



Biden Economy and Jobs Lies You'll Hear in Thursday's Debate

By: CRA Staff

To prepare for the onslaught of exaggerated claims we can expect from President Biden in debate with President Trump, CRA staff have compiled a list of some of his greatest misfires, along with the facts.

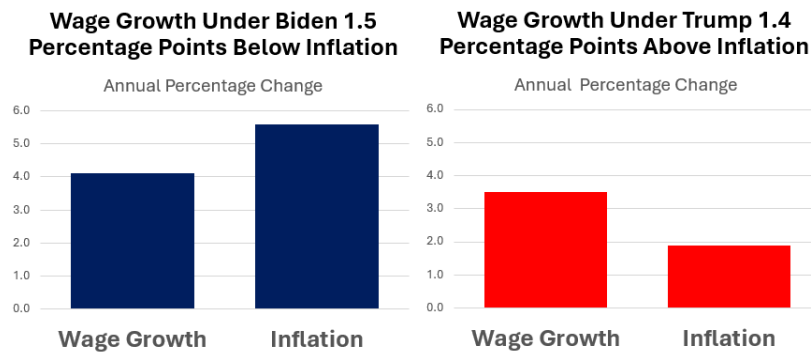
Claim: President Biden Has Created 15 Million New Jobs Since He Took Office

Response: Even the *New York Times* apologizes for this one, claiming that “it [needs context](#).” During the Trump administration, prior to the Covid pandemic, in February of 2020 there were 152.3 million people employed in the United States. Two months later, there were 21.9 million fewer employed people. Job growth in the Biden administration in part reflects recovery from the Covid-19 pandemic and the economic impact of mostly blue state governors shutting down their economies far longer than any reasonable person considered necessary. It must also be considered in relation to a growing population—in part growing due to this administration’s lawless border policies. Unemployment today is at 4.0 percent, above the 3.5 percent under Trump pre-pandemic. Moreover, labor force participation is down under Biden; the Bureau of Labor Statistics reported a 62.5 percent rate in May of 2024, compared to a January 2020 labor force participation rate of 63.3 percent. According to the [Center for Immigration Studies](#), in the fourth quarter of 2023 there were still 183,000 fewer U.S.-born Americans working than in the fourth quarter of 2019, before Covid, while the number of immigrants, legal and illegal, working at the end of 2023 had increased 2.9 million over the figure from 2019. The House Budget Committee [found](#) last year that, adjusting for Covid impacts, job creation under Biden has been 3.7 million jobs, as compared to 6.7 million under Trump. Since the number of employed has only increased by [2.5 million](#) since that analysis, Biden’s job creation adjusted for Covid would still be a half million below Trump’s even if we consider none of those to be Covid recovery related. Additionally, for the job growth that is occurring, it increasingly does not appear to be benefiting native-born citizens. In May 2024, 414,000 immigrants (regardless of legal status) became employed, compared to 663,000 native-born Americans losing their jobs.

Claim: Wage growth for middle-wage workers has exceeded price growth—meaning real wage gain

Response: The Poynter Institute has [found](#) that “inflation has outpaced wages during the length of Biden’s entire presidency.” Rather than enjoying real wage gains, workers fall behind when their wages don’t grow as fast as the cost of living. Under Trump, wages grew almost twice the rate of inflation for the same first 35 months in office. The House Budget Committee has stated that real wages have fallen 5 percent under Biden.

Wage Growth Below Inflation Under Biden— and Almost Doubled Inflation Under Trump



Source: Bureau of Labor Statistics. Biden = Jan. 2021 to May 2024. Trump = Jan. 2021 to May 2024. Data Annualized.

The situation is even worse for employees in historically low-wage work such as retail. Weekly earnings in retail trade have increased by 9.9 percent since 2021, half the increase in inflation, and below the rate of increase for nonsupervisory workers. Between 2017 and 2021, earnings for workers in retail increased by 17.5 percent, faster than that for nonsupervisory workers, and twice the rate of inflation. It was possible for a retail worker to get ahead of inflation during Trump’s first term, but that worker has fallen hopelessly behind during Biden’s term.

While Biden’s team can torture the data to find an income band that has enjoyed real wage growth for some short period of time, the data is clear that workers have been [hammered](#) by higher prices during the Biden presidency.

Claim: The Biden administration has made housing more affordable.

