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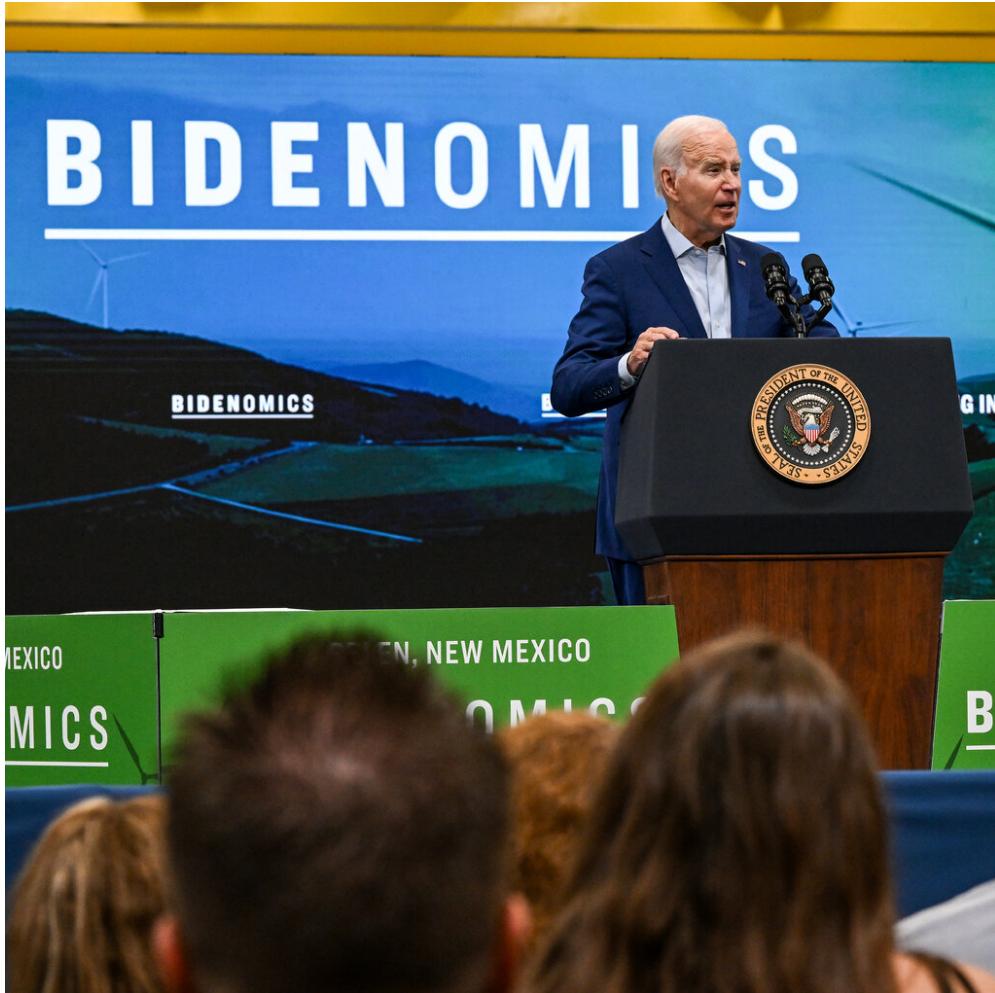
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By [David Leonhardt](#)

**Good morning. We're covering the shift in the Democratic Party's economic policy — as well as the Proud Boys, Spanish women's soccer and college dining halls.**

