

EXPERTS AND LEADERS AGREE – THE COUNTRY NEEDS THE AMERICAN RESCUE PLAN NOW

February 25, 2021

The American Rescue Plan Act of 2021 will provide crucial aid to families, workers, and communities suffering from the dual health and economic crises caused by Covid-19. Experts and community leaders across the ideological spectrum are united in their support for the American Rescue Plan. Further, economists agree that this targeted, evidence-based plan is needed – both for struggling families and for the American economy – and that the federal government has ample fiscal capacity to provide it.

We know from previous recovery efforts that going too small will cost us far more both in the short and long term. That’s why Democrats have crafted a bill that will deliver the resources needed to end the pandemic, mitigate its economic impact, and generate a strong and inclusive recovery. We have a bold, aggressive plan that our country not only needs, but can afford.

ECONOMISTS RECOGNIZE THE EXTENT OF THE PROBLEM AND OUR CAPACITY FOR RESPONSE

Jerome Powell, Chair Federal Reserve System

“Despite the surprising speed of recovery early on, we are still very far from a strong labor market whose benefits are broadly shared. Employment in January of this year was nearly 10 million below its February 2020 level, a greater shortfall than the worst of the Great Recession’s aftermath... Experience tells us that getting to and staying at full employment will not be easy. In the near term, policies that bring the pandemic to an end as soon as possible are paramount. In addition, workers and households who struggle to find their place in the post-pandemic economy are likely to need continued support. The same is true for many small businesses that are likely to prosper again once the pandemic is behind us.” *[Speech at the Economic Club of New York, February 10, 2021]*

Neel Kashkari, President, Federal Reserve Bank of Minneapolis

“We have the capacity for this war-time spending to support our fellow Americans until we get this pandemic behind us... In the last recovery after the financial crisis, it took 10 years to rebuild our labor market,” Kashkari said. “We can not have another 10-year recovery, that is far too long. The cost to society and the cost to families is far too steep.” *[Senate Finance Committee Hearing, February 2, 2021]*

Kevin Hassett, Former Economic Advisor to President Trump

“There are so many businesses treading water, barely hanging on. Now they are getting hit by another shock...You could end up in a negative spiral for the economy....They’ve thrown a lot of stimulus at it, but I think we need to be risk averse.” *[CNN interview, January 22, 2021]*

Lisa Cook, Economist, Michigan State University

“With greater funding for state and local governments, [a relief package] will stem the adverse effects of what we’re seeing with respect to the virus.” *[The Washington Post, January 28, 2021]*

Raphael Bostic, President, Federal Reserve Bank of Atlanta

“[W]e’ve not really had a long experience with these sort of global pandemics and how they ripple through economies and how families and businesses respond in that regard....There’s still a lot of precariousness. There’s still a lot of uncertainty about how things are going to move forward. So, I think that we need to make sure that the relief is going to be there through that entire uncertain period, because if we do that, that increases the likelihood that as many people as possible, that everyone will be in a place where they can pick back up and our economy can start to run strongly again.” *[The Washington Post, February 8, 2021]*

Phillip Swagel, Director, Congressional Budget Office

“The United States is not facing an immediate fiscal crisis. Current low interest rates indicate that the debt is manageable for now and that fiscal policy could be used to address national priorities if the Congress chose to do so.” *[Testimony before the Senate Finance Committee, October 7, 2020]*

STATE AND LOCAL LEADERS ARE CALLING OUT FOR HELP

The United States Conference of Mayors, a bipartisan group of over 400 Mayors:

“On behalf of The United States Conference of Mayors, we urge you to take immediate action on comprehensive coronavirus relief legislation, including providing direct fiscal assistance to all cities, which is long overdue. President Biden’s American Rescue Plan contains such assistance as part of an aggressive strategy to contain the virus, increase access to life-saving vaccines, and create a foundation for sustainable and inclusive recovery...Your quick action on President Biden’s plan is a crucial step to making meaningful progress in one of the most challenging moments in our country’s history. We encourage you to take up the President’s rescue plan as soon as possible in the 117th Congress.” [*Letter to Congressional Leaders, January 29, 2021*]

17 State Treasurers

“(I)t has been nearly a year since Congress approved aid to state and local governments. That’s why we urge Congress to take immediate action by passing President Biden’s American Rescue Plan. It includes \$350 billion in state and local aid, which will keep states and municipalities investing in local economic growth while supporting vaccination efforts, and helping to open schools safely... It’s the only way that states can avoid more cuts to services needed by small and large businesses, hospitals, schools, health care facilities, and vaccination efforts. And it’s the only way that Washington can live up to its commitment to the essential workers who have been putting their lives on the line fighting this pandemic since day one, including our heroic health care providers, firefighters, teachers, and law enforcement personnel.” [*Letter to Congressional Leaders, February 17, 2021*]

Educational groups, including The School Superintendents Association, American Federation of School Administrators, American Federation of Teachers, Council of Great City Schools and other education groups

“[States and school districts] have budgeted for every dollar they are scheduled to receive from the COVID relief bills and are anticipating more significant costs they will be unable to meet without additional federal funds...We strongly support the \$128 billion in funding included in the American Rescue Plan.” [*Letter to Congressional Leaders, February 23, 2021*]

BUSINESS LEADERS URGE STRONG FEDERAL RESPONSE

150 CEOs in New York City, Including those from Intel, IBM, Google, Comcast, T-Mobile, AT&T, Goldman Sachs, Morgan Stanley, Wells Fargo, Metlife, JetBlue Airways, United Airlines and American Airlines

“We write to urge immediate and large-scale federal legislation to address the health and economic crises brought on by the COVID-19 pandemic... Previous federal relief measures have been essential, but more must be done to put the country on a trajectory for a strong, durable recovery. Congress should act swiftly and on a bipartisan basis to authorize a stimulus and relief package along the lines of the Biden-Harris administration’s proposed American Rescue Plan.” *[Letter to Congressional Leaders from the Partnership for New York City, February 24, 2021]*

330 Small Business Leaders

“The American Rescue Plan meets the urgency of the moment and takes the steps necessary to save small businesses struggling during these difficult times.” *[Letter to Congressional Leaders, February 24, 2021]*

This document has not been reviewed and approved by the Democratic Caucus of the Budget Committee and may not necessarily reflect the views of all members.