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Biden's Higher Prices and Low Wage Growth Hammer Working Families

By Dan Kowalski

The left is trying to fool you, saying that inflation is under control. Liberal commentators focus on the most recent annualized rate of monthly increase and say that since the rate of increase is slowing, the inflation problem has been solved.

That works for the elites who are immune from inflation costs, but that's not how it works for people who live in the real world.

Prices consumers pay rarely decrease. As economists would say, prices are sticky downward. Prices never go down as much as they went up.

For those who earn their pay every day, what matters is what something costs relative to the wages you earn. When prices are relatively stable and wages are growing, workers feel good about the economy. When prices are rising faster than wages, workers know that they are falling behind.

Three years into the Biden Administration and six months from the Presidential election, the data show that workers are clearly falling behind.

Consumer Price Index (CPI) data for April, released today, reveal that overall prices have increased by 19.9 percent since January 2021. That's an annualized inflation rate of 5.7 percent. In contrast, over the four-year period from January 2017 to January 2021, the CPI increased by 7.7 percent, or an annual increase of 1.9 percent.

Biden's CPI inflation rate has been three times higher than Trump's.

The data are worse for items that we can't cut back on. The index for food at home has increased by 21.3 percent (6.1 percent per year) under Biden—and there are 9 months left in his term. The price of chicken has increased by 22.8 percent since January 2021. Under Trump's four years, food inflation increased by a **total** of 6.2 percent (1.5 percent per year).

Shelter costs are out of control. They have increased at an annual rate of 6.1 percent since Biden took office, in contrast to the 2.8 percent annual rate under Trump. The cost of keeping the lights on has increased even faster, with the index for electricity increasing at an 8 percent annual clip under Biden versus a 1.2 percent annual increase under Trump. (So much for low-cost clean energy.)

Essential workers who must drive to in-person work have been slammed. The index for unleaded regular has increased by 56 percent under Biden while staying unchanged over Trump's four years—likely the result of robust domestic energy production. Insuring a car has increased by 52.1 percent under Biden, well over twice the rate of inflation, while growing in line with inflation (8 percent) under Trump.

As mentioned above, workers particularly feel the sting of higher prices when wages are not keeping up with inflation. This is where the Biden economy has hammered working families.

Weekly earnings for private sector nonsupervisory employees have increased by the same 16.8 percent for Biden's three and one-quarter years and Trump's four years. But inflation at 19.9 percent under Biden means the average worker cannot maintain the same standard of living. Under Trump's 7.7 percent inflation rate, an average worker's standard of living increased.

The contrast is even more stark for workers in retail. Weekly earnings in retail trade have increased by 9.9 percent since 2021, half the increase in inflation, and below the rate of increase for nonsupervisory workers. Between 2017 and 2021, earnings for workers in retail increased by 17.5 percent, faster than that for nonsupervisory workers, and twice the rate of inflation.

It was possible for a retail worker to get ahead of inflation during Trump's first term, but that worker has fallen hopelessly behind during Biden's term.

Both candidates for President are asking voters whether they are better off than they were four years ago. The data clearly show that America's workers are not.

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