
Greedflation Revisited

Videos:

“Why corporations are reaping record profits with inflation on the rise”

<https://www.youtube.com/watch?v=d5hIMQxz7a8> (8:27 minutes)

“The misuse of data behind 'greedflation' | Wrong Number”

<https://www.youtube.com/watch?v=ZEESBIInibA> (7:49 minutes)

Guide:

The questions below will help students achieve a better understanding of the arguments made on either side of a contentious topic. Because these questions often touch upon statements made briefly in the videos, we recommend reading the questions before watching each video.

Students are encouraged to take notes during the videos, and it may be helpful for students to break into groups, each taking responsibility for only a few questions, before coming together for discussion.

Analysis Questions:

1. What are the opposing ideas in these two videos?
2. What does “greedflation” mean?
3. In the PBS News video, Elizabeth Warren said: “This isn’t about inflation, this is about price gouging.” What is price gouging?
4. In the Reason video, Aaron Brown said that the Groundwork Collaborative study concluded that “for U.S. corporations, the prices they charged outpaced their inputs costs.” What does it mean for prices to outpace input costs?
5. In the PBS News video, Constellation Brands CFO Garth Hankinson said the company would “take as much pricing as we think the consumer can absorb.” What did he mean by this? Is this ethical? Why/Why not?
6. Aaron Brown used the term “cherry picking.” What does that term mean?
7. In the PBS News video, what was economist Noah Smith’s criticism of the argument that greed caused inflation?
8. Aaron Brown showed that although the Consumer Price Index did grow faster than the Producer Price Index in 2023, it grew slower in 2022, and the two indexes are “roughly in sync” in 2024. Should we still be concerned that it grew faster in 2023? Why/Why not?
9. In the PBS News video, Lindsay Owens said: “What we’re seeing in this moment is really when that profit maximization and opportunity collide.” According to her, what is providing the opportunity?

10. Aaron Brown said that Owens and Pancotti misunderstood the meaning of the Producer Price Index, saying: "It's a price index, not a cost index." Why is that important? What is the difference between price and cost in this case?
11. In the PBS News video, Dion Rabouin said: "Inflation sort of disguises these price increases." What did he mean by this?
12. Aaron Brown said: "By analogy, even though corporate profits accounted for 53% of the increased cost of a can of chili, the price only went up by something like a penny." Should we be concerned about corporate profits increasing prices if the increase is that small? Why/Why not?
13. In the PBS News video, Dion Rabouin and Robert Reich said American industries have become more concentrated in recent years. Could that lead to higher prices? Why/Why not?
14. What was the "common trick" that Aaron Brown accused the Groundwork Collaborative study of using? Why do you think Groundwork Collaborative used this "trick"?
15. Robert Reich talked about "antitrust." What is antitrust?
16. According to Aaron Brown, what caused the decline in labor's share of earnings?
17. In the PBS News video, Brian Deese said the USDA was working with smaller meat processors to help them grow larger and compete with larger companies. Should the government be doing this? Why/Why not?
18. Aaron Brown said we should look at corporate profits as "a fraction of domestic income." What did he mean by this?
19. Did these two videos share any common ground? Were there any points on which they agreed? If so, what were they?
20. Should one of the arguments we heard carry more weight than the other? If so, which one? Why?
21. Did you have an opinion on this topic before watching these videos? If so, what was it? Has your opinion changed? If so, how? What did you learn from these videos that affects your views on this topic?
22. What else would you like to learn about this topic?