

# “The cost of living is tearing us apart”—Inflation rate in US hits 9.1 percent

Jerry White  
14 July 2022

The rate of inflation in the United States hit 9.1 percent in June, with consumer prices rising at the fastest pace since November 1981, according to a Bureau of Labor Statistics report released Wednesday. Across-the-board hikes in fuel, food, housing, medical care, clothing and other living expenses are squeezing household budgets. Everything is going up except workers' paychecks.

The increase in the Consumer Price Index, which rose from an already four-decade high of 8.6 percent in May, continued to be driven chiefly by surging energy and food costs. Energy prices shot up 7.5 percent last month and are up 41.6 percent over the last 12 months. Gasoline rose 11.2 percent in June and is up 59.9 percent over the last year.

The current national average for a gallon of gas was \$4.63 yesterday, according to the American Automobile Association, with prices in California at \$6.02 a gallon. This means it takes \$60 to fill up an average passenger car or \$120 for a pickup truck or SUV. With an average manufacturing wage of \$24.95 an hour before taxes, a factory worker now must labor anywhere from three to six hours just to pay for gas to go back and forth to work. Many now carpool to work, while lower-paid and part-time workers find it increasingly unaffordable to drive at all.

With electricity costs rising another 1.7 percent in June and 13.7 percent year-over-year, working class families and seniors on fixed incomes are shutting off lights and air conditioners despite the summer time heat wave. Natural gas rose 8.2 percent last month and 38.4 percent over the last year, leaving many wondering how they will heat their homes come the fall and winter.

Food costs also continued to jump, with prices rising 1.3 percent between May and June and 10.5 percent over the last year, the highest increase since 1981. Many common food items have risen even higher over the last year, with eggs and margarine up 36 percent, chicken parts up 23 percent and whole milk prices up 18.8 percent.

The anti-hunger Feeding America program reported in March that 65 percent of its 200 food pantries had seen increased demand compared to previous months. One of its

affiliates, the Killeen Food Care Center in central Texas, reported that it served a record 8,830 people in June, including 1,600 seniors. “We have fed the highest amount of people in our 35-year history,” Raymond Cockrell, the center's executive director, told the *Killeen Daily Herald*.

Housing costs continued to rise last month too, up 0.6 percent in June and 5.6 percent over the year, the largest rise since 1991. The average price of a home in June was \$350,000, up from \$318,000 in June 2019. Financial speculators have exploited and exacerbated the situation, with corporate investors buying a record 18.4 percent of the homes sold in the US in the final quarter of 2021, according to real estate brokerage firm Redfin.

Inflated housing prices, in addition to higher mortgage rates, have not only led adult children to postpone leaving their parents' homes but also forced older adults to double and triple up to share costs.

The rising price of private homes is also driving up the cost of rentals, which increased 0.8 percent in June, the largest monthly jump since 1986. The ending of eviction moratoriums and the drying up of government subsidies is leading to an explosion in evictions. Evictions in the greater Phoenix area have returned to pre-pandemic levels. Landlords in Phoenix filed 5,792 evictions in June, compared with 5,669 in June 2019, before the pandemic began. On Tuesday night, the Democratic-controlled Tucson City Council said it would end a moratorium on evictions in city-owned housing by August 1. Biden's Department of Housing and Urban Development is pressing public housing authorities across the nation to collect more rents to keep HUD subsidies, the city council members said.

After the release of the inflation figures, Biden and other White House officials feigned concern, continued to blame Russia for spiking prices and claimed the situation was improving. On his way to visit the blood-soaked Saudi king to request the release of more oil, Biden said at a press conference in Israel that the Consumer Price Index report was “out-of-date” because it did not include the recent decline in gas prices.

The chief concern of Biden is not the devastating social impact of inflation but the growing demands of workers for wage hikes to keep up with the surging cost of living. The White House is fully behind the moves by the US Federal Reserve, which is expected to raise interest rates by three-quarters of point at its next meeting on July 26-27, to drive up unemployment and even trigger a recession to beat back what Fed Chief Jerome Powell complained are the “highest wage increases in decades.” In reality, real income for workers, adjusted for inflation, fell another 1 percent in June and is down 3.6 percent from a year ago.

“The cost of living is tearing us apart,” a young worker in Detroit who works for General Motors subsidiary, GM Subsystems, told the *World Socialist Web Site* on Tuesday. “Gas, food and everything else is high, but we’re not making any money. I can barely cover my bills.” The new two-year contract just signed by the United Auto Workers raises starting wages from \$15 an hour to \$18.50 but leaves them earning half the pay for doing the same work previously done by GM workers.

“I’m still going to be bringing home around \$700 a week. I’m a single parent. It takes two weeks for me to save enough to pay my \$700 a month in rent. What is it like for people paying \$1,200 a month or more for rent?” The worker said her grandparents worked at GM and Ford and that she was making less in real terms than they did 40 years ago. “It’s like everything else, we’re not moving forward,” she said.

“Inflation is hurting our bottom line all the time,” a worker at the Stellantis (Chrysler) Warren Truck Assembly Plant in Detroit said. “Food, gas and everything else is up. The oil companies are price-gouging, and I don’t understand why Biden isn’t stopping them. I guess it’s because government answers to big business, not us.”

He continued, “The stock market keeps going up, and the shareholders are making lots of profits. This is only widening the distance between us and the top 1 percent, who are making money hand over fist. A little more than 10 years ago, the government bailed out the banks. They did it again when the pandemic hit. Where did all that money go? It went for the big bonuses of the executives and shareholders. Biden is also finding billions for war. They could have bailed us out, but they didn’t.”

There were 153 strikes involving approximately 73,500 workers between January and May, compared to 78 strikes involving around 22,500 workers over the same time period in 2021. Over the last two weeks alone, tens of thousands of workers have voted to walk out or have struck chiefly over wage demands. This includes railroad workers, Michigan nursing home workers, St. Louis public transit workers, defense industry workers at a General Dynamics plant,

AT&T telecom workers in Alaska and concessions workers at Dodgers Stadium ahead of next week’s All-Star game in Los Angeles.

The trade unions are working with the corporations and the Biden administration to keep a lid on this movement, which is part of a global upsurge of the working class against inflation, the profits-before-lives pandemic policy, and the efforts to force workers to pay the massive cost of the US-NATO proxy war against Russia. The high point of this movement is the revolutionary upheaval in Sri Lanka, where mass protests by workers and young people have forced the resignation of the president and prime minister.

Over the last several weeks, the AFL-CIO unions have blocked strikes by 115,000 railroad workers, 24,000 West Coast dockworkers, tens of thousands of nurses and other health care workers in Michigan, Minnesota, New York and California, and auto parts workers at Ventra and GM Subsystems.

But anger is reaching a breaking point, and workers are increasingly striving to break the stranglehold of the corporatist unions and fight to defend their living standards. The International Workers Alliance of Rank-and-File Committees (IWA-RFC) was formed last year to unify workers across national boundaries to mount a counter-offensive against inequality, austerity and war.

Workers should form rank-and-file committees in every workplace to demand inflation-busting wage increases, cost-of-living protection, fully paid health care and pension benefits, a ban on evictions and home foreclosures and the immediate cancellation of exorbitant credit card, student loan, car payment and household debts.



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