

EXPERTS AND LEADERS AGREE – THE COUNTRY AND AMERICAN FAMILIES NEED THE BUILD BACK BETTER ACT

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The Build Back Better Act makes the transformative investments at the scale necessary to meet the needs of the American people, address dangerous deficits in our society, improve our economic outlook, and set America up to compete and win in the decades ahead. Experts and leaders agree that these transformative, long-overdue investments are needed – both for struggling families and for the American economy. Further, economists state that Congress can alleviate some of the strain caused by inflation, lower costs for working families, and strengthen our nation’s recovery and economic future by passing the Build Back Better Act.

President Biden and Congressional Democrats have crafted a bill that will deliver the resources needed to lower costs, create millions of good-paying jobs, cut taxes for hard-working Americans, tackle the climate crisis, and generate strong and inclusive economic growth for generations. We have a bold, aggressive plan that our country not only needs, but can afford.

ECONOMISTS & EXPERTS SUPPORT THE BUILD BACK BETTER ACT

56 economists agree that the Build Back Better Act will lower costs:

“Congress can alleviate some of the strain caused by inflation by passing the Build Back Better Act, which will lower everyday costs for families, including child care, health care, utility bills, prescription drugs, and education. These investments, combined with the Build Back Better Act’s tax credits for the middle class, will help allow families to keep more money in their pockets.”

Jason Furman, former CEA Chair, said:

“Build Back Better would be a landmark step in permanently reducing child poverty. It would move the U.S. toward the widespread global practice of providing a child allowance to virtually all parents. It would also continue and expand the strong work incentives contained in the earned-income tax credit.”

Almost 450 economists signed a letter in favor of extending the enhanced child tax credit. In the letter, they said:

“Expanding the CTC would yield a long-term fiscal payoff. Because reducing child poverty has a positive effect on earnings in adulthood, expanding the CTC would bring in more tax revenue down the road. By improving low-income families’ health, it would reduce government medical expenditures for this group. Once the full effects of the CTC expansion are accounted for, the net cost to taxpayers of the expansion has been estimated to be as little as approximately 16 cents for every \$1 of new benefits.”

Jacob Lew, former Treasury Secretary, said:

“Many core provisions, like expanded child care and universal pre-K, would help Americans make real progress on easing the pathway to work and expanding opportunity, now and in the future. Investments in education, health, housing, and the care economy are crucial both to address the damage that inequality does to our society and to lessen the economic costs of the current imbalance.”

Joseph Stiglitz, Nobel Laureate and economist, said:

“The President’s economic agenda, the “Build Back Better” package being debated in Congress, would provide vital public investments in the nation’s physical and human infrastructure, as well as in our tattered safety net. These investments are long overdue—they were needed before the COVID-19 pandemic, and their necessity has been highlighted by the virus and the economic shock that came with it.

“Some, however, have invoked fears of inflation as a reason to not undertake these investments. This view is short-sighted. These are importantly supply side measures, increasing the ability of more Americans to participate productively in the economy, helping to improve our low employment-working age population ratio. Significantly reducing the fraction of children growing up in poverty and giving these children access to pre-K and college education will reap large dividends in years to come.”

Rebecca Karnovitz, senior analyst at Moody’s, said:

“The planned investments in childcare, education and workforce development have the potential to boost labor force participation and increase productivity over the medium and longer term.”

William Foster, VP and Senior Credit Officer at Moody's Investors Services, said:

"Money, if it's well spent, will help address these bottlenecks and increase the productivity of the economy. That ultimately should contribute to higher productivity and help moderate inflation."

Clarence Anthony, CEO and Executive Director of the National League of Cities, said:

"As local communities begin using funds from the Infrastructure Investment and Jobs Act (IIJA), our already limited infrastructure workforce will be strained. We need the workforce development funding in the Build Back Better Act to ensure workers are ready and qualified to complete the long list of overdue infrastructure projects cities, towns, and villages face."

Paul Krugman, in a NYT piece titled *Don't Let Inflation Anxiety Undermine Our Future*, writes:

"The fact is that America desperately needs to invest in its future – both in hard assets like roads and bridges and in its people, especially its children. And there are no good economic reasons not to make those investments. Debt isn't a problem given low interest rates; inflation wouldn't be a problem given the economy's ability to absorb higher government spending. Build we can, and build we must."

SUPPORT FOR HEALTH CARE INVESTMENTS

Gideon Lukens, Director of Research and Data Analysis for the Center on Budget and Policy Priorities, writes that if the health provisions in the Build Back Better Act were enacted...

"All states would see significant reductions in the uninsured, but the greatest reductions would occur in the 12 states that haven't expanded Medicaid, narrowing the persistent gap in uninsured rates between expansion and non-expansion states. In fact, the ten states with the largest percentage reductions in the uninsured would all be non-expansion states."

An article from the Center for American Progress, *The Build Back Better Act would Improve Health Care and Lower Costs*, highlights the investments in health care that will help the American people:

“The Build Back Better Act would make landmark changes to the federal government’s ability to obtain fair prescription drug prices, thereby lowering costs for patients. The House-passed legislation would authorize Medicare to negotiate the price of certain drugs directly with manufacturers, require rebates from drug price increases above the rate of inflation, and cap Medicare Part D out-of-pocket costs at \$2,000 per year.

