

Inflation Fears Flare Again

Last week's disappointing GDP news and uptick in a key inflation gauge (Personal Consumption Expenditures) have up-ended Wall Street hopes for an imminent rate cut. The news was also a major setback for the White House, which is desperate to put inflation behind them in time for the election. Reflecting what inflation reports have shown, the electorate has picked up on the warning signs of an inflation resurgence.

From our new survey for Winning the Issues (April 27-29), there has been an increase in the percentage saying inflation is getting worse — now at 60% — rather than better (16%) or not changing (21%).

Do you think inflation is getting...?	Dec 2023	Feb 2024	April 2024
Better	24	21	16
Worse	53	54	60
It is not changing	20	23	21

At the end of last year, numbers had improved slightly, with 24% saying inflation is getting better and 53% saying worse. But our current numbers show the highest percentage saying “worse” (60%) since September 2023. The last inflation reports have shown inflation remaining at or above 3% for ten months in a row. With the unexpected uptick in PCE, this has now caused a re-examination of the inflation situation as potentially rebounding.

Some like progressive economist Paul Krugman declared victory months ago, dismissing any remaining concerns about inflation as purely a function of partisanship. Our numbers show that Republicans (82% worse) and independents (61%) are overwhelmingly of the view that inflation is getting worse, but with even a plurality of Democrats (39%) seeing inflation as getting worse instead of better (30%).



Paul Krugman ✓
@paulkrugman

The war on inflation is over. We won, at very little cost

Do you think inflation is getting...?	GOP	Indep	Dem
Better	6	12	30
Worse	82	61	39
It is not changing	11	25	28

With six months to go until the election, the White House has been eager to change voters' minds about inflation improving thanks to the President's policies, but our numbers show their views moving in the opposite direction.

Have a good week.

David & Myra