

# Inflation and the Economy

July 2022

# INTRODUCTION

In June 2022, inflation in the US soared to a new 40-year high, according to the Bureau of Labor Statistics. In response, More in Common surveyed a research panel on their perceptions of inflation in the US. Data was collection from June 13rd-17th.

# RESEARCH METHODOLOGY

## **Americans in Conversation online platform**

*Results are shown as “American respondents.”*

More in Common created an online community with approximately representative distributions of Americans along lines of gender, age, race, political party, educational level, and geographic region.

From June 13 – June 17, we surveyed these American respondents about their perceptions about inflation. A total of N = 290 American respondents completed the survey questions.

For quantitative findings, the margin of error is +/- 6% for the US average and higher for subgroups. For qualitative findings, responses to open-ended questions were aggregated, analyzed, and then reviewed for representative quotes that illustrate key sentiments on the subjects studied. Where provided, names have been changed to protect the privacy of the respondent.

## **Research Goals**

- Explore Americans’ perceptions of inflation and their predictions.
- Understand their personal experiences of inflation.
- Explore who Americans blame for inflation, and who Americans think are the victims of inflation.

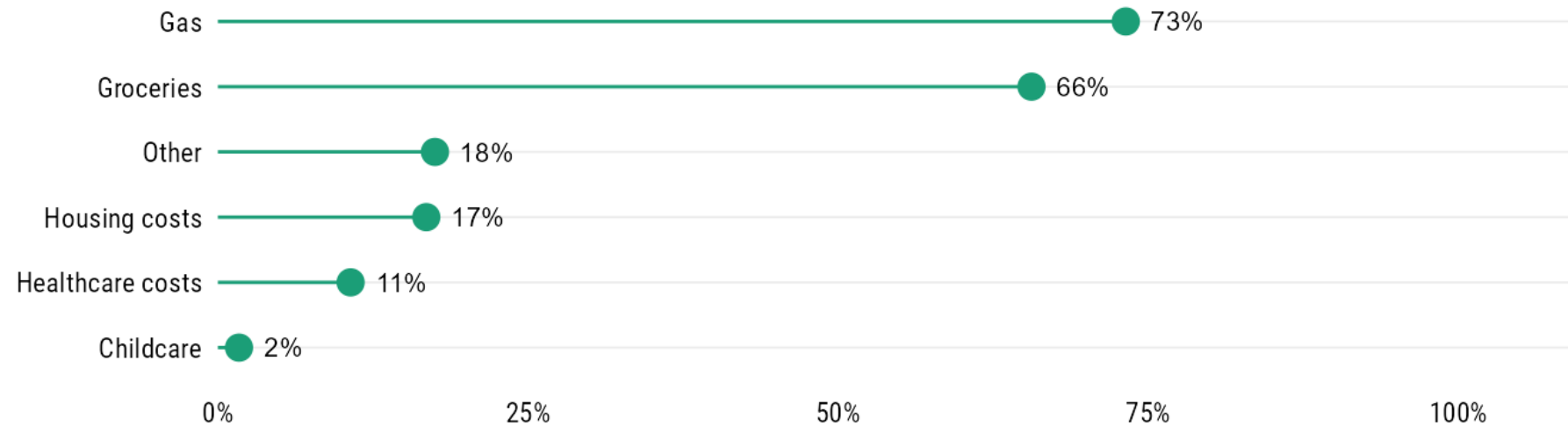
# Economic hardships

# 8 in 10

**Americans have experienced moderate or severe hardship because of recent price increases.**

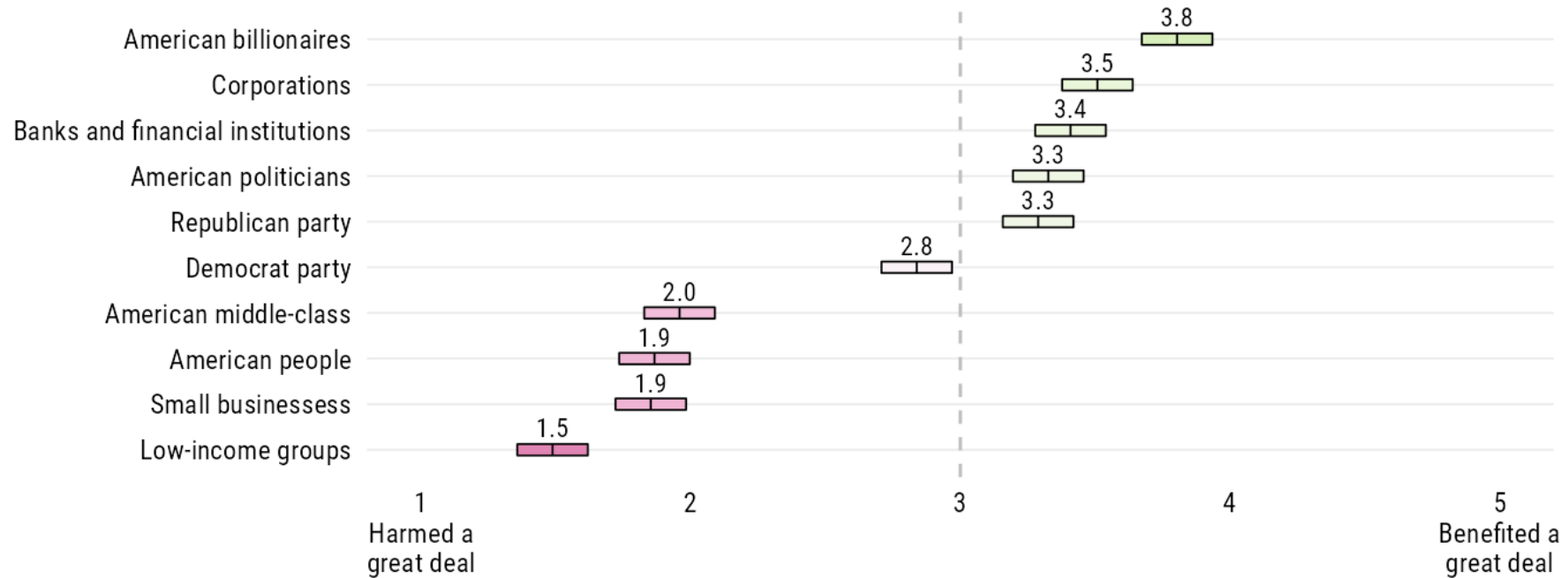
Have recent price increases caused any financial hardship for you or your household?

