

Look who is wrong about the economy now

di Jim Geraghty

Maybe Americans' post-pandemic economic pessimism was more astute than the professional economists thought.

During President Joe Biden's last two years in office, he and his most ardent supporters argued that the U.S. economy was a roaring success, and that the country's widespread unhappiness with it — and Biden's correspondingly low job approval — were unwarranted.

In his 2024 State of the Union address, [Biden boasted](#), "Our economy is literally the envy of the world." The stock markets [enjoyed two great years](#), the unemployment rate was [low by historical standards](#), and [GDP growth](#) was solid. Inflation had been terrible in 2022 but was [declining and below 4 percent](#) by the summer of 2023.

Yet Americans were unimpressed, with both the aging Biden and the [state of the economy](#) during his term.

Then Donald Trump took the presidential oath of office for a second time and declared, "The golden age of America begins right now." Unsurprisingly, right after Trump's inauguration, Republicans [started rating](#) the state of the economy better, and Democrats started rating it worse. But the net effect was no change, and overall, in the Pew Research Center's [latest survey](#), just 28 percent of U.S. adults rate economic conditions as excellent or good, while 72 percent say they are only fair or poor. Unless your [name is Sam Darnold](#), this probably doesn't feel like a golden age to you.

Continuing into the Trump era, economists scratched their heads and wondered why, if the data looked so good, the public felt so gloomy. [Headlines asked](#), "[The] economy is doing OK. So why are Americans so pessimistic about their prospects?" and [tried to analyze](#) "why so many Americans dislike this fast-growing economy."

Economists started discussing the “[K-shaped economy](#),” in which prospects were improving for the well-off and declining for the poor and less educated. That’s a factor, no doubt, but economic prospects have always been better for the rich, in large part because they’re, you know, *rich*. It takes money to make money. [And the “S&P 493”](#) — an index that leaves out the seven high-flying tech firms of Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla — shows much more modest growth than the “Magnificent Seven.” So perhaps the economic data was offering a misleadingly cheery sense of how the country as a whole is doing.

Friday’s [job numbers](#) brought evidence suggesting that the gloomy types accurately saw weakness in the economy that the official numbers obscured. The latest release from the U.S. Bureau of Labor Statistics showed a loss of 92,000 jobs in February, with downward revisions for the two months before that. [Employers added](#) just 181,000 jobs in 2025, around 70 percent fewer than BLS’s initial estimate of 584,000, and the revised numbers are getting worse, not better. Hiring Lab, the economic research arm of the jobs site Indeed, has [concluded that](#) “the labor market has averaged essentially zero net job creation over the past six months.”

Keep in mind, in August, economists at the Federal Reserve Bank of St. Louis [calculated that the U.S. economy needs](#) to add between 32,000 and 82,000 jobs per month to keep the unemployment rate stable.

BLS data indicates that the United States [has 6.5 million unfilled jobs](#), which sounds like a lot. But in January 2023, that figure was above 10 million. The good news is that a lot of jobs got filled, but now there are significantly fewer job openings. Employees know they have leverage with employers if they’re in demand, but it feels as if fewer and fewer companies are hiring.

If companies are growing increasingly risk averse in Trump’s second term, part of the reason is a spectacularly erratic president who has become a one-man force for economic unpredictability and instability. Trump started his second term by [launching a trade war](#) against the whole world, subsequently lost a Supreme Court decision on tariffs, threw a public tantrum claiming the court had been “swayed by foreign

interests,” and then turned around and imposed new tariffs to replace the old ones under a new justification.

Trump [loves intervening in markets](#) as much as his new best buddy, New York Mayor Zohran Mamdani, and at any given moment, any company can find itself [denounced on Truth Social](#) as being run by “Leftwing nut jobs.” One day the artificial intelligence company Anthropic has a \$200 million contract with the Pentagon; the next, Trump orders “EVERY Federal Agency in the United States Government to IMMEDIATELY CEASE all use of Anthropic’s technology.”

And this is all before the economic disruption caused by the [U.S. going to war in Iran](#). Gas prices immediately jumped, and when gas becomes more expensive, everything that gets transported by gas gets more expensive, too. The booming stock market is now freaking out, with good reason.

Why are Americans economically gloomy? Because it feels like the pace of change has accelerated well beyond our ability to keep up. We can live with a dynamic economy, but we also want some stability and predictability in our lives. A president and his administration can’t control a lot of things about the economy, but they can usually control their own statements, decisions and policy choices.

This president, however, may not even be able to control himself.