SLF GA RADIO 60 "CONVICTED" VERIFICATION

Scene 1

SLF Ad Content:

AUDIO: Raphael Warnock backed the Pelosi-Biden spending spree that hit Georgia with record inflation and higher costs on everything from groceries to gas to housing.
AUDIO: But he didn't stop there.

Supporting Documentation:

In March 2021, Democrats in Congress passed and President Biden signed a $1.9 trillion COVID-19 relief and stimulus bill. "President Biden signed the $1.9 trillion American Rescue Plan Act into law on Thursday, finalizing an early policy victory that will send much-needed aid to millions of Americans still struggling from the COVID-19 pandemic…The bill was narrowly approved by the House on Wednesday with a vote of 220 to 211, with one Democrat joining all Republicans in voting against it. It passed the Senate on Saturday with a 50 to 49 vote, also along party lines." (Grace Segers, "Biden signs $1.9 trillion American Rescue Plan into law," *CBS News*, 3/12/21)

- **Warnock voted for the bill, which passed 50-49.** (H.R. 1319, CQ Vote #110: Passed 50-49: R 0-49; D 48-0; I 2-0, 3/6/21, Warnock and Sanders Voted Yea)

- **Nancy Pelosi voted for the bill.** (H.R. 1319, CQ Vote #72: Passed 220-211: R 0-210; D 220-1, 3/10/21, Pelosi Voted Yea)

According to the Bipartisan Policy Center, ARP's "true budgetary impact" could likely be $3.5 trillion. "Congress is on track to enact what is being advertised as a temporary injection of $1.9 trillion in emergency COVID-19 relief. But what if the package turns out to cost $3.5 trillion? … The Congressional Budget Office recently estimated that the House-reported bill would increase spending by $1.92 trillion over the next decade and reduce revenues by $33 billion over the same period. This assessment, however, masks what is likely to become the true cost of the legislation over the next decade. … These provisions alone would add nearly $1.6 trillion, over 10 years, to the $1.9 trillion advertised ARP price tag, bringing the likely true budgetary impact to $3.5 trillion. While these are important programs – many enjoy bipartisan support — a rushed, partisan process is not an effective approach to develop lasting policy." (G. William Hoagland, "The American Rescue Plan: Is it $1.9 Trillion or $3.5 Trillion?" Bipartisan Policy Center, 2/24/21)

***WaPo* described ARP as "nearly $2 trillion in new spending."** "Biden is talking about injecting nearly $2 trillion in new federal spending into the faltering economy, even as some question the total, coming so soon after previous stimulus efforts, citing the risk of inflation." (Mike Madden and Rachel Siegel, "U.S. policymakers misjudged inflation threat until it was too late," *The Washington Post*, 5/30/22)

Committee for a Responsible Federal Budget headline: "American Rescue Plan Could Set Stage for $4 Trillion of Debt" ("American Rescue Plan Could Set Stage for $4 Trillion of Debt," Committee for a Responsible Federal Budget, 3/5/21)

- **"Passage of the American Rescue Plan Act alone, excluding any dynamic effects, would boost 2031 debt to $37.4 trillion (or 114 percent of GDP) and deficits to $1.9 trillion (or 5.9 percent of GDP)."** ("American Rescue Plan Could Set Stage for $4 Trillion of Debt," Committee for a Responsible Federal Budget, 3/5/21)

"Measured by its 10-year deficit impact, the American Rescue Plan will likely end up as the most expensive spending bill of the past 50 years." "To start with, $1.9 trillion in new debt. Measured by its 10-year deficit impact, the American Rescue Plan will likely end up as the most expensive spending bill of the past 50 years. More expensive than last year's CARES Act, the 2009 stimulus, ObamaCare, or any enacted spending bill of the Ford, Carter, Reagan, Bush I, Clinton, or Bush II eras. The only comparable-size bills have occurred on the tax side — the 2001 and 2017 tax cuts. Of course, depending on the final legislation, Build Back Better may end up even more expensive. Adding $1.9 trillion (plus interest) will — under CBO-projected interest rates — cost roughly $60 billion in government interest payments every year, forever. This cost also reduced by $1.9 trillion Washington's fiscal space to enact other legislative priorities or respond to other crises. To the extent that the long-term debt continues to grow to unsustainable levels, this $1.9 trillion in borrowing accelerates the point at which interest rates and taxes will begin rising." (Brian Riedl, Op-Ed, "The worst spending bill ever: Democrats' $1.9T 'rescue' is drowning us," *New York Post*, 12/8/21)

Prior to ARP's passage, the CBO estimated that it "would increase spending by $1.92 trillion over the next decade and reduce revenues by $33 billion over the same period." "The Congressional Budget Office recently estimated that the House-reported bill would increase spending by $1.92 trillion over the next decade and reduce revenues by $33 billion over the same period. This assessment, however, masks what is likely to become the true cost of the legislation over the next decade." (G. William Hoagland, "The American Rescue Plan: Is it $1.9 Trillion or $3.5 Trillion?" Bipartisan Policy Center, 2/24/21)

The Federal Reserve Bank of San Francisco found inflation "is likely getting a temporary boost from the $1.9 trillion coronavirus relief package that the Biden administration ushered in early this year…" "Inflation is likely getting a temporary boost from the $1.9 trillion coronavirus relief package that the Biden administration ushered in early this year, new Federal Reserve Bank of San Francisco research released on Monday suggested." (Jeanna Smialek, "A regional Fed analysis suggests Biden's stimulus is temporarily stoking inflation.," *The New York Times*, 10/18/21)

"Critics of the government spending package that was signed into law in March, including former Treasury Secretary Lawrence H. Summers, have said it was poorly targeted and risked overheating the economy." (Jeanna Smialek, "A regional Fed analysis suggests Biden's stimulus is temporarily stoking inflation.," *The New York Times*, 10/18/21)

"Research from the Federal Reserve Bank of San Francisco attributed about half the nation's 2021 annual price increase to the government's spending response." "The comparatively large jump in prices in America is owed at least partly to the nation's ambitious spending. Research from the Federal Reserve Bank of San Francisco attributed about half the nation's 2021 annual price increase to the government's spending response. The researchers estimated the number, which is imprecise, by comparing America's inflation outcome with what happened in countries that spent less. 'The size of the package was very large compared to any other country,' said Òscar Jordà, a co-author of the study." (Jeanna Smialek and Ben Casselman, "Rapid Inflation, Lower Employment: How the U.S. Pandemic Response Measures Up," *The New York Times*, 4/25/22)

- **"The comparatively large jump in prices in America is owed at least partly to the nation's ambitious spending."** (Jeanna Smialek and Ben Casselman, "Rapid Inflation, Lower Employment: How the U.S. Pandemic Response Measures Up," *The New York Times*, 4/25/22)

In March 2022, Former Obama administration official Jason Furman estimated that ARP is responsible for 2.5 percentage points of inflation. "'The gamble was it would create a success that would make people want to do more,' said Jason Furman, a Harvard professor and former top economic adviser to President Barack Obama. 'But it contributed to inflation that made people want to do less.' 'In some ways, that's the biggest consequence,' he added. 'It was a gamble, and they lost that gamble, and it hurt.' Inflation hit 7.9% over the last 12 months, the highest in four decades, and Furman estimated that the rescue plan was responsible for about 2.5 percentage points." (Chris Megerian and Zeke Miller, "Biden relief plan: Major victory gets mixed one-year reviews," *The Associated Press*, 3/11/22)

In March 2022, Michael Strain, Director of Economic Policy at AEI, estimated that ARP is responsible for 3 percentage points of inflation. "Michael Strain, director of economic policy studies at the conservative American Enterprise Institute, pegs the figure at 3 percentage points. 'We really didn't need another stimulus. The economy was already growing rapidly,' Strain said, noting that President Donald Trump had signed two measures totaling $3.1 trillion before Biden took office." (Chris Megerian and Zeke Miller, "Biden relief plan: Major victory gets mixed one-year reviews," *The Associated Press*, 3/11/22)

"Some economists estimate that the Democrats' $1.9 trillion American Rescue Plan added between two and four percentage points to the U.S. inflation rate." (David Brooks, Op-Ed, "Seven Lessons Democrats Need to Learn — Fast," *The New York Times*, 4/28/22)

"But the problem is that Biden pumped more money into the economy than it could handle." "Biden last year signed a $1.9 trillion coronavirus relief package known as the American Rescue Plan — and many economists say that caused inflation to run higher than it otherwise would. There are multiple sources for inflation including global supply chain issues, the pandemic, stimulus from the Federal Reserve and, now, the Russian war in Ukraine. But the problem is that Biden pumped more money into the economy than it could handle. Administration officials said before the relief package was passed that the greater risk was do too little to help the economy than to do too much. The implicit risk was inflation, though the tradeoff was faster hiring and stronger growth. Biden got all three: the hiring, the growth and the inflation." (Josh Boak, "AP FACT CHECK: Biden skirts blame on inflation; GOP gas hype," *The Associated Press*, 3/15/22)

In February 2022, *Bloomberg* reported that economists and former public officials are saying that ARP "contributed to a sustained pace of high inflation." "There's little doubt President Joe Biden had it right when he called the $1.9 trillion pandemic relief package that Democrats rammed through Congress a year ago one of the most consequential in U.S. history. The trouble is that he didn't envisage some of the consequences. The 'American Rescue Plan,' including one final round of stimulus checks among its welter of transfer payments to families and local authorities, was designed as a short-term bridge to an even bigger $4 trillion long-term economic program -- one designed to revamp and rebuild the economy and society. Instead, economists and former officials say, it contributed to a sustained pace of high inflation that's sent Biden's approval ratings skidding and left key moderate Democrats with limited appetite to embrace his remaining economic agenda." (Rich Miller and Laura Davison, "Biden's $1.9 Trillion Win on Covid Aid Hobbles Rest of Agenda," *Bloomberg*, 2/28/22)

In February 2022, Larry Summers said ARP was "a serious error" that "set the stage for the inflation." "The downsizing of Bidenomics doesn't come as a surprise to former Treasury Secretary and veteran Democratic policy maker Lawrence Summers. The Harvard University professor warned early on that Biden's short-term stimulus package would fuel inflation and eventually undercut support for the president's longer-term strategy to transform the economy. Summers's argument, at its heart, rested on the basic law of supply and demand. He contended that the relief package, with its $1,400 checks for millions of Americans -- at a $410 billion cost -- and its extended unemployment benefits for those out of work, would boost demand beyond the economy's ability to meet it. The inevitable result: higher prices. The relief program was 'a serious error,' said Summers, a paid contributor to Bloomberg Television. 'It both set the stage for the inflation and politics that we have today and it eliminated the chance to make fundamental investments in our country given the political context.'" (Rich Miller and Laura Davison, "Biden's $1.9 Trillion Win on Covid Aid Hobbles Rest of Agenda," *Bloomberg*, 2/28/22)

In February 2022, Mark Zandi, chief economist for Moody's Analytics, said "Inflation did accelerate and people did link it back to the ARP and those policies, and connected the dots and said they did not want additional support for the economy." (Rich Miller and Laura Davison, "Biden's $1.9 Trillion Win on Covid Aid Hobbles Rest of Agenda," *Bloomberg*, 2/28/22)

In February 2022, a *WaPo* columnist wrote: "Now, the further we get from enactment, the worse the legislation's extra flab looks. The problem isn't only that large chunks of the bill were wasteful and contributed to once-in-a-generation inflation…" (Catherine Rampell, Op-Ed, "Build Back Better is 'dead,' says Manchin. He's not the only one to blame." *The Washington Post*, 2/3/22)

Moody's Analytics Chief Economist Mark Zandi: "The typical American household is spending $450 a month more now than a year ago for the same goods and services" due to inflation "The slight tick down in the inflation rate last month did little to ease the pain of families stretching their budgets. Moody's Analytics Chief Economist Mark Zandi said the average family is now paying hundreds of dollars more per month to maintain their lifestyle. 'The typical American household is spending $450 a month more now than a year ago for the same goods and services,' he said. April's year-over-year inflation rate was 8.3%, down slightly from the 8.5% price increases the nation saw for the month of March. Gas, housing and food were some of the major sources of the hikes. Gas prices have been volatile since Russia began preparations to invade Ukraine. The area is also known for its wheat production, driving food shortages worldwide." (Nick Papantonis, "Inflation costing families hundreds per month, analyst says," *WFTV*, 5/11/22; Sharon Epperson, "How to calculate your own personal inflation rate amid rising prices," *CNBC*, 5/13/22)

***Bloomberg* Headline: "U.S. Households Face $5,200 Inflation Tax This Year"** "Inflation will mean the average U.S. household has to spend an extra $5,200 this year ($433 per month) compared to last year for the same consumption basket, according estimates by Bloomberg Economics. The excess savings built up over the pandemic, and increases in wages, will cushion those costs, and allow spending to expand at a decent pace this year. But accelerated depletion of savings will increase the urgency for those staying on the sidelines to join the labor force, and the resulting increase in labor supply will likely dampen wage growth." (Andrew Husby and Anna Wong, "U.S. Households Face $5,200 Inflation Tax This Year," *Bloomberg*, 3/29/22)

***CNBC* Headline: "Inflation is costing U.S. households nearly $300 more a month. Here's how to adjust your budget"** "Inflation is costing the average U.S. household an additional $296 per month, a Moody's Analytics analysis found. The figure is based on the latest reading on consumer prices, which rose 7.9% in February compared with a year ago, according to the U.S. Department of Labor. 'It is going to get worse before it gets better,' said Moody's Analytics senior economist Ryan Sweet, who conducted the analysis. While the pain is felt across the board, some are feeling it worse than others. Low- and middle-income U.S. households

spent approximately 7% more in 2021 for the same products they bought in 2020 or in 2019, an analysis by the Penn Wharton Budget Model found. In comparison, spending by wealthy households went up 6%. A separate study by Wells Fargo showed the middle-class, in particular, is getting squeezed. Inflation was half a point higher for middle-income consumers than those at the highest and lowest end of the spectrum in December, Wells Fargo economists found. When broken down by race and ethnicity, Hispanics and Latinos had the steepest jump in living costs. 'The fear of inflation, the pandemic and war are challenging what future generations consider to be the American Dream,' said money expert Sahirenys Pierce, founder of personal finance blog Poised Finance Lifestyle." (Michelle Fox, "Inflation is costing U.S. households nearly $300 more a month. Here's how to adjust your budget," *CNBC*, 3/14/22)

- **"Low- and middle-income U.S. households spent approximately 7% more in 2021 for the same products they bought in 2020 or in 2019, an analysis by the Penn Wharton Budget Model found."** (Michelle Fox, "Inflation is costing U.S. households nearly $300 more a month. Here's how to adjust your budget," *CNBC*, 3/14/22)

- **"Inflation was half a point higher for middle-income consumers than those at the highest and lowest end of the spectrum in December, Wells Fargo economists found."** (Michelle Fox, "Inflation is costing U.S. households nearly $300 more a month. Here's how to adjust your budget," *CNBC*, 3/14/22)

The Wharton School at UPenn "estimates that last year's inflation required the average household to spend around $3,500 more to achieve the same level of consumption of goods and services as in 2019 or 2020." (John McCormick, "In America's No. 1 Inflation Hotspot, Democrats Face Restive Voters," *The Wall Street Journal*, 3/24/22)

"…increased oil costs suggest the average American household will pay almost $2,000 more for gasoline in 2022…" "According to Yardeni Research, increased oil costs suggest the average American household will pay almost $2,000 more for gasoline in 2022, according to a Monday research note." (Tyler O'Neil, "Inflation and record gas prices will hit Americans' paychecks hard," *FOX Business*, 3/8/22)

Low income Americans are disproportionately affected by inflation, as they "spend 77 percent of their incomes on necessities, compared with 31 percent for higher-income households." "Ms. Brainard, President Biden's nominee to be the Fed's next vice chair, gave a speech on Tuesday about the gaps in inflation across income groups — remarks in which she also emphasized the urgent need to bring price gains under control and the Fed's dedication to that effort. Low-income households spend 77 percent of their incomes on necessities, compared with 31 percent for higher-income households, she pointed out. Those differences may make it harder for poorer families to dodge rising prices, but it is hard to gauge exactly how much more intensely inflation hits low earners." (Jeanna Smialek, "Caviar and canned tuna: Top Fed official points out income-based inflation gaps." *The New York Times*, 4/5/22)

***U.S. News* headline: "Inflation Soars in May With Consumer Prices Up 8.6%"** (Tim Smart, "Inflation Soars in May With Consumer Prices Up 8.6%," *U.S. News*, 6/10/22)

- **Inflation rose "much more than expected" in May.** "Inflation worsened in May, rising much more than expected on surging food, rent and energy costs, the Bureau of Labor Statistics reported on Friday. The monthly gain was 1%, well above forecasts of 0.7%, and the annual rise of 8.6% exceeded expectations, following an 8.3% increase in April." (Tim Smart, "Inflation Soars in May With Consumer Prices Up 8.6%," *U.S. News*, 6/10/22)

***CNBC* headline: "Inflation rose 8.6% in May, highest since 1981"** (Jeff Cox, "Inflation rose 8.6% in May, highest since 1981," *CNBC*, 6/10/22)

- **Economist John Leer: "It's hard to look at May's inflation data and not be disappointed… We're just not yet seeing any signs that we're in the clear."** (Jeff Cox, "Inflation rose 8.6% in May, highest since 1981," *CNBC*, 6/10/22)

***The Economist* headline: "The cost of groceries in America rockets"** ("The cost of groceries in America rockets," *The Economist*, 5/18/22)

***WLTX* headline: "'Ridiculous' gas and grocery prices add strain to holiday weekend shoppers"** (Kayland Hagewood," 'Ridiculous' gas and grocery prices add strain to holiday weekend shoppers," *WLTX*, 5/29/22)

***CBS46 Atlanta*: "Inflation is now hitting Atlanta harder than almost any other city in America… Only Phoenix, Arizona is now worse than our area."** (CBS46 Atlanta, "Atlanta seeing 2nd highest inflation rate in the country," YouTube, 5/13/22)

From April 2021 to April 2022, the total Consumer Price Index increased by 10.8% in the Atlanta metro area. "The all items CPI-U advanced 10.8 percent for the 12 months ending in April. The index for all items less food and energy increased 9.8 over the past year. The energy index (+23.5 percent) and the food index (+9.3 percent) also increased over the past 12 months. (See chart 1 and table 1.)" (U.S. Bureau of Labor Statistics, 5/11/22)

***CBS46*: "The Atlanta metro area has been hit much worse than the rest of the country. Between February of last year and February of this year, gas and food prices went up more than 10 percent, forcing people to change their daily routines."** (Crystal Bui, "Atlanta hit harder by historic inflation than other cities," *CBS46*, 4/12/22)

Average gas prices in Georgia rose by over $1 per gallon between May 2021 and May 2022. "AAA reports that the average price for a gallon of regular unleaded gasoline for Georgia drivers Monday is $3.83. That's 12 cents more than a week ago, 3 cents more than last month, and over $1 compared to the same time in 2021." ("Georgia gas prices back on the rise with 12-cent jump," *Fox5 Atlanta*, 5/9/22)

***WTVM* headline: "Why Georgia gas prices may still increase until mid-June"** (Ahniaelyah Spraggs, "Why Georgia gas prices may still increase until mid-June," *WTVM*, 5/12/22)

***WSB-TV Atlanta* headline: "Prices on some products at local grocery stores are up 140% because of soaring inflation."** ("Prices on some products at local grocery stores are up 140% because of soaring inflation," *WSB-TV Atlanta*, 4/19/22)

***Fox Business* headline: "National gas prices have doubled since Biden took office"** (Timothy Nerozzi, "National gas prices have doubled since Biden took office," *Fox Business*, 6/4/22)

Food banks in Atlanta are struggling to provide their typical services due to longer lines and higher costs resulting from inflation. "Inflation is straining the pocketbooks of food banks and nonprofits that deliver free meals to some of Georgia's most vulnerable residents, at a time when demand for these services is on the rise. Heads of food banks and non-profits in and around Atlanta say they are feeling the pain of the increasing cost of groceries, fuel prices and other goods. The people they serve are feeling that pain too, and are turning to these places for help." (Katherine Landergan, "Inflation, economic challenges create 'perfect storm' at Georgia's food pantries," *The Atlanta Journal-Constitution*, 7/18/22)

Georgia residents say that lowering gas prices do not make up for how much they are spending on groceries, rent, and other goods. "In interviews with voters in Georgia, home to a competitive Senate race that could determine control of the upper chamber, many people said that while they had noticed it cost less to fill up their gas tanks in recent days, they said that did not make up for how much money they were still spending on groceries, rent and other basic goods." (Lauren Egan, "Gas prices are falling, but voters say they aren't feeling the relief," *NBC*, 7/17/22)

***Reuters* headline: "U.S. consumer price growth unchanged for July"** ("U.S. consumer price growth unchanged for July," *Reuters*, 8/10/22)

- **"Food is one component of the CPI that remained elevated in July, rising 1.1% last month after climbing 1.0% in June."** ("U.S. consumer price growth unchanged for July," *Reuters*, 8/10/22)

***The Guardian* headline: "US inflation falls to 8.5% in July but still close to multi-decade high"** (Dominic Rushe, "US inflation falls to 8.5% in July but still close to multi-decade high," *The Guardian*, 8/10/22)

***NBC News*: "Consumer prices rose by 8.5% year over year in July as the summer of inflation wears on"** (Rob Wile, "Consumer prices rose by 8.5% year over year in July as the summer of inflation wears on," *NBC News*, 8/10/22)

- **Principal Global Investors chief global strategist Seema Shah: "Households will unfortunately continue to feel the severe strain of elevated price pressures on their budgets"** (Rob Wile, "Consumer prices rose by 8.5% year over year in July as the summer of inflation wears on," *NBC News*, 8/10/22)

***CBS 46* headline: "Atlanta residents struggle to make ends meet during record-high inflation"** (Adam Murphy, "Atlanta residents struggle to make ends meet during record-high inflation," *CBS 46*, 5/31/22)

***Newnan Times-Herald* headline: "Inflation's other victim: the housing market"** ("Inflation's other victim: the housing market," *Newnan Times-Herald*, 8/1/22)

***Georgia Public Broadcasting*: "The rising costs of housing… are big drivers of inflation, and they fall especially hard on lower-income Americans."** "The rising costs of housing, food and other necessities are big drivers of inflation, and they fall especially hard on lower-income Americans, posing a growing challenge for President Biden and the nation's top economic policymakers." (Scott Horsley, "Inflation may be easing — but low-income people are still paying the steepest prices," *Georgia Public Broadcasting*, 5/11/22)

Scene 2

SLF Ad Content:

AUDIO: Warnock's at the center of even more Liberal spending...
AUDIO: ...allowing Covid relief checks to go to convicted criminals… in *prison*!
AUDIO: Like the Boston Marathon bomber, a Michigan sex abuser, drug dealers and murderers.
AUDIO: Literally hundreds of thousands of convicted criminals in prison got almost a BILLION dollars in Covid relief checks...and Raphael Warnock was the deciding vote.

Supporting Documentation:

See Above Backup.

In February 2021, Warnock voted against an amendment to create a point of order against any legislation that would extend stimulus payments to individuals incarcerated in federal or state prison. "Cassidy, R-La., motion to waive all applicable sections of the Congressional Budget Act with respect to the Wyden, D-Ore., point of order that the Cassidy amendment no. 483 is not germane and thus violates section 305(b)(2) of the Congressional Budget Act. The amendment would create a 60-vote point of order against the consideration of any legislation that would extend or reauthorize economic impact payments or establish any similar rebate or credit if it would provide payments to individuals incarcerated in a federal or state prison." (S. Con. Res. 5, CQ Vote #37: Motion rejected 50-50: R 50-0; D 0-48; I 0-2, 2/5/21, Warnock Voted Nay)

In March 2021, Warnock voted against an amendment to prevent individuals who are prisoners, probationers or parolees from receiving COVID stimulus checks. "Cassidy, R-La., amendment no. 1162 to the Schumer, D-N.Y., substitute amendment no. 891 to the bill that would prohibit individuals who are prisoners, probationers or parolees during the full calendar year of 2021 from receiving the $1,400 tax rebate provided by the bill." (H.R. 1319, CQ Vote #103: Rejected 49-50: R 49-0; D 0-48; I 0-2, 3/6/21, Warnock Voted Nay)

In 2021, prison inmates received nearly $1 billion in stimulus payments from the American Rescue Plan. "The federal government doled out nearly a billion dollars in stimulus payments to prison inmates in 2021 under President Joe Biden's American Rescue Plan, according to IRS records obtained by the Washington Examiner. The third-round stimulus payments to prisoners totaled $924.3 million, which was much greater than previously reported. The checks went out despite efforts by Republican Sens. Tom Cotton of Arkansas and Bill Cassidy of Louisiana to bar stimulus funds from going to prisoners. Senate Democrats voted unanimously against the amendment in a 50-49 party-line vote in March 2021." (Jerry Dunleavy, "Nearly $1 Billion In Stimulus Funds Sent To Prisoners In 2021, 'Terrorists And Perverts' Got $1,400 Checks," *The Washington Examiner*, 2/11/22)

- **According to the IRS, 645,000 inmates received $1,400 stimulus checks.** "The IRS reported that the money went to approximately 645,000 people who were incarcerated at the start of the year, according to FOIA records provided to the Washington Examiner by the NRSC. The figure is much higher than the $783.5 million figure previously reported by Fox News in July. 'Individuals will not be denied Economic Impact Payments solely because they are incarcerated,' the IRS said on its website. 'An incarcerated individual may be issued a payment if all eligibility requirements are met and the individual filed a 2020 or 2019 tax return that was processed by the IRS.'" (Jerry Dunleavy, "Nearly $1 Billion In Stimulus Funds Sent To Prisoners In 2021, 'Terrorists And Perverts' Got $1,400 Checks," *The Washington Examiner*, 2/11/22)

***Fox News* Headline: "Senate Dems cleared way for Boston Bomber, other convicted murderers to receive stimulus checks"** (Jessica Chasmar, "Senate Dems cleared way for Boston Bomber, other convicted murderers to receive stimulus checks," *Fox News*, 1/6/22)

Boston Marathon Bomber Dzhokhar Tsarnaev received a $1,400 stimulus payment in June 2021 while serving his life sentence in prison. "Boston Marathon bomber Dzhokhar Tsarnaev should turn over money to his victims, including a previously deposited $1,400 federal stimulus payment, the US Attorney's Office of Massachusetts said in a filing Wednesday morning. The filing is requesting the Federal Bureau of Prisons to turn over funds from Tsarnaev's inmate trust account. Tsarnaev is currently serving a life sentence in a federal prison in Florence, Colorado. Despite having more than $21,000 transferred to his account since 2013, prosecutors said Tsarnaev has only paid a little over $2,000 toward restitution. Of the $21,000 transferred to Tsarnaev's account, most were made by attorneys or individuals, but also includes a $1,400 stimulus payment from June 2021, the filing says. As of December 22, 2021, prosecutors said he had approximately $3,885 in his inmate trust account." (Taylor Romine, "US Attorney's Office Requests Boston Marathon Bomber To Turn Over Funds, Including $1,400 Stimulus Payment," CNN, Updated 1/10/22)

Former USA Gymnastics coach and Michigan State University doctor Larry Nassar received two federal stimulus payments in 2021; Nassar was convicted of child pornography and pleaded guilty in Michigan to sexually assaulting gymnasts. "A federal judge Thursday ordered the seizure of about $2,000 from the prison account of Larry Nassar, the former USA Gymnastics and Michigan State University doctor accused of sexually abusing hundreds of girls and women and the money will go to five of his victims. The $2,041.57 marks the first substantial payment for victims as part of Nassar's punishment stemming from a 60-year sentence on a federal child porn charge. He also pleaded guilty in Ingham and Eaton counties to state charges of sexually assaulting female gymnasts. A federal judge Thursday ordered the seizure of about $2,000 from the prison account of Larry Nassar, the former USA Gymnastics and Michigan State University doctor accused of sexually abusing hundreds of girls and women and possessing child pornography, and the money will go to five of his victims. The money that is being given to victims is two federal stimulus checks Nassar received earlier this year." (Robert Snell, "Feds seize Larry Nassar's stimulus checks for victim restitution," *Detroit News, 8/19/21)*

***Fox News* headline: "Convicted murderers, sex traffickers received COVID stimulus checks while in prison, court docs show"** (Jessica Chasmar, "Convicted murderers, sex traffickers received COVID stimulus checks while in prison, court docs show," *Fox News*, 1/11/22)

A prisoner convicted of "supplying a fatal dose of heroin to a 23-year-old North Dakota man" received a federal stimulus payment. "Yancey Myers, a prisoner at the Federal Correctional Institution in Gilmer, West Virginia, is serving 30 years behind bars for supplying a fatal dose of heroin to a 23-year-old North Dakota man. In August, a judge declared that Myers' stimulus money was not exempt from being seized by the government and ordered him to turn over more than $1,000 to go toward restitution." (Jessica Chasmar, "Convicted murderers, sex traffickers received COVID stimulus checks while in prison, court docs show," *Fox News*, 1/11/22)

Another convicted of "supplying a fatal dose of fentanyl to a 21-year-old Maryland woman" received a stimulus payment in 2021. "Jonathan Dickerson, an inmate at the Federal Correctional Institution in Texarkana, Texas, is serving 20 years behind bars for supplying a fatal dose of fentanyl to a 21-year-old Maryland woman. He was ordered to hand over his $1,400 stimulus check to go toward restitution in August." (Jessica Chasmar, "Convicted murderers, sex traffickers received COVID stimulus checks while in prison, court docs show," *Fox News*, 1/11/22)

Another convicted of murdering two people received federal stimulus payments. "Anthony Robinson, a prisoner at the United States Penitentiary in Terre Haute, Indiana, is serving a life sentence for murdering two people. He was sued by federal officials in August and ordered to relinquish his stimulus money to be used as payment toward the thousands he still owed in restitution." (Jessica Chasmar, "Convicted murderers, sex traffickers received COVID stimulus checks while in prison, court docs show," *Fox News*, 1/11/22)

Scene 3

SLF Ad Content:

AUDIO: Warnock also supported sending Covid checks to illegal immigrants...hundreds of thousands of them.

Supporting Documentation:

See Above Backup.

