

US 2024 Elections : It Was Always About Inflation

samedi 9 novembre 2024, par [HENWOOD Doug](#) (Date de rédaction antérieure : 8 novembre 2024).

Simply put, Donald Trump owes his reelection to inflation and to the fact that the Biden administration did little to address the problem in a way that helped working-class families.

Attendees hold signs during a campaign event with Donald Trump and J. D. Vance in Atlanta, Georgia, on August 3, 2024. (Dustin Chambers / Bloomberg via Getty Images)

I often say that the Democrats' political problem is that they're a party of capital that has to pretend otherwise for electoral purposes. This time they hardly even pretended. Kamala Harris preferred campaigning with the inexplicably famous mogul Mark Cuban and the ghoulish Liz Cheney to Shawn Fain, who led the United Auto Workers to the greatest strike victory in decades. Those associations telegraphed both her policy instincts and her demographic targeting : Silicon Valley and upscale suburbs.

However, one explanation making the rounds needs to be squashed : that Harris was "too liberal." Supporting that claim is a September *New York Times*/Siena College [poll](#) that found 47% of likely voters viewed her as too liberal, compared with 32% who saw Trump as too conservative. (That same poll found a significant number of respondents wondering what Harris's agenda actually was.) It's not clear what those words mean to the broad public, or how "too liberal" applies to an ex-prosecutor who treated venture capitalists as a core constituency. (Like Clinton, Harris loves her billionaire patrons. And, as with Clinton, those patrons now undoubtedly scorn her as a loser.)

The [exit polls](#) tell a different story, with 46% calling Harris too extreme and 55% applying the label to Trump. But that probably won't stop a good bit of the Democratic leadership and their worthless consultants from urging a move to the right to counter Trumpism.

There's a lot of grim news in those exit polls. Democrats' attempts to portray Trump as a bigot, nativist, and would-be dictator — accurately, it should be said — had little resonance with voters. Trump got a third of the non-white vote, a share heavily boosted by Latino men, a group he won by a 10 point margin. [In 2020](#), Biden won them by 23 points. And by what measures we have of class, Trump won the proletariat. He carried those without a college degree, over half of all voters, by 14 points ; Harris carried those with a bachelor's or more by 13 points. Harris carried households with income over \$100,000 by 5 points ; Trump won those under by 4 points. That's a complete reversal of 2020, when Biden carried the under-\$100,000s by 13 points and Trump the overs by 12 points. Harris prevailed among households with a union member by 8 points — half Biden's margin in 2020.

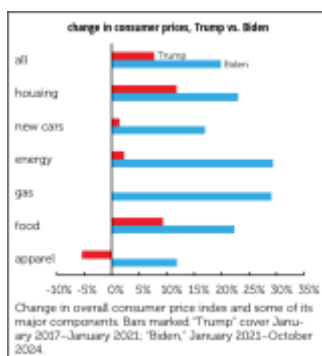
What were the issues that mattered to voters ? What mattered most in both that Gallup poll and in the exit polls was "the economy," by which most people meant inflation, a topic the Democrats evaded for three years.

More than one in five voters, 22%, said inflation had caused them "severe hardship" over the last

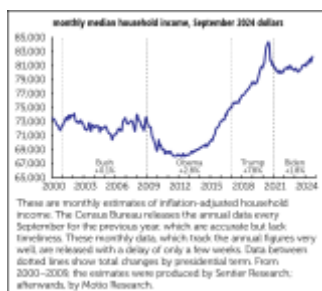
year ; they went for Trump by 50 points. More than half, 53%, said inflation had caused them “moderate hardship” ; they went for Trump by 6 points. A lucky quarter, 24% to be precise, said it caused them no hardship at all ; they went for Harris by 57 points. Since other surveys, like the Census Bureau’s [Household Pulse](#), find that the richer you are the less affected you are by inflation, it’s safe to guess that the no-hardship crowd was firmly upper income.

Answers to Ronald Reagan’s classic question from 1980, “Are you better off than you were four years ago ?” were bad news for Harris. A quarter, 24%, said they were, and they went for Harris by 68 points. But almost twice as many, 46%, said they weren’t — and they went for Trump by 64 points, accounting for almost three-quarters of his votes.

The reason for this poor performance was inflation : incomes couldn’t keep up with rapid price increases. Overall prices have risen over two-and-a-half times as much under Biden as they did under Trump. (See graph below.) Ditto food prices. Gas prices, which are highly visible and which Americans seem to think should be low by divine right, were flat under Trump but are up 29% under Biden. Housing prices have risen twice as fast under Biden as Trump, and apparel prices are up 12% versus a 5% decline under Trump.



