



What to Know: Domestic Policy Priorities in the Second Trump Administration

Just weeks after the 2024 election, clear differences between President-elect Donald Trump's first term and upcoming second term have already begun to emerge. On one hand, his team is more disciplined and organized, on pace to announce all major cabinet picks before Thanksgiving. On the other, those picks have bucked convention even by Trump's standards, including elevating several TV personalities to lead some of the nation's largest departments and agencies, along with tapping billionaire entrepreneurs and CEOs like Vivek Ramaswamy and Elon Musk. Several of the selections have shocked Washington, as well as world leaders, and show Trump's prioritizing three things: loyalty, disruption and unconventional coalitions that cut across ideology.

Those tenets will also likely guide Trump's populist agenda when he assumes office for the second time in January. While his chief policy priorities are well-defined, they remain light on details. Policy proposals from the [Heritage Foundation's Project 2025](#) and the [America First Policy Institute](#) – drafted with input from former and likely future Trump staffers – could inform the administration's approach. With a Republican majority in the Senate under new Majority Leader John Thune (R-SD), but a thin Republican majority in the House of Representatives, expect Trump to look for actions he can take unilaterally via executive order, as he continues to pressure Congress to acquiesce to his will.

Through it all, Trump will again dominate a fast-paced news cycle and drive his message through social media platforms like Truth Social and X.





The Trump Administration's Priorities (cont.)

Spurring Economic Growth

Inflation and the economy consistently ranked as the top issue for voters this cycle. A second Trump administration is expected to pursue a slate of pro-manufacturing, economic protectionist policies with the aim of further lowering inflation. However, some of Trump's economic policies, including tariffs, could result in higher prices for everyday Americans and risk spooking the stock market.

Bolstering U.S. manufacturing – including through “onshoring” – will be a top focus, particularly after supply chain disruptions during the COVID-19 pandemic. Deregulation and removing occupational barriers like educational credentialing and licensing are also tools Trump is expected to use to make the U.S. a “manufacturing superpower.”

On trade, Trump intends to expand tariffs imposed in his first administration and has proposed a 10%-20% tariff on foreign goods and a 60% tariff on China. How these tariffs would be enacted – whether through executive order or through a 2025 tax reform package – is still a matter of practical and legal debate. There is resistance in Congress to using tariffs as a revenue generator, with a recognition that, in practice, tariffs can drive up costs and be inflationary.

Doubling Down on Immigration & Border Security

Immigration and border security remain top priorities for a second Trump administration. While securing the border – and completing the border wall he promised in 2016 – is still on the agenda, Trump's second administration will be increasingly focused on addressing the domestic impact of increased immigration.

Trump has promised to pursue the largest mass deportation effort in U.S. history, but doing so on the scale he has proposed will be time- and resource-intensive, if not logistically impossible. There are an estimated 11 million people in the U.S. without legal status, and an estimated 1.9 million people have already received final removal orders, meaning their cases have completed their way through the immigration courts. Compared to the 250,000 people the U.S. currently deports per year, Trump's proposal represents an enormous increase requiring significant funding and staffing surges.

Trump's immigration and border policies are also likely to face legal challenges. His team is reportedly exploring executive actions that can be taken on his first day in office, such as throwing out the Biden Department of Homeland Security's current deportation prioritization approach and overturning Biden-era mandates. Learning from the courts' rejection of Trump's 2017 travel ban for majority-Muslim countries, these actions will be preemptively designed to withstand legal appeals.



What to Watch

TAX REFORM: In 2017, Trump signed into law \$4.6 trillion worth of tax cuts; those cuts are set to expire at the end of 2025. Negotiating a new tax bill will be a top – but challenging – priority. In addition to making lower individual tax rates permanent, Trump has promised even more cuts, including eliminating taxes on tips. He has proposed lowering the corporate tax rate from 21% to 20% and suggested bringing it down to 15% for companies that make their products in the U.S. However, there is no clear consensus among Republicans on how to pay for the cuts, which would add to the country's \$2 trillion deficit.

DEREGULATION AND SPENDING CUTS: Trump tapped Musk and Ramaswamy to lead the new Department of Government Efficiency (DOGE) – an advisory board tasked with developing recommendations for eliminating out government inefficiencies. DOGE promises to eliminate entire agencies if necessary to reduce overall spending by up to 30%. Musk and Ramaswamy contend recent Supreme Court rulings – including *Loper Bright v. Raimondo*, which overturned the doctrine that courts should defer to federal agencies' interpretation of their rulemaking authority – mean that many agency regulations exceed the authority granted by Congress. These regulations can therefore be negated by executive action, with corresponding spending cuts.

DOGE's immediate impact is likely to be making hay in the media by spotlighting specific programs, advocating for a reduced federal workforce and potentially inviting a court challenge around Congress' spending authority. DOGE will also have to contend with the fact that the vast majority of federal spending goes to entitlement programs, requiring legislation to make changes.

Key Leadership in the Trump Administration

Inside the White House, Trump's campaign co-chair **Susie Wiles** will become the first woman to serve as Chief of Staff, while immigration hawk **Stephen Miller** will serve as Deputy Chief of Staff for Policy. **Vice President-elect JD Vance** will play a key role in advocating for Trump's agenda on Capitol Hill, within conservative circles and with the American public. His first job: shepherding the president-elect's cabinet nominees ahead of the Senate confirmation process, including **Pete Hegseth**, the Fox News host nominated for Secretary of Defense, and activist and former third-party presidential candidate **Robert F. Kennedy, Jr.**, nominated as Secretary of Health and Human Services. Trump's most controversial selection to date, **former Rep. Matt Gaetz (R-FL)**, nominated for Attorney General, withdrew from consideration after facing stiff political headwinds on Capitol Hill; Trump has since nominated **former Florida Attorney General Pam Bondi** to lead the Department of Justice. Other nominees include Republican governors, senators, members of Congress and billionaire campaign advisors.