“The bill also limits cost-sharing for insulin and insulin products at \$35 for a 30-day supply in Part D plans as well as in private insurance. This means that diabetics with private coverage—which includes marketplace coverage and employer-sponsored insurance—would be protected from high out-of-pocket costs for life-sustaining medication.

“In addition to ensuring lower prices for payers and patients, prescription drug reform also produces savings critical for other items in the legislative package. In total, the CBO estimates that the bill’s provisions related to prescription drugs would result in \$297 billion in federal savings.”

Association of American Medical Colleges President and CEO David Skorton and Chief Public Policy Officer Karen Fisher said of the Build Back Better Act:

“The AAMC applauds the House for advancing the Build Back Better Act, which would take important steps toward alleviating the physician shortage, diversifying the physician workforce, improving access to care for people in underserved urban and rural communities, strengthening public health infrastructure, and addressing long-standing health inequities.”

Bruce Siegel, CEO of America’s Essential Hospitals, said:

“We welcome provisions in the Build Back Better Act to build a more resilient and robust health care workforce and to improve maternal and child health. The proposed increases in graduate medical education slots and support for nursing would help our nation and hospitals recover from the detrimental effects of the pandemic on the health care workforce.

“The Build Back Better Act has the potential to help many people who face barriers to affordable health care and to repair a health care system weakened by the pandemic.”

Richard Fiesta, Executive Director of the Alliance for Retired Americans, said:

“Seniors appreciate that the bill takes steps to lower prescription drug prices for retirees and all Americans. For the first time, Medicare will be required to negotiate lower drug prices for some medicines. The legislation also caps the price of insulin at

\$35 per month and annual out-of-pocket drug spending by Medicare beneficiaries at \$2,000. In addition, inflationary caps will limit drug corporations' capacity to raise prices faster than inflation.

"Adult vaccines recommended by the Advisory Committee on Immunization Practices (ACIP) that are covered under Medicare Part D, such as for shingles, would be covered at no cost, just like the flu and COVID vaccines under Part B are today. Together these provisions will help millions of Americans afford the medicines that they need to stay healthy."

AARP Executive Vice President and Chief Advocacy and Engagement Officer Nancy LeMond said:

"The bill that the House passed today includes meaningful reforms to bring down medication costs: finally allowing Medicare to negotiate drug prices, penalizing drug companies that increase their prices faster than inflation, adding a hard out-of-pocket cap to Medicare Part D, and capping co-payments for insulin.

"Seniors are sick and tired of paying the highest prices in the world for the medications they need. We applaud the members of Congress who stood up to Big Pharma and ensured that Build Back Better will lower drug prices and reduce costs for all taxpayers. AARP strongly supports the bill's investment in the health of seniors by adding a hearing benefit to the Medicare program. It's long over-due that Medicare cover the whole person and this addition is an important step."

Statement from John Arensmeyer, Founder & CEO of Small Business Majority:

"Small business owners need and support the benefits included in the Build Back Better bill to give them the economic foundation to start and grow businesses and to promote a more resilient workforce. In particular, strengthening the Affordable Care Act (ACA) by reducing health insurance premiums for more than 9 million Americans who buy insurance through the ACA marketplace, the majority of whom own or work for a small business, is an essential step in their long-term recovery."

SUPPORT FOR HISTORIC FAMILY CARE INVESTMENTS

Research from Claire Zippel, Senior Research Analyst for the Center on Budget and Policy Priorities, shows:

"Some 91 percent of families with low incomes (less than \$35,000) are using their monthly Child Tax Credit payments for the most basic household expenses — food, clothing, shelter, and utilities — or education. Families are making these investments

nationwide: in every state and the District of Columbia, large majorities of low-income families are making such use of the credit, according to our new analysis of Census Bureau data covering the first three months of payments.”

Janet Yellen, Treasury Secretary, said:

“Families are using these [Child Tax Credit] funds for essential needs like food. And, in fact, according to the Census Bureau, food insecurity among families with children dropped 24% after the July payment—which is a profound economic and moral victory for the country.”

Analysis from the Center for American Progress found that:

“The Build Back Better Act would dramatically expand the universe of families receiving child care assistance. It does not simply increase eligibility but offers a guarantee of child care assistance to 93 percent of working families.”

In an open letter, more than 125 economists and public policy scholars express their support for child care investments, saying:

“Now is the time to invest in the millions of low-income and middle-class households who are looking to Washington to find common sense solutions to their everyday problems. Congress supported the immediate relief needs for families and providers of child care, but now it’s time to tackle the long-term solutions that will spur our economy. Lawmakers should come together around the shared goal of supporting working parents, compensating our chronically undervalued child care workers, and building a fair and just child care system for our children and our economy.”