Response: Housing expenses make up the largest part of the Consumer Price Index, the standard base for measuring inflation. Reflecting rising inflation, housing costs have skyrocketed over the last four years. According to [real estate giant Zillow](#), Americans need to earn 80 percent more to own a home in 2024 than they did in 2020, while median income has only risen 23 percent in that time. While wage growth only very recently finally outpaced the rate of inflation, the reverse was true for much of Biden’s term. The average 30-year mortgage rate was about 2.7 percent

when Trump left office; since Biden took office, the average 30-year rate has risen to about 7.5 percent, monthly mortgage payments have doubled, and rent is up 21.2 percent. Home insurance rates are up nearly 38 percent since 2019. The vast majority of the measures touted and proposed by the Biden administration to address housing affordability have addressed the demand side, that is, as assistance through cash subsidies, which actually contribute to price increases. Many of these were pandemic-era emergency measures. Effective policy for making housing more affordable would increase the supply of housing, with regulation reforms being a basic first step.

Claim: Unemployment has been at or below 4 percent 30 months—the longest stretch in 50 years.

Response: Unemployment was at or below 4 percent for the 24 months prior to the Covid-19 pandemic. The extraordinarily low unemployment rate enjoyed by the Biden administration since December 2021 is the continuation of a trend that started under the Trump administration and was interrupted by the Covid pandemic. In February 2020, the month prior to the pandemic, the unemployment rate was 3.5 percent, sharply below the 4.0 percent observed in May 2024 (the latest data available). As shown in the table below, most demographic groups had lower unemployment rates under Trump than Biden, with the exceptions likely the result of [Biden's blatantly unconstitutional emphasis on DEI policies](#). The number of unemployed white males has actually increased by 389,000 between February 2020 and today.

Unemployment under Trump and Biden Unemployment Rate Pre-Pandemic vs. Today

<u>Component</u>	<u>Trump</u>	<u>Biden</u>
Total (Official U-3)	3.5%	4.0%
Men	3.5%	4.0%
White	3.1%	3.7%
Black	6.8%	6.8%
Hispanic *	4.3%	4.8%
Asian	2.1%	2.9%
Women	3.5%	3.7%
White	3.0%	3.2%
Black	5.4%	5.5%
Hispanic	5.5%	4.3%
Asian	3.0%	2.9%
Underemployment (U-6)	7.0%	7.4%

Trump = February 2020; Biden = May 2024

* -Labor force grew 10.7%, resulting in an unemployment rate increase despite a 10.2% increase in number employed. (Citizenship is not asked in the BLS' household survey.)

Claim: There have been historic levels of private-sector investments in the United States, bringing manufacturing back to America after decades of offshoring, and creating new, good-paying jobs, including union jobs.

Response: The Biden administration has continued President Donald Trump's groundbreaking efforts to use tariffs to protect American manufacturing from unfair Chinese competition. Recent steps in the right direction to correct the trade deficit, both with China and the rest of the world, are built on the foundation laid by the Trump administration. Though specific legislation has often been weak and lacking in many respects, the Biden administration has joined some bipartisan efforts to push forward what is at least touted as pro-American industrial policy, such as semiconductor manufacturing investments and incentives in the bipartisan CHIPS and Science Act. Meanwhile, Green New Deal-style Democrat legislation, such as the alternative energy subsidies and credits in the Inflation Reduction Act, has cost taxpayers far more than estimated, even as this administration's policies continue to make energy more expensive in the present.

According to data from the Bureau of Labor Statistics, the share of employment in union jobs declined under the Biden administration. The net impact of these policies has been largely insignificant, as the growth of manufacturing jobs has barely increased compared to pre-pandemic levels. This should not be seen as a bad reflection on smart industrial policy, but rather the utter failure of the Biden administration to support good legislation and seriously implement an investment agenda without insertions of ideological preoccupations such as climate change and DEI.

