

## **Kamala Harris wants to take on price gouging. It's hard to find agreement on what it even is**

As she unveiled her most detailed economic plan yet this week, Democratic presidential nominee Kamala Harris pledged to fight price gouging in order to rein in voters' grocery costs.

The vice president first teased the federal ban in mid-August, prompting former President Donald Trump to attack the plan as "Soviet-style" price controls. Although Harris released more detail Wednesday as part of her 82-page economic plan, it's still unclear what price hikes her administration would see as illegal "price gouging."

Higher prices — and who or what is to blame for them — have become a central theme in the presidential race, as steep grocery bills frustrate Americans and retailers anticipate a holiday season marked by deal-hunting. Harris and Trump have each proposed their own solutions to combat inflation, as Americans continue to pay more for groceries, energy, housing and other everyday expenses.

Voters will ultimately weigh in on what role government leaders should play in companies' pricing. Generally, Republicans support fewer economic regulations, although Trump has suggested limiting food imports as a way to lower grocery prices. Economists have warned that the strategy would likely backfire.

One of the challenges around accusing companies of price gouging — and promising to address it — is that the term means different things to different people. Rakeen Mabud, chief economist at progressive thinktank Groundwork Collaborative, said it typically is defined in two major ways.

Economists and lawyers use a technical definition, which refers to when companies hike prices during emergencies, like doubling the price of bottled water during a hurricane, she said. Thirty-seven U.S. states already have laws that forbid price gouging in emergencies.

But some consumers and politicians have embraced a looser definition: the practice of companies charging unfair prices just because those brands or retailers have the market power to do so, Mabud said.

As prices for groceries and other goods soared in 2021 and 2022, a popular explanation emerged: "greedflation," the notion that companies made inflation worse by raising prices on their products without offering more to customers, such as a larger quantity or new flavor. The once-fringe theory has gained mainstream support, including a study from the Federal Reserve Bank of Kansas City, which found that markups contributed "substantially" to inflation.

But many economists — and Fed Chair Jerome Powell — don't think that corporate profits are to blame for inflation. Instead, they attribute the sharp rise in prices to a variety of other factors, such as the tight labor market and supply chain issues.

And regardless of what the term means, the companies involved have argued they are not to blame for higher grocery prices.

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