Lenore Palladino and Chirag Lala, Economists at UMass Amherst, said:

“We find that investing in the childcare and home health care workforce, both by ensuring that the current workforce earns a minimum of \$15/ hour and by expanding the workforce to meet current demand, has positive macroeconomic effects as the care workforce spends its own money on goods and services throughout the rest of the economy. We also find that paid family and medical leave—a crucial necessity for workers facing their own or their family’s health issues—positively boosts the economy, as workers spend the wage replacement income that they earn.”

National Head Start Association Executive Director Yasmina Vinci said:

“When our nationwide approach to supporting children is aligned to meet the urgent needs of families, communities, and businesses, everyone benefits. This legislation ensures preschool programs nationwide can meet high demand with high-quality. Most importantly, it secures access to preschool for 9 million more children. At the same time, it contributes to increased parental—and, in particular maternal—employment, a better compensated workforce, and—as a result—a stronger economy.”

SUPPORT FOR RECORD-MAKING CLIMATE INVESTMENTS**Katherine Hayhoe, Chief Scientist at the Nature Conservancy, said:**

“These [investments] are the biggest pieces of climate policy legislation the U.S. has seen in a decade. The faster we can act, the better off we’ll be, because we’re already late to the table. The time for half-measures was 30 years ago.”

David Waskow, Director of International Climate Initiative, said:

“There’s no question that the Build Back Better Act is crucial. It can drive the U.S. a substantial distance toward achieving the 50 to 52 percent reduction [in emissions].”

Abigail Dillen, President of Earthjustice, said:

“Passage of the Build Back Better Act will set us on a new path toward zero emissions and environmental justice. It means accelerating the transition to 100% clean energy, safeguarding clean drinking water for millions of people, preserving our nation’s forests to aid in removing carbon from the atmosphere, ending oil development in the Arctic Refuge, and modernizing buildings and ports to no longer choke the communities living in and near them with toxic air pollution. By initiating the transition to a green economy, we’re creating good-paying, green jobs to put people back to work while investing in the long-term economic prosperity of communities across the country.”

Joseph Stiglitz, Nobel Laureate and economist, said:

“The Build Back Better package will provide much needed support to a still-recovering economy, but it will accomplish much more than that. By meeting

long-standing social needs, boosting long-term economic performance, and taking serious steps toward addressing the climate crisis we can already see unfolding, it would transform the U.S. economy to be more efficient, equitable, sustainable, and prosperous for the long run, without presenting an inflationary threat.”

SUPPORT FOR PROVISIONS TO PAY FOR THESE INVESTMENTS BY ENSURING THE WEALTHY FEW AND BIG CORPORATIONS FINALLY PAY THEIR FAIR SHARE

17 Nobel Prize-winning Economists signed an open letter stating:

“While we all have different views on the particulars of various economic policies, we believe that key components of this broader agenda are critical—including tax reforms that make our tax system more equitable and that enable our system to raise the additional funds required to facilitate necessary public investments and achieve our collective goals.”

Janet Yellen, Secretary of the Treasury, said:

“Today, our estimation is that 15 percent of owed taxes are uncollected, which makes it difficult to fund our nation's priorities. It also creates economic distortions and deep inequities, as taxes are borne disproportionately by the subset of the population who comply with their obligations. Providing the IRS the resources it needs to address the tax gap raises substantial revenue in a progressive and equitable fashion.”

Joel Friedman, Vice President for Federal Fiscal Policy for the Center on Budget and Policy Priorities, said:

“We project that the bill includes roughly \$2.0 trillion in deficit reduction over the second decade based on CBO cost analyses, and \$2.1 trillion when an extrapolation of Treasury’s estimate of revenues from enforcement funding are used. Even though many spending provisions in the bill are for a finite period, most of the revenue increases and reductions in prescription drug spending are permanent. Congress’s decision to make the deficit-reducing provisions of Build Back Better permanent reflects a deliberate policy choice — one that will reduce widening income and wealth inequality, slow the growth in prescription drug costs, and lessen fiscal challenges facing future policymakers and generations.”

Statement from John Arensmeyer, Founder & CEO of Small Business Majority:

“Small businesses are strongly supportive of provisions that will help ensure wealthy corporations and individuals pay their fair share while addressing disparities for Main Street.”

Jacob Lew, former Treasury Secretary, said:

“If all reportable income was included in tax returns, we would collect some \$600 billion in additional revenue annually. This ‘tax gap’ is both expensive and unfair. Experts at the IRS and Treasury Department agree that with vital investments to restore historically underfunded enforcement efforts, new revenue is likely to exceed the conservative estimates of congressional scorekeepers. Just as importantly, it will restore a level playing field so those who comply with tax laws are not at a competitive disadvantage compared to those who cheat.”

Reuven Avi-Yonah, the Irwin I. Cohn Professor of Law and Director of International Tax LL.N. Program at the University of Michigan, writes:

“A key component of the Build Back Better Act, which just passed the House, would end [corporate tax avoidance]. The proposal would prevent the largest and most profitable corporations from paying little or no income tax by establishing a minimum tax of 15% of the income they report to shareholders if they make more than \$1 billion in profits. Known as the corporate profits minimum tax, it will pay for a large portion of the Build Back Better Act by raising \$319 billion in revenue over the next decade.”