BIDENOMICS AND THE BIDEN ECONOMY

Taking stock of our economic progress
The annual inflation rate has fallen to 3%, with core inflation also declining.

The annual headline inflation rate has declined for 12 months in a row from 9% last June to 3% today, led by slowing inflation or declining prices for categories like gas, groceries, and core goods. While annual core inflation has fallen more slowly, it has also declined from 6.6% last fall to 4.8% today.
This progress has occurred while the unemployment rate remained low and stable.

The annual inflation rate declined from 9.1% last summer to 3% today while the unemployment rate remained in the 3.4-3.7% range and near 50 year lows.
Gas prices are down from their summer 2022 peak. Gas prices are down nearly $1.50 from their peak in June 2022. Americans are feeling relief at the pump with gas prices back down near pre-Russian invasion levels.
Goods prices have fallen as global supply chain pressures eased.

Global supply chain pressures, as measured by the New York Fed’s *Global Supply Chain Pressures Index*, have fallen below pre-pandemic levels. President Biden’s Supply Chain Disruptions Task Force helped bring together key industry and labor partners to alleviate a number of bottlenecks.

More progress projected on housing services inflation, which would contribute to lower core inflation.

As rental inflation continues to moderate, inflation should decline further. Housing inflation is expected to slow over the coming months based on data from real-time measures of market rents.
Headline inflation in the U.S. is currently lower than in the U.K., Europe, and Canada. In addition, harmonized core inflation— inflation outside of food and energy and excluding owners’ equivalent rent to ensure an apples-to-apples comparison—is now lower in the U.S. than in several peer economies.
Our recovery is the strongest of any major economy.

Our economic recovery has been the strongest of any major economy. Growth in real economic output since 2019 exceeds other G7 economies.

Source: Haver Analytics.
The recovery is stronger than experts projected.

The unemployment rate has fallen further and the labor force participation has recovered more strongly than the Congressional Budget Office (CBO) projected before the American Rescue Plan (ARP). As of Q2 2023, unemployment was around 1 percentage points lower than both IHS and CBO pre-ARP projections.
The share of prime age Americans who have a job has reached its highest level in over 20 years.

The share of working-age Americans who are employed is at its highest level in over 20 years. The employment-to-population ratio for working-age men is nearly back to its pre-pandemic level, and the employment-to-population ratio for working-age women is at its highest level on record.
Real wages are higher than they were before the pandemic began. In addition to surpassing pre-pandemic levels, real wage growth for non-supervisory workers (around 80% of the total workforce) in the current business cycle has outpaced the prior business cycle on an annualized basis, accounting for inflation.