



Ropes Wealth Reviews the Results of the 2024 Presidential Election

The votes are in. Donald J. Trump was elected the 47th president of the United States. As of this writing, the Republican Party has won a majority in the U.S. Senate and is fighting to keep their majority in the U.S. House, which would represent a full sweep for the GOP. After what's already been a strong year, markets soared even higher over the last few days, as traders reacted favorably to the prospect of deregulation and business-friendly policies.

"We made history for a reason tonight," Trump told supporters during a victory speech at the West Palm Beach Convention Center. *"This will truly be the golden age of America. This is a magnificent victory for the American people that will allow us to 'Make America Great Again' for all Americans. Success will bring us together. We are going to start by all putting 'America First.' We have to fix it. I will not let you down. America's future will be bigger, better, bolder, richer, safer and stronger than it has ever been before."*

With these election results, we've seen a shift in the political climate that has implications for U.S. trade policy, immigration, climate change, the war in Ukraine, electric vehicles, taxes, and more. I'll review some of the key policy priorities laid out during the president-elect's campaign below, but first, I hope you will indulge me in adding some perspective.

Presidential elections, especially in a polarized time, are emotional. As I have been writing for weeks, it is important to maintain a long-term focus on your financial plan and seek to avoid dramatic moves to your positioning in response to changes in leadership. Just because a promise was made on the campaign trail does not mean that it will come to fruition when the candidate takes office. Likewise, presidents and fiscal policy are only one piece of the economic puzzle. CEOs of companies, the Federal Reserve, and consumers also play important roles, not to mention other external factors like wars, pandemics, and natural disasters. Our approach is to seek actionable opportunities to help you reach your financial goals based on all the puzzle pieces that impact the wealth planning process.

With that backdrop in mind, here is a recap of some of the policies that could influence the investment and planning landscape.

Trump has floated the idea of a 10% or more tariff on all goods imported into the U.S., a move he says would eliminate the trade deficit. He also wants the authority to set higher tariffs on countries that have put tariffs on U.S. imports.

Allies such as Mexico and the European Union could see higher duties on their goods based on his remarks. In addition, Trump has proposed phasing out Chinese imports of goods such as electronics, steel and pharmaceuticals over four years. He asserted that he will seek to prohibit Chinese companies from owning U.S. real estate and infrastructure in the energy and tech sectors.

On immigration, Trump has vowed to reinstate his first-term policies targeting illegal border crossings and to forge ahead with sweeping new restrictions. He pledged to limit access to asylum at the U.S.-Mexico border and to embark on the biggest deportation effort in American history. Trump has said he would seek to end automatic citizenship for children born to immigrants, a move that would run against the long-running interpretation of the U.S. Constitution's 14th Amendment.

Success enacting these tariff and immigration policies could have wide-ranging ripple effects on global trade as well as the cost of goods and labor.

Related to energy policy, Trump has vowed to increase U.S. production of fossil fuels by easing the permitting process for drilling on federal land and would encourage new natural gas pipelines. This includes reauthorizing oil drilling in the Arctic National Wildlife Refuge in Alaska. Trump has vowed that he will again pull the U.S. out of the Paris Climate Accords and would support increased nuclear energy production. He would also roll back President Biden's electric-vehicle mandates and other policies aimed at reducing auto emissions.

Turning to taxes and regulation, Trump promised to reduce federal regulations that he says limit job creation. He has pledged to keep in place a broad 2017 tax cut that he signed while in office, and his economic team has discussed a further round of individual and corporate tax cuts.

For example, Trump has pledged to reduce the corporate tax rate from 21% to 15% for companies that make their products in the U.S. He has also said he would seek legislation to end the taxation of tips and overtime wages to aid waiters and other service workers. He has pledged not to tax or cut Social Security benefits.

Trump has been critical of U.S. support for Ukraine in its war with Russia. He has suggested Ukraine may have to yield some of its territory in the interests of peace, an idea Ukraine has consistently rejected. Trump also wants the U.S. to fundamentally rethink "NATO's purpose and NATO's mission." He has backed Israel in its fight against Hamas in Gaza while urging the country to wrap up its offensive. Trump can be expected to continue the Biden administration's policy of arming Israel. At the same time, he is likely to push for historic normalization of relations between Israel and Saudi Arabia, an effort he made during his 2017–2021 presidency and which Biden has also pursued.

In other news this week, the Federal Reserve concluded its two-day policy meeting. Following an outsized 50-basis-point cut in September, the Fed continued along a path to easier monetary policy albeit at a reduced pace with a more tempered interest rate cut of 25 basis points this week. This move reduced the federal funds rate to a range of 4.50% to 4.75%. It was notable in the accompanying press conference to hear Fed President Jay Powell reassure markets emphatically that he will not resign his role prior to the expiration of his term in May 2026. While Trump is likely to exert tremendous pressure on him, Powell noted curtly that it was "not permitted under the law" for a new administration to dismiss him ahead of the end of his term.

We will continue to assess the new administration's agenda in the days and months ahead, and particularly the implications for your portfolios and planning. With the election behind us, it is time to look forward to how it impacts you, your families and financial markets more broadly. As always, we are here to support you on your journey, and I leave you with some solid advice from the writings of St. Thomas Aquinas to take you into the weekend:

"We must love them both, those whose opinions we share and those whose opinions we reject, for both have labored in the search for truth, and both have helped us in finding it."

Thank you for your interest in our investment commentary and for your relationship with us. If you would like to speak personally with a member of our team at any time, please click [here](#).

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