

## **Inflation falls in a forest**

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President Biden focused on taming inflation. The media's focus on bad news means Americans don't know he succeeded.

Alan Blinder is former Vice Chair of the Federal Reserve. His Jan. 6 Wall Street Journal column asks "What if inflation suddenly dropped and no one noticed?"

Blinder writes: "Inflation has fallen dramatically. In fact, and this is astonishing, it's almost back down to the Federal Reserve's 2% target. Even more astonishing, hardly anyone seems to have noticed." That's because the media dwells on fear-based news ("if it bleeds, it leads"), and Blinder says, because price changes are measured year-to-year, masking the progress of the last six months.

Blinder says the dramatic inflation drop was not primarily caused by the Fed raising interest rates. Instead, it's because supply bottlenecks, which he calls "major contributors" to inflation, "are now mostly behind us." That's exactly where Biden made a difference.

One month after his inauguration, Biden formed a Supply Chain Task Force to address COVID-caused disruptions. Biden worked with shippers and achieved 24/7 operation of ports accounting for 40% of US containerized cargo. In October 2021, Biden convened a summit of G-20 nations to strengthen and diversify the global supply-chain ecosystem. In 2022, after signing his Bipartisan Infrastructure Law, Biden issued an executive order directing federal agencies to use the funds to prioritize programs that strengthen commercial supply chains.

The result? Today's inflation report shows December's prices actually dropped and inflation over the last three months is just 1.8%. "Inflation is finally being tamed," says Nigel Green, CEO, deVere Group. Analysts called December's jobs numbers "nirvana" and a "goldilocks" report. The economy added 223,000 jobs, more people joined the workforce, and unemployment fell to 3.5%, a 50-year low. Economist Dean Baker says we're on a path of "stable growth with moderate inflation."

It's amazing what a president can accomplish when he focuses on us instead of himself.

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