# 7 out of 10 Americans felt financial hardship from increased gas and grocery prices.



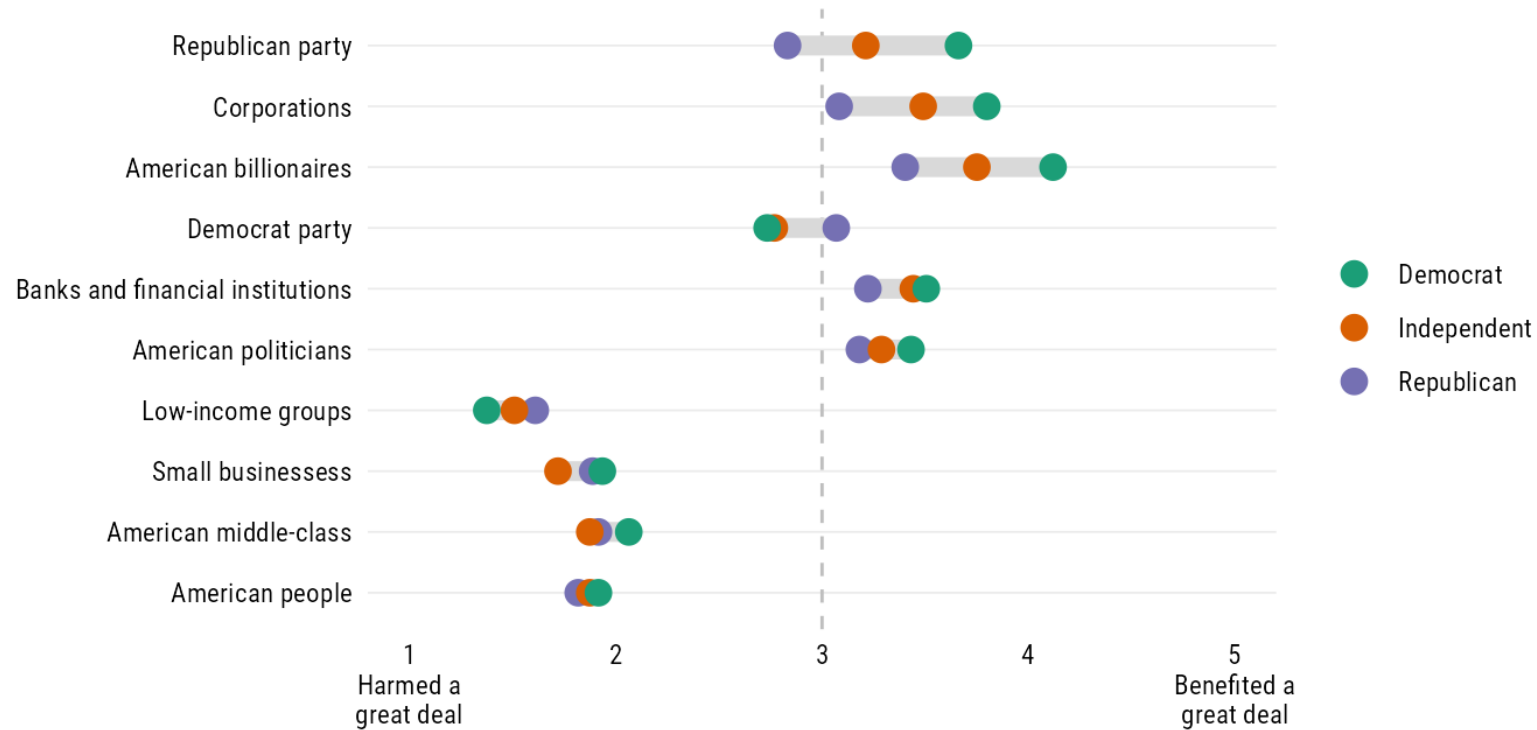
“If recent price increases have caused financial hardship for you, in what one area have you felt the most financially strained? (select all that apply.)”

# Americans think the wealthy, corporations, and politicians benefit from inflation; and the low- and middle-class, small businesses, and the American people are hurt by inflation.



