights/clean-energy/china-dominates-clean-technology-manufacturing-investment-as-tariffs-begin-to-reshape-trade-flows-bloombergnef/

[xxvii] Edelman, R. D., Fu, D., Hass, R., Kim, P. M., Lin, Y., Ma, Y., O' Hanlon, M. E., Sisson, M. W., Tabassi, E., & Turner Lee, N. (2025, June 18). *How will AI influence U.S.–China relations in the next 5 years?* Brookings. https://www.brookings.edu/articles/how-will-ai-influence-us-china-relations-in-the-next-5-years/?

[xxviii] Australian Strategic Policy Institute. (2024). *ASPI's two-decade Critical Technology Tracker: The rewards of long-term research investment* (Report). https://ad-aspi.s3.ap-southeast-2.amazonaws.com/2024-08/ASPIs%20two-decade%20Critical%20Technology%20Tracker_1.pdf

[xxix] Greater Pacific Capital (April 2025) *The Strength of America's Economic Foundations,* Sign of the Times;

[xxx] MSCI. (2023, November 2). Sizing up the global-market portfolio. MSCI Research & Insights. https://www.msci.com/research-and-insights/blog-post/sizing-up-the-global-market-portfolio; State Street Global Advisors. (2024, May). The Global Market Portfolio 2024. https://www.ssga.com/us/en/institutional/insights/global-market-portfolio-2024

[xxxi] Board of Governors of the Federal Reserve System. (n.d.). *Share of corporate equities and mutual fund shares held by the top 1% (99th to 100th wealth percentiles) [Data series WFRBST01122]*. FRED, Federal Reserve Bank of St. Louis. Retrieved October 15, 2025, from https://fred.stlouisfed.org/series/WFRBST01122

[xxxii] The Budget Lab. (2025, July 28). *State of U.S. tariffs: July 28, 2025*. Yale University. https://budgetlab.yale.edu/research/state-us-tariffs-july-28-2025

[xxxiii] Financial Times. (2025). *Poorest US workers hit hardest by slowing wage growth*. https://www.ft.com/content/cfb77a53-fef8-4382-b102-c217e0aa4b25

[xxxiv] OECD. (n.d.). *Income and wealth distribution databases*. OECD. https://www.oecd.org/en/data/datasets/income-and-wealth-distribution-database.html?utm_source=chatgpt.com

[xxxv] Source: Twain, Mark, and Charles Dudley Warner. *The Gilded Age: A Tale of Today*. Hartford, CT: American Publishing Company, 1873.

[xxxvi] Source: *Board of Governors of the Federal Reserve System. (2025, June 20). Distribution of household wealth in the US since 1989 [Data visualization]. Federal Reserve. https://www.federalreserve.gov/releases/z1/dataviz/dfa/distribute/chart/*

[xxxvii] Scheidel, W. (2017). The great leveler: Violence and the history of inequality from the Stone Age to the twenty-first century. Princeton University Press

[xxxviii] Kindleberger, C. P., & Aliber, R. Z. (2011). Manias, panics, and crashes: A history of financial crises (6th ed.). Palgrave Macmillan.

[34] Atkinson, A. B., Piketty, T., & Saez, E. (2011). *Top Incomes in the Long Run of History*. *Journal of Economic Literature*, *49*(1), 3-71. https://eml.berkeley.edu/~saez/atkinson-piketty-saezJEL10.pdf

[xl] Mishel, L., & Bivens, J. (2021, May 13). Identifying the policy levers generating wage suppression and wage inequality. Economic Policy Institute. https://www.epi.org/unequalpower/publications/wage-suppression-inequality/

[xli] Board of Governors of the Federal Reserve System. (2025, June 20). Distribution of household wealth in the U.S. since 1989 [Data visualization]. Federal Reserve. https://www.federalreserve.gov/releases/z1/dataviz/dfa/distribute/chart/

[xlii] Sources: Morgan, J. M., & West, R. (2025, July 31). *The hidden costs of Trump's economy: Skipped meals, rising debt, and the impossible choices facing American families*. The Century Foundation. https://tcf.org/content/report/the-hidden-costs-of-trumps-economy-skipped-meals-rising-debt-and-the-impossible-choices-facing-american-families; Winter, J. (2025, August 21). *Will the MAHA Moms turn on Trump? The New Yorker*. Brainard, L. (2025, April 2). *Guess who's in store for pain — and gain — under Trump's economic plans*. The Washington Post. https://www.washingtonpost.com/opinions/2025/04/02/trump-tariffs-tax-cuts-lael-brainard/

[xliii] Zakaria, F. (2025, June 6). *Why CEOs are silent in the face of Trump's destruction*. *The Washington Post*. https://www.washingtonpost.com/opinions/2025/06/06/ceo-silent-trump-economic-freedom/?

[xliv] Patel, K., Hansmeyer, C., Desai, N., & Ajit, A. (2025). *American hegemony at a critical juncture: Lessons from history's great powers*. *Frontiers in Political Science, 7*. https://doi.org/10.3389/fpos.2025.1511913 frontiersin.org+1