Claim: Manufacturing jobs are up by 850,000

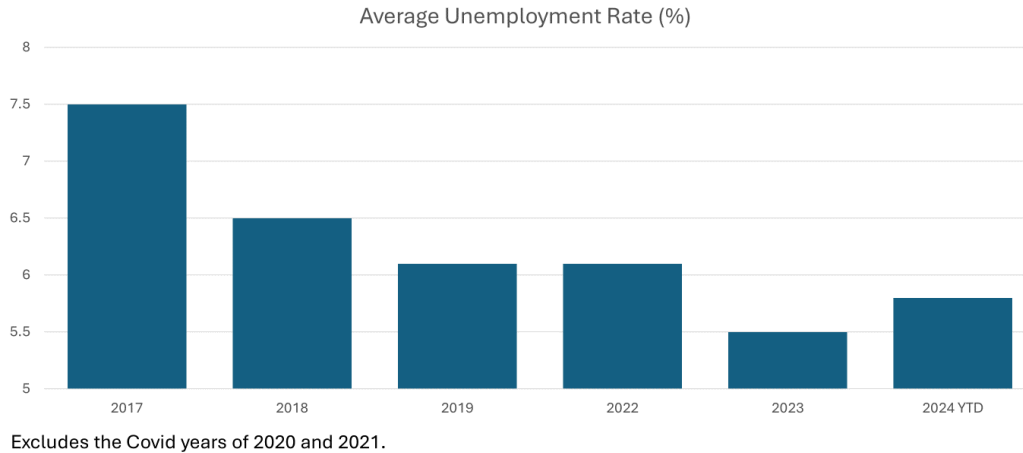
Response: This claim equates pandemic recovery with addition: Only 185,000 manufacturing jobs have been added on top of pre-pandemic manufacturing employment, which hardly puts a dent in U.S. deindustrialization. Prior to the pandemic, the Trump administration added 414,000 manufacturing jobs. In 1955 the per capita percentage of manufacturing jobs in the United States was 32 percent. That figure is roughly 9.6 percent today. The Biden administration has failed to rebuild the U.S. manufacturing base and create good jobs for hard working Americans. Of the modest gains that we have seen recently, it is primarily the result of companies responding to the supply chain vulnerabilities revealed by the pandemic, who then responded by increasing some investment in local production.

Claim: Black unemployment reached a record low on Biden's watch.

Response: For one month, April 2023, black American's unemployment reached a low of 4.8 percent, but was at or below 5 percent in no other months during Biden's term. The data point seems to be an anomaly. For the 6 months prior to April 2023, black unemployment averaged 5.7 percent; for the 6 months after, it averaged 5.8 percent. Contrary to the trend of significant reductions in the black unemployment rate under the Trump administration, thus far in 2024, it appears that any progress made in black unemployment has been reversing itself under Biden policies. Under President Trump, labor force participation (LFP) increased from 62.8 percent to 63.3 percent prior to the pandemic; under President Biden, LFP currently stands at 62.5 percent,

below the pre-Covid peak.

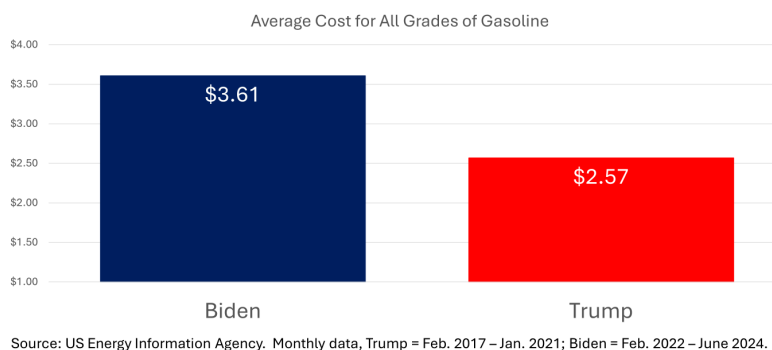
Black Unemployment Is Rising Again



Claim: Gas prices were \$5/gallon when Biden took office.

Response: As CNN [reported](#), Biden’s claim “isn’t even close to true.” Data from the U.S. Energy Information Administration shows that gas prices did reach \$5/gallon—but in June 2022, a year and a half after Biden became President. The graph below shows the average price of a gallon of gasoline for all grades during Trump’s term and Biden’s term to date. Gas prices did not exceed \$3/gallon throughout Trump’s term, and are over 40 percent higher today.

Gas Prices Up \$1.04/Gallon Under Biden



Claim: The Biden Administration is strengthening Medicare, protecting and serving America’s seniors.

