



Executive action is powerful, but presidents can't save the economy without the help of Congress

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With seasonally adjusted initial jobless claims totaling 881,000 last week, millions of Americans are still in need of financial assistance from the federal government. Congressional Democrats and the Trump administration are deadlocked, leaving Americans unsure if more help will arrive soon.

Less than a month ago, President Donald Trump tried to do it on his own when he signed four executive measures related to unemployment benefits, payroll tax holiday, student loan deferment and federal eviction protections.

“The only one of these executive orders that spends money or reduces taxes and has any fiscal effect is the one concerning unemployment,” said David Super, a constitutional law professor at Georgetown University. “I don’t think it is constitutional, but to try to claim that it was constitutional, he looked around for money that Congress had appropriated that he could claim he was using. And what he came up with was some money at the Federal Emergency Management Administration, which was for disaster relief.”

That money was for \$44 billion and would run out within five to six weeks, according to Super. In comparison, the CARES Act from March included \$250 billion in unemployment insurance alone.

“That right there shows you how limited executive orders are,” Super said. “There’s not endless amounts of money lying around. To actually make a fiscal difference to rescue the economy you need much more. You need Congress.”

It is not the first time that presidents have tried to use executive action to bypass Congress. Many presidents including Democratic predecessors such as Presidents Barack Obama and Bill Clinton used their pens to make policy.

Obama’s executive memorandum on Deferred Action for Childhood Arrivals is one example. Opponents argued that he went beyond his constitutional power, and the Trump administration vowed to rescind the program. According to the libertarian think tank Cato Institute, cutting the program could shrink the economy by \$280 billion over the next decade. In June, the Supreme Court struck down the Trump administration’s attempt to rescind the policy.

Even more than Obama and Trump, Super said President Ronald Reagan was the grand master of executive orders “because he knew what you can and cannot do.” His Executive Order 12291 required a cost-benefit analysis to be applied to every “regulatory action” undertaken by the federal government.

“On the face of it, that sounds sensible,” said Super. “Why would one want to do something that costs more than it benefits us? But if you have an environmental regulation that makes the air less dirty, we may not immediately notice that we’re breathing better air. And it may be very hard to guess how many fewer of us will get cancer or emphysema because of the reduced pollution.”

While saving the economy outright may be impossible without Congress, presidents do have a lot of power to make an economic impact through unilateral action. Watch the video to learn more about how executive orders can impact the economy in positive and negative ways.