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# *Trump 2.0: The First 100 Days*

The U.S. President is “everywhere, all at once,” but how risky is his aggressive approach?

Donald J. Trump has hit the ground running in driving the policy agenda. Some actions have been fairly predictable, including tough actions on immigration, the unwinding of regulations and more assertive trade policy. But the scale and speed of federal jobs cuts, hostile treatment of allies and, especially, the extent of the proposed tariff regime have caught many off guard. Worries over the impact of tariffs on the economy have contributed to a spike in market volatility. We connected with political analyst Frank Kelly to explore the initial dynamics of Trump 2.0.

***Frank, how would you characterize the overall efforts of the new administration?***

I think there could be a complete restructuring of the economy as we’ve known it, soup to nuts. Whether trade, immigration, regulation or tax, the administration is executing a radical reinterpretation and restructuring. It’s going to be very different. It’s determined, it’s focused, even though it seems chaotic. Donald Trump has a vision that, interestingly enough, appears focused on the middle and lower classes: Tariffs, in his mind, help with that voter base, which was instrumental in his reelection.

***Did Trump miscalculate on tariffs?***

I think the president may have failed to think through their potential impacts, both economically and geopolitically. He seemed to tolerate stock market declines, but the bond market sell-off likely prompted the 90-day pause on “reciprocal” tariffs, and we are already seeing a retreat in terms of negotiations and exceptions—I would expect some significant deals soon. Moreover, the situation may be isolating us diplomatically, with other nations including China conferring on how to respond.

***How willing is Trump to accept economic pain?***

There’s a concept floating around that the administration may prefer to drive the economy into recession sooner rather than later. This would force interest rates lower, take care of inflation and allow further rebalancing economically. The idea would be to get the short-term pain over with, so that by 2026, the economy would be “rip-roaring.”

***So, the motivation is to help in the midterm elections?***

There’s that, but 2026 is also the country’s 250th birthday, and our “marketer in chief” may want to show how he has reshaped the country, and made it bigger, better and stronger than ever before. That’s the vision, anyway.

*The Department of Government Efficiency (DOGE) has drawn significant backlash. How do you think the project is going?*

Despite the turmoil, I think Elon Musk is making progress on the president's agenda. This reminds me of having a 14-year-old doing your yardwork. He's whacking the weeds and grass but also killing some of your prize peonies and rose bushes. The DOGE cuts have been brutal, but are also accomplishing the intended downsizing and cost-cutting. Interestingly, there are a lot of complaints about the cruelty of the cuts to federal workers, but far fewer arguments that we are losing critical federal functions.

I think the process would have been much more difficult if it had been left to the cabinet heads, who are innately protective of their own fiefdoms. As it stands, you are already seeing some of the cuts (including to NASA) restored by Congress during budget negotiations.

*Is the budget process running into trouble?*

Although the administration has been running at a breakneck pace, Congress has been a different story. Initially, it looked like there could be a reconciliation bill

