

# AI Under Trump: Potential Shifts in Policy, Innovation, and Global Impact

By Sarah Hoffman—Director of Research, AI  
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AlphaSense

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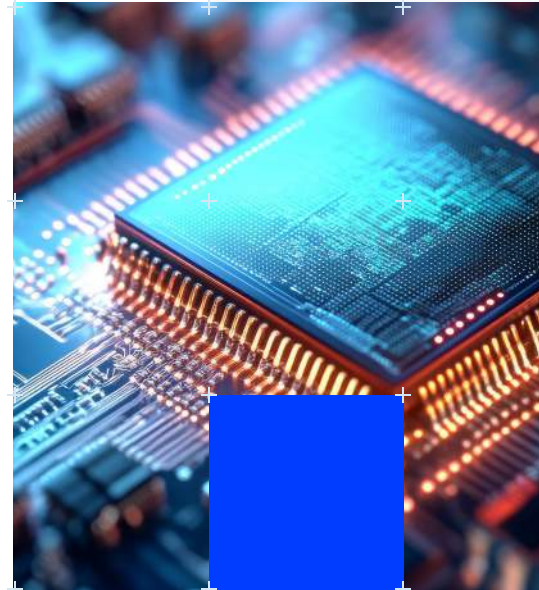
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# Introduction

AI is a transformative force reshaping industries, governance, and global power structures. With Donald Trump's return to the White House, key questions have emerged about how his administration might influence the trajectory of AI development, especially at this pivotal moment for AI. While Trump's first term provides some insights, the AI landscape has evolved dramatically since then, with the launch of generative AI tools like ChatGPT. Interestingly, Trump said that he's used AI to edit a campaign speech, which it did "beautifully."

This report explores how Trump's second term could affect AI, both domestically and globally, examining the implications of regulatory shifts, economic strategies, geopolitical dynamics, and technological priorities.

# Domestic AI: Balancing Innovation, Ideology, and Economic Strategy

The policies shaping artificial intelligence at home have wide-reaching implications for the U.S. economy, workforce, and public trust. The Trump administration is likely to focus on deregulation, prioritizing innovation, and economic growth.

## Deregulation and Its Impact on AI Development

In late 2023, the Biden administration issued [an executive order](#) establishing safety, privacy, and ethical standards for AI. The order seeks to regulate AI systems to ensure they are safe, reliable, and free from biases, requiring companies developing AI systems to share information about them with the federal government.

Trump, however, criticized the order and [promised to repeal](#) it given that it “hinders AI innovation.” He has signaled a preference for a more hands-off approach to AI regulation, emphasizing innovation over restrictions. This aligns with his announcement to appoint venture capitalist [David Sacks as the White House's AI & crypto czar](#). In a Truth Social [post](#), Trump said about Sacks: “He will safeguard Free Speech online, and steer us away from Big Tech bias and censorship.” Sacks has [a long track record](#) of doubts about



government regulation. Andrew Ferguson, Trump's pick to chair the U.S. Federal Trade Commission (FTC), [has said](#) that the "pro-regulation side of the AI debate is the wrong one."

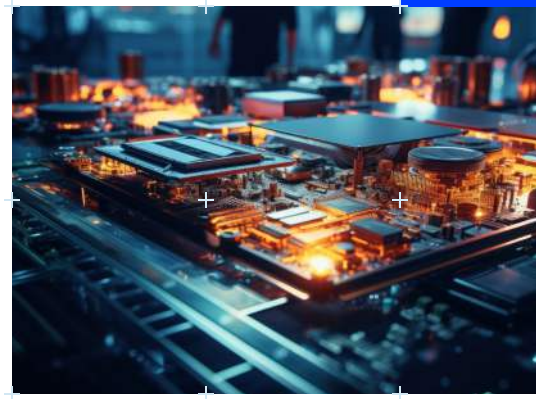
Meanwhile, Trump's relationship with Elon Musk adds an intriguing dimension. While Musk shares Trump's enthusiasm for accelerating AI innovation, he has also been an advocate for [proactive AI regulation](#). That said, Musk and Vivek Ramaswamy will be leading Trump's new Department of Government Efficiency (DOGE) and are talking about [cutting regulations](#).

Another area to watch is antitrust policy. Under the Biden administration, the FTC has [scrutinized partnerships between tech giants and generative AI startups](#)—such as Microsoft with OpenAI, and Amazon with Anthropic—over concerns that these alliances might stifle competition and consolidate power in the hands of a few dominant players. Given Trump's deregulatory stance, it's possible his administration could deprioritize such investigations.

Corporate influence may also play a role in shaping Trump's AI policies. Recently, [Meta donated \\$1 million](#) to Trump's inaugural fund, and shortly after, [Amazon](#) and [OpenAI's CEO Sam Altman](#) each announced that they also would donate \$1 million. In addition, Jeff Bezos, Amazon's founder, congratulated Trump on X after the election. These gestures of support suggest that major tech companies may be open to collaboration with the administration, potentially contributing to shaping AI policies in ways that align with their priorities.

## AI's Economic Role

Trump's economic policies emphasize job creation and domestic manufacturing. AI could play a dual role in this vision: accelerating automation that displaces traditional jobs while fostering growth in high-tech sectors.



