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BIDEN'S INFLATION MONSTER WOULD REDUCE EVERYONE'S ASSETS

The annual inflation rate in the U.S. edged up to a 13-year high of 5.4% in September of 2021 from 5.3% in August and above market expectations of 5.3%. What is hard for most consumers to grasp is that inflation is a hidden, insidious tax that affects everything. It affects low-income families who struggle to pay for food and services, and harms the vital middle-class needed for a stable society.

Not only does it eat away at the value of the dollar, it devalues other assets such as real estate. A 5% rate of inflation will lessen the value of a person's home by 5% regardless of market value, without the owner's being aware of it.

Biden's proposed spending bill is in the trillions of dollars. Whether it is partly funded by tax increases or not, it will cause massive inflation over and above the present rate and will bring back painful memories of the inflation that ravaged the country under the administration of peanut-farmer Jimmy Carter (D).

Washington politicians are very skillful at raising taxes through inflation. Politicians love inflation because creating money from nothing makes it easy to finance wars and pork. Whenever money is needed by the federal government for wars or pork, the Federal Reserve will buy securities from the U.S. Treasury by means of a check drawn on itself. The Treasury then uses this new money to finance increased federal spending. The Fed is the only entity that can legally create money from nothing. Created by anyone else, it is called counterfeiting.

Newly created money from nothing floods the economy and makes all assets, whether liquid or not, worth less. If Biden's spending bill becomes law, even consumers in the middle-class will struggle to pay their bills and the entire economy of the U.S. will suffer.

Source: <https://tradingeconomics.com/united-states/inflation-cpi>