


Bidenflation Revisited: The Administration Has a Plan



But it's a really, really bad plan. Forthwith, Bidenflation revisited: the administration has a plan.

 The claim



Here are the best responses I could find quickly on Twitter.



Let's take the plan in order:

1. "Grocery stores are price gouging." **What a laugh. Supermarkets, especially in urban and suburban areas, are among the most competitive markets anywhere.** The typical profit margin is, as noted by MoodyRedhead (isn't that redundant?), 1-3% of sales. **I hope for all our sakes none of the administration's economic advisers**

were in on this dumb idea.

2. **How does one “Successfully call on grocery chains to lower cost?”** First problem: **confusing price with cost.** My guess is that they meant “lower price.” Price is what you receive for selling a product. Cost is what you spend to make it. Second, **Walmart, et. al., are responsible for increasing competition in this arena.** As Sarah Smith noted, **this is a love note to the ultra-large retailers. My guess is that they’ll take the free advertising – not that they need it.**
3. **“Expanding SNAP and giving families \$2,000 to spend on groceries.”** They saved the **most idiotic proposal for the last.** Far from fighting inflation, this will increase demand by giving recipients an incentive to shift their purchases into supermarket spending and away from everything else. Believe it or not, this is a subsidy to those same supermarkets. But that doesn’t matter. What’s important is that **this policy increases demand for groceries. That will increase prices, not stabilize or decrease them.**

Carol Roth has the best summary. If you think this policy will fight inflation, that’s exactly why we have inflation. This is the result of putting a musician in charge of economic policy.