



Written by [David Kelly](#) on September 12, 2022

Americans Now Pay More in Taxes Than for Food

President Biden's progressive agenda has hit Americans hard, and with added high inflation there's no relief in sight. The Bureau of Labor Statistics (BLS) just released a [report](#) showing that Americans spent more on taxes in 2021 than food, clothing, and healthcare combined, creating financial hardship for the majority of Americans.

The report highlighted:

Average annual expenditures for all consumer units in 2021 were \$66,928, a 9.1-percent increase from 2020, the U.S. Bureau of Labor Statistics reported today.... During the same period, the Consumer Price Index (CPI-U) rose 4.7 percent, and average income before taxes increased 3.7 percent.

The average annual expenditures of 2021 were broken down into fourteen major components.... Overall, housing accounted for the highest share (33.8 percent), followed by transportation (16.4 percent), food (12.4 percent), and personal insurance and pensions (11.8 percent).

Among the fourteen major components of household spending, the largest increase in expenditures was in entertainment (+22.7 percent), followed closely by a 22.3-percent rise in apparel and services spending. In contrast, only education expenditures decreased (-3.5 percent) from 2020 to 2021.

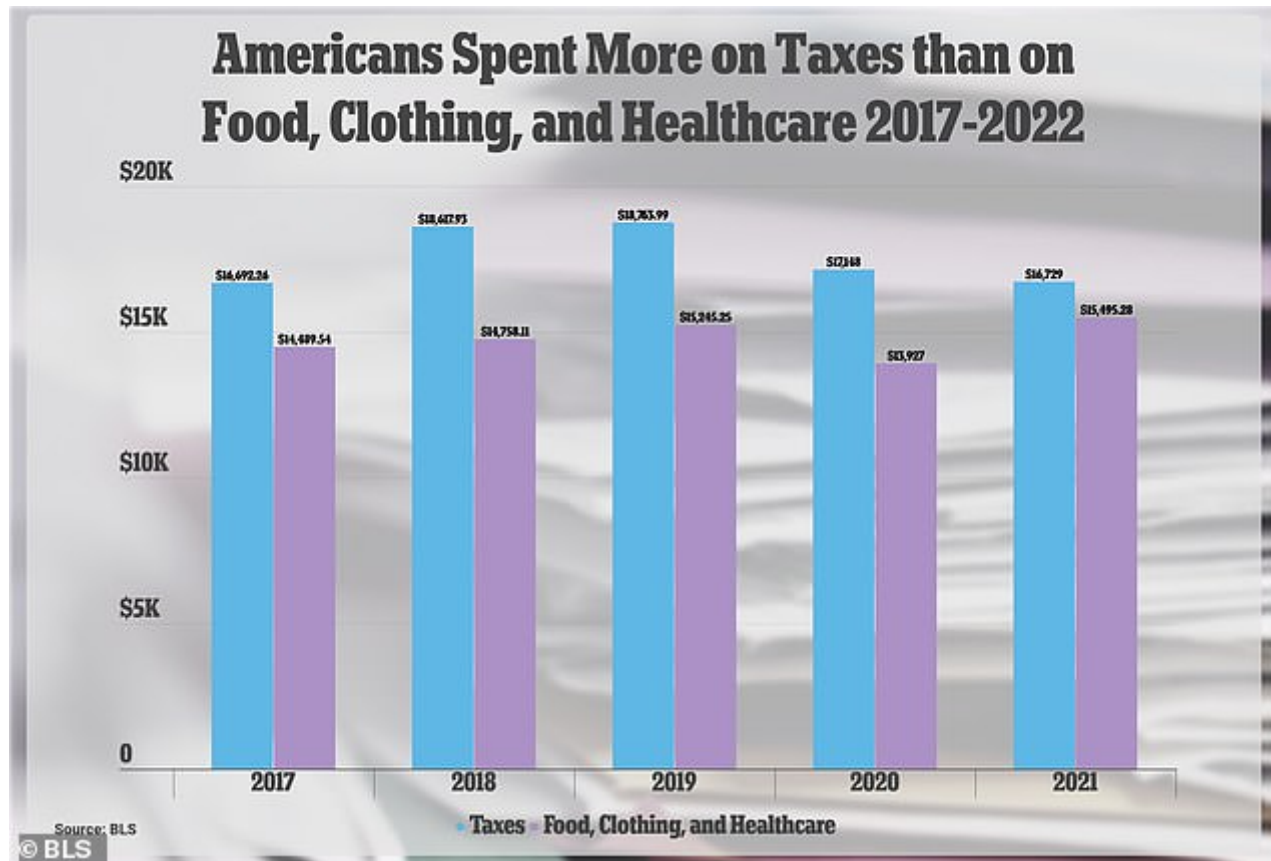


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According to the [Daily Mail](#), in 2021, Americans spent an average of \$16,729.73 in federal and state, social security, property and other taxes, while spending \$8,289.28 on food, \$1,754.39 on clothing, and \$5,451.61 on healthcare — a total of about \$15,550.



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The bottom line from the BLS is that the average American consumer failed to keep up with the rising cost of living, especially with inflation at a 40-year high. President Biden’s [claimed](#) “significant progress” with economic recovery is nothing more than a lie to most Americans, who are feeling the pain of economic hardship caused by Biden’s progressive agenda.

