

## **Shrinkflation Prevention Act of 2024**

*U.S. Senator Bob Casey (D-PA)*

Over the past few years, “[greedflation](#)” has fueled rising costs facing American families. Greedflation occurs when corporations use inflation as a cover for price increases, inflating their own profits in the process. In fact, Federal Reserve data indicates that from 2020 to 2022, corporate profits rose by 75 percent—five times as fast as inflation.

Shrinkflation, one tactic to hike prices and increase profits, occurs when a corporation reduces product size without lowering the price in a commensurate way. As a result, the unit price increases and the consumer ultimately spends more money for less product. Because the size change is often not advertised, consumers may be unaware that they are getting less bang for their buck. Shrinkflation eats into the purchasing power of American families and leaves them wondering why they are paying more money for a smaller container of Oreos or bag of Doritos.

Bureau of Labor Statistics data shows that about 10 percent of inflation for some product categories is due to shrinkflation. A few examples of this practice from Senator Casey’s December 2023 [report on shrinkflation](#) are featured below:



Shrinkflation is squeezing families’ budgets across the Nation. Senator Casey is working to stop corporations from deceiving American families in pursuit of profits. The ***Shrinkflation Prevention Act of 2024*** would prohibit shrinkflation by giving the Federal Trade Commission (FTC) and state attorneys general authority to crack down on corporations deceiving consumers.

Specifically, the ***Shrinkflation Prevention Act of 2024*** would:

- Direct FTC to promulgate regulations to establish shrinkflation as an unfair or deceptive act or practice, prohibiting manufacturers from engaging in shrinkflation;
- Authorize FTC to pursue civil actions against corporations who engage in shrinkflation;
- Authorize state attorneys general to bring civil actions against corporations engaging in shrinkflation.