

FOUR YEARS OF REAL WAGE DECREASES FOR WORKING AMERICANS

Amelia Kuntzman, Research Assistant
Sarah Wagoner, Intern

October 31, 2024

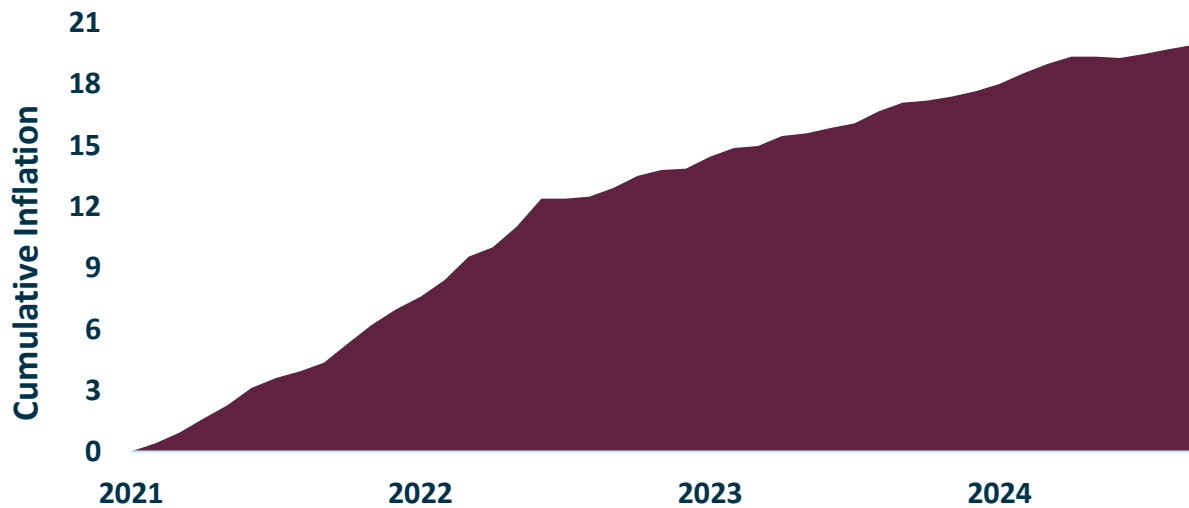
EPIC recently published [a four-year fiscal report](#) on the Biden-Harris Administration. We concluded that the Administration's soaring government spending led to a historically high inflation rate that drove real wages down.

Inflation Driven by Reckless Spending

The Biden-Harris Administration's [irresponsible policies and unprecedented deficit spending](#) led to the highest rates of inflation in four decades.

The federal government spent almost \$26 trillion over the past four years – a \$4.7 trillion increase from the Congressional Budget Office's projections immediately before President Biden entered office. The spending spree was driven by expanded welfare programs, transferred student debt to taxpayers, and net interest payments on the ever-increasing national debt.

Biden-Harris Inflation

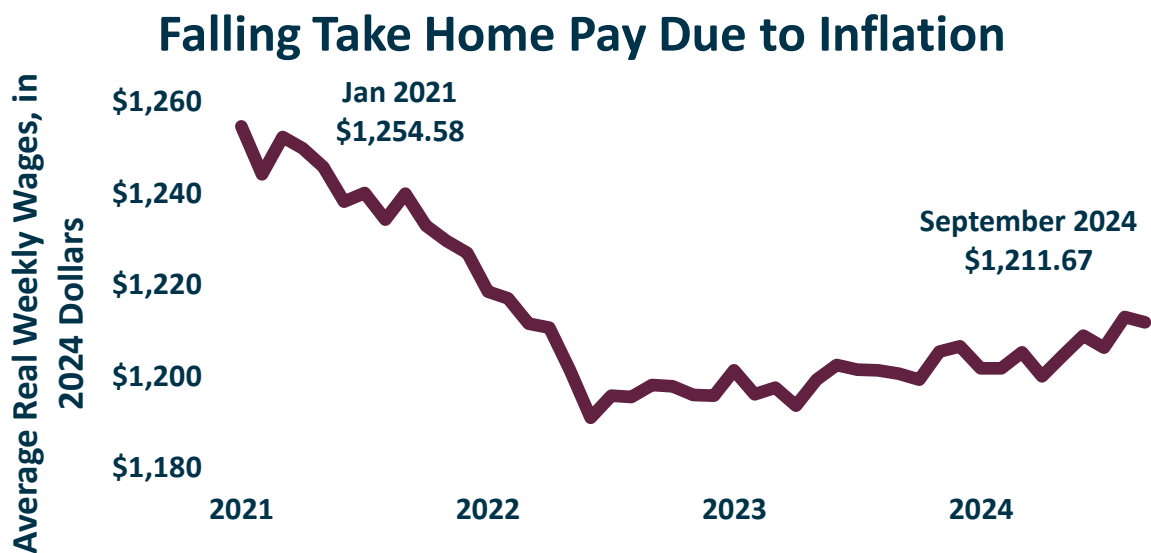


Source: Federal Reserve Bank of St. Louis

[William Beach](#), EPIC Senior Fellow in Economics and the former Commissioner of Labor Statistics at the Bureau of Labor Statistics, examined the connection between [increases in federal spending and rising inflation](#). To finance soaring deficits, the federal government sold Treasury bonds to banks in order to gain funding. In response, the banking system expanded lending dramatically, which triggered higher spending by households and subsequent price increases across the nation. All of this resulted in an inflation rate increase of almost 20 percent since January 2021.

The Average American Worker Was Stripped of \$2,230

Household wages did not match the higher living costs spurred by the Biden-Harris Administration’s reckless spending. Because price increases were caused by federal spending and not by changes in the production of real goods and services, wages did not correspond. As a result, the average American worker lost \$2,230 per year in purchasing power since the Biden-Harris Administration entered office.



Source: Bureau of Labor Statistics

The Right Way to Lighten the Load

“[Bidenomics](#)” [policies](#) have increased prices, reduced real wages, and left Americans worse off than they were four years ago.

Although prices will most likely not return to 2020 levels, the government has the power to lighten the load for American families by implementing [policies](#) that promote economic productivity to raise incomes.