House Budget Committee

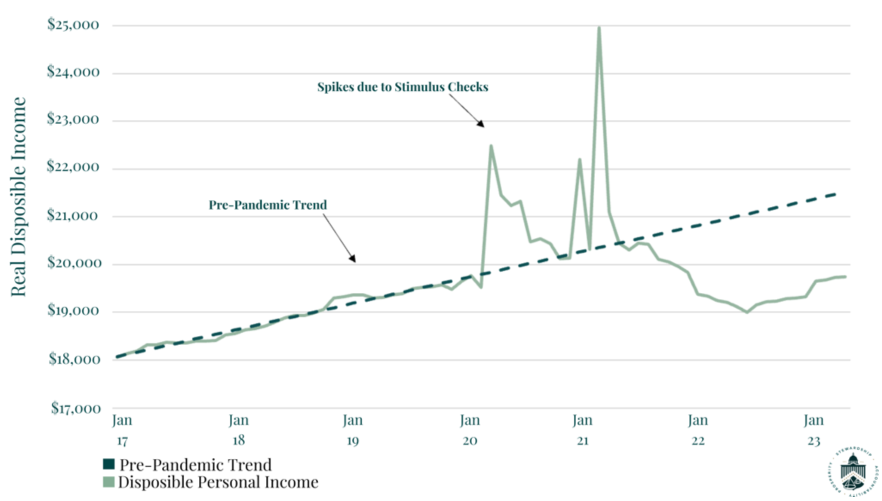
SOUNDING THE ALARM:
Bidenflation Is Chipping Away Americans' Disposable Income

Bidenflation and the President's reckless economic policies have led to a collapse in disposable personal income. Under President Trump, disposable personal income grew—but under Biden, workers are now taking home less each paycheck (when adjusted for inflation).

- **What is "disposable personal income?"** This is the average amount that workers have left on their paychecks after paying taxes.
- **Why is this important?** Families rely on their disposable income to pay their mortgage, buy things like back-to-school clothes for their kids, and save for their retirement.

Reversing TCJA Progress: Between 2017 and the beginning of the pandemic, disposable personal income grew at an average rate of $47 per month, meaning workers were taking home more in each paycheck. Following the Tax Cuts and Jobs Act, families had more flexibility in their finances to spend as they see fit, and with a growing economy, after-tax income was set to keep growing.

- As the chart shows, there was a jump in disposable income during the pandemic due to the $1,200 stimulus checks Congress approved in the CARES Act. This spike continued as Biden passed trillions more in "COVID emergency" spending into law even though he declared the pandemic was over.
- But since that spike, disposable income has fallen to pre-pandemic levels and is not on pace to where we were going under Trump. If the pre-pandemic trend would have been maintained, Americans were on track to have nearly $1,800 more per month to spend on their household essentials under our pro-growth tax code.



The Bottom Line: Americans are taking home far less today than they were prior to the pandemic when adjusted for inflation. And thanks to the President's reckless spending, which created an inflation crisis, families' pocketbooks continue to shrink.