In February 2021, Warnock voted against an amendment prohibiting federal stimulus checks from being sent to illegal immigrants. "Young, R-Ind., amendment no. 54 that would create a deficit-neutral

reserve fund to allow for legislation related to federal tax law changes, including changes to limit or prevent undocumented immigrants from receiving economic impact payments or similar direct, tax-based temporary financial assistance." (S. Con. Res. 5, CQ Vote #18: Adopted 58-42: R 50-0; D 8-40; I 0-2, 2/4/21, Warnock Voted Nay)

In February 2021, Warnock voted for an amendment to eliminate another amendment prohibiting federal stimulus checks from being sent to illegal immigrants. "Schumer, D-N.Y., substitute amendment no. 888 that would strike the text of three provisions added to the bill by amendments previously adopted on the floor. Those amendments would include deficit-neutral reserve funds to allow legislation to prevent immigrants from receiving direct, tax-based temporary financial assistance; limit or prohibit environmental regulations that would ban fracking; and approve the importation of oil from Canada through the Keystone XL pipeline." (S. Con. Res. 5, CQ Vote #52: Adopted 50-50: R 0-50; D 48-0; I 2-0, 2/5/21, Warnock Voted Yea)

In March 2021, Warnock voted against an amendment to make individuals who are not considered lawfully present in the U.S. ineligible for the 2021 individual tax rebates provided in the COVID stimulus. "Cruz, R-Texas, amendment no. 968 to the Schumer, D-N.Y., substitute amendment no. 891 to the bill that would make individuals who are not considered lawfully present in the U.S. under current tax code ineligible for the 2021 individual tax rebates provided by the bill." (H.R. 1319, CQ Vote #104: Rejected 49-50: R 49-0; D 0-48; I 0-2, 3/6/21, Warnock Voted Nay)

- **Illegal immigrants who received valid Social Security numbers before overstaying their visas would be able to receive COVID stimulus payments.** "But whether someone will receive a stimulus check really comes down to whether they have a Social Security number. 'For the most part, no unauthorized immigrants will receive the $1,400 stimulus payments,' said Julia Gelatt, a senior policy analyst at the Migration Policy Institute in an email to The Associated Press. 'In order to receive a payment, someone must have a valid Social Security number issued by the Social Security Administration.' According to a recent estimate by the Center for Migration Studies, a think tank focused on international migration, there were 10.35 million immigrants living in the country without legal status in 2019. Most of them do not have Social Security numbers. However, there are some people who entered the U.S. on valid temporary work visas who received a Social Security number while on that visa. Those who overstayed their visas may qualify for a stimulus check, but experts say the number of people in this category is small." (*The Associated Press*, 3/11/21)

- **In 2013, the Social Security Chief Actuary estimated there were approximately 600,000 illegal immigrants with Social Security numbers who overstayed their visas.** "OCACT estimates 0.6 million of the 8.3 million other immigrant workers in 2010 had temporary work authorized at some point in the past and have overstayed the term of their visas. In addition, OCACT estimates that 0.7 million unauthorized workers in 2010 obtained fraudulent birth certificates at some point in the past and these birth certificates allowed the workers to get an SSN." (Social Security Administration Website, www.ssa.gov, Accessed 5/10/21)

Scene 4

SLF Ad Content:

AUDIO: Raphael Warnock's spending spree isn't just reckless… It's criminal spending.
AUDIO: Reject Raphael Warnock and his liberal, reckless spending.

Supporting Documentation:

See Above Backup.

Scene 5

SLF Ad Content:

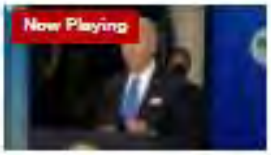
AUDIO: Senate Leadership Fund paid for and is responsible for the content of this advertising. Not authorized by any candidate or candidates committee. W w w dot Senate Leadership Fund dot org

Supporting Documentation:

No Backup Needed.

Biden signs $1.9 trillion American Rescue Plan into law

BY GRACE SEGERS
MARCH 11, 2021 / 9:43 AM / CBS NEWS



Biden signs $1.9 trillion COVID relief bill


Baby formula shortage has parents scrambling


A new house and a family coming full circle


Biden's efforts to ease formula shortage

Washington – President Biden signed the $1.9 trillion American Rescue Plan Act into law on Thursday, finalizing an early policy victory that will send much-needed aid to millions of Americans still struggling from the COVID-19 pandemic.

"This historic legislation is about rebuilding the backbone of this country and giving people in this nation, working people, middle class folks, people who built the country, a fighting chance," Mr. Biden said before signing the bill, one day earlier than expected.

The bill was narrowly approved by the House on Wednesday with a vote of 220 to 211, with one Democrat joining all Republicans in voting against it. It passed the Senate on Saturday with a 50 to 49 vote, also along party lines.

CQ FLOOR VOTES
SENATE ROLL CALL VOTE 110
March 6, 2021 12:24 p.m.

Coronavirus Relief Budget Reconciliation Package - Passage

March 6, 2021 **Senate Roll Call Vote 110**

HR 1319

Passage of the bill, as amended, comprising a $1.9 trillion coronavirus relief package to further address the health and economic effects of COVID-19, including approximately $362 billion in direct aid to state and local governments; $47.8 billion for testing and contact tracing; $168 billion to assist educational institutions; and $53.6 billion to assist small businesses. It would extend federal unemployment compensation benefits through Sept. 6, 2021; provide tax rebates of $1,400 for individuals with incomes of $75,000 or less; and extend or expand a number of employer and individual tax credits, including credits to subsidize health insurance premiums. The bill would provide direct assistance of $195.3 billion for states and $130.2 billion for local governments, as well as $10 billion for grants to states to support capital projects, such as broadband access. It would provide $122.8 billion for an Education Department elementary and secondary school emergency relief fund; $39.6 billion for grants to higher education institutions; $3 billion for education programs for individuals with disabilities and $2.75 billion for non-public schools. It would provide $39 billion for child care block grants to states. It would provide $27.8 billion for emergency rental assistance and housing vouchers, $10 billion for homeownership assistance and $5 billion for assistance to individuals experiencing homelessness. It would continue the 15% increase in Supplemental Nutrition Assistance Program benefits through September 2021. It would provide over $92 billion for the Health and Human Services Department, including $47.8 billion for COVID-19 testing and contact tracing; $7.5 billion for vaccine administration and distribution; $6.1 billion for vaccine and therapeutic development, manufacturing and procurement; $7.6 billion to expand the public health workforce; $7.6 billion for community health centers; $6.1 billion for Native American health programs; and $3 billion for substance abuse and mental health block grant programs. It would provide $50 billion for the Federal Emergency Management Agency disaster relief fund; $14.5 billion for veterans' health care services; $10 billion for

Bills
HR 1319 Follow
American Rescue Plan Act
Status Chart
Make status chart for bills in this story

emergency medical supply production under the Defense Production Act; $8.7 billion for COVID-19 health response efforts overseas; and $200 million for Labor Department worker protection activities, including at least half for the Occupational Safety and Health Administration. It would extend federal unemployment compensation benefits of $300 per week through Sep. 6, 2021. It would provide an additional tax rebate of $1,400 for individuals with incomes of $75,000 or less, increased by $1,400 for each dependent. It would expand eligibility and increase the maximum earned income tax credit for childless adults and increase the child tax credit to $3,000 per child. It would expand and extend through September 2021 paid sick and family leave tax credits for employers. It would require Medicaid and the Children's Health Insurance Program to fully cover the cost of COVID-19 vaccines. It would provide for full federal subsidies of individual COBRA premiums and require the VA to waive health treatment copayments through September 2021. It would expand eligibility in 2021 and 2022 for federal tax subsidies toward Affordable Care Act marketplace insurance premiums, including to fully cover premium costs for individuals earning up to 150% of the federal poverty level and cap premiums at 8.5% of household income. It would provide for temporary increases in federal medical assistance percentages for certain services and eliminate the Medicaid drug rebate cap beginning in 2023. It would provide $50 billion for small business assistance, including $28.6 billion for restaurants and $7.25 billion for the Paycheck Protection Program. It would provide $4 billion for Agriculture Department pandemic-related assistance.

Passed by a vote of 50-49:

Democrats 48-0
Republicans 0-49
Independents 2-0

Note: A "yea" was a vote in support of the president's position. In the legislative day that began on Friday, March 5, 2021.

Vote Key

YEAS (50)

DEMOCRATS (48)

- Baldwin (WI)
- Bennet (CO)
- Blumenthal (CT)
- Booker (NJ)
- Brown, S. (OH)
- Cantwell (WA)
- Cardin (MD)
- Carper (DE)
- Casey (PA)
- Coons (DE)
- Cortez Masto (NV)
- Duckworth (IL)
- Durbin (IL)
- Feinstein (CA)
- Gillibrand (NY)
- Hassan (NH)
- Heinrich (NM)
- Hickenlooper (CO)
- Hirono (HI)
- Kaine (VA)
- Kelly, M. (AZ)
- Klobuchar (MN)
- Leahy (VT)
- Lujan (NM)
- Manchin (WV)
- Markey (MA)

- Menendez (NJ)
- Merkley (OR)
- Murphy, C. (CT)
- Murray (WA)
- Ossoff (GA)
- Padilla (CA)
- Peters, G. (MI)
- Reed, J. (RI)
- Rosen (NV)
- Schatz (HI)
- Schumer (NY)
- Shaheen (NH)
- Sinema (AZ)
- Smith (MN)
- Stabenow (MI)
- Tester (MT)
- Van Hollen (MD)
- Warner (VA)
- Warnock (GA)
- Warren (MA)
- Whitehouse (RI)
- Wyden (OR)

REPUBLICANS (0)

INDEPENDENTS (2)

- King, A. (ME)
- Sanders (VT)

NAYS (49)

DEMOCRATS (0)

REPUBLICANS (49)

- Barrasso (WY)
- Blackburn (TN)
- Blunt (MO)
- Boozman (AR)
- Burr (NC)
- Braun (IN)
- Capito (WV)
- Cassidy (LA)
- Collins, S. (ME)
- Cornyn (TX)
- Cotton (AR)
- Cramer (ND)
- Crapo (ID)
- Cruz (TX)
- Daines (MT)
- Ernst (IA)
- Fischer (NE)
- Graham, L. (SC)
- Grassley (IA)
- Hagerty (TN)
- Hawley (MO)
- Hoeven (ND)
- Hyde-Smith (MS)
- Inhofe (OK)
- Johnson, R. (WI)
- Kennedy, John (LA)
- Lankford (OK)
- Lee, M. (UT)
- Lummis (WY)
- Marshall (KS)
- McConnell (KY)
- Moran (KS)
- Murkowski (AK)
- Paul, R. (KY)
- Portman (OH)
- Risch (ID)
- Romney (UT)
- Rounds (SD)
- Rubio (FL)
- Sasse (NE)
- Scott, Rick (FL)
- Scott, T. (SC)
- Shelby (AL)
- Thune (SD)
- Tillis (NC)
- Toomey (PA)
- Tuberville (AL)
- Wicker (MS)
- Young, T. (IN)

INDEPENDENTS (0)

NOT VOTING (1)

DEMOCRATS (0)

CQ FLOOR VOTES
HOUSE ROLL CALL VOTE 72
March 10, 2021 2:08 p.m.

Coronavirus Relief Budget Reconciliation Package - Motion to Concur

March 10, 2021 **House Roll Call Vote 72**

HR 1319

Yarmuth, D-Ky., motion to concur in the Senate amendment to the bill comprising a $1.9 trillion coronavirus relief package to further address the health and economic effects of COVID-19, including approximately $362 billion in direct aid to state and local governments; $47.8 billion for testing and contact tracing; $168 billion to assist educational institutions; and $53.6 billion to assist small businesses. It would extend federal unemployment compensation benefits through Sept. 6, 2021; provide tax rebates of $1,400 for individuals with incomes of $75,000 or less; and extend or expand a number of employer and individual tax credits, including credits to subsidize health insurance premiums. The bill would provide direct assistance of $195.3 billion for states and $130.2 billion for local governments, as well as $10 billion for grants to states to support capital projects, such as broadband access. It would provide $122.8 billion for an Education Department elementary and secondary school emergency relief fund; $39.6 billion for grants to higher education institutions; $3 billion for education programs for individuals with disabilities and $2.75 billion for non-public schools. It would provide $39 billion for child care block grants to states. It would provide $27.8 billion for emergency rental assistance and housing vouchers, $10 billion for homeownership assistance and $5 billion for assistance to individuals experiencing homelessness. It would continue the 15% increase in Supplemental Nutrition Assistance Program benefits through September 2021. It would provide over $92 billion for the Health and Human Services Department, including $47.8 billion for COVID-19 testing and contact tracing; $7.5 billion for vaccine administration and distribution; $6.1 billion for vaccine and therapeutic development, manufacturing and procurement; $7.6 billion to expand the public health workforce; $7.6 billion for community health centers; $6.1 billion for Native American health programs; and $3 billion for substance abuse and mental health block grant programs. It would provide $50 billion for the Federal Emergency Management Agency disaster relief fund; $14.5 billion for veterans' health care services; $10 billion for emergency medical supply production under the Defense Production Act; $8.7 billion for COVID-19 health response efforts overseas; and $200 million for Labor Department worker protection activities, including at least half for the Occupational Safety and Health Administration. It would extend federal unemployment compensation benefits of $300 per week through Sep. 6, 2021. It would provide an additional tax rebate of $1,400 for individuals with incomes of $75,000 or less, increased by $1,400 for each dependent. It would expand eligibility and increase the maximum earned income tax credit for childless adults and increase the child tax credit to $3,000 per child. It would expand and extend through September 2021 paid sick and family leave tax credits for employers. It would require Medicaid and the Children's Health Insurance Program to fully cover the cost of COVID-19 vaccines. It would provide for full federal subsidies of individual COBRA premiums and require the VA to waive health treatment copayments through September 2021. It would expand eligibility in 2021 and 2022 for federal tax subsidies toward Affordable Care Act marketplace insurance premiums, including to fully cover premium costs for individuals earning up to 150% of the federal poverty level and cap premiums at 8.5% of household income. It would provide for temporary increases in federal medical assistance percentages for certain services and eliminate the Medicaid drug rebate cap beginning in 2023. It would provide $50 billion for small business assistance, including $28.6 billion for restaurants and $7.25 billion for the Paycheck Protection Program. It would provide $4 billion for Agriculture Department pandemic-related assistance.

Bills

HR 1319
American Rescue Plan Act

Status Chart

Make status chart for bills in this story

Motion agreed to, (thus cleared for the president), by a vote of 220-211:

Democrats 220-1
Republicans 0-210

Note: 37 members voted remotely by proxy, pursuant to the provisions of H Res 8 during the public health emergency period related to COVID-19. A "yea" was a vote in support of the president's position.

Vote Key

YEAS (220)

DEMOCRATS (220)

- Adams (NC-12)
- Aguilar (CA-31)
- Allred (TX-32)*
- Auchincloss (MA-04)
- Axne (IA-03)
- Barragan (CA-44)*
- Bass (CA-37)
- Beatty (OH-03)
- Bera (CA-07)
- Beyer (VA-08)
- Bishop, S. (GA-02)
- Blumenauer (OR-03)
- Blunt Rochester (DE-AL)
- Bonamici (OR-01)
- Bowman (NY-16)
- Boyle (PA-02)
- Brown, A. (MD-04)
- Brownley (CA-26)
- Bush (MO-01)*
- Bustos (IL-17)
- Butterfield (NC-01)
- Bourdeaux (GA-07)
- Carbajal (CA-24)
- Cardenas (CA-29)*
- Carson (IN-07)
- Cartwright (PA-08)
- Case (HI-01)
- Casten (IL-06)
- Castor (FL-14)
- Castro (TX-20)
- Chu (CA-27)
- Cicilline (RI-01)
- Clark, K. (MA-05)
- Clarke, Y. (NY-09)
- Cleaver (MO-05)*
- Clyburn (SC-06)
- Cohen (TN-09)*
- Connolly (VA-11)
- Cooper (TN-05)
- Correa (CA-46)
- Costa (CA-16)
- Courtney (CT-02)
- Craig (MN-02)
- Crist (FL-13)
- Crow (CO-06)
- Cuellar (TX-28)
- Davids (KS-03)
- Davis, D. (IL-07)
- Dean (PA-04)
- DeFazio (OR-04)*
- DeGette (CO-01)
- DeLauro (CT-03)
- DelBene (WA-01)
- Delgado (NY-19)
- Demings (FL-10)
- DeSaulnier (CA-11)
- Deutch (FL-22)
- Dingell (MI-12)
- Doggett (TX-35)
- Doyle (PA-18)
- Escobar (TX-16)
- Eshoo (CA-18)
- Espaillat (NY-13)
- Evans (PA-03)
- Fletcher (TX-07)
- Foster (IL-11)
- Frankel (FL-21)
- Fudge (OH-11)*
- Gallego (AZ-07)
- Garamendi (CA-03)
- Garcia (IL-04)
- Garcia (TX-29)
- Gomez (CA-34)
- Gonzalez (TX-15)
- Gottheimer (NJ-05)
- Green, A. (TX-09)
- Grijalva (AZ-03)*
- Haaland (NM-01)
- Harder (CA-10)
- Hastings (FL-20)*
- Hayes (CT-05)
- Higgins, B. (NY-26)
- Himes (CT-04)
- Horsford (NV-04)
- Houlahan (PA-06)
- Hoyer (MD-05)
- Huffman (CA-02)
- Jackson Lee (TX-18)
- Jacobs (CA-53)
- Jayapal (WA-07)
- Jeffries (NY-08)
- Johnson, E.B. (TX-30)*
- Johnson, H. (GA-04)
- Jones (NY-17)
- Kahele (HI-02)
- Kaptur (OH-09)
- Keating (MA-09)
- Kelly, R. (IL-02)
- Khanna (CA-17)
- Kildee (MI-05)
- Kilmer (WA-06)
- Kim (NJ-03)
- Kind (WI-03)
- Kirkpatrick (AZ-02)*
- Krishnamoorthi (IL-08)
- Kuster (NH-02)
- Lamb (PA-17)
- Langevin (RI-02)*
- Larsen, R. (WA-02)
- Larson, J. (CT-01)
- Lawrence (MI-14)
- Lawson (FL-05)*
- Lee, B. (CA-13)
- Lee, S. (NV-03)
- Leger Fernandez (NM-03)
- Levin, A. (MI-09)
- Levin, M. (CA-49)
- Lieu (CA-33)*
- Lofgren (CA-19)*
- Lowenthal (CA-47)*
- Luria (VA-02)
- Lynch (MA-08)
- Malinowski (NJ-07)
- Maloney, C. (NY-12)
- Maloney, S.P. (NY-18)
- Manning (NC-06)
- Matsui (CA-06)
- McBath (GA-06)
- McCollum (MN-04)
- McEachin (VA-04)*
- McGovern (MA-02)
- McNerney (CA-09)
- Meeks (NY-05)
- Meng (NY-06)*
- Mfume (MD-07)
- Moore, G. (WI-04)*
- Morelle (NY-25)*
- Moulton (MA-06)*
- Mrvan (IN-01)
- Murphy, S. (FL-07)
- Nadler (NY-10)
- Napolitano (CA-32)*
- Neal (MA-01)
- Neguse (CO-02)
- Newman (IL-03)
- Norcross (NJ-01)
- O'Halleran (AZ-01)
- Ocasio-Cortez (NY-14)
- Omar (MN-05)
- Pallone (NJ-06)
- Panetta (CA-20)
- Pappas (NH-01)
- Pascrell (NJ-09)
- Payne (NJ-10)*
- Pelosi (CA-12)
- Perlmutter (CO-07)
- Peters, S. (CA-52)
- Phillips (MN-03)
- Pingree (ME-01)*

- Pocan (WI-02)
- Porter (CA-45)*
- Pressley (MA-07)
- Price (NC-04)
- Quigley (IL-05)
- Raskin (MD-08)
- Rice, K. (NY-04)
- Ross (NC-02)
- Roybal-Allard (CA-40)*
- Ruiz (CA-36)*
- Ruppersberger (MD-02)
- Rush (IL-01)*
- Ryan, T. (OH-13)
- Sanchez (CA-38)
- Sarbanes (MD-03)
- Scanlon (PA-05)
- Schakowsky (IL-09)
- Schiff (CA-28)
- Schneider (IL-10)
- Schrader (OR-05)
- Schrier (WA-08)
- Scott, D. (GA-13)
- Scott, R. (VA-03)
- Sewell (AL-07)
- Sherman (CA-30)
- Sherrill (NJ-11)
- Sires (NJ-08)
- Slotkin (MI-08)
- Smith, Adam (WA-09)
- Soto (FL-09)
- Spanberger (VA-07)
- Speier (CA-14)
- Stanton (AZ-09)
- Stevens (MI-11)
- Strickland (WA-10)*
- Suozzi (NY-03)
- Swalwell (CA-15)
- Takano (CA-41)
- Thompson, B. (MS-02)*
- Thompson, M. (CA-05)
- Titus (NV-01)
- Tlaib (MI-13)
- Tonko (NY-20)
- Torres (CA-35)
- Torres (NY-15)
- Trahan (MA-03)
- Trone (MD-06)
- Underwood (IL-14)
- Vargas (CA-51)
- Veasey (TX-33)
- Vela (TX-34)
- Velazquez (NY-07)
- Wasserman Schultz (FL-23)
- Waters, Maxine (CA-43)
- Watson Coleman (NJ-12)*
- Welch (VT-AL)
- Wexton (VA-10)
- Wild (PA-07)
- Williams (GA-05)
- Wilson, F. (FL-24)*
- Yarmuth (KY-03)

REPUBLICANS (0)

NAYS (211)

DEMOCRATS (1)

- Golden (ME-02)

REPUBLICANS (210)

- Aderholt, R. (AL-04)
- Allen (GA-12)
- Amodei (NV-02)
- Armstrong (ND-AL)
- Arrington (TX-19)
- Babin (TX-36)*
- Bacon (NE-02)
- Baird (IN-04)*
- Balderson (OH-12)
- Banks (IN-03)
- Barr (KY-06)
- Bentz (OR-02)
- Bergman (MI-01)
- Bice (OK-05)
- Biggs (AZ-05)
- Bilirakis (FL-12)
- Boebert (CO-03)
- Bost (IL-12)
- Brady, K. (TX-08)
- Brooks, M. (AL-05)
- Buchanan (FL-16)
- Buck (CO-04)
- Bucshon (IN-08)
- Budd (NC-13)
- Burchett (TN-02)
- Burgess (TX-26)
- Bishop, D. (NC-09)
- Calvert (CA-42)
- Cammack (FL-03)
- Carl (AL-01)
- Carter, E.L. (GA-01)
- Carter, J. (TX-31)
- Cawthorn (NC-11)
- Chabot (OH-01)
- Cheney (WY-AL)
- Cline (VA-06)
- Cloud (TX-27)
- Clyde (GA-09)
- Cole (OK-04)
- Comer (KY-01)
- Crawford (AR-01)
- Crenshaw (TX-02)
- Curtis (UT-03)
- Davidson (OH-08)
- Davis, R. (IL-13)
- DesJarlais (TN-04)
- Diaz-Balart (FL-25)
- Donalds (FL-19)
- Duncan, Jeff (SC-03)
- Dunn (FL-02)
- Emmer (MN-06)
- Estes (KS-04)
- Fallon (TX-04)
- Feenstra (IA-04)
- Ferguson (GA-03)
- Fischbach (MN-07)
- Fitzgerald (WI-05)
- Fleischmann (TN-03)
- Fortenberry (NE-01)
- Foxx (NC-05)
- Franklin (FL-15)
- Fulcher (ID-01)
- Fitzpatrick (PA-01)
- Gaetz (FL-01)
- Gallagher (WI-08)
- Garbarino (NY-02)
- Garcia (CA-25)
- Gibbs (OH-07)
- Gimenez (FL-26)
- Gohmert (TX-01)
- Gonzales (TX-23)
- Gonzalez (OH-16)
- Good (VA-05)
- Gooden (TX-05)
- Gosar (AZ-04)
- Granger (TX-12)
- Graves, G. (LA-06)
- Graves, S. (MO-06)
- Green, M. (TN-07)
- Greene (GA-14)
- Griffith (VA-09)
- Grothman (WI-06)
- Guest (MS-03)
- Guthrie (KY-02)
- Hagedorn (MN-01)
- Harris, A. (MD-01)
- Harshbarger (TN-01)
- Hartzler (MO-04)
- Hern (OK-01)
- Herrell (NM-02)
- Herrera Beutler (WA-03)
- Hice (GA-10)
- Higgins, C. (LA-03)
- Hill (AR-02)
- Hinson (IA-01)
- Hollingsworth (IN-09)
- Hudson (NC-08)
- Huizenga (MI-02)
- Issa (CA-50)
- Jackson (TX-13)
- Jacobs (NY-27)
- Johnson, B. (OH-06)
- Johnson (SD-AL)
- Johnson, M. (LA-04)
- Jordan (OH-04)
- Joyce, David (OH-14)
- Joyce, John (PA-13)
- Katko (NY-24)

- Keller (PA-12)
- Kelly, M. (PA-16)
- Kelly, T. (MS-01)
- Kim (CA-39)
- Kinzinger (IL-16)
- Kustoff (TN-08)
- LaHood (IL-18)
- LaMalfa (CA-01)
- Lamborn (CO-05)
- Latta (OH-05)
- LaTurner (KS-02)
- Lesko (AZ-08)
- Long (MO-07)
- Loudermilk (GA-11)
- Lucas (OK-03)
- Luetkemeyer (MO-03)
- Mace (SC-01)
- Malliotakis (NY-11)
- Mann (KS-01)
- Massie (KY-04)
- Mast (FL-18)
- McCarthy (CA-23)
- McCaul (TX-10)
- McClain (MI-10)
- McClintock (CA-04)
- McHenry (NC-10)*
- McKinley (WV-01)
- Meijer (MI-03)
- Meuser (PA-09)
- Miller, C. (WV-03)
- Miller, M. (IL-15)
- Miller-Meeks (IA-02)
- Moolenaar (MI-04)
- Mooney (WV-02)
- Moore, B. (UT-01)
- Mullin (OK-02)
- Murphy, G. (NC-03)
- Moore, B. (AL-02)
- Nehls (TX-22)
- Newhouse (WA-04)
- Norman (SC-05)
- Nunes (CA-22)
- Obernolte (CA-08)
- Owens (UT-04)
- Palazzo (MS-04)
- Palmer (AL-06)
- Pence (IN-06)
- Perry (PA-10)
- Pfluger (TX-11)
- Posey (FL-08)
- Reed, T. (NY-23)
- Reschenthaler (PA-14)
- Rice, T. (SC-07)
- Rodgers (WA-05)
- Rogers, H. (KY-05)
- Rogers, M. (AL-03)
- Rose (TN-06)
- Rosendale (MT-AL)
- Rouzer (NC-07)
- Roy (TX-21)
- Rutherford (FL-04)
- Salazar (FL-27)
- Scalise (LA-01)
- Schweikert (AZ-06)
- Scott, A. (GA-08)
- Sessions (TX-17)
- Simpson (ID-02)
- Smith, Adrian (NE-03)
- Smith, C. (NJ-04)
- Smith, J. (MO-08)
- Smucker (PA-11)
- Spartz (IN-05)
- Stauber (MN-08)
- Steel (CA-48)
- Stefanik (NY-21)
- Steil (WI-01)
- Steube (FL-17)*
- Stewart (UT-02)
- Stivers (OH-15)
- Taylor, V. (TX-03)
- Tenney (NY-22)
- Thompson, G. (PA-15)
- Timmons (SC-04)
- Turner (OH-10)
- Upton (MI-06)
- Valadao (CA-21)
- Van Drew (NJ-02)
- Van Duyne (TX-24)
- Wagner (MO-02)
- Walberg (MI-07)
- Walorski (IN-02)
- Waltz (FL-06)
- Weber (TX-14)
- Webster (FL-11)
- Wenstrup (OH-02)
- Westerman (AR-04)
- Williams (TX-25)
- Wilson, J. (SC-02)
- Wittman (VA-01)
- Womack (AR-03)
- Young, Don (AK-AL)
- Zeldin (NY-01)

NOT VOTING (1)

DEMOCRATS (0)

REPUBLICANS (1)

- Tiffany (WI-07)-

Source: **CQ Floor Votes**

The American Rescue Plan: Is it $1.9 Trillion or $3.5 Trillion?

By G. William Hoagland

Feb 24, 2021

SHARE

Congress is on track to enact what is being advertised as a temporary injection of $1.9 trillion in emergency COVID-19 relief. But what if the package turns out to cost $3.5 trillion?

The administration's American Rescue Plan (ARP) is moving under expedited legislative procedures. President Joe Biden laid out a two-step economic plan shortly after being sworn into office. First, to rescue the country from the depths of the pandemic crisis. Second, to "recover" the economy and build back better than before.

The Congressional Budget Office recently estimated that the House-reported bill would increase spending by $1.92 trillion over the next decade and reduce revenues by $33 billion over the same period. This assessment, however, masks what is likely to become the true cost of the legislation over the next decade.

In the world of federal budgeting, what really matters is not the one-year cost or savings of enacted legislation, but the multiyear impact of policies on the federal ledger. It is a time-honored, bipartisan practice to diminish the apparent costs of tax cuts or new benefits by "sunsetting" the provisions. However, once these desirable provisions are enacted, Congress rarely takes them away, particularly when the benefits are enjoyed by a large swath of the country or a broad set of business interests. The annual extension of numerous tax expenditures are a case in point, as are the Bush tax cuts (which were mostly made permanent). Many key provisions in the 2017 Tax Cuts and Jobs Act are set to expire in the coming years. It is highly unlikely they will all be allowed to lapse.

The extension of these popular programs is a major reason federal deficits and debt are expected to grow into the future. As the Urban Institute's Gene Steuerle has written: "never in our history have so many dead and past office holders had such an impact on the course of the country's fiscal future."

If past is prologue, several short-term programs in the $1.9 trillion package are likely to be extended at considerable added cost.

First, it should be noted that of the $1.9 trillion, CBO projects that approximately two-thirds will be injected into the economy over the next seven months. The other one-third will stretch out over the next nine years—through the end of the decade. Indeed, fully $250 billion will be spent beyond the end of 2022. It may be a stretch to call those funds expended after 2022 urgently needed for the current crisis at hand.

Second, many of the major spending and tax provisions sunset at the end of calendar year 2021. Ostensibly this is because the pandemic will have subsided and the rescue will have been completed. However, it is easy to see how many one-time provisions may be extended beyond the end of this year, regardless of the state of the economy. Examples include:

Child Tax Credit. The expansion of tax credits (a "child allowance") to families with children sunsets on December 31, 2021. This one-year provision is estimated to cost $109 billion. After providing this support to families, it will be challenging for Congress to let it expire at the end of this year. Extending this provision for the remainder of the decade will conservatively add roughly $1 trillion to the real cost of the ARP.

Earned Income Tax Credit (EITC). Similarly, strengthening the EITC for individuals will sunset on December 31, 2021. Once "strengthened," why would legislators decide after this year to "unstrengthen" EITC benefits? Extending the additional EITC benefits to the end of the decade would add $250 billion to the real cost of the bill.