As a result of these price increases, the highest in over forty years, real incomes have taken a hit. Under Trump, the average [real hourly wage](#) was up 4.8% ; under Biden, it’s down 1.3%. According to estimates by [Motio Research](#), real household incomes are up 1.8% under Biden — 6 points less than Trump’s 7.8%.



While these might sound like a numbing array of economic statistics to nonspecialists, it’s clear that people felt them and voted accordingly. A third of voters, 32%, said the state of the economy was the most important factor in deciding how they voted, and they went for Trump by 61 points. That’s three times the share that chose immigration, 11%, and eight times the share that said foreign policy. Trump’s promise to throw out the immigrants isn’t popular ; over half, 56%, of voters preferred a path to legal citizenship. The xenophobia may fire up the base and no one else, but inflation troubled a large majority of the population.

I wrote [an article](#) for *Jacobin* in September 2022 arguing that inflation was a serious issue, and one

that liberals and leftists ignored to their peril. It was not universally applauded. I was denounced by some as the reincarnation of Paul Volcker, the chair of the Federal Reserve from 1979 to 1987, who drove up interest rates toward 20% to crush the inflation of the 1970s. He succeeded, bringing it down from almost 15% in 1980 to under 3% in 1983, but at the cost of a deep recession and a 10% unemployment rate. Inflation, it was explained to me, was a concern of the rich, even though, as I showed in the article, periods of high inflation result in declining real wages, with poorer households suffering more from rising prices than rich ones.

I also argued that people experience inflation as psychologically destabilizing, fostering a sense that things are out of control, a frame of mind that leaves them open to the lures of an authoritarian strongman. On social media, I saw bizarre dismissals of concerns about inflation, with one prominent liberal economist blaming the media for inventing it — specifically, by newspaper owners who wanted their taxes cut under Trump II and had their reporters write accordingly. Did any of these economists ever buy a bag of groceries and recoil at the cost? Some left economists acknowledged inflation, but blamed it on an outburst of greed, as if greed isn't a constant in capitalist economies. Where was that greed in 2019, when inflation was low, and where has it gone in 2024 as inflation has receded?

Fighting inflation humanely is no simple task. Jacking up interest rates, Volcker-style, can cause immense distress among the unemployed — though polls have shown that people prefer higher unemployment to higher inflation, making the politics of the issue more complicated than you might think. (As things turned out, the Fed's interest rate increases over the last couple of years had very little effect on unemployment, and now it's cutting rates.)

But, instead of denying inflation, they could have proposed some innovative remedies, like taxing the windfall profits corporations enjoyed by raising prices (a few did urge that, it should be said), or by taxing upper-income households to put a damper on the spending spree that drove up the prices of cars and appliances that were in short supply during the COVID crisis. That would have been politically difficult — but denying the problem proved to be politically suicidal. Instead, many liberals told people they were wrong in what they were feeling — never a winning move.

Funnily, though, inflation could prove to be Trump's undoing. If he makes good on his promises to impose tariffs of 20 percent, that could raise prices massively, to use one of his favorite words, and depress economic activity. Add to that his promise to deport millions of immigrant workers, which would — aside from being grotesquely hateful — hammer industries like agriculture, construction, and food service, crimping output and raising prices.

These moves could bring back stagflation, the combination of stagnant growth and high inflation that plagued the economy of the 1970s. Trump's sidekick, Elon Musk, longing for unprecedentedly deep cuts in federal spending, promises lots of pain as a consequence, which could turn the "stag" part into an outright recession or worse. It's not impossible that a Trump economy could end up like a less extreme version of that of Javier Milei in Argentina, whose loopy, reactionary economic policy has resulted in a 209% inflation rate (down, it must be admitted, from 289% in April) and a GDP almost 7% smaller than when he took office in December 2023.

But, as they say on Wall Street, never predict anything, especially the future. The task right now is to understand just what happened. Inflation was a very large part of it, and all those Democrat experts who dismissed it should don sackcloth and ashes and engage in rituals of public humiliation. And the Left, liberal and socialist, should start thinking seriously about how to analyze and fight it.

Doug Henwood

P.-S.

- Jacobin. 11.08.2024 :

<https://jacobin.com/2024/11/trump-2024-election-inflation-economy>

- Doug Henwood edits *Left Business Observer* and is the host of *Behind the News*. His latest book is [*My Turn*](#).