Last week, Gallup [released survey](#) results that showed “a majority of Americans, 56%, now say price increases are causing financial hardship for their household, up from 49% in January and 45% in November. The latest reading includes 12% who describe the hardship as severe and 44% as moderate.”

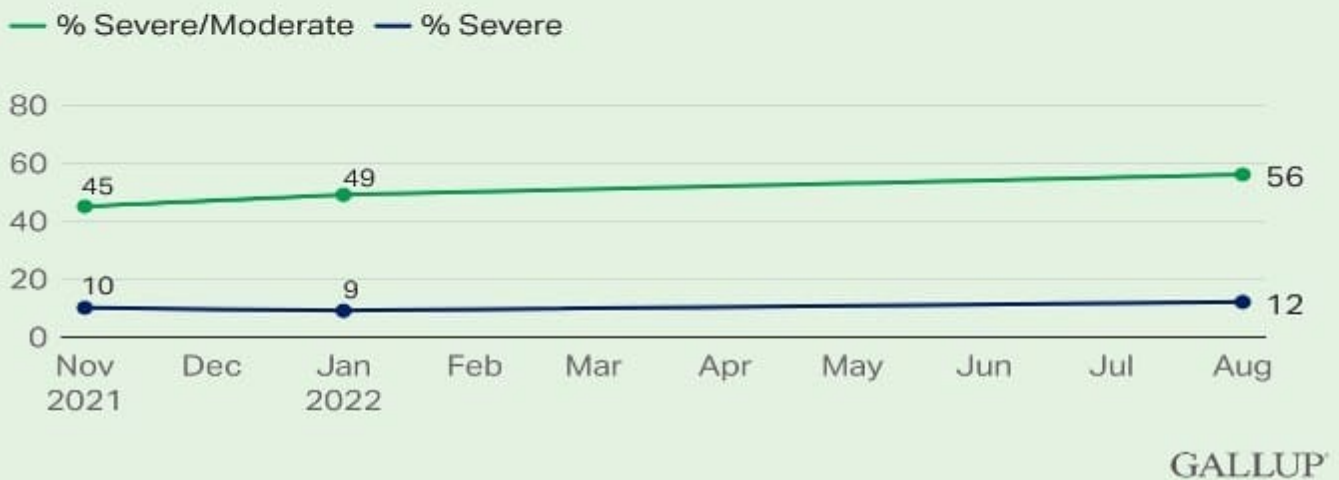


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Americans' Experience of Financial Hardship Due to Price Increases

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

Is that a severe hardship that affects your ability to maintain your current standard of living, or is it a moderate hardship that affects you somewhat but does not jeopardize your current standard of living?



The Gallup results are based on an Aug. 1-22 web survey that interviewed over 1,500 members of Gallup's probability-based panel.

The survey revealed that more Americans now than last fall say they are experiencing hardship, but the percentage who are suffering severe hardship has held relatively steady at around 10 percent. As would be expected, lower-income Americans are now more likely than others to be experiencing severe hardship, with 26 percent of those with an annual household income of less than \$48,000 saying prices are causing severe hardship for their families. That compares with 12 percent of middle-income Americans and 4 percent of upper-income Americans.

Lower-income Americans are about as likely now as last fall to be experiencing either severe or moderate hardship — 74 percent now as compared with 70 percent in November.

Sixty-three percent of middle-income and 40 percent of upper-income Americans said they are experiencing hardship. There was a large overall increase for middle- and upper-income Americans, who are struggling more now than they were last November. The increase has been greater among middle-income Americans, up 17 percent, than among upper-income Americans, up 12 percent.



Price Increases Caused Financial Hardship for Your Household, by Income

	Nov 2021	Jan 2022	Aug 2022	Change
	%	%	%	pct. pts.
Lower income (less than \$48,000 annual household income)	70	66	74	4
Middle income (\$48,000-\$89,999 annual household income)	46	56	63	17
Upper income (\$90,000 or more annual household income)	28	32	40	12

Source: Gallup

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Gallup added a new question to this survey, asking those experiencing hardship to list some of the specific things they are doing to respond to the effects of inflation.

The survey found that the most common reaction is to reduce spending, including buying less in general or buying only essential items. Some said they are traveling less or canceling vacations, while others indicated they are driving less or trying to use less gas.

Other common strategies for dealing with higher prices are buying cheaper goods or generic brands of products, eating out less, buying fewer groceries or growing their own food, staying home, and cutting down on entertainment expenses.

A few said they have tried to increase their income by working more hours, finding a second job, or looking for a new job, and some have been delaying medical procedures or appointments, or putting off home improvement or maintenance projects.

The one-two punch of the BLS report and Gallup survey exposes that most Americans are experiencing financial hardship from higher prices and taxes. Both the current high inflation and the increased tax burden are direct results of Biden's progressive policies and green-energy legislation that will only make American lives worse.

Americans need to show up in force at the midterm elections, and share their displeasure and concerns with government's massive growth and overspending by voting out Biden-supporting lawmakers. Only with a solid change in government representation and lawmakers seeking to be fiscally responsible will next year's BLS report show improvement for all Americans.



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