Health Care Premium Tax Credits. Improving the affordability of health insurance sold on the market exchanges will sunset at the end of 2022. Reversing these subsidies for families purchasing health insurance, and therefore increasing their costs—or worse, possibly resulting in no health insurance—would not be a prudent political calculation during a congressional election year. Extending the subsidies would add roughly $300 billion to the real cost of the ARP.

COBRA Continuation Coverage. Under current law, individuals choosing to enroll in COBRA health insurance coverage after losing employment may be required to pay up to 102% of

their health care premium previously paid by their employer. ARP would reduce that to 15% through September 2021. With unemployment projected to remain elevated throughout 2022 and possibly beyond, it seems unlikely that this provision would be allowed to expire. Costs from extending this provision would likely fall between $10 billion and $50 billion over the next decade.

These provisions alone would add nearly $1.6 trillion, over 10 years, to the $1.9 trillion advertised ARP price tag, bringing the likely true budgetary impact to $3.5 trillion. While these are important programs – many enjoy bipartisan support — a rushed, partisan process is not an effective approach to develop lasting policy.

The imperative to move with urgency can also result in poorly crafted measures that prevent states and local governments from obligating the resources. In the race to get legislation adopted, Congress must avoid burdening states with convoluted requirements and arbitrary deadlines that will either prevent resources from being deployed or compel states to spend them inefficiently.

Once President Biden signs the ARP into law as his first major accomplishment of the 117th Congress, public focus will turn to the second step, building back better. It is critical that the administration and Congress balance the immediate imperative for emergency relief against the investments required to restore jobs and build a dynamic, environmentally sustainable, and globally competitive economy.

G. William Hoagland is a senior vice president at the Bipartisan Policy Center. He is the former staff director of the Senate Budget Committee and an original employee of the Congressional Budget Office.

U.S. policymakers misjudged inflation threat until it was too late

Officials often played down rising prices as problems mounted around the world

By Mike Madden and Rachel Siegel

Updated June 1, 2022 at 10:04 a.m. EDT | Published May 30, 2022 at 1:34 p.m. EDT

Prices for just about everything Americans buy — gas, groceries, housing, cars, clothes, even TVs — have spiked in the past two years. Inflation, which had been scarcely noticeable for decades, is suddenly the top concern most people have about the economy.

And it all seemed to catch Washington by surprise.

On July 19, 2021, President Biden played down the risk of persistent inflation, telling reporters that price hikes "are expected to be temporary." This month, Biden called reining in prices his "top domestic priority."

What changed?

A combination of factors including surges in the coronavirus, supply chain problems, Russia's invasion of Ukraine and a dramatic shift in consumer spending patterns, all made things more expensive. It didn't help that the increases began in uneven and seemingly disconnected ways. Housing prices went up, initially, because the pandemic changed where people wanted to live. Rental car prices went up, in part, because companies sold off their fleets when tourism dipped. But eventually these one-off developments fused to create a much broader calamity, rattling the economic and political foundations of the country — making clear policymakers had failed to recognize the mounting inflationary crisis.

Here's a look back at what the top economic officials in the White House and the Federal Reserve were saying and doing about the problems as they developed, and how they fell behind:

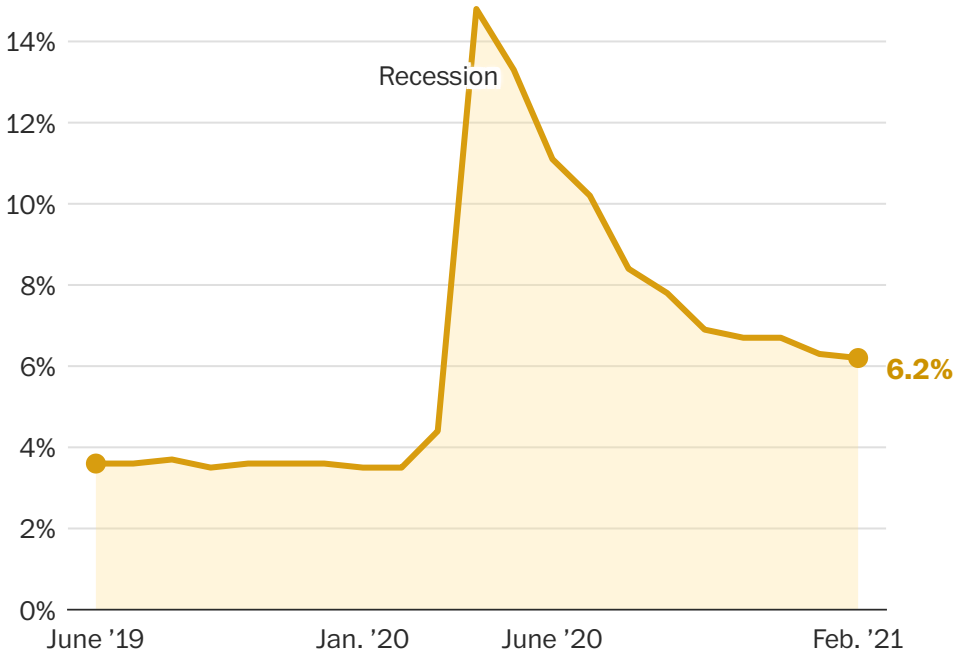
February 2021: Biden emphasizes risk of insufficient stimulus

In the State Dining Room of the White House on Feb. 5, President Biden argues that the U.S. economy faces a bigger risk from doing too little to fight the downturn than doing too much. His administration had been pushing a large stimulus plan intended to reduce unemployment, inject new firepower into the anemic job market and quickly grow the economy. "If we make these investments now, with interest rates at historic lows, we'll generate more growth, higher incomes, a stronger economy, and our nation's finances will be in a stronger position as well," Biden says. "So, the way I see it: The biggest risk is not going too big, if we go — it's if we go too small."

Biden is talking about injecting nearly $2 trillion in new federal spending into the faltering economy, even as some question the total, coming so soon after previous stimulus efforts, citing the risk of inflation.

In February 2021, jobs recovery appeared to have plateaued

Share of the labor force actively seeking jobs



Seasonally adjusted

Source: Bureau of Labor Statistics via FRED

THE WASHINGTON POST

About two weeks later, Federal Reserve Chair Jerome H. Powell says the money the government is spending on stimulus and covid relief shouldn't be a problem. "I really do not expect we'll be in a situation where inflation rises to troublesome levels," Powell tells the Senate Banking Committee, as Congress nears approval of Biden's $1.9 trillion stimulus plan. "This is not a problem for this time." A "burst" of new spending shouldn't cause unwanted inflation, he says.

March 2021: Biden signs stimulus, but criticism emerges

On March 11, Biden signs into law a $1.9 trillion economic relief plan, the American Rescue Plan, that had been passed by Congress only with Democratic votes. Despite united GOP opposition and warnings from some centrist economists, Democrats approve hundreds of billions of dollars in new stimulus checks, state aid, extended unemployment benefits and a host of other measures. "This historic legislation is about rebuilding the backbone of this country and giving people in this nation — working people and middle-class folks, the people who built the country — a fighting chance," Biden says in the Oval Office. Soon, the government starts sending new $1,400 checks to millions of Americans, the third round of stimulus payments following two under former president Donald Trump.

Three days later, the Biden administration's top economic thinker downplays the potential danger of rising prices. "Is there a risk of inflation? I think there's a small risk," Treasury Secretary Janet L. Yellen says on ABC's "This Week." "So I don't think it's a significant risk." Yellen also says prices may appear artificially high due to the collapse of demand during the coronavirus pandemic, but that those changes were not likely persistent. "Prices fell a lot last spring, when the pandemic surged. I expect some of those prices to move up again, as the economy recovers the spring and summer. But that's a temporary movement in prices," Yellen says, previewing the administration's argument over the next several months.

Not everyone is convinced. In a March 15 op-ed in The Washington Post, former Obama White House economic adviser Lawrence H. Summers criticizes the Fed and predicts "stagflation and recession" in 2022. He says Fed officials are engaging in wishful thinking if they don't worry about inflation. "I believe the Fed has not internalized the magnitude of its errors over the past year, is operating with an inappropriate and dangerous framework, and needs to take far stronger action to support price stability than appears likely." Summers says unemployment and inflation will both average over 5 percent over the next few years, and that policies will lead "ultimately to a major recession." One early indicator emerges that Summers might be right: Overall inflation remains low, but prices for used cars skyrocket, up 17 percent since the pre-vaccine summer of 2020.

May 2021: Yellen rattles markets

Yellen says that the Federal Reserve may need to respond to rising prices, leading to a brief panic in the stock market and, later, a clarification from the treasury secretary. “It may be that interest rates will have to rise somewhat to make sure our economy does not overheat,” Yellen says at a forum sponsored by the Atlantic on May 4.

After the stock market dips, Yellen tells the Wall Street Journal at a separate event the same day: “I don’t think there’s going to be an inflationary problem, but if there is, the Fed can be counted on to address them.”

Vaccines for the coronavirus are distributed more widely, fueling new hope that the economy may begin to gain steam. The April unemployment rate remains lackluster, but the jobs market begins to improve in May.

June 2021: Yellen says inflation could hit 3 percent; the Fed predicts rate hikes

At a meeting of Group of Seven finance ministers in London on June 5, Yellen acknowledges for the first time that inflation could wind up running higher than expected. “We have in recent months seen some inflation, and we — at least on a year-over-year basis — will continue, I believe through the rest of the year, to see higher inflation rates, maybe around 3 percent,” she said. “But I personally believe that this represents transitory factors.”

On June 16, the Fed revises forecasts for inflation, predicting a 3.4 percent rate by late 2021, up significantly from its previous estimate. “Inflation could turn out to be higher and more persistent than we expect,” Powell says at a news conference. The bank keeps interest rates near zero but signals that it might raise them sooner than anticipated. Government statistics show the employment picture improving, with 559,000 new jobs added in May, but Republicans say pandemic-driven increases in unemployment benefits are keeping employees home instead of working.

July 2021: Biden calls inflation ‘temporary’

July marks a turning point for the labor market, with nearly a million jobs created, as stimulus benefits and more generous unemployment continue to flow through the economy. On the White House lawn, Biden declares that the nation is “closer than ever to declaring our independence from a deadly virus,” even though the delta variant is already raising alarm in other countries.

The first Child Tax Credit payments go out on July 15, with households getting monthly checks of a few hundred dollars.

Prices are also beginning to rise more quickly, especially for groceries, gas and rent. Biden seeks to reassure the country by arguing that inflation won't prove long-lasting. On July 19, he acknowledges that "we've seen some prices increases" but dismisses the views of economists who think the problem amounts to a more serious threat. "Some folks have raised worries that this could be a sign of persistent inflation. But that's not our view. Our experts believe and the data shows that most of the price increases we've seen are — were expected and expected to be temporary," Biden says.

August-September 2021: Price hikes ease, job growth appears to slow as delta spreads

The Fed and the White House maintain that supply chain glitches related to the pandemic are making it hard for businesses to keep up with rising consumer demand. They insist that when things return to normal, prices will fall again, too. "One month does not make a trend ... and we know supply constraints persist in various sectors," the White House Council of Economic Advisers tweets.

Council of Economic Advisers @WhiteHous... · Aug 11, 2021
Replying to @WhiteHouseCEA
Month-over-month growth in shelter costs ticked down in July, reflecting slower growth in lodging away from home (e.g. hotels). Price growth in rent of primary residence and owners' equivalent rent held steady at the rate they've been in recent months. 6/

Council of Economic Advisers
@WhiteHouseCEA

One month does not make a trend (monthly inflation slowed in May before rebounding in June), and we know supply constraints persist in various sectors. However, July's deceleration is encouraging. 7/

9:32 AM · Aug 11, 2021

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Biden administration officials also call for oil companies to boost production to ease gas costs. Used car prices — the early indicator of inflation problems in the spring — are up even more, and now stand 41.7 percent higher than they were a year ago.

Meanwhile, as the delta variant rages, the economy looks like it could be stumbling. The initial draft of the August jobs report, released on Sept. 3, shows a disappointing 235,000 jobs added, far below economists' projections and a steep drop from earlier in the summer. Biden acknowledges the somber news but projects optimism: "While I know some wanted to see a larger number today, and so did I, what we've seen this year is a continued growth, month after month, in job creation."

In one bright spot, August inflation data comes in lower than July, breaking an eight-month rising streak and giving policymakers new hope that prices could be topping out. The Council of Economic Advisers calls the news "encouraging" but notes that inflation could rise or fall in coming months.

The data suggesting both slowing jobs growth and inflation gives policymakers some sense that there's not a pressing need to tamp the brakes to keep the economy from overheating.

October 2021: More signs the economy may be slowing

Economists had forecast 500,000 jobs would be added in September, but the initial report released on Oct. 8 says only 194,000 were created, not enough to get to full employment for a while. The unemployment rate drops to 4.8 percent, but large numbers of people, especially women, leave the labor force as the pandemic drags on. Gross domestic product growth drops in the third quarter, but experts say 2021 is still on track to show the fastest overall growth in the economy since 1984.

November 2021: Inflation no longer looks temporary; job growth is revealed to be much stronger than reported

The Fed moves on Nov. 3 to ease off its massive purchases of bonds, which has helped keep interest rates low and stimulate the economy. Powell says the Fed won't let inflation become permanent and that the bank will use its tools to prevent higher prices from becoming entrenched, but he notes "sizable price increases in some sectors" and says inflation and supply chain disruptions "will persist" into 2022.

When the Bureau of Labor Statistics issues revised estimates for June through September, it's suddenly clear that the government's initial reports underestimated employment growth by some 626,000 new jobs — the largest underestimate of any comparable period dating back more than 40 years. What looked over the summer like a slowing recovery turns out to have been an economy that was still sizzling hot.

Initial estimates for October also show the economy added 531,000 jobs, with the unemployment rate dropping to 4.6 percent. Wages push higher as well, despite continued supply-chain backups: A lagging government report shows that a record 4.4 million people quit their jobs in September, motivated by the chance to find better pay elsewhere. By late November, the number of weekly unemployment claims hits a 50-year low of 199,000.

Recognition of the roaring job market comes with the realization that inflation is also soaring — and may not be temporary. Spikes in energy prices and problems with supply chains drive prices up by 6.2 percent compared with October 2020, the biggest inflation jump in about 30 years. When the data comes out on Nov. 10, Sen. Joe Manchin III (D-W.Va.) warns the White House that Washington "can no longer ignore the economic pain Americans feel every day."

Biden says "reversing this trend is a top priority for me," but administration officials still argue that supply chain issues are causing temporary price hikes. The White House is optimistic that inflation could soon cool, and Biden signs a $1.2 trillion bipartisan infrastructure bill into law in a South Lawn ceremony on Nov. 15. The spending deal, a culmination of months of difficult negotiations with Republican lawmakers, represents a key win for the administration's economic agenda after months of criticisms over rising prices. "This law is a blue-collar blueprint to rebuild America. It leaves no one behind," Biden says.

By the end of November, the Fed backs away from the idea that inflation is "transitory." Powell tells a Senate Banking Committee hearing on Nov. 30 that it's "probably a good time to retire that word and try to explain more clearly what we mean." Earlier that month, he emphasizes that Federal Reserve officials "understand completely that it's particularly people who are living paycheck to paycheck or seeing higher grocery costs, higher gasoline costs — when the winter comes, higher heating costs for their homes. We understand completely what they're going through."

December 2021: Inflation hits 40-year high; Fed says rate hikes are coming; Biden's Build

Back Better agenda looks dead

Inflation data released on Dec. 10 shows a 6.8 percent increase compared to the year before, the largest jump since 1982. Prices are up in just about every sector, from pork, poultry and produce, to housing and sporting goods. Biden touts his Build Back Better social spending bill as a way to help families keep up with rising prices, but Republicans say the administration's economic policies are causing, not easing, inflation.

The next week, the Fed shifts its policy focus from unemployment, which has remained near record lows, to inflation, which is a more serious danger. "There's a real risk now, we believe — I believe — that inflation may be more persistent," Powell tells reporters on Dec. 15. "The risk of higher inflation becoming entrenched has certainly increased. I don't think it's high at this moment, but I think it's increased." He says the Fed will finish tapering its asset purchases by March and raise rates after that.

That weekend, Manchin crushes White House hopes of passing a sweeping economic package after a rift emerges between him and the president. Manchin repeatedly cites his concerns with rising prices and blames excessive federal spending. "My Democratic colleagues in Washington are determined to dramatically reshape our society in a way that leaves our country even more vulnerable to the threats we face," Manchin says in a statement on Dec. 19. "I cannot take that risk with a staggering debt of more than $29 trillion and inflation taxes that are real and harmful to every hard-working American at the gasoline pumps, grocery stores and utility bills with no end in sight."

At year end, Biden's signature economic measure, the enhanced Child Tax Credit, expires amid a broader standoff over the White House domestic agenda. Republicans and Manchin blame the child tax credit for pushing up inflation. But its expiration leads child poverty to jump more than 50 percent, researchers at Columbia University later estimate.

February 2022: Russia invades Ukraine, sending food and energy prices soaring

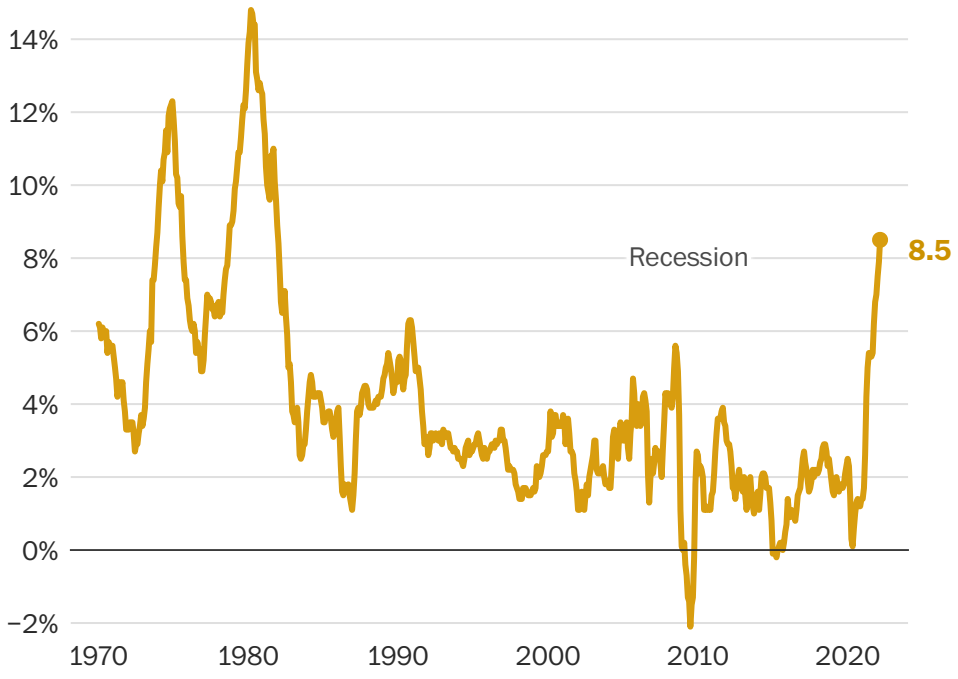
After a months-long buildup, Russia attacks Ukraine with ground forces, missiles and aircraft. Western governments initially expect Kyiv to fall quickly. They impose immediate economic sanctions on Russia and President Vladimir Putin, especially targeting Russian energy sales to Europe. Additional sanctions roll out over the next few weeks, as Ukrainian resistance to the invasion is stronger than expected — and Russian military competence lower than the West had feared.

The sanctions aim to cripple Russia's economy. But the fallout and the effects of the war spread widely, spiking global prices for oil, natural gas and food, especially grain and cooking oils. The invasion partly dashes the White House's hopes for quickly cooling inflation.

March 2022: Fed raises interest rates for the first time since 2018

Hoping to curb inflation, the central bank raises interest rates by a quarter of a percentage point on March 16. “Inflation is likely to take longer to return to our price stability goal than previously expected,” Powell says at a news conference after meeting with the central bank’s policymakers. The central bank says it expects seven interest rate hikes in 2022 — up from its previous projection of three — and predicts inflation could fall to 4.3 percent by the end of December.

Inflation peaked in March 2022 at a 40-year high



Source: Bureau of Labor Statistics

THE WASHINGTON POST

May 2022: Inflation is ‘much too high,’ Powell says; Fed raises rates again

After four years with no interest rate increases, the Fed hikes them again on May 4, this time by a half percentage point, the sharpest hike in more than 20 years. “Inflation is much too high,” Powell says. The Fed also announces plans to shrink its $9 trillion balance sheet.

The latest inflation report for April shows a slight easing to 8.3 percent compared to a year earlier, showing some of the slowest gains in months. But inflation remains near 40-year highs with a long way to fall before Americans feel relief.

Despite the administration's initial posture, the White House is forced to acknowledge voter discomfort with rising prices. "I want every American to know that I'm taking inflation very seriously and it's my top domestic priority," Biden says on May 10. Still, he insists the causes are unrelated to his administration's fiscal policy. "There are two leading causes of inflation we're seeing today. The first cause of inflation is a once-in-a-century pandemic," he says. "This year we have a second cause — Mr. Putin's war in Ukraine."

The Senate votes 80 to 19 on May 12 to confirm Biden's nomination of Powell to a second term as Fed chair, despite questions about whether the Fed has moved quickly enough to tackle rising inflation. The same day, Powell tells Marketplace that the bank probably should have acted faster.

"If you had perfect hindsight you'd go back," he says, "and it probably would have been better for us to have raised rates a little sooner."

As the White House scrambles to show voters it's taking the problem seriously, Yellen acknowledges that the administration didn't expect the last year to play out the way it has. "I think I was wrong then about the path that inflation would take," she tells CNN on May 31. (A Treasury spokesperson says Yellen was merely pointing out that "there have been shocks to the economy that have exacerbated inflationary pressures which couldn't have been foreseen 18 months ago, including Russia's decision to invade Ukraine, multiple successive variants of COVID, and lockdowns in China.")

Jeff Stein contributed to this report.

American Rescue Plan Could Set Stage for $4 Trillion of Debt

MAR 5, 2021 | BUDGETS & PROJECTIONS (/ISSUE-AREA/BUDGETS-PROJECTIONS)

The American Rescue Plan Act is estimated to cost over $1.9 trillion through 2031, but the ultimate price tag could be twice as high if some of the policies in the bill are extended beyond their current expiration dates. The bill includes several extensions of tax credits that supporters have previously proposed on a permanent basis and several temporary economic relief measures that are slated to end before the economy has fully recovered. If the tax credits were made permanent and these relief measures were extended for the duration of the crisis, it would raise the total cost of the bill to $3.8 trillion through 2031, or **$4.1 trillion with interest**.

Policy Change	Cost Through 2031
American Rescue Plan Act	$1.9 trillion
Continue economic relief through the crisis	$300 billion
Make tax credit and other expansions permanent	$1.5 trillion
Subtotal	***$3.8 trillion***
Interest	$350 billion
Total Potential Cost	***$4.1 trillion***

Source: CRFB calculations based on Congressional Budget Office data. Numbers may not add up due to rounding

Several measures in the $1.9 trillion American Rescue Plan Act that provide temporary relief are likely to be extended past their expiration dates. Most significantly, expanded unemployment benefits would expire at the end of August (https://www.crfb.org/blogs/five-ways-improve-house-covid-relief-package) (though that may soon be changed to September (https://thehill.com/homenews/senate/541795-senate-democrats-near-deal-to-reduce-jobless-plus-up-to-300)), after which all unemployed workers would lose the benefit supplement and many would lose benefits entirely. In addition, a 15 percent increase in Supplemental Nutrition Assistance Program (SNAP) benefits would end in September, after which benefits would immediately snap back to their previous level. Other smaller relief efforts also end abruptly. Extensions of these policies are likely in our view. While the actual cost would depend on the length and nature of those extensions, we believe a reasonable extension and phase-out scenario could cost roughly $300 billion.

More substantially, the American Rescue Plan Act includes one- or two-year versions of several longstanding policy priorities of President Biden's (https://www.crfb.org/papers/cost-trump-and-biden-campaign-plans) or Congressional Democrats' (https://www.cbpp.org/research/federal-tax/house-ways-and-means-committee-legislation-would-expand-eitc-and-child-tax). It includes over $100 billion for a one-year expansion of the Child Tax Credit (CTC) (https://www.cnbc.com/2021/03/04/new-3000-dollar-child-tax-credit-would-help-10-million-kids-in-poverty.html), which increases the credit from $2,000 to $3,000 (or $3,600 for children under age 6) and makes it fully refundable. The bill also includes a $15 billion, one-year expansion of the Earned Income Tax Credit (EITC) for childless workers that many have been seeking for years (http://www.crfb.org/blogs/eitc-attracts-bipartisan-praise-and-proposals), and an $8 billion expansion of the Child and Dependent Care Tax Credit (CDCTC), which closely matches President Biden's campaign proposal (https://www.crfb.org/papers/cost-trump-and-biden-campaign-plans) to increase the maximum credit from $2,100 to $8,000 and from covering 35 percent of expenses to 50 percent of expenses. Finally, the legislation includes a $35 billion, 2-year increase in Affordable Care Act premium subsidies that closely matches a similar proposal in President Biden's campaign plan (https://www.crfb.org/papers/cost-trump-and-biden-campaign-plans) and $10 billion in small Medicaid expansions that last five years.

Making the expanded CTC permanent would cost an additional $1.1 trillion, assuming the expiring provisions in the Tax Cuts and Jobs Act (TCJA), which boosted the credit from $1,000 to $2,000 and eliminated the dependent exemption, are eventually extended or the policy is modified after 2026. Relative to current law, we estimate this would cost more like $1.5 trillion.

Meanwhile, making the EITC and CDCTC extensions permanent would cost over $200 billion, and making the health care provisions permanent would cost about $250 billion.

Altogether, we estimate these potential extensions would cost **$1.9 trillion** before interest, boosting the overall cost of the bill to $4.1 trillion when interest is included.

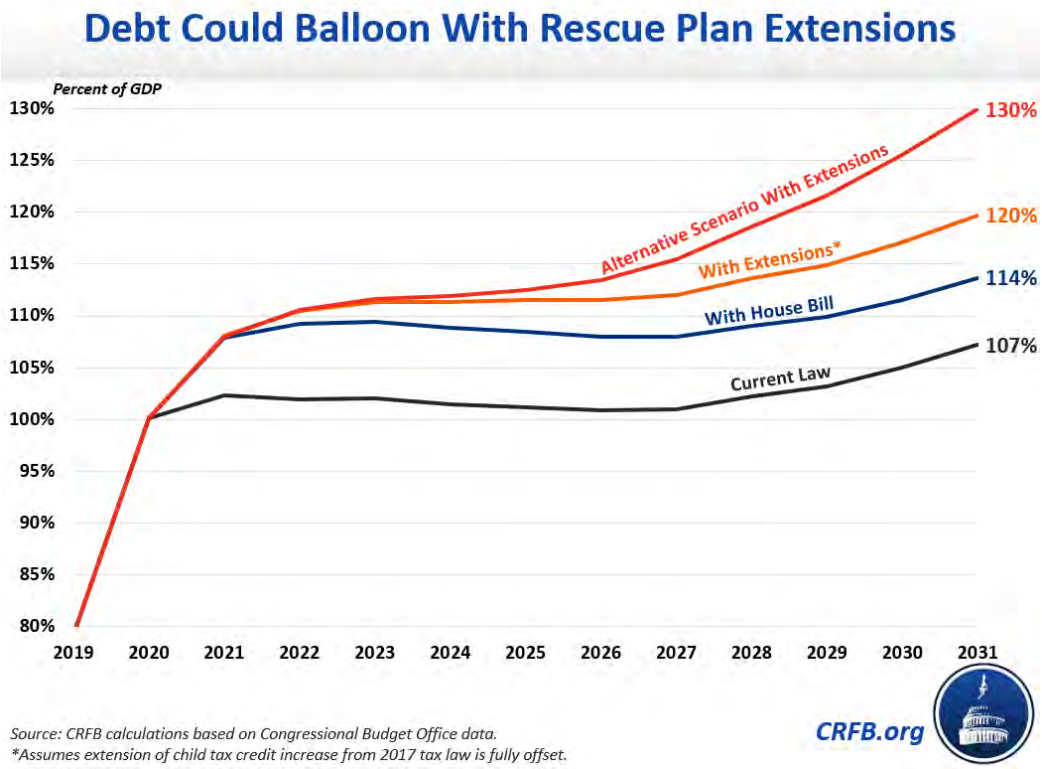
Ten-Year Cost of American Rescue Plan Act With Extensions

Provision	American Rescue Plan Act Cost	Extension Cost	Total
Prevent SNAP benefit cliff	$5 billion	$50 billion	$55 billion
Extend and phase down unemployment benefit expansion and other provisions	$295 billion	$250 billion	$545 billion
Subtotal, Temporary Extensions	***$300 billion***	***$300 billion***	***$600 billion***
Permanently extend child tax credit expansion	$110 billion	$1.1 trillion	$1.2 trillion
Permanently extend EITC expansion	$10 billion	$125 billion	$135 billion
Permanently extend child and dependent care credit expansion	$10 billion	$80 billion	$90 billion
Permanently extend ACA subsidy expansion	$35 billion	$250 billion	$285 billion
Permanently extend Medicaid expansions	$10 billion	$10 billion	$20 billion
Subtotal, Permanent Extensions	***$165 billion***	***$1.6 trillion***	***$1.7 trillion***
Other Provisions	$1.5 trillion	N/A	$1.5 trillion
Interest	$225 billion	$125 billion	$350 billion
Total	***$2.1 trillion***	***$2.0 trillion***	***$4.1 trillion***

Source: CRFB calculations based on Congressional Budget Office data. Numbers may not sum due to rounding.

These extensions would substantially increase deficits and debt. Under current law, CBO projects debt to rise from $21.9 trillion today to $35.3 trillion (or 107 percent of GDP) and deficits to reach $1.9 trillion (or 5.7 percent of GDP) by 2031. Passage of the American Rescue Plan Act alone, excluding any dynamic effects, would boost 2031 debt to $37.4 trillion (or 114 percent of GDP) and deficits to $1.9 trillion (or 5.9 percent of GDP).

Assuming these extensions are enacted (but that extension of the CTC expansion from TCJA is fully paid for), we estimate debt in 2031 would reach $39.4 trillion (or 120 percent of GDP) and deficits would total $2.2 trillion (or 6.6 percent of GDP). If policymakers also extend expiring tax cuts and grow discretionary spending with the economy instead of inflation, debt would reach $42.8 trillion (or 130 percent of GDP) and deficits would reach $2.9 trillion (or 8.7 percent of GDP) in 2031.



