

White House press briefing

07/27/22

4:37:51 p.m.

5 minutes and 39 seconds

TREVOR HUNNICUTT: Let me ask you just a quick question on the economy. So, Fed Chair Jay Powell, after raising rates again today, he said in his press conference that the U.S. economy is not in a recession, but that the path to have a soft landing clearly has narrowed, which to translate the jargon, means that it's much more likely that we will have a recession as these — as they continue to try to fight inflation in the future. So, is that the White House's assessment as well? And what would you do to kind of make that less likely?

KARINE JEAN-PIERRE: So, here is what he said. I will quote him directl: "I don't think the U.S. is currently in a recession. There's just too many areas in the economy that are performing well," and then he points to the labor market, the very strong labor that we — that we know are one of the factors that's looked — that economists and — and experts look at. Right now, we're seeing that a strong labor market with about 400,000 jobs that have been created each month. We see unemployment at 3.6. There was the state unemployment numbers that came out last week with 21 states that are at six percent or lower. And so, the way that we see it, is that we are not currently in a recession or a pre-recession. And look, we're going to let the Fed do its business. We're going to let them — be — continue to be independent and that's what the President has said. They are — they are committed to making sure that we lower inflation or tackle inflation for the American people, so we're going to let them do their job. They have the monetary policy to do that, so I won't not speak further into exactly what they're doing and how — how that's going to look for them..

MARY BRUCE: You noted we are not currently in a recession, you don't think. But are you concerned that these Fed rate hikes could push you into a recession?

JEAN-PIERRE: Look, we — again — it is — not going to comment on the monetary policy steps that the Federal Reserve is taking. They are an independent agency and we are going to give them the room to do the job that they are doing and, so right now, the President has laid out his plan to — to lower inflation, we have seen what happened with gas prices the last 43 days, a steep decline. The — you know — the — a steep decline we haven't seen in a decade — again, to help give families a little bit of breathing room and that's what the President has talked about. We have also seen food prices go down just a little bit. And so, we're going to continue to do that. We're going to — there's the drug — the drug — ah — the drug prices bill, the reconciliation legislation that's going to continue to address lowering costs for Americans and so, that's going to be our focus there.

BRUCE: We are hearing from companies like Walmart and target who are starting to say that, you know, they're seeing how inflation is impacting their customers. And there are a lot of Americans who, even though you may say that we're not in a recession, that's not how it feels to them. You know, what is your answer to those consumers, those Americans who very much feel that we are in one?

JEAN-PIERRE: We have said this before. We understand what — what the American people are going through. We — we — we — we feel that. We understand that. That is something that the President personally understands. We see that the gas prices and — and what they are dealing with at the pump is costing families. But again, the President, for the past several months, has taken action to make sure that we do everything that we can to give American families relief. That is why he did the work with the Strategic Petroleum Reserve. That's why he did the announcement on the ethanol 15 — something that's not normally done during the summer, and he did that so that we can bring some cost down, even the Treasury Department announced yesterday that the actions that the President took helped bring down the cost per gallon by 40 cents. And so, while there's still more work to be done — but this will give — this will give families a little breathing room. 70 cents on average per gallon. That's gonna — that's going to give families with a — two — two car families, at least \$70 a month to save. And so, that matters. Now, is there still work to be done? Absolutely. The job doesn't stop. He's going to continue to do what he can. That's why we are looking at the reconciliation piece as well to bring down — lower costs and that's what chip — the chip bill is going to do.

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4:43:08 p.m.

6 minutes and 38 seconds

CAITLIN HUEY-BURNS: Also, there's a new poll showing that 75 percent of democratic voters want the party to nominate someone other than Joe Biden as the nominee. What does the President make of that dynamic?