THE BUDGET DEFICIT IS LIKELY TO GROW

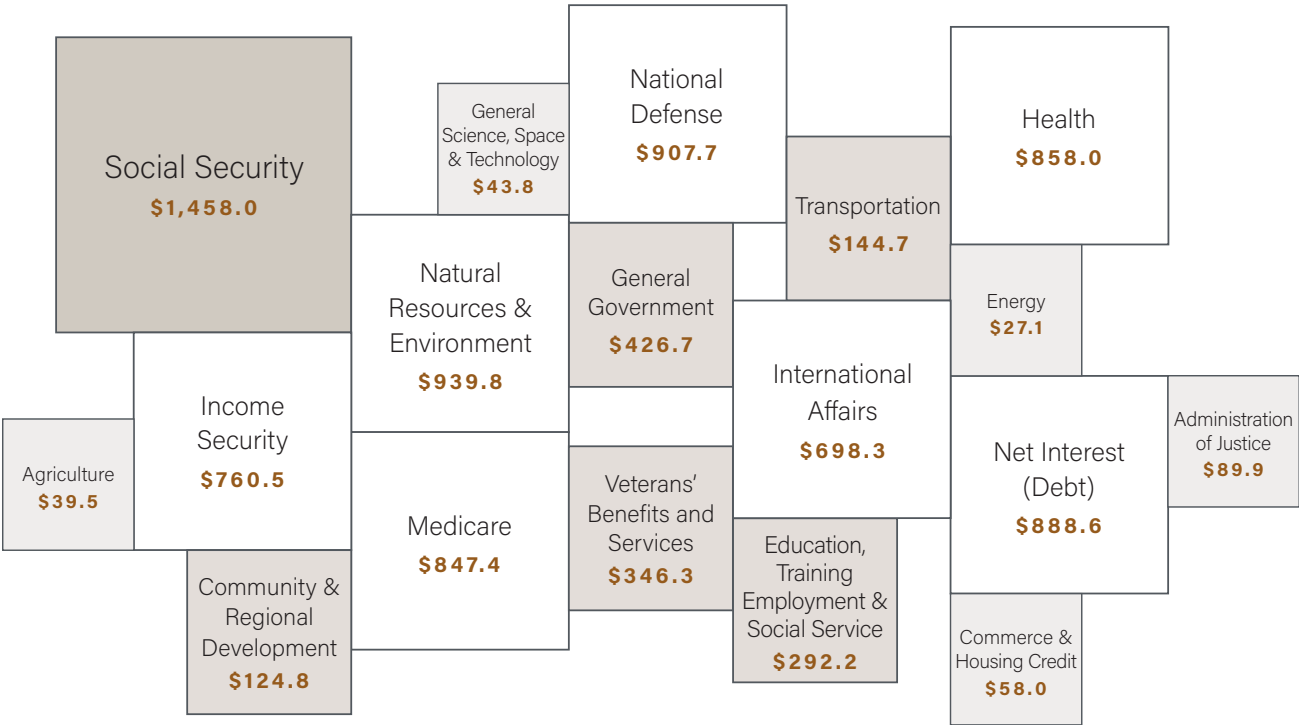
Change in 10-Year Deficits Allowed Under the FY 2025 House Budget Reconciliation Instructions (\$ Billions)

Decreases in Mandatory Spending	-2,002
Agriculture	-230
Education and Workforce	-330
Energy and Commerce	-880
Financial Services	-1
Natural Resources	-1
Oversight and Government Reform	-50
Transportation and Infrastructure	-10
Unspecified Committee	-500
Increases in Mandatory Spending	300
Armed Services	100
Homeland Security	90
Judiciary	110
Decrease in Tax Revenues: Ways and Means	4,500
Total Allowed Increase in the Primary Deficit	2,798

Source: House Budget Committee. Increase or decrease in deficits, 2025 – 2034. The targets for each committee are bounds; positive amounts are "maximum deficit increases" and negative amounts are "minimum deficit reductions."

DOGE's Massive Target

U.S. Government Outlays by Function, 2024 (\$ Billions)



Source: Fortune, Budget of the United States Government, as of January 2025. Figures are estimates.

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by the end of March. But now, they'll be lucky if they have this done by September. Passing the budget framework was an important step, but there's a lot of disagreement between House and Senate Republicans, not just on spending, but on taxes as well.

For example, how do you solve for the cap on the state and local tax (SALT) deduction? Blue-state Republicans worry that they won't be reelected if it isn't removed or increased, but red-state Republicans see such a move as rewarding Democrats for profligate spending. There's a big gap between these positions and many others.

***How does DOGE fit in?***

In the House of Representatives, the Freedom Caucus deficit hawks have made it clear that they won't vote for a reconciliation package without \$2 trillion in cuts—so the success of DOGE is important, although I'd be surprised if comes even close to finding \$1 trillion in savings. Then there are Trump's campaign promises of no taxes on tips or overtime, and deductible loans for U.S. cars. These are big revenue-eating provisions that he is unlikely to give up on because he wants to consolidate Republican support among working-class voters in swing states.

***Do tariffs have the potential to help with the budget picture, as Trump suggests? Or is that beside the point?***

I'm skeptical that they will have much benefit as a revenue source, especially given their potential dampening effect on the economy. However, Trump appears to be treating tariffs like a big real estate development project, where he's in back-and-forth negotiation with the bricklayers. It's a constant battle to get what he wants. His reciprocal approach to tariffs is prompting a flood of foreign political and business leaders to come ask him for exemptions and special deals, the price of which may be to invest in the U.S. Close to \$10 trillion of foreign investment has already been committed since mid-January.

