



# FRONTIER CENTRE FOR PUBLIC POLICY

Profile Series

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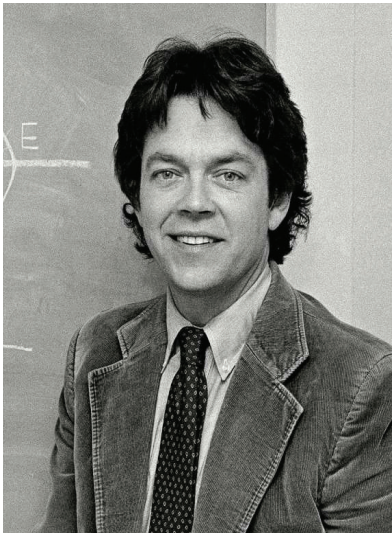
*Profile of:*

## ARTHUR LAFFER

***"Government spending is taxation. When you look at this, I've never heard of a poor person spending himself into prosperity; let alone I've never heard of a poor person taxing himself into prosperity."***

Arthur Betz "Art" Laffer is one of the world's most renowned economists, famous for popularizing the Laffer curve, a tax-related theory, while serving on the Reagan administration's Economic Policy Advisory Board. In 2019, then-president Donald Trump awarded him the Presidential Medal of Freedom for his "meritorious contributions" to the field of economics in the United States.

Born on August 14, 1940, in Youngstown, Ohio, Laffer obtained four post-secondary degrees, concluding his education with a Ph.D. in the field of economics from Stanford Uni-



versity in 1972. Laffer worked as a professor of business economics at the University of Chicago, University of Southern California, and Pepperdine University throughout his career, with many of his teaching roles occurring concurrently to roles he held in the federal government.

Working first in the Nixon administration, Laffer held the position of chief economist within the Office of Management and Budget (OMB), directed by George Shultz. Later on, he worked as a general consultant to many Nixon cabinet members, including Shultz and William Simon (secretaries of the Treasury), and also to Donald Rumsfeld, when he served as Defense secretary under Gerald Ford.

Then, from 1981 to 1989, Laffer served as a member of the Economic Policy Advisory Board in the Reagan administration. Throughout the decade, U.S. economic policies were strongly crafted from the advice and counsel Laffer provided during Reagan's two terms in

office. Many of the theories Laffer introduced focused on supply-side economics, which is the belief that when the federal taxes of ordinary individuals and businesses are reduced, the economy will grow and overall government income will also increase.



The highlight of Laffer's tenure in the Reagan administration was his revolutionary tax theory, known as the "Laffer Curve." Specifically, the theory aims to demonstrate that there is a direct correlation regarding how tax rates and levels of government tax revenue intersect. When the taxes that a government imposes on its citizens are lower, the greater the revenues for the overall economy will be, as the product of the lower taxes. Laffer the

orized that when there are lower tax rates, taxpayers are much more likely to declare all forms of income they may earn.

Following his work in government, Laffer went to work in the private sector, writing books and advising multiple political campaigns. It should be noted that Laffer endorsed and voted for Bill Clinton in 1992 and 1996, due to his belief that Clinton had a strong platform of fiscally conservative economic policies.

In 2016, Laffer served on the campaign of then-candidate Trump as an economic advisor. He played a very strong role in implementing the campaign platform that called for major tax cuts, which eventually led to the Tax Cuts and Jobs Act of 2017, a high-

light of the Trump presidency. Laffer was a staunch supporter of the Trump tax cuts; however, he was against the administration's trade policies and believed that a policy of free trade would be more successful than tariffs and protectionist trade policies.

Trump knew that Laffer had contributed immensely to American economic systems and practices. He awarded Laffer the Presidential Medal of Freedom in 2019 for his efforts in advancing economic theory, the highest honour an American civilian can receive.

Laffer also assisted the Trump administration in providing policy options for reopening the American economy in 2020 in between waves of the coronavirus, promoting tax cuts rather than government spending.

Currently, Laffer spends his free time writing columns in newspapers such as The Washington Times and The Wall Street Journal and has written over 40 publications in his career.

Laffer's most recent book, *Trumponomics: Inside the America First Plan to Revive Our Economy*, which he co-wrote with fellow economist Stephen Moore, details the successful economic changes that Trump enacted and the policy framework Laffer and Moore developed to achieve that success.

Art Laffer has left a tremendous impact on the overall economic policy of the United States, with a long list of accolades beside his name. Laffer's greatest achievements were in promoting the Laffer curve economic theory, and being awarded the Presidential Medal of Freedom for his contributions to the field of economics.



**ABOUT THE AUTHOR:**

Jakob Glogauer completed the TTI internship program at the Frontier Centre during the summer 2021. He is currently a student at Ryerson University in the Radio and Television Arts program. Jakob's main policy interests include foreign policy, defence, and political economics.



203-2727 Portage Avenue, Winnipeg, Manitoba Canada R3J 0R2  
Tel: 204-957-1567  
Email: manitoba@fcpp.org

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Profile Series No.28 • Date of First Issue: March 2018.

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ISSN 1491-78

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