Price Fixing • Explained

- Poll after poll, voters say they are most worried about high costs of living and inflation. Meanwhile, Republicans are lying about who's to blame, saying Democrats and President Biden's policies are what's driving up costs — and they're getting away with it.
- It's not too late for Democrats to expose Republican lies and talk about the real culprit: corporate greed. Making it clear that we are protecting working Americans and Republicans are defending the interests of big corporations are keys to success in the final weeks before the election.
- Price fixing is a driver of inflation. Large companies are raising prices under the guise of inflation, offsetting their costs to consumers, while raking in record-breaking profits. 2021 was the most profitable year for big corporations since 1950.
- Price fixing occurs when sellers of the same product or service agree to set prices, establish limits on prices or discounts, or fix price-related terms of sale. This coordination results in higher prices than those expected under competitive market conditions and contributes to inflation.

- Earlier this year, Sen. Elizabeth Warren (D-Mass.) introduced the Price Gouging Prevention Act to crack down on corporations jacking up prices by strengthening rules and enforcement. Rep. Katie Porter (D-Calif.) also introduced the Competitive Prices Act to strengthen accountability for big corporations that engage in coordinated price hikes.

Why you should care:

- **"EXPERTS" BLAME WORKERS:** Pundits have resorted to saying the U.S. needs to increase it's unemployment numbers to address inflation — putting the blame on workers instead of corporations who have disclosed in their earnings calls with investors that they are arbitrarily raising prices and using supply chain issues and the pandemic as their excuse.
- **PRICE HIKES, LOW WAGES:** Nearly every industry in the United States is controlled by a few dominant firms that can engage in coordinated price hikes and wage suppression without triggering obvious alarm among antitrust enforcers. These cartels are effective at keeping prices high and wages low. Cartels raise prices by an average of 49% while a recent report from the U.S. Treasury Department found concentrated power has suppressed workers' wages by roughly 20% on average, and by almost 30% for lower wage workers.

Key Stats:

- Dominant firms are rarely held accountable; even very conservative scholars believe that antitrust enforcers catch only 20% to 30% of illegal cartels in the U.S.
- A macroanalysis by Economic Liberties' Matt Stoller found that corporate profits are driving roughly 60% of price-hikes, costing everyday Americans an additional $2,126. Stoller's findings were recently validated by new research from the Economic Policy Institute and research by the Federal Reserve of Boston.

Have a question about corporate power or an idea for an upcoming edition? Please let us know. If you know a fellow advocate, leader, or organization who would also benefit from this, please encourage them to **sign up here**.

If you need a deeper dive into price fixing or have any questions, let us know! Please reach out to our Communications Director, Bianca Recto for more information and guidance: **bianca@fightcorporatemonopolies.org**

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