

Americans Have Lost \$4,200 in Annual Income Under Biden Administration: Report



Americans have lost over \$4,000 in annual [income](#) since President Joe Biden took office owing to soaring [inflation](#) and higher interest rates, according to data compiled by [The Heritage Foundation](#) and released on Sept. 22.

In total, Americans have lost the equivalent of \$4,200 in annual income under the Biden administration, according to the Washington, D.C.-based think tank.

The foundation said its experts calculated this “shocking” figure by looking at various sets of data: consumer prices data and the Federal

Reserve's interest rates.

Consumer prices have risen 12.7 percent since January 2021, much faster than wages, which Foundation analysts say has lost the average American worker \$3,000 in annual purchasing power.

Meanwhile, the Federal Reserve's tighter monetary policy to combat inflation has meant that interest rates are rising, resulting in increased borrowing costs on mortgages, vehicle loans, and credit cards.

This, Heritage Foundation analysts say, has reduced the average American's purchasing power by another \$1,200 per year.

"Simply put, working Americans are \$4,200 poorer today than when Biden took office," said EJ Antoni, research fellow in regional economics with The Heritage Foundation's Center for Data Analysis.

"This financial catastrophe for American families is the direct result of a president and Congress addicted to spending our money, combined with a Federal Reserve compliantly enabling this addiction by printing more dollars. Washington recklessly spent trillions of dollars it did not have and paid for it with newly printed money, causing rampant inflation that has destroyed people's purchasing power and jeopardized Americans' financial futures," Antoni added.

'Vicious Spiral'

The research fellow also took aim at the Biden administration and Congress for continuing on the spending spree and allowing the Federal Reserve printing presses to roll instead of "correcting course over a year ago when inflation began rising."

Inflation was at 1.4 percent when Biden took office in January 2021.

Heritage Foundation analysts noted that the average American worker's real annual earnings increased by \$4,000 under former President Donald Trump's low-inflation economy.

"We are in a vicious spiral, but it's one of Joe Biden, the Democrat-controlled Congress, and the Fed's own making," Antoni added.

The latest report from The Heritage Foundation comes shortly after the Federal Reserve raised its benchmark interest rate by 75 basis points for the third straight month in an effort to cool down red-hot inflation.

Fed officials indicated that more large increases were on the way following five consecutive rate increases this year so far.

A [separate report](#) from the Congressional Budget Office published on Sept. 22 found that inflation has impacted middle class Americans the hardest; more so than low- and high-income households.

Fed Chair Jerome Powell [said](#) shortly after the decision to hike rates again that there is no "painless" way to bring down inflation, while noting that achieving a soft landing would be "very challenging."

Meanwhile, Biden has continued to downplay red-hot inflation, telling CBS' "60 Minutes" program on Sept. 18 that the "inflation rate month to month was just ... an inch, hardly at all."



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