

Is Inflation Being Over-Inflated by the Media?

Progressive economist Paul Krugman recently wrote [an oped in the New York Times](#) entitled “Inflation and the Power of Narrative.” In the article, he raised the idea that stories about inflation are receiving too much attention by the media, which is exaggerating the problem in the eyes of the electorate. He also maintained that wage and job gains had been underreported, and that the true economic situation was being negatively skewed by the news media’s focus on inflation stories.

Krugman wrote, “The idea that Americans are down on the economy because price increases have outstripped wage growth has hardened into conventional wisdom...I know journalists hate hearing this, but if the way we report on events doesn’t affect public perceptions, what is the point of what we’re doing? And somehow Biden’s inflation, not Biden’s jobs boom, has come to dominate news coverage. I’m not arguing that inflation isn’t a problem, nor am I doing a Phil Gramm and calling America a ‘nation of whiners.’ I am saying that the remarkably negative public reaction to what by historical standards would at worst be considered mixed news is an important story in itself and deserves both some coverage and, perhaps, self-reflection on the part of those reporting on the subject.”

From the latest survey by Winning the Issues (February 15-16) we tested Krugman’s theory and asked whether voters thought inflation was a very serious problem or that as Krugman argues, inflation is receiving too much attention by the news media to undermine confidence in the Biden administration. By more than 3:1, voters across the board believed inflation was a real problem (72-20). Not only did independents overwhelmingly believe it was a very serious problem (75-15), a clear majority of Democrats believed this (59-33). Among liberal Democrats, a majority also shared this view (55-39).

In thinking about the current state of inflation, which comes closer to your view?	Overall	Rep	Indep	Dem	\$50K-\$100K	100K+
Inflation is a very serious problem.	72	85	75	59	76	76
Stories about inflation are receiving too much focus by the news media to undermine confidence in the Biden administration.	20	10	15	33	19	21

There was also no difference by income categories, with 100K+ believing this (76-21) at virtually the same levels as <50K (70-20) and middle income voters (76-19). Even among voters who approve of President Biden’s job as President, only a third sided with Krugman’s argument (59-36).

Not only do voters think this is a very real problem, as a news item, inflation is a top story people are following, coming in as a close second to economy/jobs out of a list of 24 issues and current news stories that we tested.

With only 20% of the electorate agreeing with Krugman’s hypothesis, and not winning this argument even among progressive Democrats nor those who approve of President Biden’s job as President, he has quite the uphill battle to make his case.

Have a good week.

David & Myra