The bottom line is that temporary policies in the American Rescue Plan Act could become much more expensive if they are eventually extended over the longer term. Any policies in the American Rescue Plan Act that lawmakers intend to make permanent should be offset, and future extensions should certainly be fully offset (http://www.crfb.org/papers/budget-offsets-bank) with tax increases (http://www.crfb.org/blogs/deficit-reducing-measures-president-elect-biden-2020-campaign-plan) or spending restraint (https://www.crfb.org/blogs/opportunities-bipartisanship-divided-government).

TRENDING

JUN 9, 2022 | PAPERS (/PAPERS) | SOCIAL SECURITY (/ISSUE-AREA/SOCIAL-SECURITY)

Maya MacGuineas's Senate Testimony on Saving Social Security (/papers/maya-macguineass-senate-testimony-saving-social-security)

On June 9, Committee for a Responsible Federal Budget president Maya MacGuineas will testify before the Senate Budget Committee on "Saving Social Security: Expanding Benefits and Demanding the Wealthy...

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Watch Live: Committee President Maya MacGuineas Testifies on Saving Social Security (/blogs/watch-live-committee-president-maya-macguineas-testifies-saving-social-security)

On June 9 at 11 am EDT, Committee for a Responsible Federal Budget president Maya MacGuineas will testify before the Senate Budget Committee on saving Social Security. Her testimony will highlight...

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Event Recap: What's New in the 2022 Social Security and Medicare Trustees Reports? (/blogs/event-recap-whats-new-2022-social-security-and-medicare-trustees-reports)

On June 6, the Committee for a Responsible Federal Budget hosted "What's New in the 2022 Social Security and Medicare Trustees Reports?". The event featured opening remarks from Committee Senior Vice...

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WHAT'S NEXT

OPINION

The worst spending bill ever: Democrats' $1.9T 'rescue' is drowning us

By Brian Riedl

December 8, 2021 10:44pm Updated

Joe Biden's spending spree is no rescue plan at all.

NY Post Illustration

More than eight months after its enactment, the $1.9 trillion American Rescue Plan continues to reveal itself as the most damaging spending bill enacted in decades.

ARP was initially promoted primarily as health-care legislation to finance COVID vaccines and treatments (even though just 1 percent of its cost went towards vaccines and only 5 percent had any direct relation to health care) and secondarily as a relief bill. Instead, the legislation became a large grab bag of giveaways and economic “stimulus” provisions that even left-of-center economists such as Lawrence Summers, Jason Furman, and Mark Zandi warned was too expensive, too inflationary, too unnecessary, and too wasteful.

Congressional Republicans — who had already enacted a $900 billion relief bill just weeks earlier — made counter-offers desperately trying to negotiate this unnecessary $1.9 trillion proposal downward. Despite their empty rhetoric about bipartisanship and compromise, President Biden and congressional Democrats responded by cutting off negotiations without moving one inch off their opening proposal. As the economic case for the stimulus collapsed, the bill became a political “MacGuffin,” or a symbolic vehicle for Democrats to “resist Republican obstructionism” and show that they too were prepared to play hardball to pass their agenda. The details of the bill were secondary. Democrats passed the bill on a party-line vote and Biden signed it.

Democratic leaders achieved their objective of gleefully spiking the football on Mitch McConnell, but what did the rest of America get?

Senate Minority Leader Mitch McConnell speaks during a news conference on Capitol Hill in Washington on December 7.

AP / Carolyn Kaster

To start with, $1.9 trillion in new debt. Measured by its 10-year deficit impact, the American Rescue Plan will likely end up as the most expensive spending bill of the past 50 years.

More expensive than last year's CARES Act, the 2009 stimulus, ObamaCare, or any enacted spending bill of the Ford, Carter, Reagan, Bush I, Clinton, or Bush II eras. The only comparable-size bills have occurred on the tax side — the 2001 and 2017 tax cuts. Of course, depending on the final legislation, Build Back Better may end up even more expensive

Adding $1.9 trillion (plus interest) will — under CBO-projected interest rates — cost roughly $60 billion in government interest payments every year, forever.

This cost also reduced by $1.9 trillion Washington's fiscal space to enact other legislative priorities or respond to other crises. To the extent that the long-term debt continues to grow to unsustainable levels, this $1.9 trillion in borrowing accelerates the point at which interest rates and taxes will begin rising.

capacity in 2021, and a total of $857 billion (or about 1 percent) below capacity over the next four years before returning to full employment in 2025. Even for those soft Keynesians who believe that government spending has a small multiplier, a $1.9 trillion stimulus bill would vastly overshoot the output gap. And once America's output capacity taps out, any additional stimulus will simply bring inflation. Don't take my word for it. Top Clinton and Obama White House economist Lawrence Summers warned Democrats that ARP would accelerate inflation.

And inflation is precisely what occurred. ARP-derived spending amounted to a staggering $1.2 trillion between March and the end of September. Another $500 billion will have been added to the tab by next September. At the same time, the Federal Reserve indirectly monetized much of this debt as part of its $120 billion in monthly bond purchases. Washington may as well have printed $1 trillion and thrown it out of helicopters.

A federal judge blocked the US Treasury from enforcing a provision of the American Rescue Plan that prohibited states from using the pandemic relief funds to offset new tax cuts.

AP / Patrick Semansky

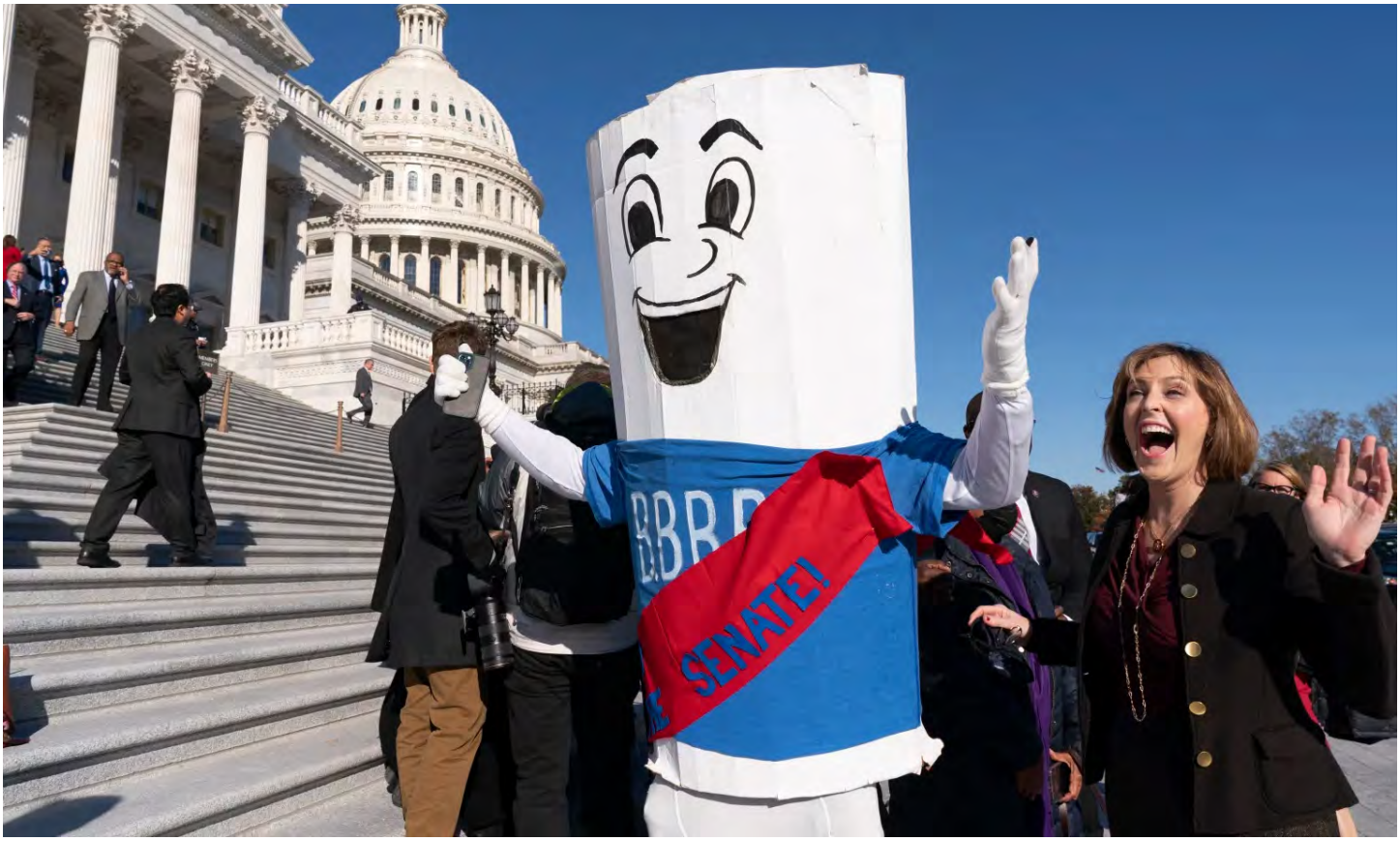
demand into an economy struggling with supply and production. As economic malpractice goes, this was a textbook case.

Speaking of economic malpractice, even rising COVID vaccination rates and the prospect of a general economic reopening did not dissuade lawmakers from including a $300 weekly federal unemployment benefit bonus. This bonus combined with the typical $387 in weekly state unemployment benefits to equal $687, or the equivalent of roughly $17 per hour. That exceeded the wages that a large share of unemployed workers had been earning in their previous jobs. Accordingly, the number of unfilled job openings soared to unprecedented levels. Many employers proved unable to lure new applicants, and the labor-force-participation rate remained roughly equal to pre-stimulus levels.

The $300 unemployment bonuses were so self-defeating that 26 states took the rare step of refusing federal assistance and canceling the bonuses before they expired.

Driven by these poorly designed policies, the first $1.2 trillion in ARP spending failed to raise employment above the “zero-stimulus” baseline scenario that CBO assumed in February. Critics will lazily respond “it otherwise would have been worse,” but there is little indication that this so-called “stimulus” legislation put people to work, especially when it paid many people more to stay home.

Perhaps the most absurd ARP provision granted state and local governments an astounding $350 billion to close budget deficits that did not even exist.



A man dressed as the 'Build Back Better Bill' wears a sash saying, 'on to the Senate,' November 19, as members of the House leave after voting on the bill on Capitol Hill.

AP / Jacquelyn Martin

Democratic economists Jason Furman and Mark Zandi warned lawmakers that $350 billion was excessive and unnecessary, especially since Washington had already provided states with more than $500 billion in emergency pandemic aid. Lawmakers did not listen, and California now projects a $76 billion budget surplus over two years — nearly half of its $165 billion general fund budget.

State and local government revenues are now 16 percent above pre-pandemic projections, and many governors have little idea what to do with such a large one-time cash infusion. Congress forbade states from rebating the federal funds to taxpayers. Creating permanent new state programs would recklessly outlast this one-time cash infusion. Addressing state and local infrastructure backlogs may have made the best sense, but Congress instead went ahead and recently threw $550 billion at infrastructure as well. It makes no sense for Washington to go deeper into debt so that state and local governments can sit on bloated budget surpluses with little use.

There is still more nonsense to beat out of the ARP piñata.

$11,400 in relief checks over one year (when combined with earlier relief checks). Just like the 2020 checks, these grants were largely saved, and their value is being eroded by the very inflation that the ARP worsened.

Still not done subsidizing families, the ARP provided for $110 billion to be spent on a one-year child credit expansion (which lawmakers are now looking to extend at a potential cost of $1 trillion over a full decade) and a $26 billion expansion of the Earned Income Tax Credit. Layering on duplicative benefits did not seem to faze congressional spenders.

Demonstrators blocked Pennsylvania Avenue December 7, asking congress to pass Biden's 'Build Back Better' agenda.

AP / Jose Luis Magana

And the unnecessary and expensive duplication did not end there: States were also given $129 billion for temporary education needs — the largest K-12 grant ever — without a clear purpose, even while state and local governments were sitting on more than $50 billion in unused K-12 school relief funds from earlier emergency bills. Yet the temporary nature of these funds also prevents them from being used for permanent policies such as hiring new

There was no remaining education “emergency” for this emergency funding bill to address.

Finally, the public barely even noticed an $80 billion bailout of bankrupt union pension systems, which overrode bipartisan negotiations for a cheaper solution. This federal bailout of private pensions sends a message to all corporate and union pension systems that any future underfunding will simply be rewarded with a taxpayer bailout.

The American Rescue Plan was the most expensive spending bill in half a century. It takes remarkable economic illiteracy and incompetence to apply $1.9 trillion in “stimulus” in a manner that actually worsens the economy, and (with few small exceptions) fails to address any significant policy challenges.

Lawmakers struggling to finance Build Back Better legislation surely wish they could have much of that $1.9 trillion back to finance today’s expensive new initiatives. Such is the price of lawmakers dismissing warnings from liberal and conservative economists thanks to their determination to “own” those obstructionist Republicans.

From National Review.

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A regional Fed analysis suggests Biden's stimulus is temporarily stoking inflation.

The American Rescue Plan could be pushing inflation up slightly and temporarily, a Federal Reserve Bank of San Francisco analysis said.

By Jeanna Smialek

Published Oct. 18, 2021 Updated Oct. 29, 2021

Inflation is likely getting a temporary boost from the $1.9 trillion coronavirus relief package that the Biden administration ushered in early this year, new Federal Reserve Bank of San Francisco research released on Monday suggested.

The analysis may add fuel to a hot debate in Washington over whether the administration's policies are contributing to a spike in prices. Critics of the government spending package that was signed into law in March, including former Treasury Secretary Lawrence H. Summers, have said it was poorly targeted and risked overheating the economy. Supporters of the relief program have said it provided critical aid to workers and businesses still struggling through the pandemic.

The new paper comes down somewhere in the middle, finding that the spending had some effect on inflation but suggesting that it is most likely to be temporary. The economists estimated that it would add 0.3 percentage points to the core Personal Consumption Expenditures inflation index in 2021 and "a bit more" than 0.2 percentage points in 2022. Core inflation strips out volatile items like food and fuel.

While those numbers are significant, they are not what most people would consider "overheating" — the Fed aims for 2 percent inflation on average over time, and a few tenths of a percent here or there are not a reason for much alarm.

But the result is only a rough estimate, one the researchers came up with to help inform an continuing political and economic debate.

Both the Trump and Biden administrations signed trillions of dollars in virus relief spending into law. The packages included two bipartisan bills in 2020 that pumped more than $3 trillion into the economy, including direct checks to individuals and generous unemployment benefits. Another $1.9 trillion — called the American Rescue Plan — was passed this year by Democrats after they took control of both Congress and the White House.

"The later timing and large size of the A.R.P. stirred debate about whether it is causing an overheating of the economy and fueling a sustained increase in inflation," the San Francisco Fed researchers noted.

The economists tried to answer that question by looking at how much spare capacity is in the economy using a labor market measure — the ratio of job openings to unemployment. The logic is that inflation tends to pick up when there is very little labor market slack, because businesses raise wages to attract workers and then raise prices to cover their climbing labor costs.

Government stimulus can push up the number of job openings in the economy as it fuels demand while constraining the number of available workers because it gives would-be employees a financial cushion, allowing them to take their time as they search for a new job.

Based on the package's size and using historical evidence on how fiscal spending affects the labor market, the researchers found that the American Rescue Plan might raise the vacancy-to-unemployment ratio close to its historical peak in 1968, fueling some inflation — but that the price impact would be small and short-lived.

"This minor impact is attributable to the small effect of slack on inflation and the strong historical stability of longer-run inflation expectations," the economists wrote.

The researchers assumed that while the labor market is tight, that will not last. And they assumed that businesses and consumers will not come to expect much-higher prices as a result of the short-term inflation burst.

The new analysis is unlikely to be the final word on the matter. Inflation has jumped higher this year — the core P.C.E. measure climbed 3.6 percent in the year through August, and other measures of inflation are even higher. Many economists are concerned that the jump in prices will cause inflation expectations to shift, especially because some measures are already creeping higher.

The New York Times https://www.nytimes.com/2022/04/25/business/economy/us-global-inflation-response.html

Rapid Inflation, Lower Employment: How the U.S. Pandemic Response Measures Up

The United States spent more on its policy response than other advanced economies. Now economists are revisiting how that worked.

By Jeanna Smialek and Ben Casselman

April 25, 2022

The United States spent more aggressively to protect its economy from the pandemic than many global peers, a strategy that has helped to foment more rapid inflation — but also a faster economic rebound and brisk job gains.

Now, though, America is grappling with what many economists see as an unsustainable worker shortage that threatens to keep inflation high and may necessitate a firm response by the Federal Reserve. Yet U.S. employment has not recovered as fully as in Europe and some other advanced economies. That reality is prodding some economists to ask: Was America's spending spree worth it?

As the Fed raises interest rates and economists increasingly warn that it may take at least a mild recession to bring inflation to heel, risks are mounting that America's ambitious spending will end up with a checkered legacy. Rapid growth and a strong labor market rebound have been big wins, and economists across the ideological spectrum agree that some amount of spending was necessary to avoid a repeat of the painfully slow recovery that followed the previous recession. But the benefits of that faster recovery could be diminished as rising prices eat away at paychecks — and even more so if high inflation prods the central bank to set policy in a way that pushes up unemployment down the road.

"I'm worried that we traded a temporary growth gain for permanently higher inflation," said Jason Furman, an economist at Harvard University and a former economic official in the Obama administration. His concern, he said, is that "inflation could stay higher, or the Fed could control it by lowering output in the future."

The Biden administration has repeatedly argued that, to the extent the United States is seeing more inflation, the policy response to the pandemic also created a stronger economy.

"We got a lot more growth, we got less child poverty, we got better household balance sheets, we have the strongest labor market by some metrics I've ever seen," Jared Bernstein, an economic adviser to President Biden, said in an interview. "Were all of those accomplishments accompanied by heat on the price side? Yes, but some degree of that heat showed up in every advanced economy, and we wouldn't trade that back for the historic recovery we helped to generate."

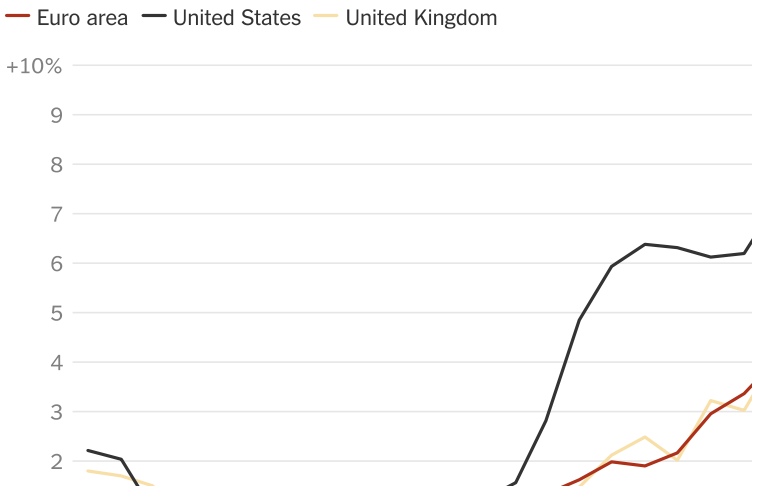
Inflation has picked up around the world, but price increases have been quicker in America than in many other wealthy nations.

Consumer prices were up 9.8 percent in March from a year earlier, according to a measure of inflation that strips out owner-occupied housing to make it comparable across countries. That was faster than in Germany, where prices rose 7.6 percent in the same period; Britain, where they rose 7 percent; and other European countries. Other measures similarly show U.S. inflation outpacing that of its global peers.

The Rise of Inflation

Inflation has risen worldwide in the past year, but the increase has been fastest in the United States.

Change in consumer prices from a year earlier



Note: Euro area and U.K. data are Harmonised Index of Consumer Prices. U.S. data is the Consumer Price Index excluding owners' equivalent rent. • Sources: U.S. Bureau of Labor Statistics, O.E.C.D., Eurostat • By The New York Times

The comparatively large jump in prices in America is owed at least partly to the nation's ambitious spending. Research from the Federal Reserve Bank of San Francisco attributed about half the nation's 2021 annual price increase to the government's spending response. The researchers estimated the number, which is imprecise, by comparing America's inflation outcome with what happened in countries that spent less.

"The size of the package was very large compared to any other country," said Òscar Jordà, a co-author of the study.

The Trump and Biden administrations spent about $5 trillion on pandemic relief in 2020 and 2021 — far more as a share of the nation's economy than what other advanced economies spent, based on a database compiled by the International Monetary Fund. Much of that money went directly to households in the form of stimulus checks, expanded unemployment insurance and tax credits for parents.

Payments to households helped to fuel rapid consumer demand and quick economic growth — progress that has continued into 2022. A global economic outlook released by the International Monetary Fund last week showed that America's economy is expected to expand by 3.7 percent this year, faster than the roughly 2 percent trend that prevailed before the pandemic and the 3.3 percent average expected across advanced economies this year.

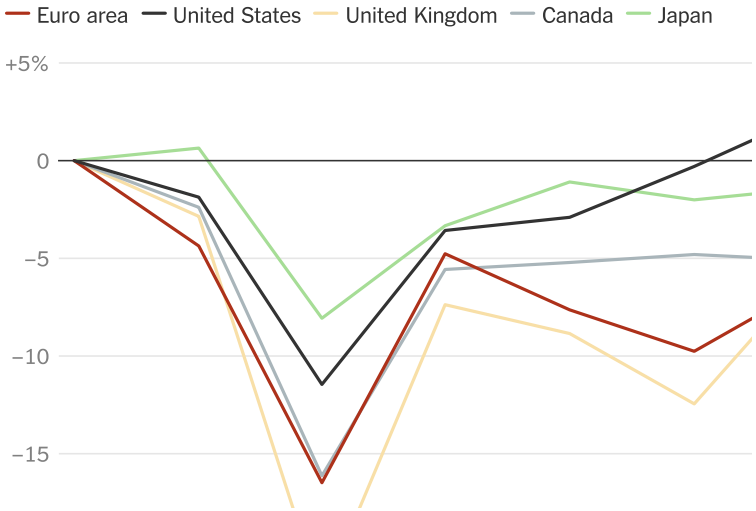
That followed even more rapid 2021 growth. And as the U.S. economy has expanded so quickly, unemployment has plummeted. After spiking to 14.7 percent in early 2020, joblessness is roughly back to the 50-year lows that prevailed before the pandemic.

That's a victory that politicians have celebrated. "Our economy roared back faster than most predicted," Mr. Biden said in his State of the Union address last month. A major report from the White House on April 14 noted that the United States had experienced a faster recovery than other advanced economies, as measured by gross domestic product, consumer spending and other indicators.

The Rebound in Spending

Consumer spending has recovered more quickly in the United States, even after accounting for faster inflation.

Change in per capita household spending since fourth quarter of 2019



Notes: Quarterly data, adjusted for inflation • Source: O.E.C.D. • By The New York Times

But increasingly, at least when it comes to the job market, America's achievement looks less unique.

Unemployment in the United States jumped much higher at the outset of the pandemic in part because America's policies did less to discourage layoffs than those in Europe. While many European governments paid companies to keep workers on their payrolls, the U.S. focused more on providing money directly to those who lost their jobs.

Joblessness fell fast in the United States, too, but that was also true elsewhere. Many European countries, Canada and Australia are now back to or below their prepandemic unemployment rates, data reported by the Organization for Economic Cooperation and Development showed.

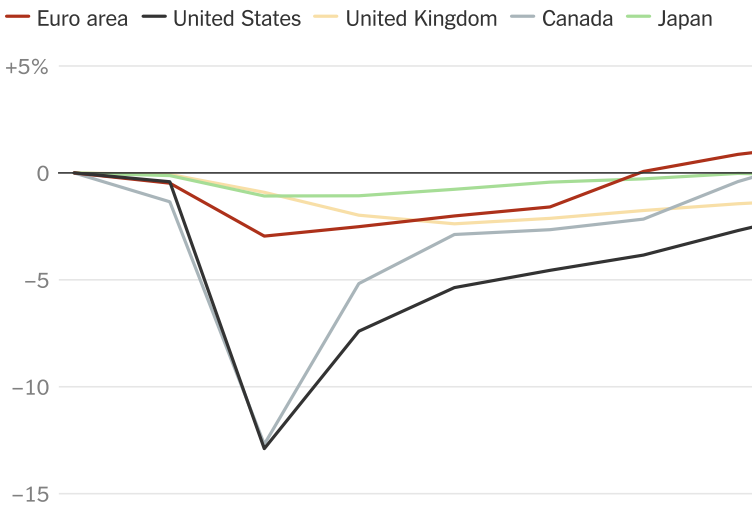
And when it comes to the share of people who are actually working, the United States is lagging some of its global peers. The nation's employment rate is hovering around 71.4 percent, still down slightly from nearly 71.8 percent before the pandemic.

By comparison, the eurozone countries, Canada and Australia have higher employment rates than before the pandemic, and Japan's employment rate has fully recovered.

The Rebound in Jobs

Employment rates fell further in the U.S. than in many peer countries, and have not yet returned to their prepandemic level.

Change in employment rate since fourth quarter of 2019



Note: Quarterly data, ages 15 to 64 • Source: O.E.C.D. • By The New York Times

Europe's more complete employment recovery may partly reflect its different regulations and different approach to supporting workers during the pandemic, said Nick Bennenbroek, international economist at Wells Fargo. European aid programs effectively paid companies to keep people on the payroll even when they couldn't go to work, while the United States supported workers directly through the unemployment insurance system.

That relatively subtle difference had a major consequence: Because fewer Europeans were separated from employers, many flowed right back into their old jobs as the economy reopened. Meanwhile, pandemic layoffs touched off an era of soul-searching and job shuffling in the United States.

"You didn't have as much motivation to reconsider your assessment of your work-life situation," Mr. Bennenbroek said. "What we initially saw in the U.S. was much more disruptive."

Disruption has had its upsides. America now has a record 1.8 jobs open for every unemployed worker, which has in some ways given employees more power to demand more flexible schedules, better benefits and higher pay.

Wages in the United States are rising at the fastest pace in four decades, while pay growth in Europe has been more subdued. Mr. Bernstein, the White House adviser, called America's situation now "the strongest job market in generations."

The United States now has a record 1.8 jobs open for every unemployed worker, giving workers more power to argue for flexible schedules and better benefits. Gabby Jones for The New York Times

But the red-hot labor market carries its own risks. For one thing, wage growth is not keeping up with rapid inflation for many people, leaving some households behind even as their paychecks get bigger. And the ratcheting up in wages could prompt companies to try to cover their costs by raising prices even more.

Higher wages can be a "feeder for inflation," Mary C. Daly, president of the Federal Reserve Bank of San Francisco, told reporters on Wednesday.

"It's unsustainably hot," Jerome H. Powell, the Fed chair, said of the job market during an event on Thursday. "It's our job to get it to a better place where supply and demand are closer together."

America's heady pay gains could mean that the Fed has to react more aggressively to slow down the economy. The central bank is trying to tame inflation by lifting interest rates in a bid to make money more expensive to borrow, which can slow spending and cool off economic conditions.

But if the Fed has to raise rates to high levels to restore economic calm, it could touch off a recession that pushes the unemployment rate higher. Mr. Powell and his colleagues have said they hope they can manage to land the economy softly without inducing that kind of pain — but they acknowledge that a downturn is a risk.

Ultimately, the legacy of America's big relief programs may depend on what happens in the months ahead. If inflation moderates without painful action by the Fed — something some economists still believe is at least possible if the pandemic fades, supply chains normalize and workers return to the job market — then the brief period of rapid price gains may end up looking like a relatively small price to pay for a strong economic recovery that in some ways outstripped those staged abroad.

But if central bankers decide they need to take more drastic steps, resulting in a recession, it could reverse some of the recent progress — and the consequences are likely to be worse for low-wage workers who have experienced the strongest job and wage gains.

The war in Ukraine could complicate attempts to judge America's performance against its global peers. Economic growth in Europe had been accelerating late last year, but the Russian invasion — and the spike in fuel costs that came with it — is threatening to derail the recovery there. The United States could also face consequences, but is comparatively insulated from the Russian and Ukrainian economies.

"Europe was doing well and I was very optimistic prior to the war," said Gian Maria Milesi-Ferretti, an economist at the Brookings Institution who has studied the recoveries in the United States and Europe. "But now the war shock is completely asymmetric between the U.S. and Europe."

Central banks around the world are responding as prices climb rapidly. Rate increases are underway in Britain, and European policymakers have become more wary as inflation has jumped higher. That could mean that those economies, having accelerated through a recovery together, now slow in tandem.

"For a while, inflation started to move up and central banks remained very tranquil about that — but that time has passed," said Carlos Viana de Carvalho, an economist at the Brazilian asset manager Kapitalo Investimentos and a former Fed economist. "The attitude has changed."

Biden relief plan: Major victory gets mixed one-year reviews

By CHRIS MEGERIAN and ZEKE MILLER March 11, 2022

WASHINGTON (AP) — It's not often that a president gets everything he asks for, but that's what happened.

President Joe Biden wanted $1.9 trillion to help the country climb out of the coronavirus crisis last year, and Democrats in Congress delivered.

The American Rescue Plan was stuffed with rental assistance, tax rebates, direct payments and money to distribute vaccines that had just become available. Less than two months after Biden took office, it was a hopeful sign that he could fulfill his campaign promise to get Washington's often lumbering machinery working again.

"Thank God you did it," Biden told House Democrats during a caucus retreat Friday in Philadelphia. "Few pieces of legislation, no hyperbole, in American history have done more to lift this country out of a crisis than what you did."

But the legislation's legacy is more complicated than it originally appeared. Depending on who's telling the story, it's either Biden's first success or a trap that he set for himself.

It may well prove to have been a bit of both.

Friday is the anniversary of Biden's signing of the American Rescue Plan, and the second anniversary of the World Health Organization's declaration that the coronavirus had become a global pandemic. Looking back, administration officials defend the relief package as a necessary step to insulate the economy and promote a national rebound, and they point to historically low unemployment now as proof of their success.

RACE AND ETHNICITY

49ers WR hopes Kaepernick workout prepares him for Lance

Randy Weaver, participant in Ruby Ridge standoff, dies at 74

UNC-Chapel Hill to rename dormitory, student affairs office

Kentucky attorney general files for 2023 governor's race

"Looking at how resilient and equitable the recovery has been in the face of delta, omicron and now military conflict in Europe, that strategy already looks wise," said Gene Sperling, a Biden adviser tapped to oversee the legislation's implementation.

A fraction of the bill's spending was devoted to directly combating the pandemic, including purchasing shots and treatments, supporting testing and vaccination sites, and treating those infected with the virus that has killed more than 959,000 in the U.S.

The rest was intended to backstop state and local governments, ease the pain of job losses and pump money into American pocketbooks.

Critics say the latter set of policies has driven up prices by fueling consumer demand at a time when supply chains couldn't keep up, sapping momentum from Democratic efforts to enact generational changes such as expanded education programs, subsidized child care and financial incentives for fighting climate change.