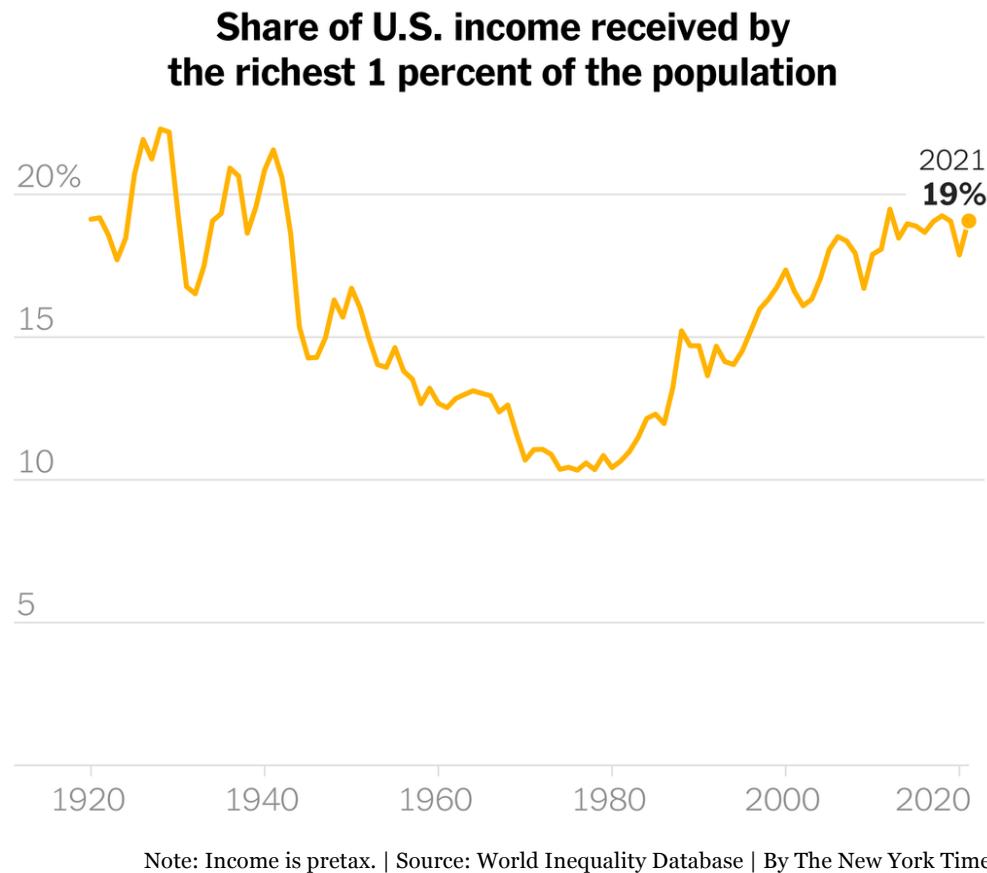


President Biden Kenny Holston/The New York Times

## Undoing inequality

Bill Clinton and Barack Obama both ran for president promising to reinvigorate the economy for ordinary Americans. And both enacted laws that helped millions of people. Clinton expanded children's health care and tax credits for low-income families. Obama accomplished even more, making it possible for almost anybody to afford health insurance.

Yet neither Obama nor Clinton managed to alter the basic trajectory of the American economy. Income and wealth inequality, which had begun rising in the early 1980s, continued to do so. So did inequality in other measures, like health and life expectancy. Polls continue to show that most Americans are frustrated with the country's direction.



In response, a growing number of policy experts aligned with the Democratic Party have decided in recent years that their party's approach to economic policy was flawed. They concluded that Democrats had not gone far enough to undo the revolution that Ronald Reagan started in the 1980s — a revolution that sparked the huge rise in inequality.

These Democratic experts have grown skeptical of the benefits of free trade and Washington's hands-off approach to corporate consolidation. They want the government to spend more money on highways, technological development and other policies that could create good-paying jobs. The experts, in short, believe that they had been too accepting of the more laissez-faire economic agenda often known as neoliberalism.

This turnabout is the central explanation for President Biden's economic agenda, which White House aides call Bidenomics and will be core to his re-election campaign. He has signed laws (sometimes with bipartisan support) spending billions of dollars on semiconductor factories, roads, bridges and clean energy. He has tried to crack down on monopolies. He has encouraged workers to join unions.

The best description of this shift I've yet read appears in "[The Last Politician](#)," a new book about Biden's first two years in office by Franklin Foer of The Atlantic. Foer tells the story partly through Jake Sullivan, who helped design Biden's domestic agenda during the campaign and then became national security adviser.

Sullivan was nobody's idea of a left-wing populist: He is a Rhodes Scholar with two Yale degrees who was a close aide to Hillary Clinton before Biden. But the financial crisis and then Donald Trump's victory led Sullivan to reflect on Americans' frustration, and he decided that elites like him had not done enough to address its underlying causes. (Here's [a 2018 article](#) in which I described his shift.)

"An entire generation of young Democratic wonks, with a similar establishment pedigree, found itself in the same brooding mood, tinged with fear," Foer writes. These wonks built alliances with the more progressive parts of the party — those represented by Bernie Sanders, Elizabeth Warren and Alexandria Ocasio-Cortez — during Trump's presidency. That's why several Warren protégés, like Bharat Ramamurti, work in senior White House roles today.

Biden himself embodies the shift, too. Although he has long emphasized his humble background in Scranton, Pa., he supported his party's more neoliberal agenda in the 1980s and 1990s. Recently, he has returned to some of the populist themes that he used to launch his political career a half-century ago. He has lamented the Democratic Party's drift from working-class families toward college-educated professionals.

## New terrain

Much of the 2024 presidential campaign will revolve around the economy's short-term performance, and both Biden and his Republican critics will be able to cite evidence to make their case. Republicans will note that inflation remains uncomfortably high and that Biden's pandemic relief spending played a role (albeit a secondary one, as my colleague German Lopez [has explained](#)). Biden's campaign will counter that job growth is solid, and wages have risen across the income spectrum. His investments, in semiconductors and more, seem to be playing a role.

But I would encourage you not to lose sight of the bigger picture during the back and forth of the campaign. The biggest picture is that the post-1980

economy failed to deliver the broad-based benefits that Reagan and his allies promised. So did several economic policies, like expanded global trade, that many Democrats favored.

Biden represents a response to these unfulfilled promises, as do the [small but growing number of Republicans](#) pushing their party to change. Whatever happens with the economy over the next year or with Biden's presidency, the policy debate has shifted.

"Bidenomics sounds banal when plastered as a slogan across the backdrop of a presidential stump speech," Foer told me. "But it's more than a set of positive economic indicators. It's a shift in ideology. For a generation, Democratic presidents were inclined to be deferential to markets, basically uninterested in the problem of monopoly, and lukewarm to unions. Biden has gone in the other direction."

**Related:** Some people mistakenly think that "working class" is a euphemism for "white working class." It isn't. The American working class spans all races, and the Democratic Party has also lost ground with voters of color, especially those without a four-year college degree. [You can read more from my colleague Nate Cohn.](#)

## More economic news

- Read more about the [Republican debate](#) on how much the government should do about inequality.
- Many experts predicted Medicare would be an ever-growing burden on the federal budget. Instead, spending per person has been [flat for the past decade](#).

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