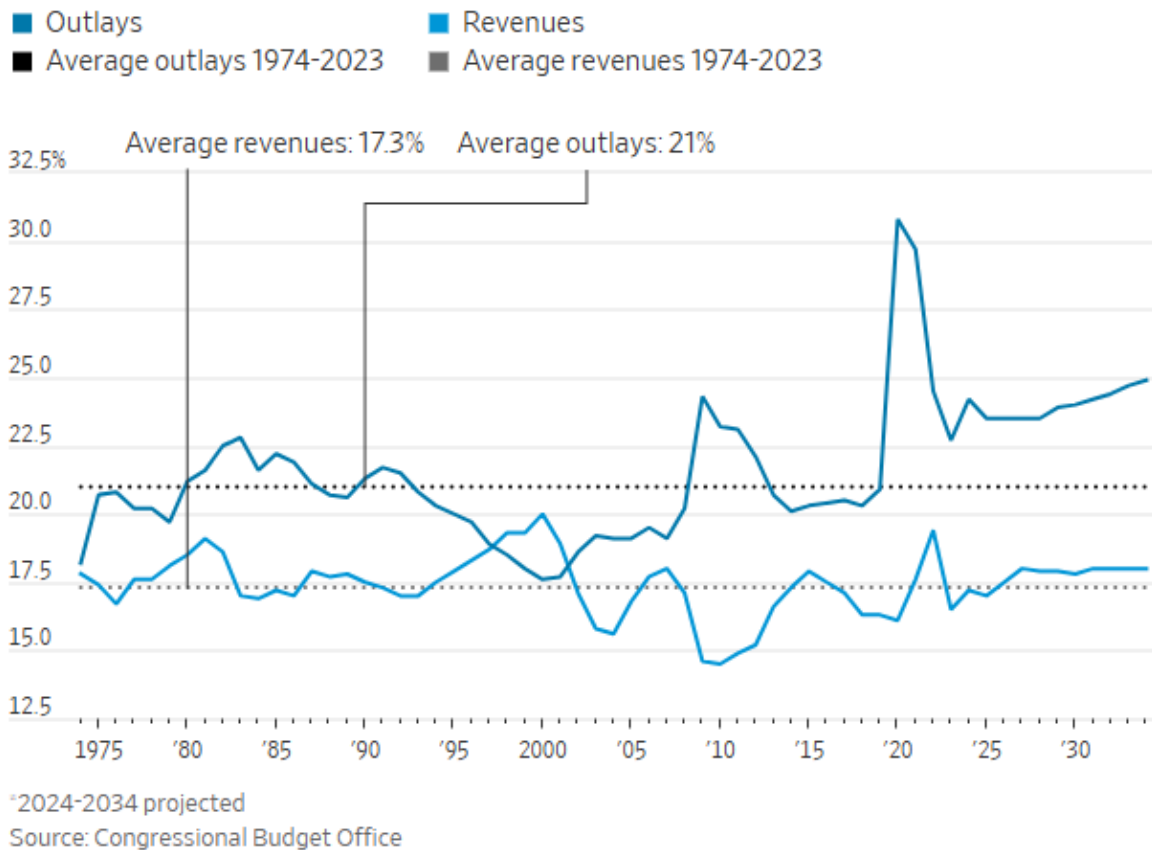
Response: Biden and the Democrats [raided Medicare to pay for green energy subsidies](#). The Inflation Reduction Act, enacted without any Republican votes, cut Medicare by \$240 billion. Changes to Medicare's prescription drug (Part D) program, led to a 22 percent increase in premiums this year and a 50 percent [reduction in number of plans](#) available to seniors. Biden price controls on prescription drugs have led to the cancellation of research programs, resulting with fewer lifesaving treatments available to seniors. Rather than using Medicare savings to pay for woke and wasteful spending, the Trump administration sought to restructure the Part D program to with little effect on overall health care costs. In addition, the Biden administration has increased regulations for Medicare advantage plans, which will cause them to end enhanced benefits for seniors with chronic conditions, leading to increased out of pocket costs.

Claim: The Trump Tax Cuts overwhelmingly benefited the wealthy and exploded the federal deficit. Trump racked up more federal debt than any president did in any presidential term in history.

Response. According to the left-leaning Tax Policy Center, the Tax Cut and Jobs Act [reduced taxes](#) for 91 percent of Americans in every income tax bracket, increasing after-tax income by about \$1,600 on average. The lower tax burden led to greater saving and investment and a growing economy, and a growing economy added to federal revenues. As the *Wall Street Journal's* (WSJ) editors [pointed out](#) recently, revenues as a share of the economy are expected to be at the average of the last 50 years, showing that the Trump tax cuts did not markedly reduce federal revenues. In fact, the WSJ analysis found that growing spending is responsible for exploding federal deficits (see chart from the WSJ below).

The Ominous U.S. Fiscal Trend

Revenues and spending as a share of GDP, 1974-2034



Excluding the required pandemic response measures, Biden has already added more debt than Trump did during his entire term. The Congressional Budget Office [projects](#) that DHP will reach \$28.2 trillion at the end of this fiscal year, or an expected daily increase in the debt of \$6 billion relative to the June 24 amount. Accumulating debt at that rate would put Biden on track to racking up the most debt during a four year term in history—without having faced the problem of ensuring the solvency of the global financial system in the face of a pandemic.