"The [illegible] was it would create a success that would make people want to do more," said Jason Furman, a Harvard professor and former top economic adviser to President Barack Obama. "But it contributed to inflation that made people want to do less."

"In some ways, that's the biggest consequence," he added. "It was a gamble, and they lost that gamble, and it hurt."

Inflation hit 7.9% over the last 12 months, the highest in four decades, and Furman estimated that the rescue plan was responsible for about 2.5 percentage points.

Michael Strain, director of economic policy studies at the conservative American Enterprise Institute, pegs the figure at 3 percentage points.

"We really didn't need another stimulus. The economy was already growing rapidly," Strain said, noting that President Donald Trump had signed two measures totaling $3.1 trillion before Biden took office.

Administration officials reject those inflation estimates, pointing to a study from the San Francisco Federal Reserve Bank that said the rescue plan contributed to less than 1 percentage point of the increase.

"The stark reality is that there are higher prices and supply chain shocks in virtually every major economy in the world," Sperling said.

However, inflation was paramount when Sen. Joe Manchin, D-W.Va., killed Democratic dreams of using their unified control of Washington to greatly expand the social safety net. Biden's arguments that his agenda, known as "Build Back Better," would limit rather than increase prices did not stick.

"Inflation is real, it's not going away any time soon," Manchin told "Fox News Sunday" in December.

The failure of that legislation also sank efforts to extend the monthly child tax credit payments that began with the rescue plan. An estimated $93 billion was sent to 40 million families with 65 million children last year.

Rep. Pramila Jayapal, D-Wash., said she had no regrets about any inflation that the legislation might have caused, describing it as a "consequence that we have to work through."

"There's no question that the American Rescue Plan put money in people's pockets, kept businesses open, got shots in arms and did the kind of things that our economy would need if it was going to recover," said Jayapal, who chairs the Congressional Progressive Caucus.

Biden is still trying to get his aspirations back on track. Emilie Simons, a spokeswoman for the White House, said the president "continues to work with Congress on his agenda to lower kitchen table costs for American families — by addressing prescription drug prices, child care, energy costs, and more."

One year after the American Rescue Plan was signed, the federal government has spent down nearly all of its direct COVID-19 assistance, which boosted supply of at-home tests, provided free virus treatment for the uninsured and paid for vaccine doses sent overseas to help prevent the emergence of more dangerous variants.

The hundreds of millions of dollars spent on television ads, promotions and incentives drove up vaccination rates on the margins, but proved to be no match for rampant misinformation and partisanship surrounding the life-saving shots. The U.S. vaccination rate for adults stands at 75% — well below other large advanced economies.

The White House asked Congress this month for an additional $22.5 billion to continue fighting the pandemic, including money for antibody treatments, a preventative therapy for the immunocompromised and to fund community testing sites.

"We need this money," White House press secretary Jen Psaki said Thursday. "Without additional resources from Congress, the results are dire."

Lawmakers initially reduced the request, then dropped it completely in the final compromise government-wide spending bill because of disputes over how to pay for the fresh expenditures. That leaves the White House with the challenge of reviving the proposal in a separate piece of legislation that would have an uphill battle in a narrowly divided Senate.

The omicron wave of coronavirus infections is rapidly receding, but more than 1,100 people in the U.S. are still dying each day from the virus. The vast majority are not vaccinated or boosted.

Although the pandemic has lasted much longer than Americans hoped, the U.S. is far closer to its pre-pandemic normal, as mask-mandates are on their way out across the country, nearly all schools are open for in-person learning and offices are beginning to fill up with workers once again.

As with the COVID funds, much of the rest of the money from the rescue plan has already flowed out the federal government's door, according to administration officials.

More than 170 million direct payments to individuals, known as Economic Impact Payments, worth at least $400 billion, were distributed. The average amount was $2,300.

Schools received $122 billion in relief funding, with additional dollars being directed toward homeless students and children with disabilities. Nearly $40 billion has been provided to colleges and universities.

Another $39 billion was provided to support child care services. More than 150,000 providers who serve more than 5 million children have gotten money.

More than $245 billion has been distributed to state, local, territory and tribal governments. Another $105 billion is scheduled to be distributed in May.

This pool of dollars for state and local governments has become among the more controversial aspects of the rescue plan, with some critics arguing that it was unnecessary because state governments ultimately saw double-digit growth in tax revenue.

Philadelphia Mayor Jim Kenney said the money helped prevent cutting essential services like firefighters and paramedics.

"Imagine a grandfather in medical crisis waiting a few extra minutes for help to arrive," he said.

Without the money, Kenney added, "it would have meant hundreds of layoffs of frontline city workers."

Heidi Shierholz, who leads the liberal Economic Policy Institute, said the legislation is "a core reason we're in such an incredibly strong recovery right now."

"I'm not saying it was perfect," she said. "But it made it so households did not need to go into austerity."

The rescue plan also provided nearly half of the funding for a $46.5 billion emergency rental assistance program, which began slowly as state and local officials struggled to launch a new system from scratch.

However, the program picked up steam last summer, and more than $25 billion has been distributed in 4.1 million payments. Treasury officials estimate that 80% of the money went to low-income tenants. The rest of the money is expected to be spent by the middle of this year.

Peter Hepburn, a research fellow with the Eviction Lab at Princeton University, said evictions in 2021 were about half of what they would have been in a normal year, suggesting that 1.36 million evictions were prevented. Even though the nationwide eviction moratorium expired last summer, evictions were down 32.5% in January and 27.7% in February.

He called it a "pretty stark accomplishment."

Sperling pointed to the rental assistance program as an example of how the rescue plan will pay dividends into the future because evictions are the kind of setbacks that can derail American families for years.

"Preventing deeper harms is going to pay serious benefits, not just in terms of the longer term economy but also basic human well-being and dignity," he said.

—

Associated Press writers Farnoush Amiri in Philadelphia, Michael Casey in Boston and Fatima Hussein in Philadelphia contributed to this report.

The New York Times | https://www.nytimes.com/2022/04/28/opinion/seven-lessons-democrats-need-to-learn-fast.html

DAVID BROOKS

Seven Lessons Democrats Need to Learn — Fast

April 28, 2022

By David Brooks
Opinion Columnist

We all make mistakes; the question is, do we learn from them? Over the past couple of years people on the left side of the political and cultural spectrum have made their share. These have contributed to the Democrats' extremely bleak political prospects going into the midterms. Far worse, it is now quite plausible that Donald Trump could win re-election in 2024.

If we're going to prevent that kind of catastrophe, it might be a good idea to learn a few relevant lessons:

It is possible to overstimulate the economy. Many progressives persuasively argued that Barack Obama didn't go big enough to stimulate the economy after the financial crisis. It appears the United States has now gone too big. Inflation is at a 40-year high. Real wages have fallen. Almost 70 percent of Americans think the economy is in poor shape.

Much of the inflation is being driven by global energy and supply chain issues. But, at 8.5 percent, inflation in America is a lot higher than in, say, Europe. Some economists estimate that the Democrats' $1.9 trillion American Rescue Plan added between two and four percentage points to the U.S. inflation rate.

Law and order is not just a racist dog whistle. Yes, from George Wallace to Donald Trump, that rhetoric has been used as a dog whistle. Yes, every discussion of crime and policing needs to include the outrageous racial disparities that permeate the system. At the same time, it is true that the first job of government is to establish order so people can feel secure. Democrats do not have an effective anti-crime posture at a time when crime is surging. In New York City, for example, while murder rates fell, overall crime was up 37 percent in March compared with a year earlier, driven by a 59 percent increase in grand larceny auto, a 48 percent increase in robbery and a 40 percent increase in burglaries. Shootings went up 16 percent. According to a Gallup poll, 53 percent of Americans now say they worry a "great deal" about crime.

Don't politicize everything. Education has traditionally been a Democratic strong point. A Washington Post/ABC News poll in 2006 found that voters trusted Democrats over Republicans to do a better job handling education by over 20 points. When the Post/ABC poll asked about the issue last November, the advantage was down to three points. Part of the drop is probably due to the teacher unions' preference to keep schools closed during the pandemic, part possibly the attacks by some progressives on magnet schools and gifted programs, part the perception that progressives care more about their cultural agenda than actual education. Republicans have certainly politicized education, too, but for some reason it seems to work for them, while it doesn't for Democrats.

Border security is not just a Republican talking point. During one of the Democratic presidential primary debates in 2019, almost all candidates onstage backed the idea of decriminalizing unauthorized border crossings. That sent the signal that the Democratic Party had shifted significantly to the left on immigration. Today, 59 percent of voters believe that the U.S. has an "effectively" open southern border.

Joe Biden never swooned for decriminalization the way many of his opponents did, but he has not yet found a policy that advances progressive goals while assuaging the concerns of border state voters. Just 38 percent of voters approve of his handling of this issue.

"People of color" is not a thing. It was always odd to create a group identity that covered a vast majority of humanity. In this country the phrase "people of color" sometimes covers over a wide array of different ethnic experiences. It contributes to a simplistic oppressor/oppressed narrative in which white Republicans are supposed to be on one side and P.O.C. are supposed to be on the other.

That made it harder to anticipate that Trump would make the impressive gains among Hispanics in 2020 that he did. Hispanics still lean Democratic, 48 percent to 23 percent, according to a recent ICR-Miami poll, but their loyalty to the Democrats may be weakening. According to the same poll, more Democratic Hispanics have switched their party affiliation in the past year than Republican Hispanics. More Hispanics agreed than disagreed with the statement "The Democratic Party has been kidnapped by progressives."

Deficits do matter. The Committee for a Responsible Federal Budget estimates the government will spend an average of $545 billion a year paying interest on the national debt over the next nine years. If interest rates rise two percentage points above the Congressional Budget Office's projections, average annual interest costs will increase by $375 billion. That burden will crowd out spending on all other programs.

The New Deal happened once. Year after year Democrats imagine that if they can hand people checks and benefits, they will be rewarded with votes, allowing them to build a dominant majority coalition. It's not that simple. I enthusiastically supported many of these policies, but we live in an age in which culture, values and identity issues drive politics at least as much as policy.

The Democrats' largest problem is this: We are living in an age of fear, insecurity and disorder on an array of fronts. The Republicans have traditionally been known as the party of toughness and order. Democrats are going to have to find a posture that is tough on disorder, and tough on the causes of disorder.

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AP FACT CHECK: Biden skirts blame on inflation; GOP gas hype

By JOSH BOAK, CHRISTOPHER RUGABER and DAVID KOENIG March 15, 2022

WASHINGTON (AP) — Facing political attacks over rising costs, President Joe Biden exaggerated his role in reducing the federal deficit and skirted responsibility by asserting that a flood of government spending into the economy has no impact at all on higher prices. It actually does.

Congressional Republicans, meanwhile, went too far in pinning blame for surging gasoline prices on Biden.

A look at the rhetoric and reality:

DEFICIT

BIDEN: "Last year, the deficit dropped for the first time since 2015. It fell by $360 billion last year and this year it's on track to drop by more than $1 trillion after four years in a row of increasing deficits before I took office. We're now on a track to see the largest-ever decline in a deficit in American history." — remarks Tuesday.

THE FACTS: It's not as big as it sounds.

While it's true the deficit could end up falling by more than $1 trillion, the decline mostly reflects the improving economy as the pandemic has faded, not tax and spending decisions by the Biden White House or Congress. The government is no longer sending out stimulus checks and extra unemployment benefits as it did for the past two years. And tax revenue has increased as millions of Americans have found jobs and gotten pay raises. As a result, the Committee for a Responsible Federal Budget forecasts that the federal government's annual deficit will drop to $1.2 trillion this year, from $2.8 trillion in 2021 and a record $3 trillion in 2020.

Even with that drop, the deficit would still be at one of the highest levels in history.

Some of the decline is also due to a COVID-era policy change that basically deferred some tax collections. The government now is collecting far more payroll taxes, which fund Social Security and Medicare, after allowing businesses to defer them during the pandemic.

In February, for example, the government's tax receipts jumped 17%, while spending dropped 9% compared with a year ago. Spending on unemployment aid dropped $41 billion last month compared to February 2021, after an extra $300 in weekly unemployment benefits ended in September.

JOE BIDEN

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INFLATION

BIDEN, addressing political rhetoric on rising prices: "So, I'm sick of this stuff. We have to talk about it because the American people think the reason for inflation is the government is spending more money. Simply not true." — remarks Friday at a House Democratic conference in Philadelphia.

REPUBLICAN NATIONAL COMMITTEE: "Prices are surging, and Americans are footing the bill. No spring road trips because of #Bidenflation." — tweet Tuesday.

THE FACTS: Biden sidesteps reality. Government spending has been a clear factor behind rising consumer prices, though it's not the only one.

Biden last year signed a $1.9 trillion coronavirus relief package known as the American Rescue Plan — and many economists say that caused inflation to run higher than it otherwise would. There are multiple sources for inflation including global supply chain issues, the pandemic, stimulus from the Federal Reserve and, now, the Russian war in Ukraine.

But the problem is that Biden pumped more money into the economy than it could handle. Administration officials said before the relief package was passed that the greater risk was do too little to help the economy than to do too much. The implicit risk was inflation, though the tradeoff was faster hiring and stronger growth. Biden got all three: the hiring, the growth and the inflation.

Harvard University economists Jason Furman and Larry Summers – both officials in past Democratic administrations – warned of inflation rising because of the size of the relief package. Many conservative economists joined them, including Michael Strain of the American Enterprise Institute.

Republicans now are casting rising consumer prices as a direct and only result of "Bidenflation." That's incorrect. But Biden is wrong to say that government spending has had nothing to do with it.

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GASOLINE PRICES

SENATE REPUBLICAN LEADER MITCH MCCONNELL: "Nobody buys Democrats' efforts to blame 14 months of failed policies on three weeks of crisis in Europe. Inflation and gas prices were skyrocketing and hurting families long before late last month. The White House needs to stop trying to deny their mistakes and start fixing them." — tweet Tuesday.

HOUSE REPUBLICAN LEADER KEVIN MCCARTHY: "Democrats want to blame surging prices on Russia. But the truth is, their out-of-touch policies are why we are here in the first place. Remember what happened on Day 1 with one-party rule? The president canceled the Keystone pipeline, and then he stopped new oil and gas leases on federal lands and waters." — March 8 remarks.

THE FACTS: The Republican leaders of Congress are overstating Biden's ability to influence energy prices and the impact of the canceled Keystone pipeline.

Gasoline prices have been rising in tandem with oil prices since spring 2020 because demand has grown faster than worldwide production as economies try to shake off the pandemic. More people are driving and flying, and businesses are returning to pre-pandemic levels of activity, leading to more energy consumption, which pushes prices higher.

The price of oil is set on the world market. Even the leading producers – the United States, Saudi Arabia and Russia – don't get to set the price, although they might try by adjusting production up or down, a process that takes time even when it works. U.S. production dropped sharply in 2020, but it wasn't because of anything that then-President Donald Trump did; it was because the pandemic crushed demand, causing producers to idle some of their wells rather than sell their oil too cheaply. U.S. oil production has doubled since 2011, but that didn't stop oil from hitting and surpassing $100 a barrel.

U.S. oil production dipped about 1% from 2020 to 2021, not the dramatic drop portrayed by some of Biden's critics. The nationwide average gasoline price is up about 80 cents from a month ago, and analysts attribute nearly all of that to the prospect of limiting Russia's oil exports. McConnell and many other Republicans pushed to ban U.S. imports of Russian oil even before Biden acted.

The Keystone XL pipeline was designed to carry up to 830,000 barrels of oil a day from Canada and North Dakota to refineries along the Gulf Coast. The United States consumed nearly 20 million barrels of oil a day last year, and global consumption was close to 100 million barrels, so the pipeline – which was far from completion when Biden revoked a permit – would have contributed less than 1% to the world supply of oil.

Asked whether the Keystone XL cancellation is the cause of high gas prices, Tom Kloza, analyst for the Oil Price Information Service, said: "A political talking point. Has nothing to do with 2022 price surge."

Biden has announced decisions to release more oil from a strategic reserve, but those releases have been too small to have any effect on pump prices.

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Koenig reported from Dallas. Associated Press writers Fatima Hussein and Hope Yen in Washington contributed to this report.

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EDITOR'S NOTE — A look at the veracity of claims by political figures.

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Politics

Biden's $1.9 Trillion Win on Covid Aid Hobbles Rest of Agenda

- No decent economic justification seen for stimulus checks
- Inflation surge has dimmed appetite for major new spending

Joe Biden *Photographer: Al Drago/Bloomberg*

By Rich Miller and Laura Davison
February 28, 2022, 7:00 AM EST

There's little doubt President Joe Biden had it right when he called the $1.9 trillion pandemic relief package that Democrats rammed through Congress a year ago one of the most consequential in U.S. history.

The trouble is that he didn't envisage some of the consequences.

The "American Rescue Plan," including one final round of stimulus checks among its welter of transfer payments to families and local authorities, was designed as a short-term bridge to an even bigger $4 trillion long-term economic program -- one designed to revamp and rebuild the economy and society.

Instead, economists and former officials say, it contributed to a sustained pace of high inflation that's sent Biden's approval ratings skidding and left key moderate Democrats with limited appetite to embrace his remaining economic agenda. When Biden delivers his State of the Union speech on Tuesday, that political reality is set to confront any new push for investing in "human infrastructure" such as expanded support for children and health -- the centerpiece of his "Build Back Better" program.

"Inflation did accelerate and people did link it back to the ARP and those policies, and connected the dots and said they did not want additional support for the economy," said Mark Zandi, chief economist at Moody's Analytics. Zandi himself ascribes the elevated level of inflation to the effects of the delta and omicron waves, which slowed the return of virus-wary Americans to the labor force.

The Russia-Ukraine conflict now threatens to send inflation rates even higher, putting greater burdens on Americans' energy bills.

West Virginia Democrat Joe Manchin, whose support is vital in the 50-50 Senate and who withdrew his backing for the social-spending bill in December, said earlier this month, "My main concern is still the inflation -- the high cost everybody in my state and around the country I hear from -- and also the geopolitical unrest that we have with Ukraine, all that's going to be a big cost sometime sooner or later."

He also made clear that all spending tied to "social issues" such as child care should be addressed via legislative committees -- a slower process that could make it harder for Democratic leaders to move forward with Biden's proposals.

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Inflation Pain Means Biden Gets No Credit for Roaring Economy

U.S. Consumer Sentiment Remains at Decade-Low on Inflation Woes

Biden Urged to Declare 'Climate Emergency' to Unlock Powers

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White House aides are trying to salvage what they can, and earlier this month were considering reworking their plan to emphasize debt reduction, a person familiar with the administration's discussions said. Manchin has backed tax increases that would fund the Build Back Better bill -- though fellow moderate Kyrsten Sinema of Arizona has opposed boosting tax rates.

The downsizing of Bidenomics doesn't come as a surprise to former Treasury Secretary and veteran Democratic policy maker Lawrence Summers. The Harvard University professor warned early on that

Biden's short-term stimulus package would fuel inflation and eventually undercut support for the president's longer-term strategy to transform the economy.

Summers's argument, at its heart, rested on the basic law of supply and demand. He contended that the relief package, with its $1,400 checks for millions of Americans -- at a $410 billion cost -- and its extended unemployment benefits for those out of work, would boost demand beyond the economy's ability to meet it. The inevitable result: higher prices.

The relief program was "a serious error," said Summers, a paid contributor to Bloomberg Television. "It both set the stage for the inflation and politics that we have today and it eliminated the chance to make fundamental investments in our country given the political context."

Income Slides in Real Terms

Bloomberg Economics

Adam Posen, president of the Peterson Institute for International Economics and a longtime observer of U.S. economic policy, said of Build Back Better, "Manchin and Sinema and others may have blocked it anyway."

"But this increased the excuses for not passing the much more constructive, much more important long-term program," Posen said of the ARP and its inflationary impact. "There was never a decent economic justification for that batch of checks."

Biden supporters reject the idea his rescue plan was a mistake, and point to its role in fueling a powerful economic rebound. Thanks in part to the stimulus, gross domestic product grew last year by

5.7%, the fastest pace since 1984. Unemployment plunged, reaching 4% in January from 6.4% at the start of Biden's presidency.

"Looking back, I don't think it was too large," Brian Deese, director of the White House's National Economic Council, said when asked to assess the pandemic relief program at a Feb. 9 Council on Foreign Relations webcast. "It achieved the goal of driving a very strong, inclusive recovery that is delivering an extraordinary amount of economic good for the country."

Republican Resistance

Treasury Secretary Janet Yellen said earlier this month that the pandemic relief program probably contributed "a little bit" to inflation, but Covid-induced supply chain constraints were the bigger culprit. Regardless, "you have to decide what's the biggest risk that you face and address it effectively, and I think the American Rescue Plan was sized to do that," she said.

Republicans have seized on rocketing prices to lambast Biden's pandemic relief program and his overall stewardship of the economy, leaving little scope for bipartisan compromises on fiscal legislation. Five months into the fiscal year, the federal government is still operating on stopgap budgeting, with the two parties unable yet to agree on any of the 12 appropriations bills.

"Joe Biden wanted to put his fingerprints on a package and so that was the American Rescue Plan," said Senator Kevin Cramer, a North Dakota Republican. "They used budget reconciliation to jam it down our throats with no consideration for the likelihood that it was going to put kerosene on the fires of inflation."

Reconciliation refers to the fast-track process that lawmakers can use, subject to qualifications, to pass a fiscal package, bypassing the 60-vote rule to break a filibuster.

Poor Polling

Polls suggest the Republican attacks have a receptive audience among voters. A 54% majority of Americans say the economy has worsened since Biden took office, compared with 17% who say it's improved, according to a Washington Post-ABC News poll conducted Feb. 20-24. Some 56% of Americans said Biden's first year in office was a failure, an NPR/PBS NewsHour/Marist poll showed in February.

"People aren't thinking about the counterfactual -- if we didn't have such a vigorous response from the federal government," what would have happened, said Ioana Marinescu, an associate professor at the University of Pennsylvania and an economist with the National Bureau of Economic Research. "Policies during Covid completely cushioned many people's incomes," she said. But, "inflation cannot be completely devoid of politics."

The Washington Post
Democracy Dies in Darkness

Opinion Build Back Better is 'dead,' says Manchin. He's not the only one to blame.

By Catherine Rampell
Columnist | + Follow

February 3, 2022 at 6:08 p.m. EST

Call the coroner. Sen. Joe Manchin III (D-W.Va.) has announced that President Biden's ambitious Build Back Better package is "dead."

There are lots of obvious suspects in this whodunit — Manchin chief among them — but it increasingly looks as though Biden's bloated stimulus from last spring also played a role in BBB's demise.

Full disclosure: Early last year, when Biden's $1.9 trillion stimulus was being debated, I supported it. I cheered on the American Rescue Plan's investments in children, rental assistance, vaccinations and relief for the unemployed. I also worried about the health of state and local finances if they didn't get sufficient federal aid. (Such concerns were mostly unnecessary, it turns out.)

I held my nose about some other elements of the package that seemed poorly targeted — such as yet another round of near-universal stimulus payments — and urged Congress to pass the bill.

Now, the further we get from enactment, the worse the legislation's extra flab looks. The problem isn't only that large chunks of the bill were wasteful and contributed to once-in-a-generation inflation; in hindsight, the greater sin is that the bill ultimately crowded out political support for much more important and fiscally responsible items on Biden's agenda, such as universal pre-K and efforts to fight climate change.

The stimulus bill passed last March — with only Democratic votes, Manchin's included — was deficit-financed, meaning lawmakers opted to borrow rather than pay for its costs. The final package was hailed as transformational, ambitious, New-Deal-like.

Shortly after it passed, Biden began releasing frameworks for other economic priorities on his agenda. These programs, which the president pledged to pay for, included critical long-term investments and safety-net expansions, such as universal pre-K, child care, paid family leave, clean-energy and climate programs, and cheaper health coverage.

In the wake of Biden's celebrated, "transformational" stimulus, though, there was little political urgency to move on other big-ticket, Democratic-only agenda items. Significant intraparty disagreements ensued over priorities, pay-fors and the overall price tag of the package that came to be branded as "Build Back Better."

Negotiations stretched on for months, with Manchin arguing that Congress had already appropriated a ton of new spending (in both covid relief and a subsequent, bipartisan infrastructure package), and that perhaps lawmakers should "pause" and monitor their effects on the economy before appropriating more dollars.

Meanwhile, developments in the covid-19 pandemic underscored flaws in the American Rescue Plan's size and composition.

Congress sent states more money than they knew what to do with. It also sent another round of stimulus payments to 86 percent of households, according to estimates from American Enterprise Institute senior fellow Kyle Pomerleau. Among those recipients were many higher-income households that were financially unscathed by the pandemic and perhaps had even improved their finances. Meanwhile, U.S. vaccinations plateaued. New coronavirus variants emerged and contributed to supply chains remaining snarled.

Put another way: In retrospect, it became clearer that Congress had just given Americans who didn't need it a ton of cash to spend, at a time when there were sharp constraints on the things available to spend on. Supply could not adjust to meet the red-hot demand.

This contributed to inflation rates hitting four-decade highs. It's true that inflation is also elevated in other advanced economies, but price spikes have been even more pronounced in the United States, where fiscal policy has been unusually generous.

Persistently high inflation has become both an economic problem (obviously) and a political one. Manchin and Senate colleague Kyrsten Sinema (D-Ariz.) wield critical votes in any additional safety-net or climate spending, so long as Republicans in the 50-50 Senate refuse to play ball. And Manchin has repeatedly suggested he is reluctant to spend further so long as inflation is high.

It doesn't matter that Build Back Better is unlikely to have much substantial impact on inflation, particularly because it's paid for; Manchin's (misguided) belief otherwise is carrying the day.

The end result is an upside-down set of budgetary priorities. In good news, some components of the American Rescue Plan still look like money well spent. But to provide some scale for the mistakes: Democrats frittered away more than $400 billion on those deficit-financed, poorly targeted, third-round stimulus checks. Now, they can't persuade their own caucus to spend a quarter of that amount, $110 billion, on universal pre-K — even if the long-desired program is paid for and likely to have much bigger bang for the buck than those one-off stimulus payments.

Maybe Build Back Better will yet be resuscitated, perhaps with different branding and more limited aims. But if not, the answer to the question "Who killed the best parts of the Biden economic agenda?" will be, at least in part, "the other parts of the Biden economic agenda."

INVEST IN YOU: READY. SET. GROW.

How to calculate your own personal inflation rate amid rising prices

PUBLISHED FRI, MAY 13 2022•10:45 AM EDT | UPDATED FRI, MAY 13 2022•12:15 PM EDT

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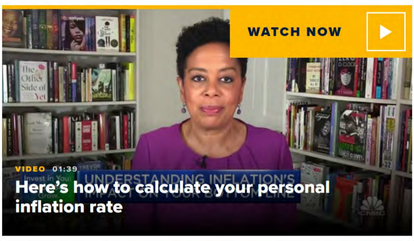

Inflation dropped slightly in April, yet it's still close to a 40-year high, with consumer prices rising at an annual rate of 8.3%. Rising costs for housing, food, airfares and new cars were the biggest contributors to that key gauge of inflation.

The typical American family is spending about $450 more per month for goods and services than a year ago, according to Moody's Analytics Chief Economist Mark Zandi. Yet you may not be "typical." We don't all spend the same amount on the same things.

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To figure out how much inflation is actually impacting your wallet depends on how much you are spending and where you're spending it. You need to calculate your own personal inflation rate. Here's how to do it:

1. Look at what you've spent on food, housing, gas, entertainment, apparel, education and other items. (To find out exactly what to include, go here to the U.S. Bureau of Labor Statistics' list of expenditures that make up the consumer price index.)
2. Gather your credit card bills and bank statements to find the exact amounts that you spent in each category.
3. Add up your monthly spending for last month and a year ago.
4. Then subtract your total spending for April 2021 from April 2022.
5. Divide that difference by your monthly expenses for April 2021.
6. The result of that equation is your personal inflation rate.

Depending on your income, the impact of your personal inflation rate may feel better — or worse — on your wallet than the latest CPI number.

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Inflation costing families hundreds per month, analyst says

IN-DEPTH: Inflation costing families hundreds per month, analyst says Inflation costing families hundreds per month, analyst says

By Nick Papantonis, WFTV.com and Adam Poulisse, WFTV.com
May 11, 2022 at 11:14 pm EDT

ORANGE COUNTY, Fla. — The slight tick down in the inflation rate last month did little to ease the pain of families stretching their budgets.

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Moody's Analytics Chief Economist Mark Zandi said the average family is now paying hundreds of dollars more per month to maintain their lifestyle.

"The typical American household is spending $450 a month more now than a year ago for the same goods and services," he said.

READ: US inflation dips from 4-decade high but still causing pain

April's year-over-year inflation rate was 8.3%, down slightly from the 8.5% price increases the nation saw for the month of March.

Gas, housing and food were some of the major sources of the hikes. Gas prices have been volatile since Russia began preparations to invade Ukraine. The area is also known for its wheat production, driving food shortages worldwide.

"Whatever we get, we got to keep trying to make it stretch," Russell Glover said, as his wife loaded groceries into the back of their car in Orlando. "Every time we come to the store, something is higher and higher."

READ: High inflation leaves food banks struggling to meet needs

Investors have watched their portfolios tumble recently as the Federal Reserve tries to get inflation under control. April's 8.3% rise was down slightly from March.

But still so high that some people think it's unacceptable.

Grocery store prices are driving some of it, thanks to the war tearing through Ukraine, a major exporter of wheat.

READ: Biden says inflation is his 'top domestic priority,' slams GOP ahead of midterm races

The war has also sent gas up to record highs, with some Orlando stations selling fuel for about $4.50 a gallon on Wednesday.

China's continued attempts to stamp out COVID-19 are also straining the supply of other goods.

Because these all are beyond U.S. control, no one is sure when the inflation rate will return to Earth.

EXPLAINER: Recession fears grow. But how high is the risk?

"We know the (federal government) has signaled that they're going to raise throughout the year," said Keith Heritage with Heritage Financial. "But we really don't know when that's going to stop if that's going to go further than that."

Heritage said the stocks will be easier to predict, inevitably bouncing back like they've done every few years.

VIDEO: Biden says inflation is his 'top domestic priority,' slams GOP ahead of midterm races President Biden addressed the nation Tuesday to discuss rising inflation and supply chain challenges. (Samantha Manning, CMG Washington News Bureau/WFTV)

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Adam Poulisse, WFTV.com

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Markets

Economics

U.S. Households Face $5,200 Inflation Tax This Year

By Andrew Husby and Anna Wong
March 29, 2022, 2:19 PM EDT

Inflation will mean the average U.S. household has to spend an extra $5,200 this year ($433 per month) compared to last year for the same consumption basket, according estimates by Bloomberg Economics . The excess savings built up over the pandemic, and increases in wages, will cushion those costs, and allow spending to expand at a decent pace this year. But accelerated depletion of savings will increase the urgency for those staying on the sidelines to join the labor force, and the resulting increase in labor supply will likely dampen wage growth.