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If Trump expands tax incentives or grants for companies, this could include AI companies, which might spur domestic innovation but could widen economic inequality as automated systems replace low-skill workers.

[Trump has also promised](#) to “further streamline and improve” the [CHIPS Act](#) by eliminating “costly regulations.” The CHIPS Act is designed to bolster domestic semiconductor production. Streamlining its implementation could accelerate domestic manufacturing, creating more jobs, while also reducing reliance on foreign suppliers, aligning with Trump’s “America First” economic agenda.

## Military Use of AI

Military applications of AI are likely to take center stage in a Trump administration, reflecting his emphasis on national security and “America First” policies. Trump’s allies have already drafted their own AI executive order, which differs significantly from Biden’s framework. [Their proposal](#) prioritizes the development of military technology and calls for an immediate review of “unnecessary and burdensome regulations.” The proposed framework, which includes a section titled “Make America First in AI,” underscores the administration’s goal of securing technological superiority in defense.

## Public Trust in AI

AI regulation—or the lack thereof—can significantly influence public trust. Trump repealing Biden’s executive order might create concerns about privacy and safety, especially if AI systems malfunction or reinforce societal biases. On the other hand, Trump’s focus on “anti-woke AI” could resonate with those concerned about ideological biases in technology.



Another aspect to consider: Many expect that [DOGE will use AI to replace government staff](#). If this doesn't go well, such as if AI inadvertently excludes individuals from critical services due to algorithmic errors or biases, this could likely lead to a decline in public trust in AI.

## Ideological Shifts in AI

Trump has openly [criticized DEI initiatives](#), labeling them as divisive and counterproductive. His administration will likely deprioritize these efforts, potentially shifting the focus toward developing "neutral" or "anti-woke" AI models.

Trump's close relationship with Musk, [a prominent critic of "woke AI,"](#) could significantly influence this shift as well. Musk has warned about the dangers of AI becoming too aligned with specific ideological stances. Under Trump, ethical AI initiatives may shift away from DEI-focused frameworks or become deprioritized. The reduced emphasis on ethical mandates could change funding priorities for research institutions and companies. This shift could also reshape the global discourse on what constitutes ethical AI, potentially creating divergence between U.S. policies and those of other countries or regions like the European Union.

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# Global AI Leadership and Security Concerns

In an increasingly competitive global landscape, the United States must balance innovation with security to maintain its leadership in AI. Trump's administration will likely adopt policies aimed at protecting U.S. interests, but these actions might risk international collaboration and competitiveness.

## Open-Source AI

AI innovation often thrives on open-source collaboration, but this approach also poses risks. For instance, Chinese researchers reportedly [developed an AI model for military use](#) by building on Meta's open-source model Llama. (Ironically, until [November 2024](#), Meta prohibited the U.S. government agencies and contractors from using Llama for military purposes.) Given safety concerns, Anthropic [explicitly opposes](#) open-source AI. JD Vance, on the other hand, has [spoken out in support](#) of open-source AI in the past.

The Trump administration may view such incidents, though, as evidence of the need for tighter controls on open-source AI. During Trump's previous presidency, Trump took [a hardline stance on China](#), instituting tariffs and technology bans to curb its technological advances. A return to this approach might involve restricting the open dissemination of AI tools to prevent their misuse by geopolitical rivals. While this could address national security concerns, it might stifle collaboration within the global AI research community, slowing innovation.





## AI Hardware and Supply Chain Resilience

AI relies heavily on advanced hardware, particularly GPUs and semiconductors, many of which are manufactured overseas. Trump has stated plans to [impose new tariffs](#) on goods imported from foreign countries. Trump also suggested that instead of subsidizing chip firms, [tariffs might do more](#) to encourage domestic production. But, imposing tariffs on partners like Taiwan could affect the cost of importing critical AI hardware, affecting AI companies reliant on these components.

## International Collaboration and Global AI Standards

The development of AI extends beyond technological innovation into the establishment of ethical, legal, and technical standards for its use worldwide. In April 2024, during a meeting of the E.U.-U.S. Trade and Technology Council (TTC), [the European Union and United States agreed](#) to increase cooperation on AI technologies, particularly focusing on safety and governance.

The Trump administration, however, could take a different approach. While strategic alliances could remain a priority to bolster the U.S. position in AI development, Trump's emphasis on "America First" policies may lead to a reevaluation or even termination of frameworks like the TTC. This approach could leave space for other nations to take the lead in defining international norms and regulations for AI.

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# The Road Ahead for AI in a Trump Presidency

AI does not exist in isolation—it intersects with other critical technologies like blockchain, cybersecurity, and 5G infrastructure. Trump's appointment of David Sacks as AI and crypto czar highlights how interconnected these areas are becoming. Policies that favor innovation in cryptocurrencies, for example, could align with efforts to bolster AI-based financial systems. Similarly, tariffs and restrictions on foreign tech imports could ripple across industries, affecting AI through supply chain constraints.

Trump's presidency could lead to significant changes in the AI landscape, balancing deregulation, national security concerns, and ideological shifts. The impacts might include accelerated innovation in certain areas, such as military and private-sector applications, but may also increase risks around safety, fairness, and access. The administration's decisions on these issues will have profound consequences for how AI is developed, regulated, and utilized, not just in the United States, but globally.

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