

The Day

Economy is Strong Under Biden

June 27, 2023

It's a puzzling dichotomy: Many Americans remain down on the economy even as it continues to strengthen.

Stocks hit bull market territory this month — up 20% since October. Even better, the job market remains a juggernaut. Employers added 339,000 jobs in May, way beyond the 180,000 that economists expected. This marked the 29th straight month of robust job growth.

Keeping Wall Street and Main Street humming should seal reelection for most presidents, but Joe Biden's approval ratings remain mired in the low 40s. Oddly, Biden's poor poll numbers don't sync with his impressive economic record.

The unemployment rate was 6.3% when Biden took office. It has dropped steadily and remained below 4% for the 16th consecutive month — a historic stretch unmatched since the 1960s. At the same time, the unemployment rate for Black Americans reached the lowest level in recorded history in April, before ticking up to 5.6% last month.

Overall, the country added 13 million jobs since Biden took office — more than in any president's entire four-year term, let alone in just over two years. During Donald Trump's calamitous one term, three million jobs were lost and the unemployment rate early in the pandemic hit 14.7%.

Biden's booming labor market increased incomes for many Americans, especially the poorest workers. Here's another oddity: Most Americans feel good about their personal situation, but remain pessimistic about the economy.

Gas prices often shape Americans' economic views. Everyone was miserable when gas prices topped \$5 a gallon last June. But a year later, the average price of gas in Pennsylvania has dropped nearly 30% to \$3.65 a gallon. Yet many remain glum.

Indeed, high prices for other goods stretched budgets and soured the mood for many in the country. But inflation has dropped by more than half since hitting a peak of 9.1% in June 2022. Prices rose by an annual rate of 4% in May — the lowest in two years.

As prices cooled, the Federal Reserve paused the steady rise in interest rates that have been increased 10 times in the past 15 months. Despite talk of a recession, the economy remains resilient.

All presidents get blame or credit for the economy, even though much is beyond their control. That has been true for Biden. Supply-chain pressures coming out of the pandemic were the main contributor to domestic inflation as pent-up demand exceeded supply. Corporate price gouging added to the cost hikes. Then came Russia's unprovoked invasion of Ukraine, which even the conservative Cato Institute said added to inflation and helped boost gasoline prices.

To be sure, trillions in government spending during the pandemic by both the Biden and Trump administrations helped fuel inflation. But it also helped avoid a catastrophic depression, according to liberal and conservative economists.

Government spending comes with other lasting benefits. Biden's \$1.2 trillion infrastructure bill includes \$1.6 billion to repair crumbling bridges in Pennsylvania, including the MLK Drive bridge near the Philadelphia Museum of Art. Likewise, Biden's Inflation Reduction Act is helping to reduce prescription drug prices for seniors, while combating climate change through funding and incentives for clean energy programs.

Biden has racked up a number of other achievements — including the passage of several bipartisan measures, such as the recent debt ceiling deal — without getting much credit. In fact, exit polling of recent midterm voters in several states, including Pennsylvania, found that about 75% couldn't name a specific presidential accomplishment.

Many say Biden does a poor job messaging, while others worry about his age. But his quiet competence is a welcome contrast to Trump's chaotic carnival barking.

At the same time, the mainstream media seizes on negative or superficial stories, such as when Biden fell at the Air Force Academy graduation earlier this month.

Of course, much of the country lives in a misinformation bubble, led by Fox News, long a destructive force in American politics. The right-wing outlet is not so much a news network as an extension of the Republican Party, complete with fact-free talking points, including a recent on-air caption that called Biden a “wannabe dictator.”

Meanwhile, the left-leaning MSNBC passes the day obsessing about Trump, as if his mounting legal troubles were the only thing happening in the world.

More broadly, good news does not grab the media's or viewers' attention. Hence Biden's weak poll numbers despite his strong economic record.

As 2024 approaches, it is imperative that those of us who pay attention — and who don't want to risk four more years under a President Trump — start spreading the good news.