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INVEST IN YOU: READY. SET. GROW.

Inflation is costing U.S. households nearly $300 more a month. Here's how to adjust your budget

PUBLISHED MON, MAR 14 2022•2:01 PM EDT UPDATED MON, MAR 14 2022•2:54 PM EDT

Michelle Fox
@MFOXCNBC

In this article

WFC +1.02 (+2.45%)

A shopper bags fruit inside a supermarket in Chevy Chase, Maryland, on Feb. 7, 2022.

Inflation is costing the average U.S. household an additional $296 per month, a Moody's Analytics analysis found.

The figure is based on the latest reading on consumer prices, which rose 7.9% in February compared with a year ago, according to the U.S. Department of Labor.

"It is going to get worse before it gets better," said Moody's Analytics senior economist Ryan Sweet, who conducted the analysis.

While the pain is felt across the board, some are feeling it worse than others.

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Want to give your finances a spring cleaning? First, get organized

Here's what to know about managing your debt in retirement

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Low- and middle-income U.S. households spent approximately 7% more in 2021 for the same products they bought in 2020 or in 2019, an analysis by the Penn Wharton Budget Model found. In comparison, spending by wealthy households went up 6%.

A separate study by Wells Fargo showed the middle-class, in particular, is getting squeezed. Inflation was half a point higher for middle-income consumers than those at the highest and lowest end of the spectrum in December, Wells Fargo economists found. When broken down by race and ethnicity, Hispanics and Latinos had the steepest jump in living costs.

"The fear of inflation, the pandemic and war are challenging what future generations consider to be the American Dream," said money expert Sahirenys Pierce, founder of personal finance blog Poised Finance Lifestyle.

VIDEO 05:13

The war is exacerbating inflation, says Janet Yellen

Here are three ways you can try to combat inflation — and two things not to do.

1. Plan ahead

To save on gas, be strategic about the use of your car. If you have to run errands, do them in one trip and at a time when there is not a lot of traffic, suggests Misty Lynch, a certified financial planner with Walpole, Massachusetts-based Sound View Financial Advisors.

When grocery shopping, be armed with a meal plan for the week that's already in place.

"It does help people save money if they know what they are going to eat and stick with it," Lynch said.

VIDEO 03:00

We will have to navigate high inflation a lot longer than expected, says Capital Wealth Planning's Simpson

Pierce likes apps such as Flipp to look up grocery store ads. She creates a meal plan for the week

plan in place for the remaining days of the week helps her avoid picking up takeout or fast food.

"This strategy has helped my family save hundreds of dollars during our debt-free journey, the pandemic and now during times of high inflation," Pierce said.

2. Shop wisely

If you don't need a specific brand item, you may save money at a discount grocery store. Buying items in bulk in a warehouse store, like Costco or BJ's, may help you avoid future price hikes.

To comparison-shop, look at a product's unit price, which is essentially the cost per unit of a particular product. For instance, canned goods may be priced per ounce and paper goods may be by sheet or feet. So while a product may seem cheaper at first, it may not be the best deal because it has fewer units than a higher-priced item.

Use coupons in-store and online. You may get them as part of a retailer's reward program or credit card. Meanwhile, browser extensions like Rakuten and Honey automatically search for coupon codes and apply them at check out when shopping online.

3. Check your budget weekly

Getty Images

Since prices are increasing so frequently, it's a good idea to review and reassess your budget on a weekly basis, Pierce said.

"You want to be aware of where all of your money is going and give yourself the opportunity to lower another area of your budget to make the numbers work," she said.

One way to lower your costs is to cut out things you don't need, like subscription services. You can also try negotiating to lower bills like your cable bill or car insurance, Lynch suggested.

Save on energy by unplugging appliances when they are not in use or using power strips with switches that allow you to completely turn off the products plugged into it. By doing so you could save 5% to 10% of your residential energy use, according to the Department of Energy. Turning down the heat can also help save money.

4. Watch out for credit card debt

It might be tempting to ride out the storm by accumulating credit card debt. Don't do it, said Dawit Kebede, senior economist at the Credit Union National Association.

Credit card interest rates are already high, clocking in at an average just over 16%, according to CreditCards.com. They are expected to rise as the Federal Reserve hikes interest rates this year to help contain inflation.

5. Mind your retirement savings

The worst thing that people saving for retirement can do is stop putting money aside to help pay for increased costs now, Lynch said.

"Twenty years from now, things are going to be twice as expensive," she said. "Don't stop investing.

It is one of the only ways that has been proven to fight inflation."

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CHECK OUT: 74-year-old retiree is now a model: 'You don't have to fade into the background' with Acorns+CNBC

https://www.wsj.com/articles/inflation-midterms-democrats-11647629157

POLITICS

In America's No. 1 Inflation Hotspot, Democrats Face Restive Voters

The Phoenix region has recorded the steepest consumer-price increases among the largest U.S. metropolitan areas since President Biden took office, and local sentiment shows the impact

By John McCormick Follow
March 24, 2022 9:52 am ET

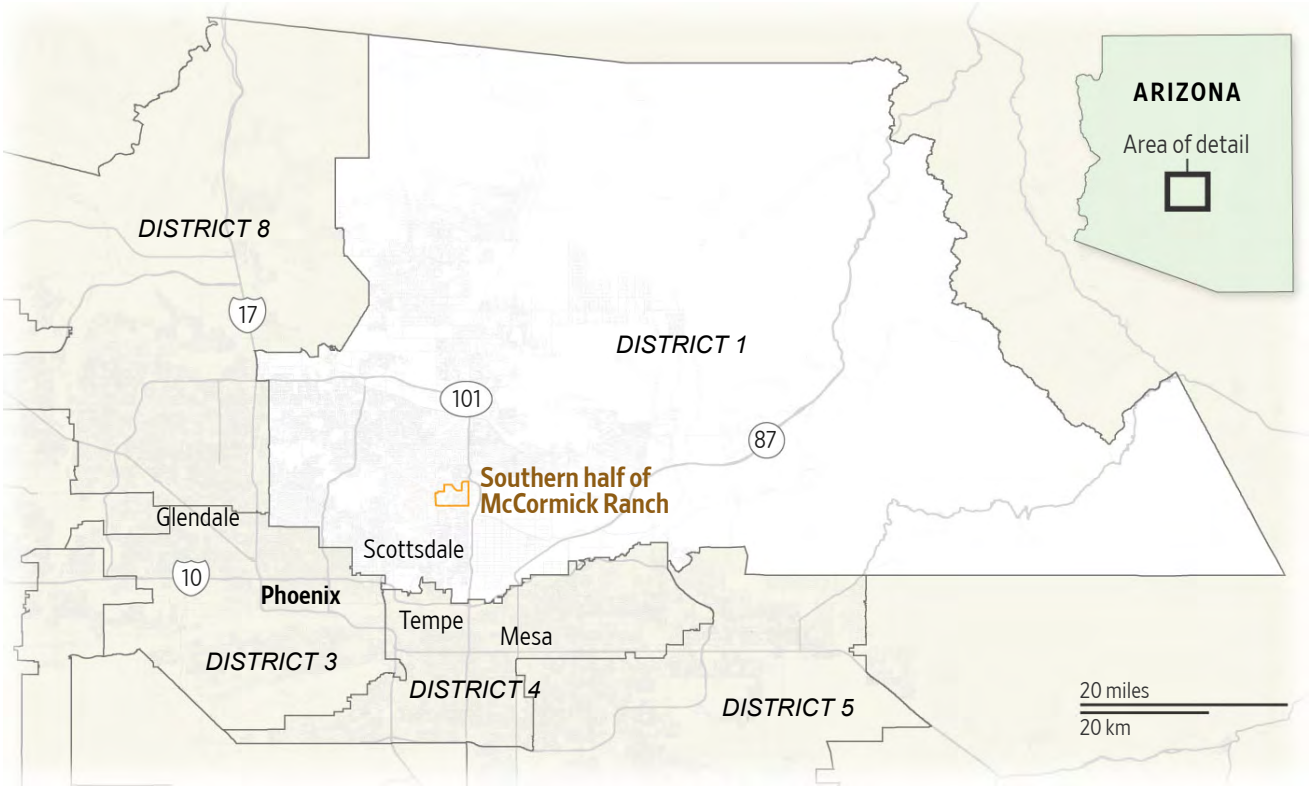
SCOTTSDALE, Ariz.—This year, with Democrats seeking to defend a narrow Washington majority, will see the first national election since Ronald Reagan defeated Jimmy Carter in 1980 where inflation will be a major issue.

Its prominence is clear in the southern half of Scottsdale's McCormick Ranch neighborhood in the Phoenix metropolitan area, which has seen the biggest inflation surge in the U.S. since President Biden took office. Nationwide, the inflation rate is 7.9%.

Jillian Birnbaum, a 37-year-old nurse and mother of two, says she is frustrated by the rising cost of groceries and diapers in her suburban neighborhood. It is one reason the politically independent voter says she is leaning toward Republicans in this fall's midterm elections.

"There must be some reason for why it's happening with this administration and not the last one," said Ms. Birnbaum, who blames increased federal spending in part for fueling inflation and favors divided government. "We are giving out money like it's growing on trees."

Arizona's New 1st Congressional District



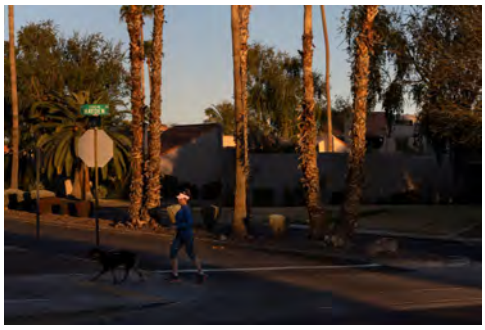
Note: New congressional boundaries approved by the Arizona Independent Redistricting Commission in December
Sources: Arizona Independent Redistricting Commission; AZ Geo Hub

Ms. Birnbaum's McCormick Ranch neighborhood is part of a political battleground that will help determine whether Republicans can gain power in November given the problems facing Democrats, including the highest price increases recorded in four decades.

Interviews with residents and local business owners in the neighborhood on Scottsdale's eastern edge suggest any patience for higher inflation could reach a breaking point by November if prices keep rising or stay high.

A cheeseburger at the Vig restaurant in the Paseo Village shopping center costs $19, up four dollars over the past two years. Gas at the Shell station is hovering close to $5. Prestige Cleaners says the price of metal clothes hangers it uses is up 42% from a year ago, a cost it passes on to consumers.

Economists attribute the surge in inflation to several factors: disruptions to supply chains and shifts in consumption patterns caused by the pandemic, soaring oil prices driven in part by Russia's invasion of Ukraine, a decline in the labor force due to early retirements, concerns about Covid and other factors, and strong demand fueled by repeated rounds of fiscal stimulus and the ultralow interest rates maintained by the Federal Reserve.

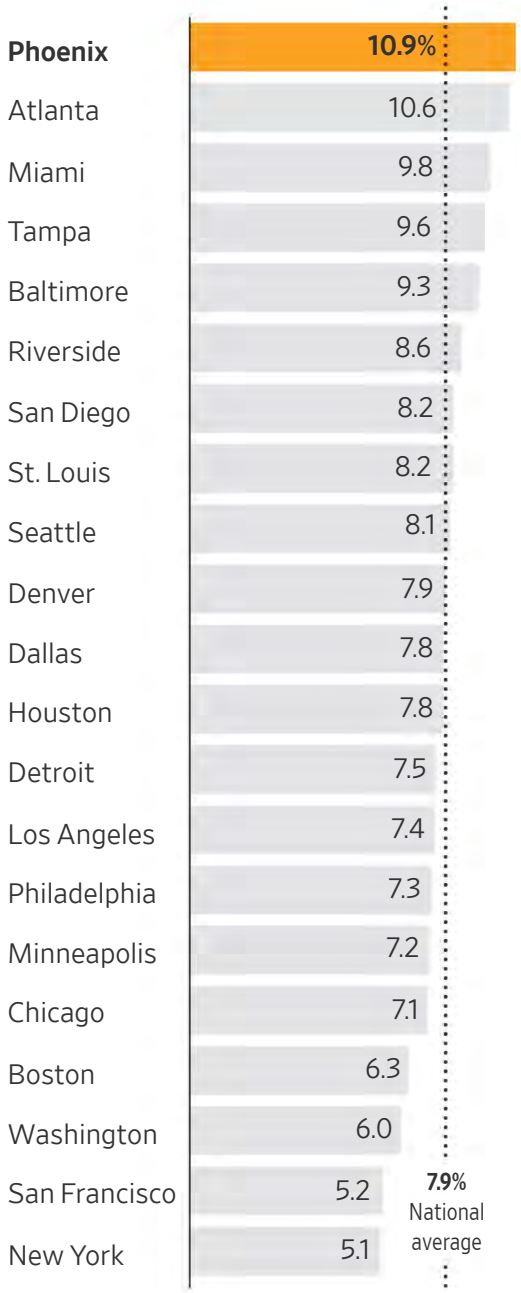


McCormick Ranch's southern half is a mix of middle-class and upper-middle-class households, as well as retirees on fixed incomes potentially more vulnerable to inflation. PHOTOS: ASH PONDERS FOR THE WALL STREET JOURNAL; CAITLIN O'HARA FOR THE WALL STREET JOURNAL(2)

Since Mr. Biden took office, Phoenix and its suburbs have recorded the highest inflation jump among the nation's 21 largest metropolitan areas, U.S. Bureau of Labor Statistics data shows. The area's Consumer Price Index rose 10.9% from February 2021 through February 2022, the most recent month available, compared with the national average of 7.9%.

The southern half of McCormick Ranch, a development that began its transition from horse breeding grounds to suburban housing five decades ago, is filled with middle-class and upper-middle-class families, and retirees on fixed incomes vulnerable to inflation. It is territory both parties will compete for in this year's races for an open governor's seat and a U.S. Senate seat incumbent Democrat Mark Kelly wants to keep.

Inflation rates by metro area during Biden presidency



Note: Except for New York, Los Angeles and Chicago, inflation data is released every other month for the largest metro areas. For each area, an 12-month period was used, either from February 2021 to February 2022, or January 2021 to January 2022. Not seasonally adjusted.
Source: U.S. Bureau of Labor Statistics

The Atlanta area, where there will also be key races in determining control of Congress, comes in a close second for inflation during this 12-month period, at 10.6%. The metros of Miami and Tampa, which include competitive districts in the battleground state of Florida, rank third and fourth.

Nationwide, the Wharton School of the University of Pennsylvania estimates that last year's inflation required the average household to spend around $3,500 more to achieve the same level of consumption of goods and services as in 2019 or 2020.

Debate over inflation's causes and how to address the situation have become a political wedge issue. Republicans blame Mr. Biden and other Democrats' injection of trillions of federal dollars into the economy for surging prices and are using the topic as part of their political advertising.

Democrats counter that there is more at work than just government policies, pointing to a collision of strong consumer demand as the pandemic eased, labor shortages, snarled supply chains and an invasion of Ukraine that have combined to trigger higher prices.

Unsettled voters

Today's round of price increases comes when jobs are plentiful, wages are rising, but below the inflation rate, home values are up and stocks are above where they were when Mr. Biden took office. Rising prices damp all that and are unsettling voters nationally. A Journal poll conducted March 2-7 showed 58% said inflation is causing them financial strain, while 65% said the economy is headed in the wrong direction. Close to half of voters—47%—said they think Republicans can best tame inflation, compared with 30% who listed Democrats.

"I blame the Biden administration," said Vanessa Weeks, a 54-year-old interior designer who has lived in the neighborhood for more than three years. "There is no other way to look at it."

Ms. Weeks, an infrequent voter who considers herself an independent, said she's cooking at home much more than usual because of restaurant-price increases. She has tried to use as little heat as possible this winter because of high natural-gas prices and cut down on her driving and use of ride-shares because of their higher costs. She blames Mr. Biden for rising gas prices and for offering too much Covid assistance, which she thinks has boosted wages and inflation. "People don't want to work," she said.

PHOTO: Ash Ponders for The Wall Street Journal

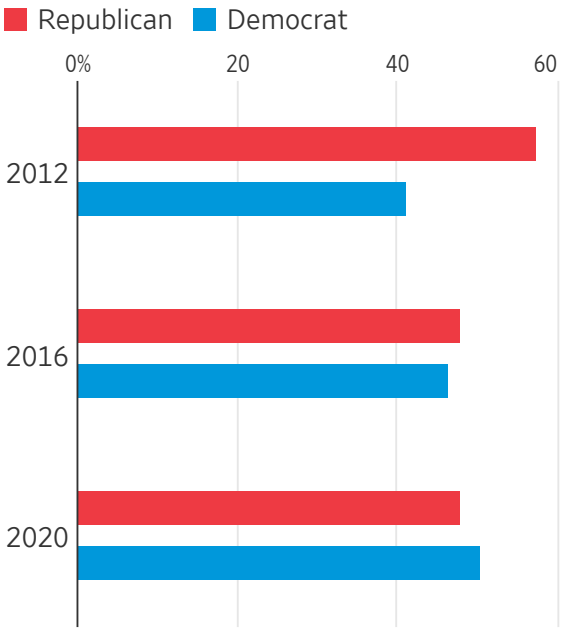
'With so much growth in Arizona, I expect that people will see and understand that the growth is the part of the inflation that we're experiencing.'

— Scottsdale Mayor David Ortega

Mr. Biden has at times said inflation will be temporary. He addressed it in a more robust way in his State of the Union address on March 1. "Too many families are struggling to keep up with the bills," he said. "Inflation is robbing them of the gains they thought otherwise they would be able to feel. I get it. That's why my top priority is getting prices under control."

For the Phoenix metropolitan area, the most recently available year-ago monthly comparisons show gasoline costs were up 44%, natural gas jumped 17% and prices for meats, poultry, fish and eggs collectively rose 16%. Housing prices climbed 12%.

McCormick Ranch precinct presidential vote



Source: Maricopa County Elections Department

Arizona recorded the nation's second-narrowest margin in the 2020 presidential election after Georgia, and the southern half of McCormick Ranch sits inside a newly mapped congressional district that is also nearly evenly divided. Former President Donald Trump won the precinct that covers the southern half of the ranch by 1.4 percentage points in 2016, before Mr. Biden recorded a 2.7-percentage-point edge in 2020. In 2018, Democrat Kyrsten Sinema collected 50.98% of the precinct's vote in her first election to the Senate.

Rep. David Schweikert, a six-term Republican who represents the neighborhood in Washington, said a constituent recently confronted him at Costco, upset about the price of a roast she was about to buy. "People don't feel as safe or stable," he said. "At the end of the month, they just don't feel like they have the same amount of money in the bank."

Following redistricting, the new 1st District where Mr. Schweikert plans to run for re-election is territory Mr. Biden carried by less than 2 percentage points.

Prestige Cleaners struggles with rising costs for cleaning supplies, labor and hangers. PHOTOS: ASH PONDERS FOR THE WALL STREET JOURNAL; CAITLIN O'HARA FOR THE WALL STREET JOURNAL

Adam Metzendorf, a former executive with the Phoenix Suns professional basketball team and one of the Democrats seeking the party's nomination for the congressional seat that covers the neighborhood, said his party needed to make the case for more U.S. manufacturing.

"We need to try to produce more things here, so we aren't hampered as much by supply chain shortages," he said. "You also have to show empathy."

Residents and local business owners say they are feeling inflation's pain and will weigh the issue among others as they consider candidates this year. Bruce Johnson, 71, a registered Democrat who leans independent, attributes inflation mostly to the pandemic and suspects he'll vote for some Democrats in November.

"I don't much care for where the country is heading," he said, "and I tend to blame Republicans for that because of their obstructionist tactics."

A retired information-technology worker who has lived in the neighborhood since 2018, Mr. Johnson said he would like to buy a new car, "but we are putting that off because the car prices are unbelievable right now." He voted for Mr. Biden but hasn't been very impressed with the administration: "I think he's doing just OK," he said. "He got hit with so many tough nuts to crack, so there is no way for him to look good."

At Prestige Cleaners, owner Donn Frye says "we're getting hammered" by rising costs for cleaning supplies, labor and hangers. His Paseo Village location goes through close to 10,000 of the least expensive metal hangers they use each month at a cost of about $1,150.

PHOTO: Caitlin O'Hara for The Wall Street Journal

'We do want to buy a new car at some point, but now the prices have just gone through the roof and it's just not prudent to buy right now.'

— Bruce Johnson

Housing pressure

Adding to pricing pressure, Phoenix was the nation's fastest-growing big city between 2010 and 2020, moving ahead of Philadelphia to become the fifth largest. It saw one of the nation's largest influxes of new residents at the start of the pandemic.

Scottsdale Mayor David Ortega, who switched his party registration to independent from Democrat roughly three years ago, said the area's real-estate market is exhibiting "panic buying" because housing prices are moving up so quickly. For those who own property, he said, inflation offers good and bad news: "The paper equity jumps, but your other costs are up, too."

The mayor said he thinks Democrats nationally will pay a price in November if inflation doesn't ease before then because "high inflation definitely gets blamed on the incumbent."

McCormick Ranch residents Joshua and Nicole Perilstein are frustrated by rising prices and said it could influence their feelings when it comes to picking candidates in the November election. They said they think assistance tied to the pandemic resulted in some people dropping out of the workforce and thus creating inflation pressure on wages for those still in the workforce.

"It has had a ripple effect on things that aren't temporary," Ms. Perilstein said. The price increases Ms. Perilstein said she is feeling most are for housing and child care. A 33-year-old actuary, she said her preschool bill for one child recently rose to $1,335 a month, up 12% from two years earlier. The couple would like to have a third child but worry about the cost of daycare and the larger house they might need. "It almost doesn't matter how much your house is worth," she said, "because you can't afford the next house."

Even with a household income of roughly $200,000, the couple said they were looking for ways to save because of rising prices. In the past year, they have re-shopped their cellphone plans, television programming and other monthly expenses. Before prices started rising, they said, they treated themselves to an upscale meal out about once a month, something they have reduced to roughly quarterly. Mr. Perilstein, 38, is also playing less golf, after watching prices for area courses rise.

After voting for Mr. Trump in 2016, Mr. Perilstein said he backed Mr. Biden in 2020. While he doesn't want to see Mr. Trump in the White House again, he also isn't happy with his 2020 vote. "I want to see more done," he said. "It felt like Trump was doing more."

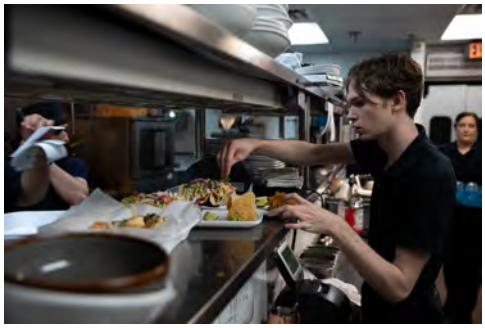
Ms. Perilstein, a self-described libertarian who mostly backs Democrats, said she has also been disappointed with the president after voting for him. "I don't think Biden is doing a good job, but I

also think Congress is dysfunctional," she said. All that has left the couple unsure of which party they will back when they vote in the midterm elections.

At the Vig, a Southwestern-themed tavern, prices have moved steadily higher on most menu items in recent months. Tucker Woodbury, a 63-year-old part owner, said prices have increased for almost all his ingredients.

The Vig raised line cooks' pay to between $19 and $22 an hour, up from $15 to $18 before the pandemic, he said, and dishwashers make $18 an hour, up from $12.50, and top managers have received 20% pay increases over the period.

Raw chicken wings sell for up to $6 a pound, roughly triple the price before the pandemic, prompting the Vig to raise an order of wings to $16 from $12. "There's a certain point," he said, "where I'm almost embarrassed to price chicken wings where I have to."



Customers Michael Winney and Kristina Hilleboe drink cocktails and watch basketball at The Vig. Jaiden Starkey puts finishing touches on tacos before taking them to a table. PHOTOS: CAITLIN O'HARA FOR THE WALL STREET JOURNAL(2)

Write to John McCormick at mccormick.john@wsj.com

Appeared in the March 25, 2022, print edition as 'In Inflation Hot Spot, Voters Are Restive'.

INFLATION • Published March 8

Inflation and record gas prices will hit Americans' paychecks hard

Yardeni Research puts a price tag on these terrifying economic trends

By Tyler O'Neil | FOXBusiness

Steve Forbes outlines 'basic things' Biden should do to curb inflation

Steve Forbes, chairman and CEO of Forbes Media, argues the Biden administration should 'stop the crazy regulations,' which is 'hurting' U.S. companies and 'making the supply chain crisis even worse.'

The average cost of gasoline hit a new record high on Monday amid Russia's invasion of Ukraine, even as American families still face inflation. A global investment consultancy put a number on how much these trends will cost American families in 2022.

According to Yardeni Research, increased oil costs suggest the average American household will pay almost $2,000 more for gasoline in 2022, according to a Monday research note.

RUSSIA INVADES UKRAINE: LIVE UPDATES

Gas prices have soared by 50% nationwide over the past year (Getty Images / Getty Images)

"In addition, we estimate that the average household is currently spending at least $1,000 [according to a seasonally adjusted annual rate] more on food as a result of

rapidly rising grocery prices," Edward Yardeni, the president of the firm, wrote on LinkedIn. "That's $3,000 less money that households have to spend on other consumer goods and services, which also are experiencing rapid price increases."

The average price for a gallon of gasoline hit $4.104 on Monday, a new record high surpassing the 2008 record of $4.103, according to GasBuddy.

Consumer prices in the U.S. surged 7.5% in January, the most since 1982, while prices at the producer level jumped 9.7%, the highest ever.

According to the U.S. Bureau of Labor Statistics, U.S. grocery prices increased an average of nearly 11 percent over last year. (FNC / Fox News)

On average, American families are paying about $385 more a month for just about everything, but for some, costs are even higher according to a FOX Business exclusive based on a new report from Sen. Mike Lee, R-Utah, ranking member of the Joint Economic Committee.

"They see a risk that inflation will remain higher than previously expected over the next three years, coming largely from the labor market. More than two-thirds of survey respondents cite rising wages as a risk factor," David Altig, president of the National Association of Business Economics and executive vice president and director of research at the Federal Reserve Bank of Atlanta, said last month.

President Biden claimed in his State of the Union address that his Build Back Better agenda would decrease inflation, but even if economists had not predicted that Build Back Better would actually increase prices, the agenda failed in the U.S. Senate last year.

FILE - Fuel is pumped into a vehicle, Thursday, June 14, 2012, in Miami. (AP Photo/Lynne Sladky, File) (AP Photo/Lynne Sladky, File / AP Newsroom)

The New York Times | https://www.nytimes.com/2022/04/05/business/lael-brainard-inflation.html

Caviar and canned tuna: Top Fed official points out income-based inflation gaps.

Lael Brainard, a governor of the Federal Reserve, highlighted the impact of inflation on the poor and pledged to act to cool off rising prices.

By Jeanna Smialek

April 5, 2022

Caviar and canned tuna are grouped into the same category for the purposes of measuring the inflation rate in America, and Lael Brainard, a governor of the Federal Reserve, thinks that is obscuring the nation's ability to understand the different price-related challenges facing households.

Ms. Brainard, President Biden's nominee to be the Fed's next vice chair, gave a speech on Tuesday about the gaps in inflation across income groups — remarks in which she also emphasized the urgent need to bring price gains under control and the Fed's dedication to that effort.

Low-income households spend 77 percent of their incomes on necessities, compared with 31 percent for higher-income households, she pointed out. Those differences may make it harder for poorer families to dodge rising prices, but it is hard to gauge exactly how much more intensely inflation hits low earners.

That's because of the way it is measured: Inflation indexes give products weight based on how much people across the economy spend on them, so luxury products that only rich people buy are counted alongside the basic food, energy, clothing and other daily needs that lower-income Americans devote their paychecks to acquiring.

"Households with different levels of income may purchase significantly different items even within the same elementary index categories for goods and services," Ms. Brainard said, noting the example of caviar and canned tuna.

That could be a problem: Tuna may go up sharply in price amid a fish shortage that increases costs of production, for instance, whereas caviar, as a luxury good, may have higher profit margins to begin with and increase less. Or there may be more substitutes for caviar.

Ms. Brainard also used the example of brand-name cereal to show how price increases can have different impacts on different income groups.

"A household that had been purchasing brand-name cereal could save money by purchasing store-brand cereal instead, perhaps even eliminating any effect of the price increase on their actual spending while purchasing the same quantity of cereal," she said. But for the store-brand buyer, going down the price chain is not possible.

Aside from emphasizing the importance of continued research on the ways inflation affects households at different income levels, Ms. Brainard underlined reasons to worry that a rapid pace of price increases could persist. The Fed began raising interest rates to cool off demand and try to temper inflation last month and has forecast a series of increases, potentially including large ones in May and June.

Ms. Brainard pointed to Russia's invasion of Ukraine, Covid-related shutdowns in China and continued strong demand for durable goods as risks that could keep inflation high.

"Currently, inflation is much too high and is subject to upside risks," she said. "The committee is prepared to take stronger action if indicators of inflation and inflation expectations indicate that such action is warranted."

She emphasized that markets expect that the Fed will act "expeditiously" to bring down inflation.

"It is of paramount importance to get inflation down," she said, explaining that she expects the Fed to "bring the stance of policy to a more neutral position later this year."

Inflation Soars in May With Consumer Prices Up 8.6%

Energy and food costs are raging, hitting overall inflation.

By Tim Smart

June 10, 2022

Gas prices over $5.00 a gallon are displayed at gas stations, June 7, 2022, in New Jersey. (LOKMAN VURAL ELIBOL/ANADOLU AGENCY/GETTY IMAGES)

Inflation worsened in May, rising much more than expected on surging food, rent and energy costs, the Bureau of Labor Statistics reported on Friday.

[**READ:** Jobless Claims Edge Up]

The monthly gain was 1%, well above forecasts of 0.7%, and the annual rise of 8.6% exceeded expectations, following an 8.3% increase in April.

Energy prices rose 3.9% in May, with gasoline spiking 4.1%. Food costs, meanwhile, rose 1.2%.

Core inflation, which strips out often volatile energy and food costs, rose 0.6% for the month and 6% on an annualized basis. The monthly increase was unchanged from April but the yearly increase was slightly below the rate in April.

The reading is the last the Federal Reserve will have on hand when it meets next week with its policymaking committee widely expected to announce a 50 basis point increase in interest rates. That will follow a similar hike in May.