JEAN-PIERRE: So look, I mean, we are not worried about polls. The President has been clear that he intends to run, but we are so far away from that time, from even being close, to be thinking about that, but when I can say is we're going to continue to do the work that I just laid out, that the President is doing, lowering costs. We are — we are — you know, we are — you saw the President statement on chips. That is a great state forward to investing in manufacturing, to dealing with our national security, to lowering costs for Americans. There's the reconciliation bill that's going to help lower costs. There are — there are definitely plans that we're going to continue to work on, so we don't leave anybody behind. And so, that will be his focused and I — you know, I will say, on the other side, the — you've got the MAGA — congressional Republicans who are putting forward plans that's going to take away sunset Medicare, sunset Social Security, rise — increase taxes for Americans making less than \$100,000 a year. That is — that is what the plan is on the other side. At least this President has a plan and he's doing the work on behalf of the American people.

PETER DOOCY: So, as you talk about plans on the other side, it was this President's plans that contributed to inflation, right?

JEAN-PIERRE: No, it was not.

DOOCY: How?

JEAN-PIERRE: It was this President's plan if we talk about the American Rescue Plan. Look, Peter, when the President walked into this administration, there was an economic crisis, there was a COVID crisis, there was a climate change crisis and we are still dealing with a lot of that right now, but the President turned the economy back on. There were businesses that were closed, schools that were closed, and because of the American Rescue Plan, by the way, no Republican voted for that plan — and that plan had \$350 billion for public safety, another thing that Republicans talk about, but they don't actually do and they don't push forward on a policy that will help law enforcement. That plan helped put us in a stronger labor market and helped make our economy stronger and so, that is what is happening. It is not the President that has created inflation. There are also outside factors that has [sic] led us to where we are today.

DOOCY: If things are going so great, though, then why is it that White House officials are trying to redefine recession?

JEAN-PIERRE: No, we're not redefining recession

DOOCY: If we all understand a recession to be two consecutive quarters of negative GDP growth in a row and then you have White House officials come up here to say, “no, no, that’s not what a recession is. It’s something else.” How is that not redefining recession?

JEAN-PIERRE: Because that’s not the definition. That is not the definition.

DOOCY: Brian Deese said in 2008, “of course, economists have a technical definition, which is, of a recession, which is two consecutive quarters of negative growth.”

JEAN-PIERRE: I can tell you this.

DOOCY: And yesterday he said, two consec — “two negative quarters of GDP growth is not the technical definition of a recession.”

JEAN-PIERRE: It is not.

DOOCY: What changed?

JEAN-PIERRE: It is not.

DOOCY: Why did he say that it was?

JEAN-PIERRE: I can — I can speak —

DOOCY: What's the difference other than who's President?

JEAN-PIERRE: — to what he said yesterday in front of all of you, which is the last thing that you just repeated. There are many factors — there are many factors — economic factors and indicators to consider and I will say that the textbook definition of recession is not — is not two

negative quarters of GDP. We have a strong labor market. We have business [sic] that's investing. We have consumers that are also very much, you know, in — investing and purchasing, that is incredibly important. We have 3.6 unemployment. You do not see that in a pre-recession and you do not see that in a recession. So, the factors that we're seeing right now, the economic indicators, does not — does not show that we're in a recession, and since you gave me some quotes, I will give you some as well. In 2009, the St. Louis Fed said that “while the popular definition of a recession is two consecutive quarters of negative real Gross Domestic Product — GDP growth, the NBER” — which we have mentioned many times in this room — “does not strictly abide by this designation. Instead, the committee broadly defines a recession as a significant decline in economic activity spreading across the economy, lasting more than a few months.” NBER has been around since 1920. I'm going to move on. [TO COLLINS] Go ahead.

KAITLAN COLLINS: A follow-up on the economy, is it a risk for President Biden to say he does not think the United States is going to be in a recession and does the White House have any concerns that it will look misguided if the U.S. does enter a recession?

