

President Joseph R. Biden
1600 Pennsylvania Ave. NW
Washington, DC 20050

February 14, 2022

Dear President Biden,

Last Thursday, as a new [Consumer Price Index report](#) showed continued record-breaking price hikes, [you acknowledged](#) the tremendous “stress” American families are experiencing and promised to continue to use “every tool at [your] disposal to fight inflation.” Today, we write to ask you to follow through on that commitment by speaking out against rampant corporate profiteering, by convening an emergency meeting of the White House Competition Council, and by encouraging the Council of Economic Advisors to study market structure and corporate behavior in concentrated industries more rigorously.

There exists substantial evidence that severe corporate concentration – and the anticompetitive conduct it facilitates – is meaningfully contributing to inflation. There are two key reasons for this.

First, as [Federal Trade Commission Chair Lina Khan recently noted](#), decades of mergers and acquisitions has weakened our supply chains, causing [shortages of a wide variety of items](#) across the country, in turn, driving up the price of some goods to match increased demand. This is a very real issue for both consumers and [small businesses](#), who have less negotiating power than large firms like Walmart and Amazon. But second, there is now overwhelming evidence that large corporations with significant market power are exploiting the broader supply chain crisis to raise prices – even when no bottleneck or shortage seems to exist.

Indeed, corporate executives have been very candid about this with their shareholders. Just as you released your statement on the latest inflation numbers, CEOs of firms like [Blackstone Mortgage Trust](#), [Disney](#), [GSK](#), [PepsiCo](#), and [Unilever](#), boasted about their incredible pricing power, noting that it is “driving [their] bullishness” and that there exists little “in the way of elasticity.” Similar celebrations of consumer price-gouging have occurred regularly for months.

Last Tuesday, Tyson Foods, a meatpacking monopoly your administration has appropriately scrutinized, [announced its profits had nearly doubled](#) despite earlier claims that its price hikes only accounted for higher costs. Before that, [Proctor & Gamble](#) was openly bragging. So too was [Kimberly Clark](#), whose CEO reveled in “multiple rounds” of “significant pricing actions.”

It is easy to see why these corporate giants feel so confident; the systemic monopolization of our economy means there exists little competitive pressure to keep costs down. This has long been a worrying problem. Combined with lower wages, the price effects of corporate concentration [cost the median American household \\$5,000 per year](#). Now, it is a crisis – one Americans across the country keenly understand.

Recent [polling](#) shows Americans are not merely upset about inflation; they also rightly believe corporate greed is to blame. They see that while many families struggle to afford seemingly ever-increasing grocery bills, corporations are reporting the [biggest profits margins in 70 years](#). They also know that these are the same firms [abusing their workers](#). They want action.

As President, you have the power of bully pulpit, and the responsibility to show the American people you are listening. Speak out against this obvious abuse of corporate power and harness the policy levers at your disposal to ensure your administration properly responds.

Your administration's White House Competition Council was created with the understanding that corporate concentration is harming workers, consumers, and small businesses. You should convene the Competition Council immediately and use it to coordinate a whole-of-government response. At the same time, you should order the Council of Economic Advisors to study market realities and answer the following questions:

- How concentrated are the sectors of the economy where prices are rising the fastest?
- How are corporations' profit margins changing in relation to the higher prices they are charging?
- What percentage of recent price hikes are opportunistic and not associated with any documented shortage or supply chain failure?
- To what extent is overreliance on foreign suppliers – and a lack of domestic suppliers – either for intermediate or finished goods contributing to inflationary pressures via supply chain disruptions?

As you know, inflation is a kitchen table issue for working families across the nation. You promised to fight for them. Ensuring that no corporation is making life harder, simply because it can, is at the very heart of that fight.

Sincerely,

American Economic Liberties Project
Groundwork Collaborative