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The legacy of Bidenomics: Maybe not much at all

di Catherine Rampell

This week, Post columnists share their closing thoughts on Joe Biden's presidency.

President Joe Biden and his boosters have been writing extravagant encomiums for his economic legacy, calling it a "roaring success," despite voters' negative perceptions. Biden's "fundamentally new playbook" repudiated the old neoliberal ways and forever changed the course of the U.S. economy. His critics, of course, describe Bidenomics as a disastrous scar upon economic history.

In reality, relatively little of Biden's economic agenda is likely to survive past his time in office. When we look back on the 46th president's record in a couple of years, it probably will not have much of a lasting legacy either way.

When Biden entered office, commentators lavished him with grand historical parallels. He was a "transformational" president ushering in another FDR-esque "New Deal" or the next LBJ-like "Great Society." Biden supposedly had a mandate to create an entirely new, post-neoliberal "paradigm" for economics with three main prongs: a new social compact between Americans and their government, including an expanded "cradle to grave" safety net; more muscular government intervention in markets (through industrial policy, regulation, antitrust); and a "middle-out, bottom-up" agenda.

Let's take these one by one.

Early on, Biden significantly expanded the social safety net to help vulnerable Americans. But unlike Obamacare, which proved stubbornly durable against GOP attacks, Biden's programs have been relatively ephemeral. Many have already disappeared or are slated to expire soon.

For example, the 2021 expanded child tax credit, which helped slash child poverty nearly in half, sunset after just one year. A landmark investment in the child-care sector lapsed, too.

More generous health tax credits enabled millions more Americans to obtain marketplace health plans with little to no premiums, bringing the uninsured rate to all-time lows. But those tax credits expire in December of this year, and Republicans are not expected to extend them. The uninsured rate is likely to revert. An expansion of food-stamp benefits, which Biden implemented unilaterally, also looks likely to be rolled back soon.

Other safety-net expansions Biden fought for, including eldercare and national paid leave, never materialized at all.

Of course, Biden did *try* to pass more transformative safety-net expansions. Remember “Build Back Better”? But the president didn’t have sufficient votes, even within his own party, to push those Great Society 2.0 programs through.

Then there’s his industrial policy, encapsulated by three laws: the bipartisan infrastructure law, the Chips and Science Act, and the Inflation Reduction Act. The first two passed with Republican votes, suggesting some elements would have staying power. But their impact has been more limited than the original hype suggested.

Take the 2021 infrastructure law. It promised a burst of new investment in roads, bridges and other critical needs. Unfortunately, the additional dollars Congress appropriated have been eaten up by inflation. In the first nine months of fiscal 2024, the government spent $35 billion on bridge and highway construction, but after adjusting for higher construction costs, that’s actually *24 percent less* than the same period in the year before the law, according to Jeff Davis, a senior fellow at the Eno Center for Transportation.

Other programs fizzled almost entirely. Despite the $7.5 billion allocated for EV charging stations, only 44 stations have been built nationwide so far. A $42 billion expansion of broadband internet service still has not connected a single household.

These and other policy projects have been obstructed by permitting problems, bureaucratic delays and labor shortages. Or their costs were inflated by unrelated political goals, such as requiring child care for construction workers at chip factories or mandates to use (more expensive) American-made materials.

Even if these laws remain on the books, unperturbed by the incoming GOP government trifecta, they're poised to cost a lot more, and deliver much less, than Bidenomics champions once promised. Even that might be a relatively low bar; the Chips Act is supposed to deliver 125,000 jobs, which is fewer jobs than the U.S. economy typically creates in a single month. (So far, manufacturing job growth has lagged behind hiring in the rest of the economy.)

Meanwhile, the Inflation Reduction Act, which passed with only Democratic votes, has been in the GOP's crosshairs for a while. Republicans already forced clawbacks of the law's much-needed Internal Revenue Service funding and have pledged to rescind more IRS money this year.

President-elect Donald Trump has vowed to repeal the IRA's clean-energy subsidies wholesale, perhaps to partially offset his planned tax cuts. The law's only political shield might be that it has disproportionately benefited Republican districts.

Other regulatory changes have also been more muted than Democratic proponents, or Republican critics, might suggest.

For example, despite cheers (or complaints) about the Biden administration's heavy-handed, pro-labor regulations, it is actually the first Democratic administration in half a century to issue *zero* new major worker health or safety standards. This is largely because officials wrongly counted on a second term to finalize new rules.

Likewise, despite many news profiles painting Biden's antitrust appointees as visionary heroes (or, alternatively, antibusiness villains), the fingerprints they'll leave on the antitrust system will be pretty faint.

The courts largely thwarted the administration's antitrust battles against Big Tech and its (commendable) ban on worker noncompete agreements. As for the broader progressive agenda of making antitrust enforcement less focused on low consumer prices and more on other goals (worker welfare, political power), administration officials have little to show for themselves. To wit: The fate of any ongoing tech cases will soon be in the hands of the Trump administration, whose top advisers include tech billionaires.

Finally, there's the "bottom-up, middle-out" agenda, referring to economic policies that prioritize lower- and middle-income Americans, particularly people of color and those in "left behind" communities.

The immediate record is mixed, with lasting effects harder to assess. By traditional metrics, the current U.S. labor market looks pretty great: We have relatively low unemployment and high labor force participation, including for historically disadvantaged groups (such as Black workers). People of color and those with the least education have also seen the sharpest wage increases, in nominal terms, leading Biden officials and allied progressives to tout his deliverables for the working class.

But these demographics also suffered more from inflation. In fact, if you look at the kinds of things these different groups buy, poorer people and Black and Hispanic families generally experienced much *more* price growth than the average American.

The surge in inflation has (mostly) passed. But rightly or wrongly, a few years from now "Bidenflation" is likely to be what Americans remember of this hot-economy era, not its robust labor market.

Again, Biden did *try* to elevate the working class, or at least a somewhat outdated conception of the working class that emphasizes manufacturing. But he has struggled to make an enduring impact, either because he lacked legislative votes, weighed down his programs with unrelated objectives and red tape, or left policies vulnerable to repeal and sabotage by his successor.

Whatever effect Bidenomics has had, it's likely to be — dare I say it — somewhat transitory.