

Macro Roundup Article

Headline: [The 2024 Harris Campaign Policy Proposals: Budgetary, Economic and Distributional Effects](#)

Article Link: <https://budgetmodel.wharton.upenn.edu/issues/2024/8/26/harris-campaign-policy-proposals-2024>

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Tweet: The Penn Wharton Budget Model forecasts that the Harris campaign's tax and spending proposals would increase primary deficits by \$2T over the next decade and leave GDP 1.3% smaller by 2034 relative to the @BudgetModel baseline.

Summary: We project that spending increases by \$2.3 trillion over 10 years while conventional tax revenue increases by \$1.1 trillion, for a difference in primary deficits of \$1.2 trillion. Accounting for negative economic feedback effects, primary deficits increase to \$2 trillion. Relative to current law, GDP falls by 1.3% by 2034 and by 4% within 30 years (year 2054). Capital investment and working hours fall, thereby reducing wages by 0.8% in 2034 and by 3.3% in 2054. Low- and middle-income households in 2026 and 2034 fare better under the campaign proposals on a conventional basis, while households in the top 5% of the income distribution fare worse. These conventional gains and losses do not include the negative impact of the additional debt burden on future generations who must finance most of the spending increases.

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Primary Topic: Growth

Topics: Fiscal Deficits, Fiscal Policy, GDP, Government Spending, Growth, Op-Ed/Blog Post, Taxation

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