

To: Interested Parties
From: Brian Deese and Anita Dunn
Re: Biden Economic Plan Year in Review
Date: December 31, 2022

As we wrap up the year, it's a good time to take stock of our economic progress over the course of 2022 and our path forward into 2023. In the face of historic global challenges, America ends 2022 in a stronger position than many major global economies, with solid growth and a resilient labor market and inflation coming down. The unemployment rate remains near record lows, many measures of household balance sheets are stronger than before the pandemic, gas prices are down more than \$1.75 from the summer, and we are seeing more signs of inflation moderating. Importantly, starting in January, American consumers will receive additional cost savings on prescription drugs, health care, and clean energy, thanks to legislation President Biden signed into law earlier this year.

While we have more work to do, and we may see setbacks along the way, we end the year with clear evidence that [President Biden's economic strategy](#) of growing the economy from the bottom up and the middle out is working—yielding benefits for American families today while laying a foundation for a stronger, more resilient and prosperous economy over the long run.

Sustaining an Historic Jobs Recovery in 2022

Thanks in part to President Biden's economic plan, the job market recovered all of the jobs lost during the pandemic faster than in the past three recoveries, the unemployment rate is near a 50-year low, and Black and Hispanic unemployment rates are near pre-pandemic record lows.

- **10.5 million** jobs added under President Biden, the most at this point in any presidency on record.
- **3.7%** unemployment rate—near a 50-year low, and the unemployment rates for Black and Hispanic Americans are near pre-pandemic lows.
- [Manufacturing jobs](#) have recovered faster than any other business cycle **since 1953**.

Lowering Costs for American Families in 2022

Earlier this year, President Biden laid out [his approach](#) to driving a transition from an historically strong economic recovery to more steady, stable growth—with lower inflation and without giving up all the economic gains American workers have achieved. It will take time to bring inflation back to normal, and there may be setbacks along the way, but there are initial signs inflation is moderating even as the labor market remains resilient.

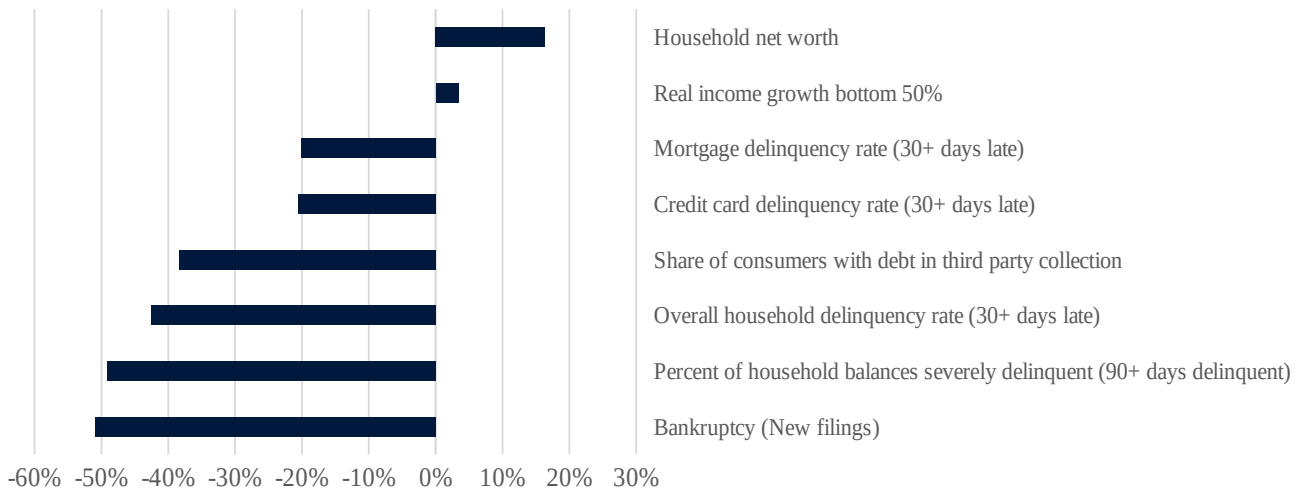
- Annualized headline inflation has moved from **11.3%** over the first three months of the year to **3.7%** over the last three months.

- Inflation outside of food and energy has declined as well. Core PCE—the inflation measure most closely watched by the Fed—declined from **4.9%** over the first three months of the year to **3.6%** over the last three months (annualized).
- Gas prices are down more than **\$1.75 per gallon** from their June peak and near their cheapest levels since September 2021—before Putin’s war in Ukraine—saving a family with two cars around **\$200 per month**.
- Outside of the economy-wide inflation data, there are other signs of easing inflationary pressures with payroll job growth slowing even as it remains robust, job openings trending downward, wholesale goods prices—from autos to apparel—falling or moderating, and real-time measures of housing inflation slowing as well.

Providing Families Breathing Room in 2022

President Biden’s economic agenda was designed to give American families more breathing room and the peace of mind that comes with it. In 2022, we continued to make [progress toward this goal](#): the share of Americans without health insurance reached an all-time low while credit card delinquencies, mortgage delinquencies, and new bankruptcies remain well below pre-pandemic levels. This recovery has largely avoided the scars typical during recessions and put households on a more secure financial footing.

Household finance indicators stronger than pre-pandemic



- The number of Americans without health insurance fell by **5.8 million** compared to before the pandemic—to the lowest uninsured rate on record in the first half of 2022—in significant part due to President Biden’s policies that have lowered ACA health insurance premiums.

- There are **51%** fewer Americans entering bankruptcy than before the pandemic; **38%** fewer borrowers with debt in third party collections than before the pandemic; **21%** fewer Americans delinquent on credit card debt than before the pandemic; and **20%** fewer families behind on their mortgage payments than before the pandemic.
- Slowing inflation is starting to yield concrete benefits for American families, with real wages (measured by average hourly earnings) higher than they were five months ago.
- Additional cost saving plans will take effect in January—including for seniors with diabetes on Medicare, who will have their insulin capped at **\$35/month**.

Promoting Entrepreneurship and Competition in 2022

President Biden’s economic strategy is designed to give small businesses and entrepreneurs an opportunity to thrive by making sure that markets are fair and competitive. **We end 2022 on track to see the most-small business applications on record in any two-year period.** By giving more entrepreneurs the opportunity to compete fairly, we are delivering concrete savings to American families—from lowering the costs of [hearing aids](#) to [reducing junk fees across industries](#).

- Over **4.6 million** Americans have applied to start a business so far this year, putting 2021-2022 on track to be the best two-year period for small business applications since records began in 2004.
- For the nearly **30 million Americans** with hearing loss, President Biden’s actions have helped lower the average cost of hearing aids by as much as **\$3,000 per pair** by allowing them to purchase hearing aids without a prescription, exam, or audiologist fitting.
- Banking junk fees are projected to fall **\$3 billion** this year compared to pre-pandemic. 15 of the 20 largest banks have dropped bounced check fees.
- With President Biden’s leadership, Congress passed the Ocean Shipping Reform Act, which contributes to lower ocean shipping costs. Prices along the east-west corridor are now down by **around 91%** compared to their May 2022 peak.

Laying the Foundation in 2022 for a Stronger, More Resilient and Prosperous Economy for the Long Run

President Biden’s economic agenda is laying the foundation of public investment that will encourage businesses to invest and expand productive capacity in infrastructure, innovation, and clean energy—all key to economic and national security. Through passage of historic legislation including the Bipartisan Infrastructure Law, the CHIPS and Science Act, and the Inflation Reduction Act, President Biden’s economic agenda is unlocking investment in high-growth, high-potential industries that will grow the economy from the bottom up and middle out.