"Inflation remains stubbornly high in the United States, reflecting global food and energy shortages caused by the Russia-Ukraine conflict, as well as the high momentum of domestically-determined prices like house prices, rents, and medical care," said Bill Adams, chief economist at Comerica Bank.

View All 464 Images

"May saw monthly declines in prices of goods where Americans splurged during the stay-at-home months of 2020 and 2021," Adams added. "Prices of sporting goods, furniture and bedding, video and audio products (TVs etc), and consumer electronics fell on the month. But this wasn't enough to slow overall inflation during the month."

One area where inflation is starting to abate is online spending. In May, online prices increased just 2.06% from a year ago, down from April's 2.9% rise and March's 3.6% jump, according to data collected by Adobe Analytics.

Electronic goods and apparel led the slowdown, with drops of 6.5% and 9% from year-ago levels. One category that did not decline was groceries, which rose 11.7% in May.

"Slower consumer spending on discretionary items has driven slower, single digit e-commerce growth since March, and this pullback mirrors the easing in online inflation," said Patrick Brown, vice president of growth marketing and insights at Adobe.

A key driver in overall inflation has been Russia's invasion of Ukraine, which is now in its fourth month. As major energy and agricultural producers and exporters, the two countries have seen their economies battered and supplies interrupted.

[**READ:** Consumers Still Optimistic About Their Finances]

"The war in Ukraine has impacted commodities and made the inflation trend even worse," says Agathe Demarais, global forecasting director at the Economist Intelligence Unit.

Still, she does not see a recession in the cards for the U.S., at least not yet.

"Are we heading into a recession in the U.S.?" she asks. "So far we don't see that. Our forecast is for 2.3% growth this year."

The CPI report will put added pressure on President Joe Biden and Democrats, who have been on the defensive about runaway inflation that last year they termed "transitory" and the result of disruptions to the global economy caused by the coronavirus pandemic. But inflation has proved more dogged and especially energy and food prices. Those have been particularly affected by the war in Ukraine.

The U.S. is hardly alone in facing rampant inflation. The European Central Bank on Thursday announced plans to raise interest rates in July while also ratcheting up its inflation forecasts and downgrading economic growth projections.

Inflation is now expected to hit 6.8% in 2022, dropping to 3.5% in 2023 and 2.1% in 2024. In March, the central bank's projections were for 5.1% in 2022, 2.1% in 2023 and 1.9% in 2024.

Economic growth is now expected to be 2.8% in 2022 and 2.1% in 2023, compared with March's estimates of 3.7% in 2022 and 2.8% in 2023.

Tags: inflation, economy, consumers, Department of Labor

ECONOMY

Inflation rose 8.6% in May, highest since 1981

PUBLISHED FRI, JUN 10 2022•8:31 AM EDT UPDATED SAT, JUN 11 2022•12:29 AM EDT

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KEY POINTS

The consumer price index rose 8.6% in May from a year ago, the highest increase since December 1981. Core inflation excluding food and energy rose 6%. Both were higher than expected.

Surging food, gas and energy prices all contributed to the gain, with fuel oil up 106.7% over the past year.

Shelter costs, which comprise about one-third of the CPI, rose at the fastest 12-month pace in 31 years.

The rise in inflation meant workers lost more ground in May, with real wages declining 0.6% from April and 3% on a 12-month basis.

Inflation accelerated further in May, with prices rising 8.6% from a year ago for the fastest increase since December 1981, the Bureau of Labor Statistics reported Friday.

The consumer price index, a wide-ranging measure of goods and services prices, increased even more than the 8.3% Dow Jones estimate. Excluding volatile food and energy prices, so-called core CPI was up 6%, slightly higher than the 5.9% estimate.

On a monthly basis, headline CPI was up 1% while core rose 0.6%, compared with respective estimates of 0.7% and 0.5%.

Surging shelter, gasoline and food prices all contributed to the increase.

Energy prices broadly rose 3.9% from a month ago, bringing the annual gain to 34.6%. Within the category, fuel oil posted a 16.9% monthly gain, pushing the 12-month surge to 106.7%.

Shelter costs, which account for about a one-third weighting in the CPI, rose 0.6% for the month, the fastest one-month gain since March 2004. The 5.5% 12-month gain is the most since February 1991.

Finally, food costs climbed another 1.2% in May, bringing the year-over-year gain to 10.1%.

Those escalating prices meant workers took another pay cut during the month. Real wages when

Markets reacted negatively to the report, with stock futures indicating a sharply lower open on Wall Street and government bond yields rising.

"It's hard to look at May's inflation data and not be disappointed," said Morning Consult's chief economist, John Leer. "We're just not yet seeing any signs that we're in the clear."

Some of the biggest increases came in airfares (up 12.6% on the month), used cars and trucks (1.8%), and dairy products (2.9%). The vehicle costs had been considered a bellwether of the inflation surge and had been falling for the past three months, so the increase is a potentially ominous sign, as used vehicle prices are now up 16.1% over the past year. New vehicle prices rose 1% in May.

Friday's numbers dented hopes that inflation may have peaked and adds to fears that the U.S. economy is nearing a recession.

The inflation report comes with the Federal Reserve in the early stages of a rate-hiking campaign to slow growth and bring down prices. May's report likely solidifies the likelihood of multiple 50 basis point interest rate increases ahead.

"Obviously, nothing is good in this report," said Julian Brigden, president of MI2 Partners, a global macroeconomic research firm. "There is nothing in there that's going to give the Fed any cheer. ... I struggle to see how the Fed can back off."

With 75 basis points of interest rate rises already under its belt, markets widely expect the Fed to continue tightening policy through the year and possibly into 2023. The central bank's benchmark short-term borrowing rate is currently anchored around 0.75% -1% and is expected to rise to 2.75%-3% by the end of the year, according to CME Group estimates.

Inflation has been a political headache for the White House and President Joe Biden.

Administration officials pin most of the blame for the surge on supply chain issues related to the Covid pandemic, imbalances created by outsized demand for goods over services and the Russian attack on Ukraine.

In a recent Wall Street Journal op-ed, Biden said he will push for further improvements to supply

How much the central bank will have to raise rates remains to be seen. Former Treasury Secretary Larry Summers recently released a white paper with a team of other economists that suggests the Fed will need to go further than many are anticipating. The paper asserts that the current inflation predicament is closer to the 1980s situation than it appears because of differences in the ways that CPI is computed then and now.

Correction: Julian Brigden is president of MI2 Partners. An earlier version misspelled his name.

Graphic detail | Daily Chart

The cost of groceries in America rockets

Food-price inflation is nearly three times higher than pre-pandemic forecasts

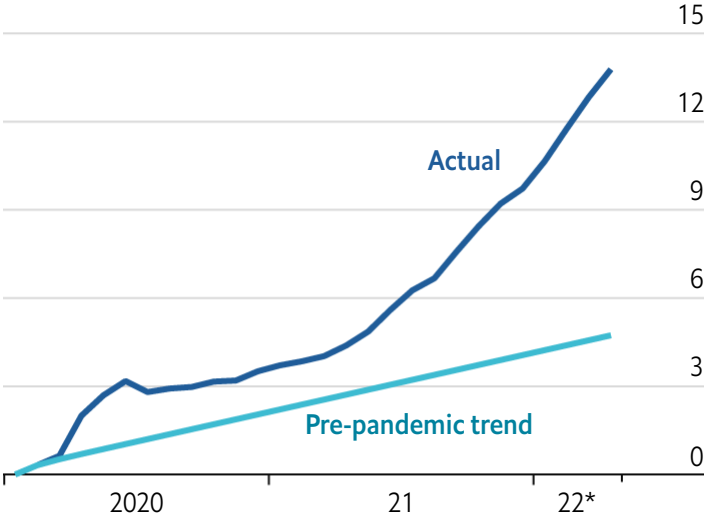
May 18th 2022

Bitter taste

United States, price of food

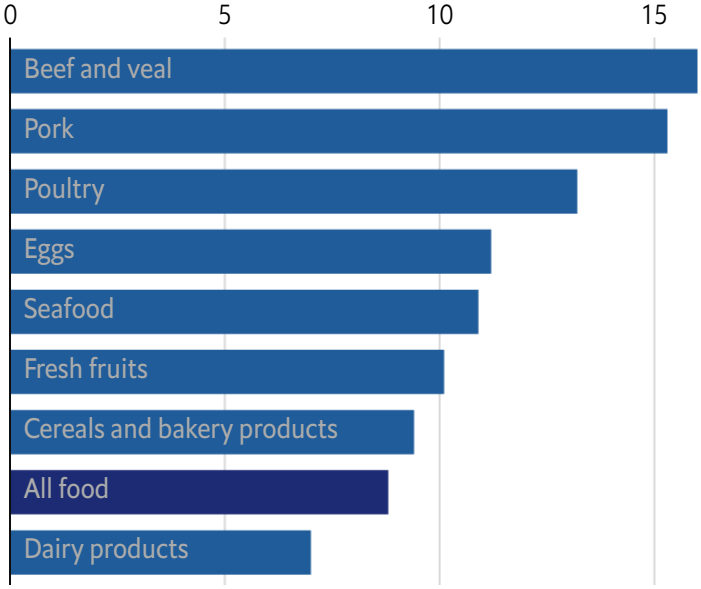
% increase since January 2020

All food



March 2022, % increase on a year earlier

By product



Fresh vegetables

*To April
Sources: US Bureau of Labour Statistics; US Department of Agriculture; *The Economist*

ON MAY 11TH the US Bureau of Labour Statistics (BLS) released its latest estimate of American retail prices. The Consumer Price Index, which tracks the cost of all goods and services weighted by their share of households' expenditure,

MONEY

'Ridiculous' gas and grocery prices add strain to holiday weekend shoppers

Pandemic-era prices are just part of the challenge for shoppers who say some items are out of stock.

Author: Kayland Hagwood
Published: 9:38 AM EDT May 29, 2022
Updated: 9:58 AM EDT May 29, 2022

COLUMBIA, S.C. — Gathering with family and friends this Memorial Day weekend will likely cost more this year with the price of everything from food to gas still on the rise.

For Matilda Lowe-Robinson and her husband Abraham, the search for groceries for their holiday gathering took them to three stores.

"I went to Walmart, then I went to Food Lion and now we came here to Piggly Wiggly looking for some chitterlings," Lowe-Robinson said.

"We finally found it," Abraham Robinson added.

RELATED: Key inflation gauge slowed to still-high 6.3% over past year

Pandemic-era supply chain issues are just a part of the challenge for shoppers this holiday.

The cost, up from inflation and the war in Ukraine, is another.

"Already, for a small amount of food, I've spent a little over $100," Lowe-Robinson said.

Connie Edmonds, another shopper, was also feeling the effects Saturday.

"It kind of makes you go into a depressed stage when you go in the grocery store because the prices are so high," Edmonds said. "Don't even talk about the gas prices. It's ridiculous."

RELATED: 39 million people expected to hit the road for the Memorial Day weekend

According to AAA, gas prices this holiday are likely to set a new record with the average price per gallon nationally $4.60, up from around $3.00 last year.

"If gas is up, everything's up because you have to transport it," Kevin Batten, assistant manager at Piggly Wiggly on Devine Street in Columbia said.

Still, there are some bright spots this holiday, said Batten.

"We've gotten many of the products back in stock. Customers are pretty happy about that and we're happy to have it for them," Batten said.

While the search for the right item can bring challenges, shoppers say its worth it for time spent with family.

"Just buy what you can and just fellowship with one another and enjoy," Edmonds said.

Atlanta seeing 2nd highest inflation rate in the country

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Inflation is now hitting Atlanta harder than almost any other city in America. The city's rate tops 10%, and that's above the national average of 8%. Only Phoenix, Arizona, has a higher inflation rate.

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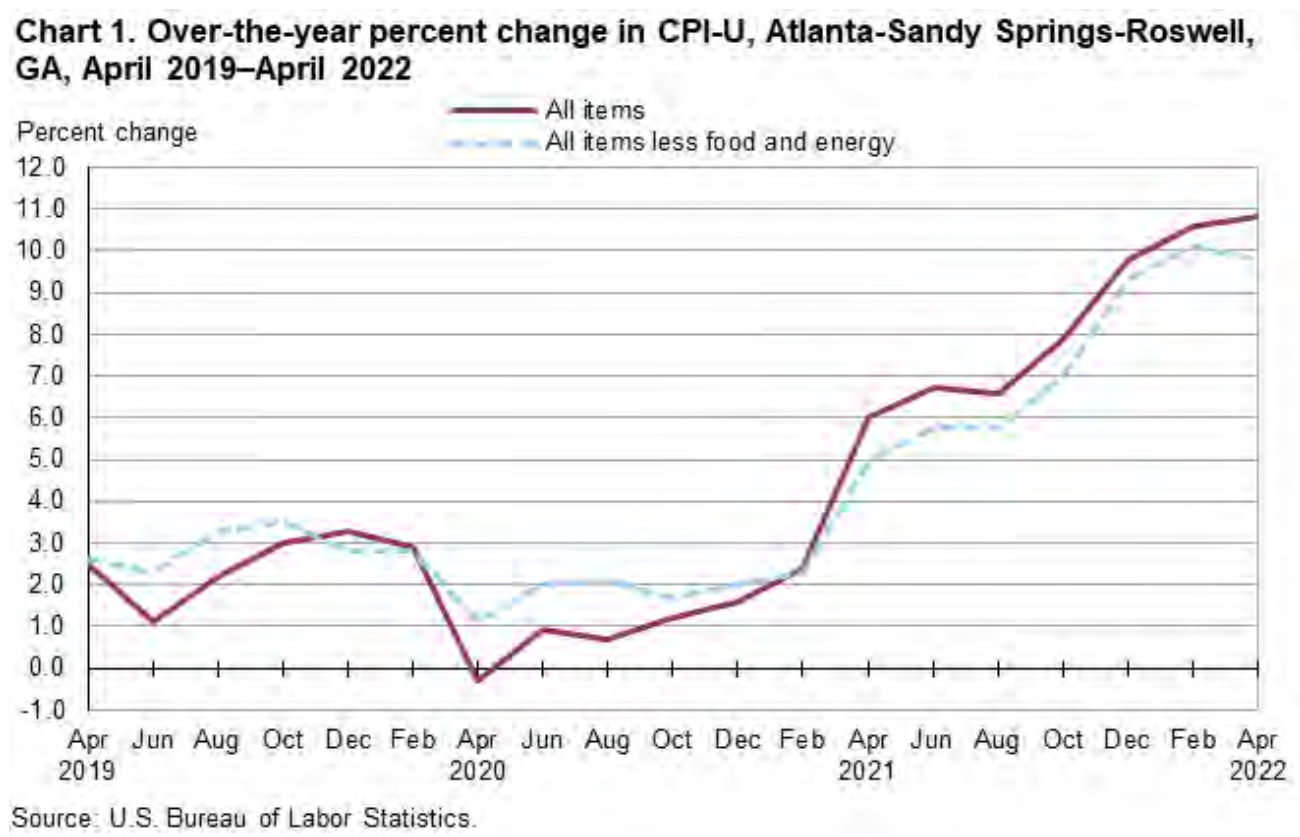
Consumer Price Index, Atlanta-Sandy Springs-Roswell — April 2022

Area prices up 10.8 percent over the past 12 months

The Consumer Price Index for All Urban Consumers (CPI-U) for Atlanta-Sandy Springs-Roswell increased 1.9 percent from February to April, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Janet S. Rankin noted that the index for all items less food and energy advanced 1.2 percent over the bi-monthly period. The energy index and the food index also increased from February to April, up 7.6 percent and 2.2 percent, respectively. (Data in this report are not seasonally adjusted. Accordingly, bi-monthly changes may reflect the impact of seasonal influences.)

The all items CPI-U advanced 10.8 percent for the 12 months ending in April. The index for all items less food and energy increased 9.8 over the past year. The energy index (+23.5 percent) and the food index (+9.3 percent) also increased over the past 12 months. (See chart 1 and table 1.)



View Chart Data

Food

The food index rose 2.2 percent from February to April, led by a 3.1-percent increase in the food at home index. The food away from home index also increased over the bi-monthly period, up 1.1 percent.

The food index jumped 9.3 percent for the 12 months ending in April. The food at home and the food away from home indexes each advanced over the past year, up 9.4 percent and 9.0 percent, respectively.

Energy

The energy index rose 7.6 percent from February to April, reflecting a 14.3-percent increase in the gasoline index.

The energy index rose 23.5 percent for the 12 months ending in April. The gasoline index contributed to the increase, up 40.2 percent over the past year.

All items less food and energy

The index for all items less food and energy rose 1.2 percent from February to April, led by a 2.0-percent increase in the shelter index. In contrast, the education and communication index declined 2.4 percent over the bi-monthly period.

The index for all items less food and energy advanced 9.8 percent for the 12 months ending in April. Several indexes contributed to the increase, most notable, shelter (+9.9 percent).

Table A. Atlanta-Sandy Springs-Roswell, GA, CPI-U 2-month and 12-month percent changes, all items index, not seasonally adjusted

Month	2018		2019		2020		2021		2022	
	2-month	12-month	2-month	12-month	2-month	12-month	2-month	12-month	2-month	12-month
February	1.2	3.3	1.2	1.3	0.8	2.9	1.6	2.4	2.3	10.6
April	0.2	2.8	1.4	2.5	-1.8	-0.3	1.6	6.0	1.9	10.8
June	1.2	2.8	-0.1	1.1	1.1	0.9	1.8	6.7		
August	0.3	2.2	1.3	2.2	1.2	0.7	1.1	6.6		
October	-1.0	1.6	-0.2	3.0	0.3	1.2	1.5	7.9		
December	-0.6	1.4	-0.3	3.3	0.1	1.6	1.9	9.8		

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PDF

PDF version

Atlanta hit harder by historic inflation than other cities

By Crystal Bui
Published: Apr. 12, 2022 at 6:16 PM EDT

ATLANTA, Ga. (CBS46) - Historic inflation is impacting shoppers. Costs for food, gas and housing essentials are going up, putting a bigger dent in your wallet.

The U.S. Labor Department announced Tuesday that the Consumer Price Index jumped 8.5 percent in the last year -- which is the highest in 41 years.

Meanwhile, the Atlanta metro area has been hit much worse than the rest of the country. Between February of last year and February of this year, gas and food prices went up more than 10 percent, forcing people to change their daily routines.

“Even just shopping for meat, that’s like half the bill now. Something as basic as chicken, it’s $8 to $9 now, when I feel I used to spend $4 on,” said Chloe Vazquez, who’s shopping for groceries.

Vazquez is going elsewhere to hunt for better deals.

“Just budgeting different, doing bulk. I already shop at cheaper places,” Vazquez said.

Some shoppers are flat-out choosing to eat differently.

“I buy, seafood - I buy salmon. And I don’t anymore. The only thing I buy is something on sale,” said Rhoda Wallace, who was shopping for groceries.

Experts say, there’s a lot contributing to the inflation

“Delays with ports, not being able to clear the ships with the lack of truck drivers, and then it’s being compounded by the Russian invasion of Ukraine and the increases of the price of oil,” said Tibor Besedes, professor at Georgia Tech School of Economics.

Some of those issues don’t appear to have an end date.

“Well, we’re going to have high inflation for the rest of the year,” said Tom Smith, finance expert at Emory University’s Goizueta Business School. He believes it could continue well through 2023.

Experts also say one of the reasons Atlanta’s prices are so much higher than the rest of the country is because so many people are commuting. That means, there’s much more demand for gas which drives up the prices and will also affect the supply chain.

Georgia gas prices back on the rise with 12-cent jump

By FOX 5 Atlanta Digital Team | **Published** May 9, 2022 | Georgia | FOX 5 Atlanta

ATLANTA - After the recent decrease in gas prices, Georgians are back to feeling more pain at the pump Monday morning.

AAA reports that the average price for a gallon of regular unleaded gasoline for Georgia drivers Monday is $3.83. That's 12 cents more than a week ago, 3 cents more than last month, and over $1 compared to the same time in 2021.

AVERAGE US GAS PRICE JUMPS 15 CENTS

It now costs Georgians around $57.45 to fill up a 15-gallon tank with regular gasoline.

In Atlanta, the price is slightly higher, at $3.84 a gallon.

"Georgia motorists saw a jump at the pump this weekend," said AAA spokeswoman Montrae Waiters. "The probable cause for the increase appears to be an uptick in demand and the high price of crude oil, which is stubbornly staying above $100 per barrel."

Waiters believes the high price of crude oil will probably keep prices higher than normal throughout the week.

In Georgia, the most expensive areas to fill up are Valdosta ($3.87), Augusta-Aiken ($3.86) and Brunswick ($3.85). The least expensive gas can be found in Catoosa-Dade-Walker ($3.76), Rome ($3.78) and Warner Robins ($3.79).

Earlier this year, Georgia hit a record high gas price at $4.29 on March 11.

Why Georgia gas prices may still increase until mid-June

By Ahniaelyah Spraggs
Published: May. 12, 2022 at 12:15 AM EDT

COLUMBUS, Ga. (WTVM) - The ordinarily busy travel season is here. But what you're paying at the pump could mean a change in plans.

Although gas prices are hitting record highs, experts say they don't expect people to stay at home this summer.

Record numbers of people are expected to take road trips and vacations this summer. One obstacle for people in Columbus and nationwide -- the rising gas prices.

"I just feel like it's unacceptable how high gas keeps going up, and it's just getting out of hand," said Columbus resident Kalexia Baker.

Georgia AAA says Columbus residents are paying 20 cents more than last week, $3.89 a gallon for regular, unleaded gas.

Baker says prices like that cost her $70 to fill up her tank, which she does twice a week.

"I just want to say gas is too high, and I should've voted for Trump," said Baker.

Experts say inflation is causing everything to go up.

"We've seen lows less than two dollars a gallon to over four dollars a gallon," said Georgia AAA Spokesman Garrett Townsend.

That includes crude oil, costing over $100 a barrel.

"Crude oil represents about 50% of what goes into gas prices," said Townsend.

And prices at the pump are only expected to shoot up, thanks to higher demand with summer travel, plus the Georgia gas tax suspension ending at the end of this month.

"Right between Memorial Day and Father's Day as usually where we find peak pricing for the year and then a downward trend," said Townsend.

Townsend says it could be the middle of June before we start to see prices go down at the pumps. In the meantime, he offers these tips for travelers.

"People overlook the basic things, making sure their vehicle is maintained making sure they have the proper air pressure in their tires," said Townsend.

Prices on some products at local grocery stores are up 140% because of soaring inflation

Prices on some products at local grocery stores are up 140% because of soaring inflation Prices on some products at local grocery stores are up 140% because of soaring inflation

By **WSBTV.com News Staff**
April 19, 2022 at 7:15 pm EDT

COBB COUNTY, Ga. — Inflation is an issue that isn't going away, and it's affecting everything from eggs to vegetables at local grocery stores.

Channel 2's Cobb County Bureau Chief Michele Newell was at one local store where the price of corn has risen from 3 for $1.00 to 1 for $0.79, which represents a 140% increase.

Grocery prices have not increased this much in 40 years.

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Newell spoke to the owners of minority-owned market Super Mercado La Villa, who said they can sometimes go an entire week without corn because of shipping delays connected to a worker shortage.

Eggs are also higher.

"The eggs used to be $2.99 now they are $4.09 for a dozen," said manager Nancy Covarrubias.

Prices for several other grocery staples are soaring.

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ENERGY • Published June 4, 2022 8:40am EDT

National gas prices have doubled since Biden took office

The Biden administration denies that its policies could be contributing to the inflation surge

By Timothy Nerozzi | FOXBusiness

National gas price average could hit $5 in a few weeks, expert says

Gas Buddy Head of Petroleum Analysis Patrick De Haan joins 'Maria Bartiromo's Wall Street' to discuss the impact higher gas prices will have on summer travel.

Gas prices have more than doubled under President Biden's administration.

Since Biden took office in January 2021, the price for a gallon of gas has doubled.

On Jan. 20, 2021, the average price for a gallon of gas nationwide was approximately $2.39. As of Saturday, the price for a gallon of gas has skyrocketed to $4.81, up five cents from Friday, according to AAA.

GAS PRICES ON THE ROAD TO $5 NATIONWIDE VERY SOON

The White House this week cheered an OPEC decision to boost supply and has tapped the Strategic Petroleum Reserve while criticizing U.S. energy companies for not increasing production.

A driver passes a sign with gas prices over $6.00 per gallon on May 20, 2022 in San Rafael, California. (Justin Sullivan/Getty Images / Getty Images)

Republicans have used the ongoing, unprecedented rise in gas prices and inflation as a cudgel against the Biden administration.

"Joe Biden's war on American energy has forced families across the country to empty their wallets to fill their tanks," RNC Chairwoman Ronna McDaniel told Fox News in a statement. "Unfortunately, Biden is doubling-down on his disastrous agenda because he's not the one paying the price – the American people are."

It's becoming even more likely that the national average will reach $5 per gallon and that could hit as soon as June 17, Patrick De Haan, head of petroleum analysis for GasBuddy, projected.

The White House Tuesday declined to say Biden's policies are responsible for the high inflation that has materialized under his watch.

FILE PHOTO: Gas prices grow along with inflation as this sign at a gas station shows in San Diego, California, November, 9, 2021. (REUTERS/Mike Blake/File Photo / Reuters Photos)

"His policies has helped the economy get back on its feet. That's what his policy has, his policies has done," White House press secretary Karine Jean-Pierre said in response to a question from Fox News' Peter Doocy about if Biden takes any responsibility for inflation. "When we talk about the gas prices right now, this is indeed Putin's gas hike… We have seen about 60% increase in the past several months because of the amassing and his invasion of Ukraine."

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In a press conference Friday, Biden admitted Americans don't really care why gas prices are so high, they just want them to go down.

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Fox News' Kristen Altus contributed to this report.

Inflation, economic challenges create ‘perfect storm’ at Georgia’s food pantries

LOCAL NEWS

By Katherine Landergan, The Atlanta Journal-Constitution

July 18, 2022

Lines are longer and costs are rising for nonprofits that offer free meals

Inflation is straining the pocketbooks of food banks and nonprofits that deliver free meals to some of Georgia’s most vulnerable residents, at a time when demand for these services is on the rise.

Heads of food banks and non-profits in and around Atlanta say they are feeling the pain of the increasing cost of groceries, fuel prices and other goods. The people they serve are feeling that pain too, and are turning to these places for help.

“Lines are getting longer at food pantries. Demand for food assistance is growing. And that is certainly putting a strain on the emergency food system,” said Kyle Waide, president and CEO of the Atlanta Community Food Bank.

Hunger is still very much a problem in the greater Atlanta region. The demand is nowhere near as high as it was during the height of the pandemic, but leaders of nonprofits say the food lines now are far exceeding pre-pandemic levels. They say the situation is further complicated by workforce shortages, problems with the supply chain and the expiration of federal assistance programs that helped fill the gaps during the pandemic.

The Bureau of Labor Statistics reported on Wednesday that prices spiked by 9% in June when compared to the same time last year. Inflation is at a 40-year high, and driving up the daily costs that can have the biggest impact on low-income Americans.

Matt Pieper, the executive director of the food nonprofit Open Hand Atlanta, and Board president of Georgia Meals on Wheels State Association said that all the providers he knows are struggling with record inflation. His organization, Open Hand Atlanta, is paying 18 percent more in food costs this year compared to last year. The number of calls he gets in a day from people who are seeking food assistance has nearly tripled.

“There isn’t a program that I’ve talked with throughout the state that isn’t seeing an increase in demand for services, as inflation has skyrocketed and as the cost of fuel has skyrocketed,” said Pieper, whose organization produces about 5,500 meals a day.

A record number of senior residents, who were isolated during the pandemic, are now turning to senior centers for socialization and to get a hot meal. The at-home food delivery services for seniors is also under strain, Pieper said, as seniors see their grocery bills increase but their fixed income stays the same.

“We’re feeding more seniors than we ever have before, because more seniors are accessing services because they’re running out of money,” he said. “COVID really helped to expose the vulnerability of our safety net in our state and in our country. And then you put on top of that inflation, inflation in fuel and inflation in rent prices, and it creates a crisis.

MUST Ministries, a volunteer organization that helps struggling families, is encountering its own struggles while working to provide an estimated 550,000 meals to kids throughout the summer school break.

Dr. Ike Reighard, president and CEO of MUST Ministries, said that in his 27 years of feeding children in their summer program, this year has been the most complicated. The need is far greater, and MUST is struggling to buy in bulk due to disruptions in the supply chain. This means that volunteers must take more trips to local stores in order to compile weekly food kits for children.

“This year you still have people that are dealing with the economic ramifications from COVID. And then you’ve got inflation, and then you’ve got supply chain issues,” he said. “When all of those things flow together, it just makes for the perfect storm for being able to meet the needs of people.”

Reighard said MUST Ministries must find a way to feed children this summer despite the increased costs and demand. The organization says it is more than $30,000 short of the $300,000 predicted need for purchasing food.

Waide, the president and CEO of the Atlanta Community Food Bank, said that this past June, the food bank and its network of nonprofit community partners distributed 8.4 million pounds of food. That’s slightly less than demand at the height of the pandemic, but it’s far greater than what they distributed pre-pandemic, which was about 6 million pounds every month.

Overall, the Atlanta Community Food Bank is buying more food and at higher prices. In all, he estimated they are spending about 40 percent more on food than at the end of last year. Total expenses are up about 20 percent.

Demand for food assistance had started to drop off last year, but Waide said the need crept back up in March. He attributes that uptick not just to increased grocery prices and spiking gas prices, but also to the expiration of the expanded child tax credit that lapsed in December. Studies have shown that these types of monthly payments, which ranged from $250 to $300, go a long way in reducing child hunger.

Eve Anthony, chief executive officer of the Athens Community Council on Aging, said they are feeding 100 more seniors now than prior to the pandemic, up to about 320 people total. Compounding the demand, Anthony said she’s struggling to recruit new volunteers to drop off food because of rising gas prices. Still, she said she’s in a better position than some other organizations.

“We’re very fortunate in and that we haven’t lost any volunteers because of gas prices. But I know that we’re the outlier for that,” she said.

On top of that, Anthony said her organization has an 84-person waitlist, a backlog they won’t be able to resolve until they have more funding.

That’s not the situation everywhere in Georgia. Waide, the president of the Atlanta Community Food Bank, expressed optimism that his organization will meet demand, at least for now.

“Even though things are complicated and challenging right now, we feel very confident that we’re going to be able to meet the needs that we’re faced with,” he said. “However, how sustainable that is long term depends upon us continuing to get the kind of support we need from Washington around some of these federal nutrition programs.”

Gas prices are falling, but voters say they aren't feeling the relief

High inflation continues to cast a shadow over voters' view of the economy, a troubling sign for Democrats ahead of the midterm elections.

