



President Biden's First Year

America's Economy Was Poised for Greatness in '21: How Did Biden Bungle It This Badly?

Experts predicted 2021 would be a banner year for America's economy. Perhaps the best ever. President Biden inherited a historic economic rebound from COVID that smashed expectations, lifesaving vaccines, major regions re-opening from lockdowns, and trillions of dollars in bipartisan COVID relief coursing through the economy.

Yet, in his first year in the White House, according to the non-partisan Congressional Budget Office, the economy failed to meet consensus projections every quarter of his presidency. President Biden is now a whopping 1.1 million jobs short of his promises from the partisan \$1.9 trillion American Rescue Plan, steep rising prices have wiped out the last three years of wage gains for workers, and Main Street businesses are struggling to find workers to survive. Economic optimism about the future has plummeted, and Americans of all political views have lost confidence in President Biden's competence to heal the economy.

So, what went wrong?

Here are President Biden's Top 5 Economic Mistakes

1. Took his eye off COVID. Rather than focus on America's priorities of defeating the virus and healing the economy, President Biden immediately launched into a radical "transformation" of America, starting by ramming through Congress a partisan \$1.9 trillion "COVID Stimulus" that ignored the need for crucial COVID tests and treatments (less than 10 percent of the bill was COVID related), paid people more to stay home than to work, and fueled inflation. Then, as vaccinations stalled and omicron cases soared, he demanded a \$5 trillion Build Back Better socialist spending bill that included trillions in new tax hikes on Main Street businesses and massive giveaways to the wealthy, big corporations and special interests.

2. Denied and dismissed inflation – then made it worse. For too long President Biden ignored rising prices, first denying the concerns, dismissing it as "transitory" and a "high class problem." Then he blamed it all on the Federal Reserve. Meanwhile, he fueled the highest inflation in 40 years, so crippling that families paid \$3,500 more last year to buy the same items as the year before. Excessive government spending and "emergency" programs that convinced the jobless not to seek work stoked 7 percent inflation. Now, America is facing a wage-price spiral that could drive double-digit inflation in the coming year.

3. Threatened massive tax hikes on America's business – just as they were fighting to survive the pandemic. President Biden threatened to impose trillions of dollars in higher taxes that would slow the economy, drive U.S. jobs overseas, and hammer small businesses. His insistence on raising U.S. business tax rates to the highest among America's competitors is widely criticized as an economic surrender to China, Russia, Europe, and Japan. Although stalled in the Senate, the crippling Biden tax hikes continue to create uncertainty and discourage investment in new U.S. plants, equipment, and technologies that would lessen the supply chain crisis. Ways & Means Committee Republican Leader Kevin Brady termed the Biden tax hikes "the biggest economic blunder of our lifetime."

4. Punished work, making the labor shortage worse. President Biden discouraged Americans from reconnecting to work by paying the jobless lavish unemployment benefits, sending stimulus checks after the economy was already recovering, and creating "emergency" social programs that no longer required Americans to work to be eligible—like the popular Child Tax Credit that was transformed into a massive welfare program. His sweeping January executive order—which allowed the jobless to self-attest they were "uncomfortable" returning to work to keep unemployment checks flowing—wreaked havoc on the worker crisis. Then it was made worse by "emergency" Obamacare subsidies that in many cases gave more affordable health care to the jobless than available at work.

5. Destroyed confidence in America's recovery among families and small businesses. Faced with worker shortages, higher prices, empty shelves, and potential tax hikes, small business optimism in the future has plunged to its lowest in 48 years. Consumers' economic outlook has sunk to the lows of the middle of the pandemic, and the expectation of further high inflation (6 percent) through 2022 is a record high. An overwhelming majority of workers report their paychecks simply can't keep up with the higher prices and costs under President Biden, and a majority of Americans report they question President Biden's competency to lead the economy.

BOTTOM LINE: Economically President Biden began his presidency standing on third base... then promptly stole second. His one-party rule in Washington emboldened the most radical elements of the Democratic Party to ignore the voices of mainstream Americans, resulting in a first year in the White House that is bitterly disappointing for workers and Main Street businesses. Given his damaging policies and mismanagement of America's economy, the simple truth is that a "Biden-free" economy would have been much stronger, with less inflation and more workers back on the job.