What impact do you think recent price increases in the US have on the following groups:

# Americans were mostly united in their perceptions, though Republicans were more likely to be neutral on the how inflation influenced the Republican party, corporations, and billionaires.



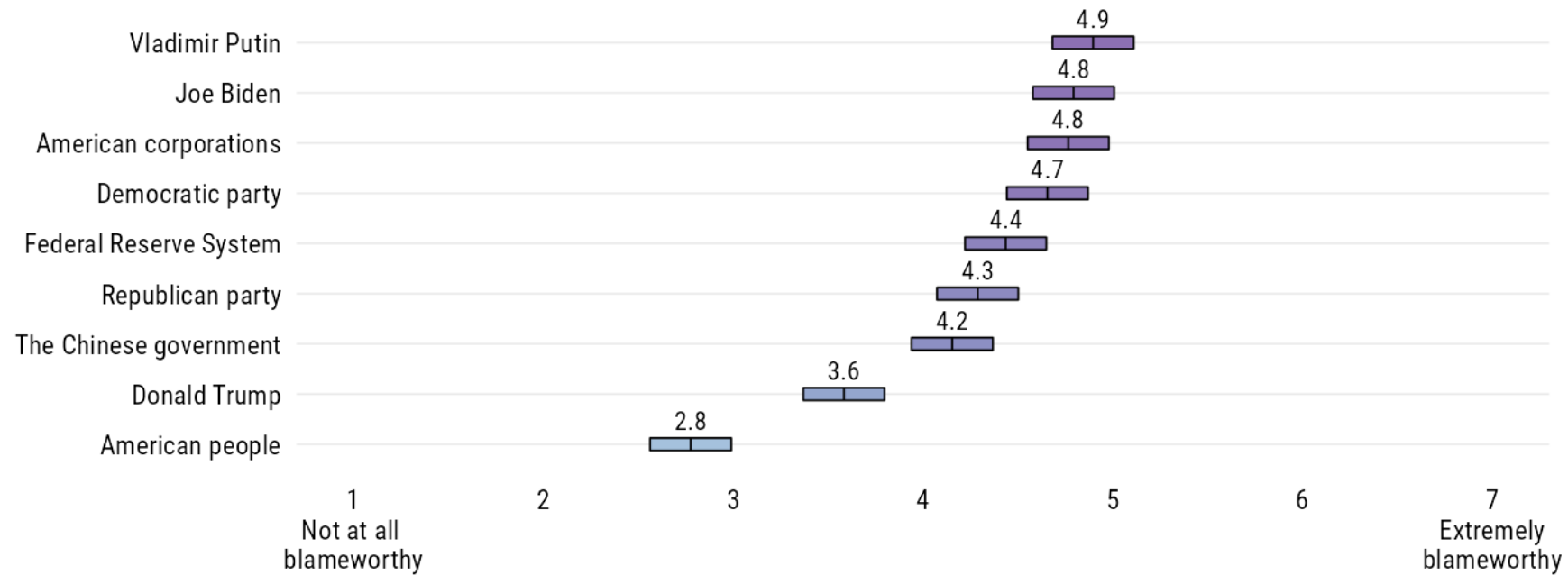
How much, if at all, do you blame each of the following for recent price increases / inflation in the US?

