

The Delray Democrat

Talking Inflation¹

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The spike in inflation between June 2021 and June 2023 caused a good deal of pain, but for Republicans it was a godsend. It was the only economic indicator they could attack. All others were performing at historically unmatched levels . . . and continue to do so.

Inflation now appears to have been tamed, but the cloud it cast over Biden's stewardship of the economy must be debunked and dispersed. Here are some facts that will help: .

- Runaway inflation resulted from a perfect storm, and Biden had little control over the elements. The rightwing media deliberately ignored the numerous other contributory factors, and the So-Called Liberal Media buried them deep in their coverage.
- Biden's American Rescue Plan Act (ARPA) was a supporting but minor player in inflation. ARPA totaled \$1.9 trillion, far less than Trump's two COVID packages, which amounted to \$2.9 trillion. ARPA reduced child poverty by 35% in 2021 whereas Trump's CARES package was called the "[biggest fraud in a generation.](#)"
- Historically high levels of savings during the pandemic was a major factor in driving inflation. Household spending was severely curtailed by social distancing during the pandemic, which led to savings rates far above historical norms. That in turn created a good part of the excess demand that fueled inflation.
- Republicans caused the shift in demand from services to goods, and that was the principal driver of inflation. After a year of being cooped up, Americans were looking forward to spending on vacations and eating out again. Republican lies about the danger of vaccines delayed the opening of the economy, leading demand to shift from services to goods. Instead of going on vacation, they ordered new living room sets.
- The sudden demand for goods, as opposed to services, strained supply chains, delayed deliveries, and drove up prices.
- The Russian invasion of Ukraine drove up fuel prices.
- Corporate greed was a major contributor to inflation. Once it became clear inflation was not a temporary blip, corporations got in on the act. As one CFO put it on an earnings call, his company was "not leaving any pricing on the table." Waiting for a COVID shot, I watched a Publix employee putting new stickers on candy—what was \$3.25 became \$3.75. And oil company's profits soared. There was nothing Biden could do about that.

¹ [The Delray Democrat](#), January 2024, page 2.

Biden cannot be blamed for the perfect storm that hit the world economy, and he deserves much credit for the calm and effective manner in which he responded.

Biden's job creation machine enabled the economy to survive **11** interest rate increases without falling into the recession that economists declared was both inevitable and "necessary." Biden's investments in American jobs allowed us to achieve a "soft landing"

Finally, American workers are now recovering the purchasing power that had been lost to inflation. Between June 2022 (when inflation began to fall) and November 2023, **wages have outstripped inflation by 8.1%**.