JEAN-PIERRE: So, your second part is, you know, speculation. Right now — and the answer to your first question is no. Because we're looking at the facts, we're looking at the other economic indicators, the strong labor market, as I just listed out. We have 21 states last — last week, where we saw unemployment was at three percent or lower. So, everything that we are seeing currently right now does not show that we are in a recession. That is just the facts. And it's not just us saying that. We have economic experts who have said this. I just laid out a couple of — a couple of — of — you know — outlets that have said that as well. And so, there is not — and I am happy to list for you more economic folks that I've said this as well. So, you know, Citigroup's Jane Fraser: “Little of the data I see tells me the U.S. is on the cusp of a recession.” Moody Analytic's [sic] Mark Zandi: “I still have no recession in my forecast and job numbers are — are — are growing with — are — ingrubbious [sic] with fears that recession is dead ahead.” So, that matters too. So, it's not just us saying this, there are other experts as well who have weighed in on this.

COLLINS: And just, ahead of tomorrow, given there is so much talk about is there — is there not a recession, I asked this other day. I want to follow up: Is there a White House definition of what a recession looks like?

JEAN-PIERRE: We have — we have — have talked about the National Bureau of Economic Research. They have the textbook definition of what that looks like. They look at it more broadly as I just laid out. And so, that's what we would point you to.

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4:53:47 p.m.

3 minutes and 43 seconds

TYLER PAGER: Just want to go back on some of the economic messaging. There's been a lot of debate over the technical term of recession and it somewhat harkens back to earlier economic

messaging you guys had around inflation where you insisted that it was transitory for months, then it was temporary, and then we've seen it continue to persist. So, I'm wondering if you can take just us in a little bit about how do you think about economic messaging, particularly as it relates to recession, the argument about whether we are or are not in a recession — when we talk to Americans, sort of misses the point about economic attitude and feeling that they have and the struggles that they face with increased prices across the board as we've seen over the many months. And I'm wondering if the White House finds it effective to debate the technical term of recession, versus speak more broadly to Americans who it doesn't really matter whether a group of economists that they've never heard of declare a recession when it comes to their, you know, just getting by.

JEAN-PIERRE: No, I get your point. And — and to some degree, I agree, right? There are Americans here who are feeling — who are feeling the high prices and the cost very — you know, very personally and that is something that the President, I believe, has talked about, almost anytime that he talks about the economy. He talks about the pain that the American people and he talks about his plan and what he is going to do to lower costs. That's why we bring up gas prices because we have seen costs go down. We understand that we need to do more and we will. We will continue to do more by asking oil companies to make sure that they — the profit that they're making is passed on to the consumer. So, we should see more go into the consumer as prices are going down. Just — I was just asked about the reconciliation bill. That is something that is incredibly important as we lower drug prices. And so, there is a myriad of ways that we are working on to make sure that we have a plan and that costs is [sic] lowered. As we are being asked about recession, as we are being asked if we are in one or if we're going into one, but what we are doing is just laying out the facts. You know, I have a long list of other organizations, other economic groups that have said, we are not in a recession and because of the strong labor market, you know, there is — there is no indicator or all these different indicators don't show that we're headed into a recession. So, we're just laying out the facts as we are seeing it and we are also pointing to NBER, who actually has the textbook definition. And they look at this more broadly, as I've said. But, you know, we're going to continue to talk about the American people. We're going to continue to talk about what they are feeling. You know, that's why the chips is so important, as I just mentioned very early on at the top. And so, that doesn't end. That doesn't end. The President does this every time we have a conversation about the economy or is asked.

PAGER: And just to quickly follow-up, you're setting up the expectation now that we're not headed to a recession, we're not in a recession. What happens if then NBER does declare we're in a recession?

JEAN-PIERRE: That is a hypothetical. I won't get into. I'm just saying, where we are currently, how we see things, how the multiple economic indicators that are in front of us — do not play in a way where we would be currently in a recession at this time.

PAGER: And last one very quickly, does the President have confidence in his economic team's ability to forecast and protect, obviously, on the inflation number, something that we heard from the whole host of the same economic officials we're hearing now that inflation was temporary, was transitory, would not persist. And that's been the opposite. They're now saying the same

thing about recession. I'm just curious if —

JEAN-PIERRE: So, the President has full confidence in his economic team.