Circles indicate means. Ordered by most polarized to least polarized. Polarization is indexed by the standard deviation of the means.



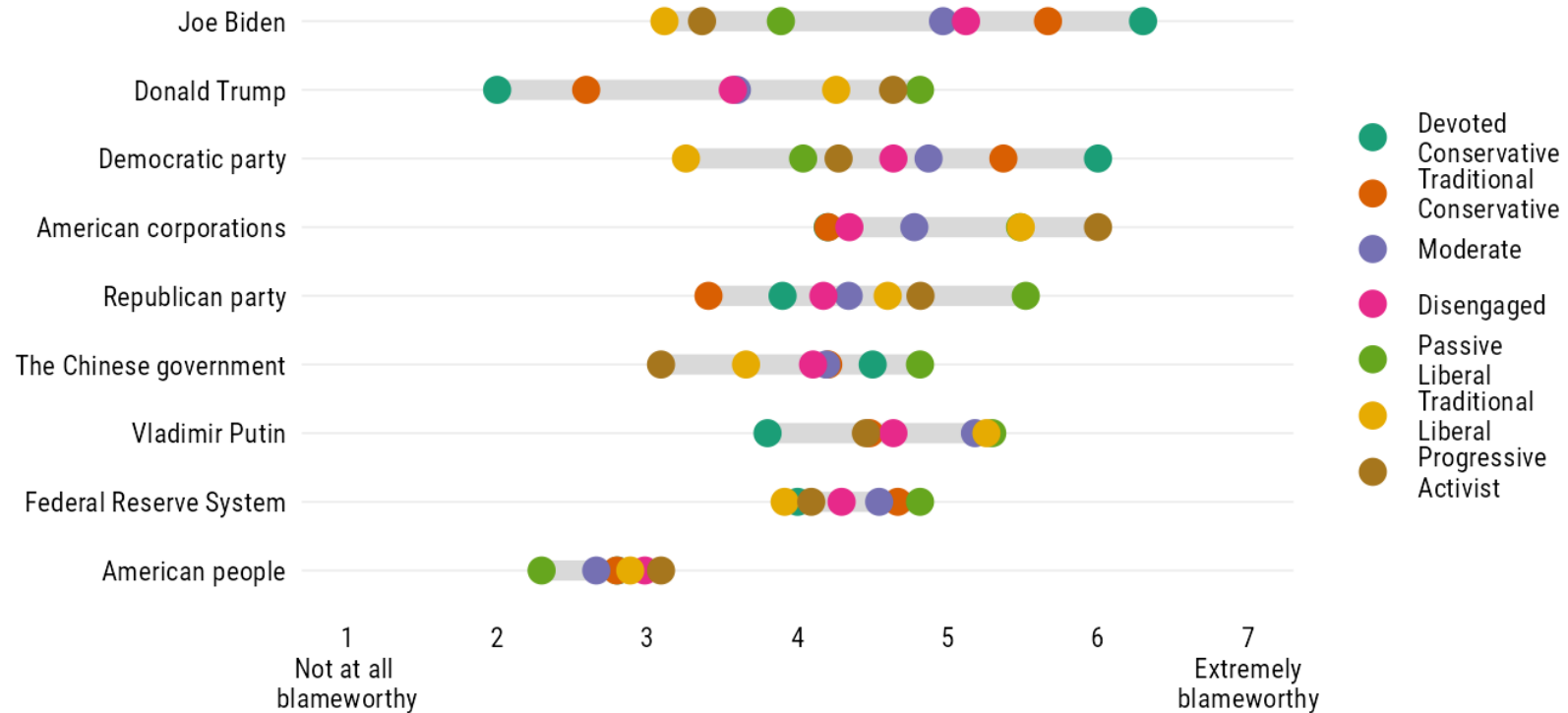
**Who is responsible for  
inflation?**

## Americans blamed a range of figures and groups for recent price increases, though, overall, they blamed Donald Trump and the American people less than other sources.



How much, if at all, do you blame each of the following for recent price increases / inflation in the US?

# The blameworthiness of politicians and political parties varied significantly by Hidden Tribes.



How much, if at all, do you blame each of the following for recent price increases / inflation in the US?

Circles indicate means. Ordered by most polarized to least polarized. Polarization is indexed by the standard deviation of the means.

The majority of respondents who blamed Biden expressed a general dislike for his presidency. Others cited his energy policies and stimulus packages as the main causes.

**Republicans were most likely to blame Biden because of his energy policies.**

*“Joe Biden shut down the pipelines and had that not happened we wouldn't be in such a bind that we are in.”*

— Bette, age 25–34 White female, Traditional Conservative, Indiana

**Independents disliked Biden's energy policies as well, but also frequently cited government spending as a cause.**

*“I think Biden and the democrats affected inflation a lot because they have been flooding the economy with money and keep on printing it to give out to certain groups.”*

—Priscilla, age 55–64 Asian female, Disengaged, New York

**Most people, however, did not have a specific reason and simply expressed a general dislike of the President's actions.**

*“I really think Biden has a lot to do with it because when he got into office he came in like a wrecking ball. It's like he sent everything into a tail-spin. I am sure Putin, the parties, and others are responsible, but I just wish they would fix what the problems are. People are suffering.”*

— Joanne, age 45–54 White female, Moderate, Mississippi

Survey question: How much, if at all, do you blame each of the following for recent price increases / inflation in the US? Choose one and then explain why.

Respondents who blamed Putin discussed the economic ripple effects of the war.

**Democrats were most likely to blame Putin for inflation.**

*"Putin is blameworthy because of his unprovoked war on the Ukraine, which has caused increased gas prices and shortages of many things."*

*-Viola, age 65+, multiracial female, Traditional Liberal, Washington*

**Independents also frequently cited him as the main cause.**

*"Since Vladimir Putin invaded Ukraine, many countries are trying to stop him with economic sanctions, which are causing inflation and instability."*

*—May, age 35-44, Hispanic female, Moderate, Tennessee*

*"I think the most obvious choice is Vladimir Putin. Although inflation was rising prior to the war due to democratic incompetence and printing money, the increase in gas prices affects every aspect of the economy and increase prices." — Nelson, age 25-34 White male, Disengaged, Illinois*

*Survey question: How much, if at all, do you blame each of the following for recent price increases / inflation in the US? Choose one and then explain why.*

Others said that no one person was to blame or blamed "greediness" as the cause.

