

February 1, 2021

Speaker of the House Nancy Pelosi
H-232, The Capitol
Washington, DC 20515

Majority Leader Chuck Schumer
S-221, The Capitol
Washington, DC 20510

Minority Leader Kevin McCarthy
H-204, The Capitol
Washington, DC 20515

Minority Leader Mitch McConnell
S-230, The Capitol
Washington, DC 20510

Dear Speaker Pelosi, Leader Schumer, Leader McConnell, and Leader McCarthy:

In the midst of our ongoing health and economic crises that have left millions unable to pay their bills, policymakers need to take bold action to bolster our economy, reduce hardship, and forge a path to an equitable recovery. President Biden's \$1.9 trillion American Rescue Plan – with its critical public health investments to beat COVID-19, its aid to help struggling families, and its assistance to states, localities, tribes, and territories – is an appropriate scale of new spending under current conditions.

Our nation continues to be battered by a vicious virus and the economic fallout from the pandemic. In December, some 27 million workers had lost their jobs or seen their hours and pay cut. The rise in long-term unemployment shows clearly that our economy remains very troubled. Black and Latinx people are disproportionately feeling the impact, with unemployment rates in December of 9.9 and 9.3 percent, respectively – well above the white unemployment rate of 6 percent, which is itself too high. In its January 26 monetary policy statement, the Federal Reserve noted the continued weakness in the economy saying, “The recovery in economic activity and employment has moderated in recent months with weakness concentrated in the sectors most adversely affected by the pandemic.”

Household hardship remains significantly above pre-pandemic levels. Almost 24 million adults reported that their household sometimes or often didn't get enough to eat, the most recent Census data show, and more than 15 million renters reported that they were behind on rent. Hardship rates are particularly high among families with children, particularly Black and Latinx households with children, raising serious concerns about the long-term consequences for children's health and academic outcomes.

Congress must act fast and pass further legislation that reflects the scale of the crisis. The Emergency Coronavirus Relief Act, enacted in December, was a needed stopgap measure, but it

didn't do nearly enough to address the depth and breadth of today's hardship. It will end far too soon, and it lacks key components of relief.

Repairing the economy and labor market will require that we get the virus under control, and that we also provide a significant amount of investment and support. With the economy down 10 million jobs and millions of people working part time because there isn't enough business for them to work full time, the time for bold action is now. The economy will not fully recover until the virus is no longer a public health threat, which is why we must be aggressive in our public health response while we also support those who are struggling and boost the economy.

Prompt action is critical because crucial unemployment aid will end in March. That not only will hurt those workers, but it also will significantly hurt a struggling economy by reducing consumer spending. Congress needs to act so that people don't once again lose their benefits for an unnecessary period, given the challenges that states face in administering benefits after a lapse in benefits and subsequent renewal.

Moreover, to address the challenge of benefit lapses, policymakers should ensure that relief measures stay in place at least into the fall, and then should be extended beyond that based on the underlying economic conditions.

With sufficient federal spending to sustain demand in the economy and address the public health crisis, the economy could mount a robust recovery in 2021 once the virus is under control. But if the federal government withdraws support too soon, we could face years of weak growth and high unemployment, as borne out in the Great Recession and its aftermath. Avoiding that outcome should be our top economic priority.

The risk from providing too little in relief and economic recovery far outweighs the risk of providing too much. We urge you to act quickly to pass a robust pandemic relief package to control the virus, address hardship, and boost the economy.

Sincerely,

Rebecca Dixon, Executive Director,
National Employment Law Center

Thea Lee, President,
Economic Policy Institute

Greg Leiserson, Chief Economist,
Washington Center for Equitable Growth

Sharon Parrott, President,
Center on Budget and Policy Priorities

John Podesta, Founder and Chair of the Board,
Center for American Progress

Felicia Wong, President and CEO,
Roosevelt Institute