



Igniting a Second Blue-Collar Boom with Tax Cuts in the President's One, Big, Beautiful Bill

President Trump's tax cuts in the One, Big, Beautiful Bill would continue the historic pro-growth, pro-worker legacy of the 2017 Tax Cuts and Jobs Act (TCJA) that helped unleash record prosperity and lift up left-behind Americans.

Origins and Successes of the First Trump Blue-Collar Boom

The Tax Cuts and Jobs Act cut taxes across the board for working families, allowing Americans to put more of their hard-earned paychecks toward raising families, giving back to communities, and investing in future success. This tax relief, along with business tax provisions that increased American competitiveness, helped ignite a [blue-collar boom](#) that drove record-high income gains, record-low poverty, and large wage gains, especially for low-wage workers.

- **Inflation-adjusted (real) overall worker earnings grew nearly twice as fast** from January 2017 to February 2020 compared to the period from July 2009 to December 2016.
- **Workers at the bottom benefited disproportionately:** After experiencing near-zero growth during the prior period, surging real earnings for the bottom 10 percent grew over twice as fast as for the top 10 percent.
- **Income for the typical family rose by the highest level on record:** Real income jumped by a historic \$6,400 in the year following TCJA, the highest yearly growth on record.
- **Poverty reached record lows:** The historically strong economy lifted nearly 7 million people out of poverty through 2019—the largest 3-year decline to start any Presidency since the War on Poverty began in 1964.

Further Tax Cuts in the One, Big, Beautiful Bill to Ignite a Bigger Blue-Collar Boom

Beyond extending key TCJA provisions that unleashed the first Trump blue-collar boom, the One, Big, Beautiful Bill creates incentives to grow America's domestic manufacturing base and delivers targeted relief to workers most impacted by lingering effects of the high inflation from the Biden Administration and a hollowing out of key sectors.

- **No tax on tips** will [save](#) the average tipped worker about \$1,675 per year, and **no tax on overtime** will save the average overtime worker between \$1,400 and \$1,750 per year.
- These **substantial savings are targeted to workers** who are *more economically fragile*. Recent data show average overtime worker earnings are about \$73,000; the average tipped worker earns \$41,000.
- **Temporary full expensing for new factories** and **lower tax rates on domestic manufacturing** will enhance America's industrial base and boost economic opportunity for workers with and *without a college degree*.
- **Enhanced Opportunity Zone** incentives will help [drive](#) \$100+ billion of investment, create 1+ million new jobs, and lead to hundreds of thousands of new homes in *distressed communities*, especially in rural areas.
- The Joint Committee on Taxation [finds](#) that the percentage **decline in Federal taxes is smaller for the top 1 percent** under the One, Big, Beautiful Bill, causing them to **shoulder a greater share of total Federal taxes**.

Failing to Pass the Tax Cuts and Allowing the TCJA to Expire Would be Harmful for Vulnerable Americans

Not passing the One, Big, Beautiful Bill will give rise to a \$4 trillion tax hike, leading to potential [recessionary](#) headwinds.

- Youth, minorities, and workers with less education see [the worst labor market outcomes](#) during recessions.
- Recessions have negative, long-lasting economic effects on young and less experienced workers in the form of [persistently lower wages](#) and [higher mortality rates](#).