**Democrats were most likely to say that no one person is to blame or that they didn't know who to choose.**

*"I can't pick just one as I think they are all to blame for various reasons."*

*-Sam, age 45-54 White male, Traditional Liberal, Ohio*

*"I'm honestly not too sure what the true underlying cause of inflation is, but I can't imagine it's Joe Biden like people are claiming - gas prices are also high in other countries, which Biden has no impact on." -Karena, age 45-54 White female, Traditional Liberal, Indiana*

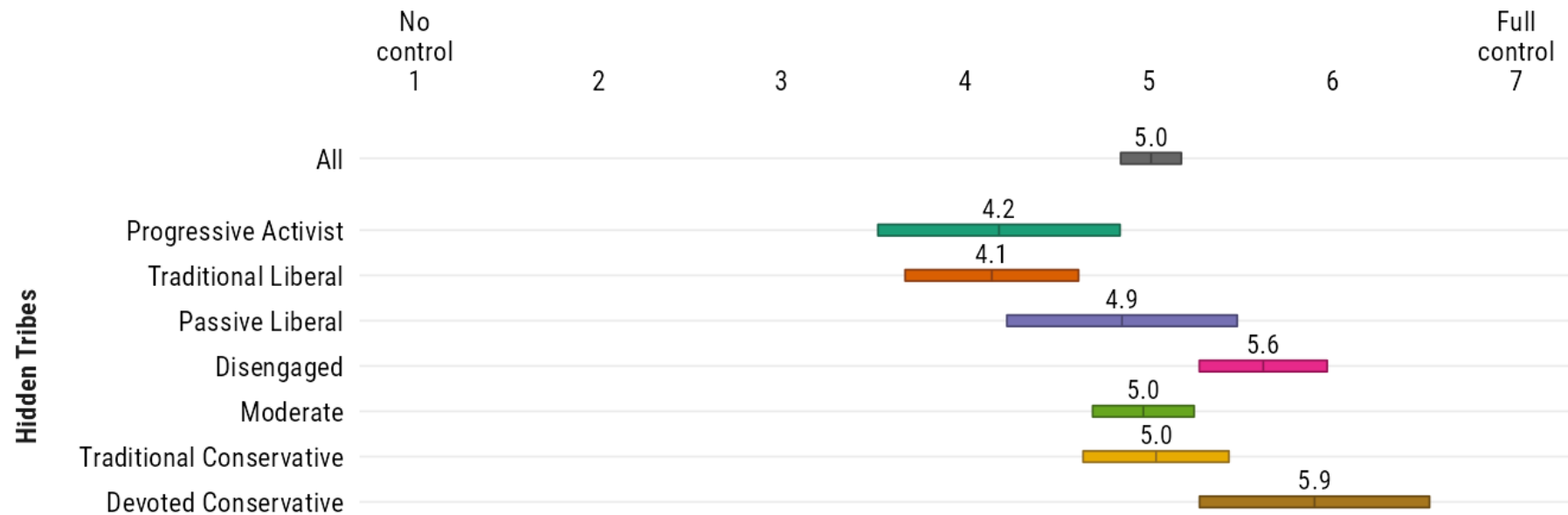
**Independents and Democrats also linked inflation to the "greed" of corporations, or just "greed" generally.**

*"It's hard not to talk about American Corporations. If executives did not continue to hoard money for themselves, money would start rolling down to the 'common' people. GREED is a major cause of why inflation is so high."*

*—Mildred, age 45-54 White female, Disengaged, Illinois*

*Survey question: How much, if at all, do you blame each of the following for recent price increases / inflation in the US? Choose one and then explain why.*

# Overall, Americans believe the US government has some control over inflation. The Politically Disengaged and Devoted Conservatives were more likely to think the US government had more control than other Tribes.