***How about foreign policy? What should we conclude from his tough approach to Volodymyr Zelensky and Ukraine?***

I'd put it like this: The president is a commercial CEO, and everything is a deal that involves a cost-benefit analysis, including whether to support Ukraine. There's no space for ideology when that's your approach. (In contrast, Vladimir Putin, despite his reputed wealth, is not a just commercial guy but also an ideologue who hates what happened to the Soviet Union at the hands of the West.) In addition, Trump has bad feelings toward Ukraine given its impact on his first term, and also seems to feel that "enough is enough" when it comes to the bloodshed and wasted treasure. An X factor for Trump may be a worry that all the hardship in Russia could lead to Putin's ouster and replacement by even more extreme elements. What would happen next? How dangerous would the world become? He would rather not find out.

***Mineral rights are now a cornerstone of our Ukraine support. How viable would such a deal be?***

I see some issues. Many of the crucial minerals are behind Russian lines. Would we have to buy them from Putin? And all the minerals would need to be separated by smelting, which is a dirty process now dominated globally by the Chinese. Would we have to bring them into the deal, possibly defeating its very purpose? Also, would Putin really be okay with having all these major U.S. multinational companies (and CIA operatives) at his doorstep? And wouldn't their presence, in turn, become a commercial security concern for the U.S.? There's just a lot to think about.

***We seem to be getting tougher on China. Do you still feel that Trump is in pursuit of a grand bargain there?***

Yes, 100%. However, the Chinese appear to view the current ramp-up in tariffs as an existential threat, which obviously makes it harder to thaw relations. Trump and Xi Jinping both have birthdays in June, and for a while there were negotiations to hold a joint party for them—something that seems less likely now. Trump would love to reach an agreement, and headwinds in China, including slow growth and a declining population, could, all things equal, make Xi more amenable as well. But we'd have to see a complete about-face on the 100%-plus taxes on Chinese goods to move the needle.

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***Trump has put renewed pressure on Iran to abandon nuclear weapons. How is that progressing?***

Things are pretty tense, but there remain efforts to reach an Iran deal, which interestingly could be related to the Ukraine negotiation. Keep in mind that the Russians helped build Iran's nuclear capacity, and depending on what they receive in Ukraine, could be willing to tighten the reins on Iran. The decimation of Hamas and Hezbollah and the rise of a new (and hostile) Syrian government make Iran uniquely vulnerable, and the regime may be willing to make an accommodation to avoid military action by Israel that could destroy its nuclear program.

***Moving to the West, did you think you would ever see the revival of the Monroe Doctrine?***

The notion that the U.S. has a sphere of influence in the Americas is back, and it's largely due to the critical minerals issue, as well as broader commercial/military concerns. Musk, David Sachs and other tech guys are telling Trump how important the minerals are to their businesses, and that those resources happen to be located to the north and south of us. I don't expect the U.S. to ever "take over" Greenland, by the way, but I think we could reach an agreement to expand our presence there—for mineral extraction to some degree, but most significantly to be positioned to acquire shipping lanes as the Arctic opens up.

***Even those who admire much of the president's agenda worry that the wheels could come off. Is there a chance of this happening?***

I think there is, as shown by the initial panic triggered by the tariff issue. But chaos in itself would not mean failure. Aside from trade, a lot of recent actions have been well thought out, if not in a granular fashion. Though Trump may not be a "master of 3D chess" as some argue, he is playing with big concepts and a big vision; if he gets 60% or 70% of what he wants, he tends to be okay with that.

One surprising issue is the slow pace of secondary political appointments in the executive branch. Trump meant what he said during the campaign when he disowned the Heritage Foundation's "Project 2025" agenda. As far as I can tell, only one of their many personnel recommendations has actually been hired. Unfilled positions only increase the potential for missteps.

Regardless, this is very high-stakes poker. When you create conflict on so many fronts, there's a major risk that some elements won't work out—and unravel your whole agenda. Trump can certainly create chaos, but can he manage it? We shall see.

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