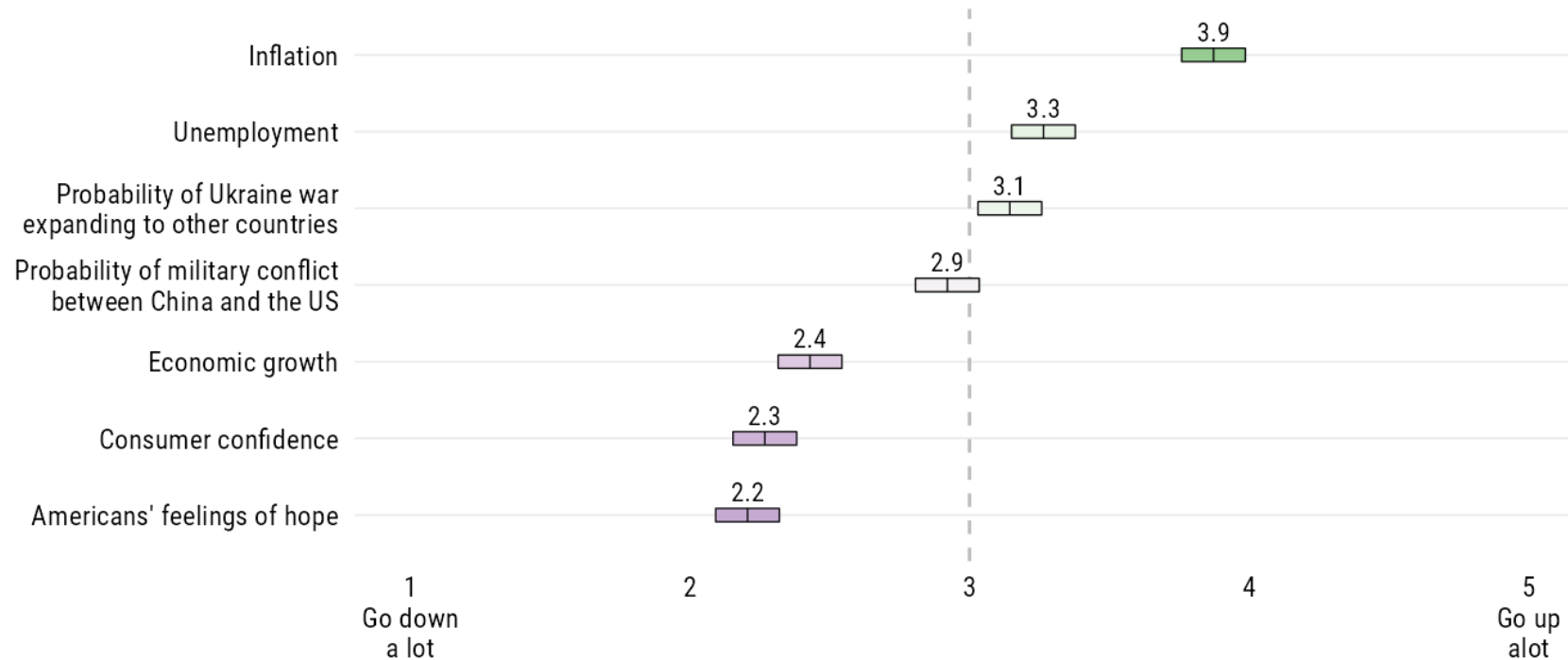
On a scale of 1 to 7, which statement do you agree with more:  
 The US government has... 1 (No control over the course of inflation) to 7 (Full control over the course of inflation)

Crossbar centers are means. Crossbar widths indicate 95% confidence intervals.

**Thinking about the future**



# Americans predicted that inflation will continue to rise and unemployment will go up, and conversely, that economic growth, consumer confidence, and feelings of hope will go down.



Over the next six months, do you think that each of the following will: 1 (go down a lot) to 5 (go up a lot)

When asked what they thought the solutions were to inflation, participants in the Exhausted Majority overwhelmingly stated that they did not know.

**Most didn't have solutions.**

*"I have no idea. I am not an economist. I think that greed plays a big part in it –and how do you regulate that?"*

*– Jacqueline, age 65+ White female, Traditional Liberal, Oregon*

**Others suggested energy independence, changes to personal spending, and raising interest rates.**

*"Open back up the oil pipelines here in the U.S. I know that we need to take care of the environment, but for now we need to take care of the American people."*

*– Hattie, age 65+ White female, Moderate, Florida*

*"I don't think there is a best way, but I will be more mindful of what goods and services I purchase. I may buy something that is of lower quality but still functional." –Callie, age 55–64 Asian female, Disengaged, California*

Survey question: In your opinion, what is the best way to address the recent price increases / inflation in the US?

# Thank You