Traffic on Interstate 85 in Atlanta on May 13, 2021. Elijah Nouvelage / Bloomberg via Getty Images file

SAVE

July 17, 2022, 4:30 AM EDT

By Lauren Egan

ATLANTA — Gas prices are finally falling around the country, but few voters say the lower prices have changed their outlook on the economy, a worrying sign for President Joe Biden as he seeks to turn around his sagging approval rating before the midterm elections.

In interviews with voters in Georgia, home to a competitive Senate race that could determine control of the upper chamber, many people said that while they had noticed it cost less to fill up their gas tanks in recent days, they said that did not make up for how much money they were still spending on groceries, rent and other basic goods.

"I'm glad it's no longer $5 a gallon," said Stan Tucker, a 74-year-old retiree from Atlanta who voted for Biden in 2020. "But that's not good enough. This can't keep going on."

Reggie Harris, 50, who also supported Biden, said it was finally costing him less than $100 to fill up his car tank, but that wasn't making up for the fact that he felt that his family's grocery bill kept going up each week. "It feels like the middle class can't catch a break," he said.

Biden's approval rating hovers around 39 percent — one of the worst ratings of a president going into their first midterm elections in decades — with polls showing inflation and gas prices as voters' top concerns. In a New York Times/Siena College poll conducted this month, just 10% of respondents rated the economy as good or excellent.

Although gas prices have declined for more than 30 days straight, dropping on Friday to a national average of $4.57 per gallon, inflation has continued to climb at the fastest pace in 40 years. The Bureau of Labor Statistics announced Wednesday that the consumer price index was 9.1 percent higher in June than it was a year ago, with prices rising across key sectors of the economy.

Biden called the inflation report "out-of-date" because it did not reflect the recent decline in gas prices.

The minimal impact that voters say falling gas prices are having on their economic outlook highlights just how pressing of a challenge Democrats face as they try to hold on to their narrow majorities in the House and Senate amid looming concerns about inflation.

"People aren't thinking, 'Oh wow, this is all over,'" said Charles Bullock, a political science professor at the University of Georgia, speaking of declining gas prices. "The Republican Party is pushing the message that the main concerns for Georgia voters should be inflation and the economy, and Democrats and Joe Biden are responsible for these problems."

Biden has said that tamping down inflation, including lowering the price of gas, is his top priority. He has proposed continuing to tap into the Strategic Petroleum Reserve and he has encouraged oil and gas companies to increase production. He has called on Congress to temporarily suspend the federal gas tax as well as approve a trimmed-down version of his economic agenda — neither of which currently have enough support to pass.

Some voters said that the drop in gas prices had not changed their assessment of the economy because they were not convinced that prices wouldn't spike again given the volatility of the energy market following the Covid pandemic and the war in Ukraine, suggesting that voter opinions on the economy could already be hardened going into the midterms.

Shadesia Powell, 28, who voted for Biden in 2020 but said she felt underwhelmed by what he had been able to accomplish so far, said she didn't think the lower gas prices were here to stay.

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"The gas prices go down just to come back up," said Powell, adding that she and her family would continue to limit the amount of time they spend in the car, including cutting out trips to see friends. "When we get in the car, it's only to go from point A to point B. Nothing in between."

In an attempt to take credit for the declining prices while also acknowledging the economic crunch that many Americans are still facing, Biden said last week that there is still "a lot of work to do" to lower prices of fuel, but that the country is "making progress."

But that progress is too incremental in the eyes of some voters. After more than two years of a global pandemic followed by 40-year high inflation, some loyal Democrats said they were exhausted with a political climate that they believe has provided few answers to their economic concerns.

"We want someone who can do the work," said Nick Mitchell, 33, who voted for Biden in 2020 but said he was disappointed that the president had not done more to help the middle class. "I'm decided only based on who we're running against. For the lack of someone better, we're going to vote for Democrats."

Biden beat Donald Trump in Georgia in 2020 by a little over 11,000 votes — less than half a percentage point — becoming the first Democrat to carry the state in nearly 30 years. Even a slight drop in Democratic turnout could lead to losses up and down the ballot for the party this year.

But they'll have to convince worn-out voters like Trina Brown.

Rushing from the bus stop to her job at the Veterans Affairs office, Brown, 65, said that after supporting Democrats for decades, she wasn't going to vote in this year's midterm elections.

"Biden ain't doing anything to help with the cost of living," said Brown, who used to drive to work but said she can't afford to fill up her gas tank anymore.

"They all just talk the talk and don't actually do anything. Look at Biden, he's sending money overseas to Ukraine when we need it here," she said.

Lauren Egan
Lauren Egan is a White House reporter for NBC News based in Washington.

August 10, 2022
8:47 AM EDT
Last Updated 7 days ago

Macro Matters

U.S. consumer price growth unchanged for July

Reuters

2 minute read

1/2

A person shops in a supermarket as inflation affected consumer prices in Manhattan, New York City, U.S., June 10, 2022. REUTERS/Andrew Kelly

Aug 10 (Reuters) - U.S. consumer prices did not rise in July due to a sharp drop in the cost of gasoline, delivering the first notable sign of relief for Americans who have watched inflation climb over the past two years.

The Consumer Price Index (CPI) was unchanged last month after advancing 1.3% in June, the Labor Department said on Wednesday in a closely watched report that nevertheless showed underlying inflation pressures remain elevated as the Federal Reserve mulls whether to embrace another super-sized interest rate hike in September.

Economists polled by Reuters had forecast a 0.2% rise in monthly CPI in July on the heels of a roughly 20% drop in the cost of gasoline. Prices at the pump spiked in the first half of this year due to the war in Ukraine, hitting a record-high average of more than $5 per gallon in mid-June, according to motorist advocacy group AAA.

But the Fed has indicated that several monthly declines in CPI growth will be needed before it lets up on the increasingly aggressive monetary policy tightening it has delivered to tame inflation currently running at four-decade highs.

U.S. consumer prices have been surging due to a number of factors, including snarled global supply chains, massive government stimulus early in the COVID-19 pandemic and Russia's invasion of Ukraine.

Food is one component of the CPI that remained elevated in July, rising 1.1% last month after climbing 1.0% in June.

In the 12 months through July, the CPI increased by a weaker-than-expected 8.5% following a 9.1% rise in June. Underlying inflation pressures, which exclude volatile food and energy components, also showed some encouraging signs.

The so-called core CPI rose 0.3% in July after climbing 0.7% in June, but increased 5.9% in the 12 months through July, the same pace as in June.

Inflation in the cost of rent and owners' equivalent rent of primary residence, which is what a homeowner would receive from renting a home, held almost steady last month. Shelter costs comprise about 40% of the core CPI measure.

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US news

US inflation falls to 8.5% in July but still close to multi-decade high

Gas prices drop sharply after a hitting a national average of $5 a gallon in mid-June

Gas prices are seen at a station in Rosemead, California, on 19 July. Photograph: Frederic J Brown/AFP/Getty Images

Dominic Rushe

@dominicru

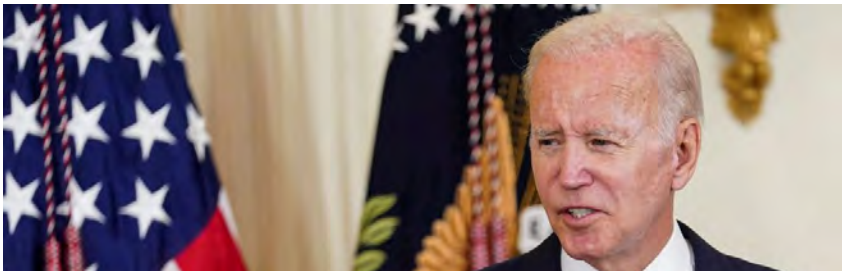
Wed 10 Aug 2022 08.59 EDT

The pace of price rises dipped in the US in July as gas prices eased, bringing down the annual rate of inflation to 8.5%, still close to a multi-decade high but lower than the four-decade peak it hit in June.

July's figure, while still high, represents a significant fall from the annual rate of 9.1% recorded in June and will raise hopes that inflation has finally peaked in the US. It follows other indicators that have suggested price rises are moderating.

But the report showed once again how broadly inflation has spread through the economy. After stripping out food and energy costs - which are highly volatile - prices climbed by 5.9% in the year to the end of July, matching last month's reading.

Gas prices have dropped sharply in the US after hitting a national average of $5 a gallon in mid-June. They now average just over $4 a gallon, up about $1 from the same time last year, according to AAA. Prices for other commodities including copper, wheat and corn have also dipped in recent weeks after rising sharply following Russia's invasion of Ukraine.



Joe Biden hails 'zero' inflation July in US – video

The labor department reported that the gasoline index fell 7.7% in July, offsetting increases in the food and shelter indexes. The food index increased 10.9% over the last year, the largest 12-month increase since the period ending May 1979.

Energy and food prices are notoriously volatile and could still rise again. And prices are still rising for other essentials including housing and services such as healthcare, which may not fall as quickly as oil or corn.

The dip in inflation will be a boon to the Biden administration which this week passed the $739bn Inflation Reduction Act in the Senate. The bill aims to tackle the climate crisis while lowering healthcare costs and raising taxes on large corporations.

The bill passed shortly after the government announced the US had added 528,000 new jobs in July, far higher than expected and another boost to Biden.

But the still hot jobs market, and the still high rate of inflation, mean the Federal Reserve is likely to continue raising interest rates as it attempts to bring inflation back down to its target rate of 2%.

ECONOMY

Consumer prices rose by 8.5% year over year in July as the summer of inflation wears on

A key measure of inflation, the Consumer Price Index, remained near 40-year highs for another month, even as the Federal Reserve tries to slow demand.

SAVE

Aug. 10, 2022, 9:57 AM EDT

By Rob Wile

Inflation reached 8.5% in July, compared with a 40-year high of 9.1% in June, providing a measure of relief to consumers as gas prices drop.

Economists surveyed by The Wall Street Journal had projected inflation in July to fall to 8.7%. On a month-to-month basis, the July Consumer Price Index reading was unchanged from June – meaning no price growth was registered. That compares with June's month-on-month increase of 1.3%.

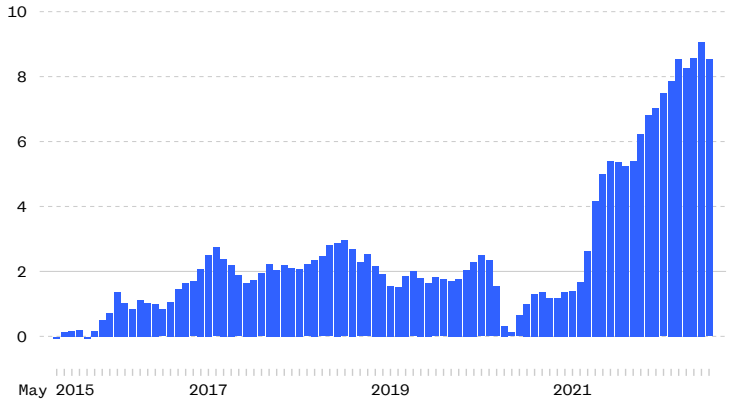
In a note to clients Wednesday, Seema Shah, the chief global strategist at Principal Global Investors, said the latest inflation data were "all-out positive" for consumers.

"With last week's jobs report showing a still-very strong labor market, it seems like the US economy may have reached a goldilocks state," she said.

Still, price growth remains uncomfortably high, Shah added.

"Households will unfortunately continue to feel the severe strain of elevated price pressures on their budgets," she said.

Consumer Price Index, change from one year earlier



Notes

Data as of Aug. 10, 2022

Source: Bureau of Labor Statistics

Graphic: Danica Jefferies / NBC News

One key force driving inflation has been the price of gasoline. But last month, prices fell by 7.7%, the Bureau of Labor Statistics said Wednesday. While gas prices are still up by 44% from a year ago, a recent multiweek decline in prices has helped cool off overall price growth in the economy. As of Wednesday, the national average price was $4.01 per gallon, according to AAA – about a dollar less than it was in June.

Even with those declines, Federal Reserve officials are signaling they will continue their hard stance against further inflation. For one thing, the U.S. economy continues to add jobs at a breakneck pace. Last week, the Bureau of Labor Statistics said the economy stacked up 528,000 new payrolls – a sign that demand for labor remains strong.

And pay for private-sector workers is also climbing at a pace that is putting upward pressure on prices. In the second quarter, wages and salaries grew by 5.8% compared with a year earlier, the fastest rate for records tracing to 2001, although that is still below the current inflation rate.

As part of its effort to rein in high prices, the Fed raised its key rate by 0.75% late last month, its fourth rate increase of the year.

"My view is that similarly sized [interest rate] increases should be on the table until we see inflation declining in a consistent, meaningful, and lasting way," Michelle Bowman, a member of the Federal Reserve board of governors, said in recent prepared remarks for the Kansas Bankers Association, according to CNBC.

San Francisco Fed President Mary Daly said Sunday that the Fed is "far from done" with its work to fight inflation. "Americans are losing ground every day. So the focus has to be on bringing inflation down," she said.

The Fed's continued hawkishness is also putting pressure on stock prices.

"Until inflation abates and the Federal Reserve rebalances its priorities away from inflation and toward growth, tempting rallies are likely to remain unsustainable," Shah, of Principal Global Investors, wrote in a note to clients this week.

Rob Wile

Rob Wile is a breaking business news reporter for NBC News Digital.

Atlanta residents struggle to make ends meet during record-high inflation

By Adam Murphy
Published: May. 31, 2022 at 10:00 PM EDT

ATLANTA, Ga. (CBS46) - Record high inflation is taking its toll on most people in metro Atlanta.

Jauquil Mason and her daughter, Journee, paid a pretty penny at the grocery store this week. They bought what they always get but paid about $50 more than normal.

“Whew, they’re going up. Yeah, some things may have to be cut. More less play, more work, it’s kind of where it’s getting to, you know,” Mason said.

Food prices are up more than 9% year over year, the largest increase in 41 years, according to the Bureau of Labor.

“I don’t see it going down anytime soon. It’s either eat or be eaten I feel like is what will happen soon,” Mason said.

It turns out most Atlanteans are in the same boat looking for ways to stay afloat while also dealing with record-high gas prices. The price at the pump is up more than $1.50 a gallon from a year ago, according to GasBuddy.

“The expenses are going up, so income is going to have to go up or I’m going to end up on the street,” an Atlanta resident said.

Drenay Everette is a school teacher who is not only feeling the pinch at the pump but is now forced to choose between groceries and rent.

According to rent.com, the national average for rent jumped more than 3 percent during the past month for single-bedroom units.

“Oh yes, I just paid rent and that was $1,450 and that’s, you know, I think becoming the average in the city so, making rent and buying groceries that’s another issue and so, it’s always a battle of what withdrawal am I going to make from the bank today,” Everette said.

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OPINION (HTTPS://TIMES-HERALD.COM/OPINION)

Inflation's other victim: the housing market

By THE NEWNAN TIMES-HERALD | Aug. 01, 2022 - 8:35 AM

Marc Hyden is the director of state government affairs at the R Street Institute. You can follow him on Twitter at @marc_hyden.

Now more than any time in the past 40 years, Georgians are feeling the pain of surging inflation, which now stands at a whopping 9.1 percent (https://www.cbsnews.com/news/inflation-june-cpi-report-hit-new-high-40-years-9-1-percent/).

This is forcing Georgians to eat into their savings (https://www.cbsnews.com/news/americans-eating-into-pandemic-savings-to-handle-inflation/) to make ends meet as they clamor for relief. Sadly, inflation is nearly impossible to escape and on full display at nearly every turn.

Subscribe

Skyrocketing inflation across many indices is a newer aberration, which began shortly after President Joe Biden's inauguration (https://www.statista.com/statistics/273418/unadjusted-monthly-inflation-rate-in-the-us/). However, prices in one index—the housing market—have been churning higher for years (https://fred.stlouisfed.org/series/ASPUS), and demands policymakers' attention before it devolves into a full-blown crisis.

"The typical home value of homes in Georgia is $316,705," reports the real estate group Zillow (https://www.zillow.com/ga/home-values/), which represents a 27.1 percent increase from last year. Meanwhile, a mere five years ago, the typical Georgia home was worth less than $200,000. Home values have climbed so high that the Federal Reserve designated Atlanta-area homes (https://www.fox5atlanta.com/news/atlanta-homes-considered-unaffordable-for-average-buyer-fed-data-says) as "unaffordable for the average buyer."

Unless something gives, these trends could continue and price many out of the market. After all, the median household income in Georgia stands at a little over $61,000 (https://www.census.gov/quickfacts/fact/table/GA/INC110220), which offers minimal flexibility to deal with rising inflation and home prices.

Broadly speaking, the forces that have re-shaped the housing market can be explained by elementary economics: supply and demand. Georgia has an incredibly low inventory (https://www.ajc.com/life/private-quarters/real-estate-in-2023-heres-what-experts-are-saying/4CJV23Z73VEWZNIUDBW5PRH634/) of homes for sale. It's so low that realtors are randomly calling homeowners (https://www.cbs46.com/2022/04/25/realtors-ask-random-homeowners-sell-houses-market-with-low-inventory/) asking them to sell their houses.

The dynamics behind the limited inventory partially stem from the fact that new construction has slowed thanks to several factors. "Builders have struggled with unstable building supply costs and a lack of skilled tradespeople to build new homes," writes Rocket Mortgage (https://www.rocketmortgage.com/learn/low-housing-inventory). This has also made constructing starter homes hardly profitable for builders (https://www.realtor.com/news/trends/death-of-the-starter-home-where-have-all-the-small-houses-gone/).

Meanwhile, there are ample prospective homebuyers (https://www.ajc.com/life/private-quarters/real-estate-in-2023-heres-what-experts-are-saying/4CJV23Z73VEWZNIUDBW5PRH634/). Many Millennials and Generation Zers are now established and want to purchase a home (https://www.cnbc.com/2022/06/12/millennials-and-gen-zers-want-to-buy-homes-but-they-cant-afford-it.html); residents from other states are flocking to Georgia (https://worldpopulationreview.com/states/georgia-population) and looking for places to live; and cash investors are crowding out their competition (https://www.npr.org/2022/02/18/1081751190/first-time-homebuyers-are-getting-squeezed-out-by-investors). In fact, investors—many of whom turn homes into rental properties—may account for more than 30 percent of all home sales (https://www.wabe.org/investors-play-outsized-role-in-metro-atlantas-housing-market/) in metro Atlanta. Combined, this has driven prices to record levels.

If that weren't enough to contend with, home buyers must deal with volatile interest rates. The Federal Reserve is upping its rates (https://www.cnbc.com/2022/07/26/the-fed-could-surprise-markets-by-sounding-even-more-aggressive-as-economy-teeters-.html) in an attempt to get a handle on exploding inflation, but this also drives up mortgage rates, which this time last year stood around 2.8 percent (https://www.nerdwallet.com/article/mortgages/current-interest-rates). As of July 28 of this year, the average 30-year fixed APR mortgage rate was around 5.45 percent, according to NerdWallet.

For a $400,000 home (https://www.google.com/search?q=mortgage+calculator&oq=mortgage+calculator&aqs=chrome..69i57j0i131i433i512j0i512l2j0i131i433i512j0i512j0i131i433j0i512j0i131i433j0i131i433i512.5579j0j7&sourceid=chr
8), this can easily add around $400 or more to homeowners' monthly mortgage payments, which pushes some prospective homebuyers out of the market. In fact, there are signs that the housing market (https://www.foxbusiness.com/markets/mortgage-demand-hits-22-year-low-loan-applications-continue-drop) is cooling as a result, but the interest hikes provide cash investors with another competitive advantage because the increases don't impact them—so they can continue making purchases.

The simplest way to alleviate Americans' plight is to build more houses—a lot more—but that's easier said than done. To facilitate this, the government needs to focus on supply chain issues, workforce deficiencies and inflation across indices that have hobbled homebuilders (https://www.realtor.com/news/trends/death-of-the-starter-home-where-have-all-the-small-houses-gone/).

In order to do so, the federal government must ease bottlenecks in our supply chain and can start by expanding the country's capacity and permitting more 18 to 20-year-olds to engage in interstate trucking. The federal government also needs to expedite and prioritize work visas for immigrants who can fill gaps in our supply chains and those skilled in construction-related trades, given that we do not have enough workers here to do the jobs.

While the White House has been quick to blame (https://times-herald.com/news/2022/03/with-surging-inflation-comes-the-blame-game-and-terrible-advice) demand, supply chain woes and Russian President Vladimir Putin for inflation, there's far more to it than this. Years of mismanagement in D.C. and the dumping of trillions of borrowed-dollars into the economy helped drive inflation (https://reason.com/2022/04/08/covid-stimulus-checks-worsened-inflation/) to new heights. As such, it's time for Congress to learn to balance a budget, which they haven't done since 2001 (https://datalab.usaspending.gov/americas-finance-guide/deficit/trends/), to help rein in inflation.

States can play a role too. Georgia, for instance, has wasted billions of dollars (https://gbpi.org/georgia-tax-breaks-dont-deliver/) in tax credits on massively wealthy, out-of-state film-makers, and the return on this investment has been underwhelming (https://times-herald.com/news/2021/10/was-the-threatened-film-industry-strike-a-danger-to-georgia). While I am not a fan of such tax schemes, if state elected officials are married to doling out tax incentives, maybe they should instead incentivize new housing construction, which might be a more prudent use of credits.

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Inflation may be easing — but low-income people are still paying the steepest prices

May 11, 2022 10:01 AM
Updated: May 11, 2022 4:20 PM
By: Scott Horsley

Heard on **All Things Considered**

Listen
06:21

The soaring costs of basic necessities such as food and housing are disproportionately hitting people with lower incomes. Here, a house is available for rent in Los Angeles on March 15.

Updated May 11, 2022 at 8:37 AM ET

Four-dollar gasoline and five-dollar hamburger are putting a squeeze on Tanya Byron's pocketbook. But it's the rent that really stings.

"It's pretty depressing," says the Jacksonville, Fla., travel agent, sitting in the tiny dining room that doubles as her home office. "I make $42,000 a year, and I can barely afford a one-bedroom apartment."

The rising costs of housing, food and other necessities are big drivers of inflation, and they fall especially hard on lower-income Americans, posing a growing challenge for President Biden and the nation's top economic policymakers.

A report from the Labor Department Wednesday shows consumer prices in April were 8.3% higher than a year earlier. That's a modest decrease from the March inflation rate of 8.5%, thanks in part to a short-lived drop in gasoline prices last month. **Gas prices have since rebounded to a record high**, though unadjusted for inflation.

But food and shelter costs remained elevated, according to the latest inflation report. In Jacksonville, apartment rents have jumped 23% in the last year, **according to Realtor.com**.

"I feel like there should be some kind of cap on the percentage that a landlord can raise the rent if they haven't done anything," says Byron, whose own apartment dates from another period of soaring prices.

"It was built in 1976, and they have not updated anything," she says. "The doors and baseboards are painted brown. It's clean, but it's very basic."

Surging gasoline prices have been a main driver of inflation in recent months.

Worrying about the future

Byron had hoped to move into a condo by now, but with real estate prices climbing rapidly and **mortgage rates topping 5.25%**, buying a home feels out of reach.

"I'm genuinely worried about the future," Byron says. "What's going to happen to the people making $15 and $18 an hour and the single mothers and people who have mouths to feed? It's very scary to me."

When inflation is high, everyone pays the price, but research suggests that lower-income families suffer the most.

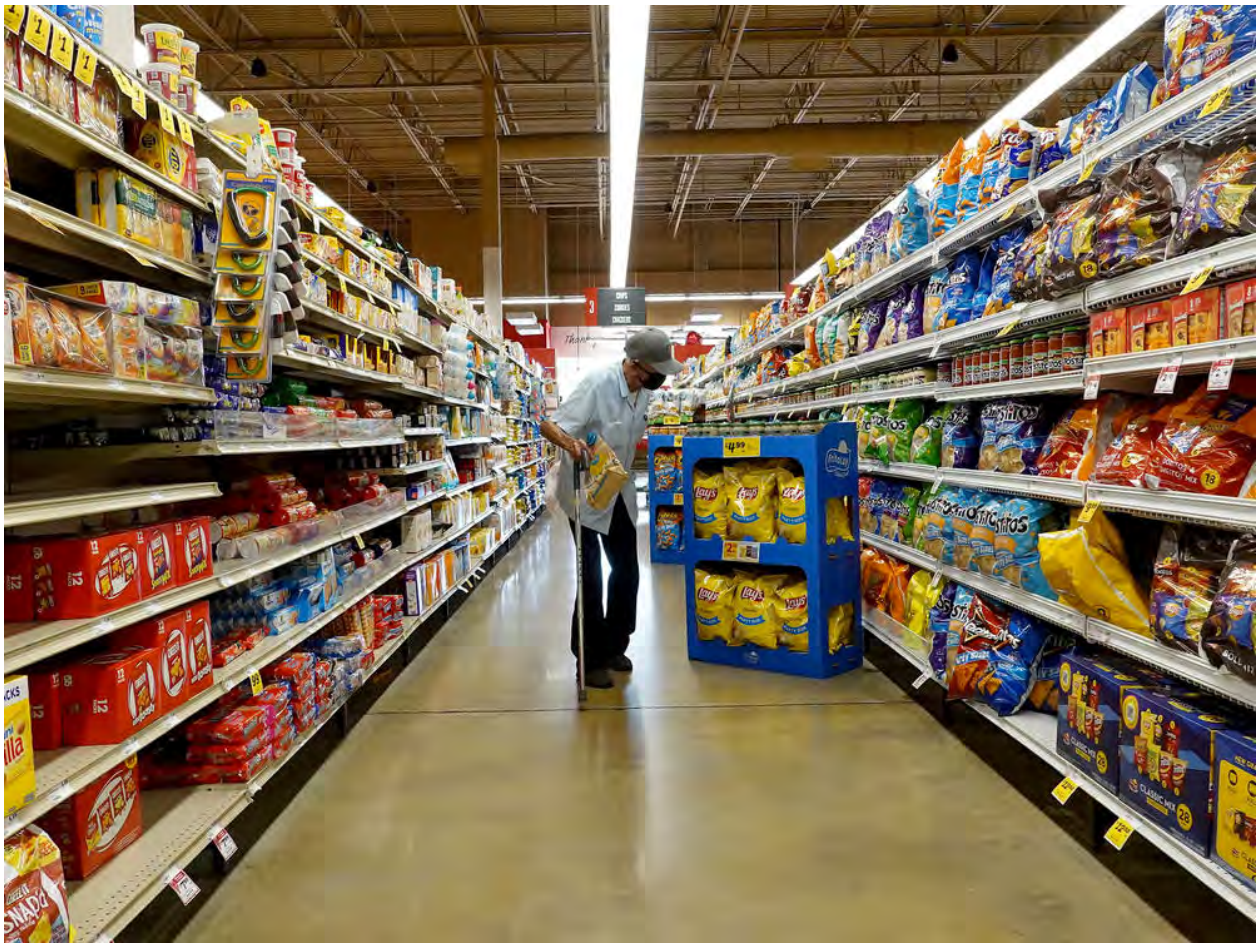
"Typically food and gasoline and housing are a bigger share of total spending for lower-income households than for higher-income households," says Dan Sichel, an economist at Wellesley College.

There's another critical factor, Sichel adds.

Those with lower incomes tend to pay higher prices, even for similar items. They may be less able to travel to cheaper stores, take advantage of seasonal discounts or "get the giant package of toilet paper to stash in the basement when it's on sale."

Sichel chaired a **committee from the National Academies of Sciences, Engineering, and Medicine** that recommended the Labor Department try to reflect those realities as part of an effort to modernize the way the government measures the cost of living.

"What people are paying for similar items at different stores is very important for understanding inflation inequality," Sichel says.



Tackling inflation remains a top priority for the Federal Reserve and the Biden administration. Here, a customer shops at a grocery store in Miami on Feb. 10.

Rethinking inflation

The committee recommended other ways to improve the way the government measures inflation, including more frequent updates to the basket of goods and services used to track prices.

Right now, the basket is adjusted only once every two years. That can miss big swings in consumption patterns like those that have occurred during the coronavirus pandemic, when Americans suddenly bought fewer movie tickets but more streaming subscriptions, for example.

Any effort to update the inflation measure is likely to attract outsize attention at a time when the consumer price index is front-page news.

"I think the stakes are very high right now," Sichel says.

Biden, whose **approval ratings have fallen** as prices climb, calls fighting inflation his top domestic priority.

"I know that families all across America are hurting," Biden said Tuesday. "I know you've got to be frustrated. I know. I can taste it."

The president blamed pandemic-related supply chain snarls and the war in Ukraine as the leading causes of inflation.

While the administration has tried to offset price hikes with oil releases from the Strategic Petroleum Reserve and other moves, Biden says the Federal Reserve has a primary role to play in bringing down inflation.

President Biden announces he's nominating Jerome Powell to serve a second term as Fed chair during an event at the White House on Nov. 22, 2021.

The Fed is fighting inflation

Chris Waller, who sits on the Fed's governing board, agrees.

"Inflation's too high and my job is to get it down," Waller said Tuesday at the Economic Club of Minnesota. "We have to raise [interest] rates. We have to cool off demand and try to get inflation pressures down. If we get some help from supply chain resolutions, that's fantastic, but I'm not counting on it."

The **Fed raised interest rates by half a percentage point** last week and signaled that two more jumbo rate hikes are likely in June and July.

Waller and his Fed colleagues argue that the economy and job market are strong enough to weather a rise in interest rates without a sharp jump in unemployment.

But Waller concedes that if layoffs happen, they're likely to hurt the same people who are already most affected by rising prices.

"We're trying to lower the inflation tax on everybody, but there's a small section of the society that may bear the brunt of that by losing their jobs," Waller says. "There is no magical formula in a textbook that tells you how to do it. You kind of have to take your chances and see where it goes."

Tags: **president biden** **rent** **gasoline** **inflation** **Federal Reserve**

Fiscal 2021 Budget Resolution - Motion to Waive

February 5, 2021 - Senate Roll Call Vote 37 - S Con Res 5

Description

Cassidy, R-La., motion to waive all applicable sections of the Congressional Budget Act with respect to the Wyden, D-Ore., point of order that the Cassidy amendment no. 483 is not germane and thus violates section 305(b)(2) of the Congressional Budget Act. The amendment would create a 60-vote point of order against the consideration of any legislation that would extend or reauthorize economic impact payments or establish any similar rebate or credit if it would provide payments to individuals incarcerated in a federal or state prison.

Outcome

Motion rejected by a vote of 50 - 50:
Republicans 50-0
Democrats 0-48
Independents 0-2

Vote Key

Yeas (49)

Republicans (49)

John Barrasso (WY)

Marsha Blackburn (TN)

Roy Blunt (MO)

John Boozman (AR)

Richard M. Burr (NC)

Mike Braun (IN)

Shelley Moore Capito (WV)

Bill Cassidy (LA)

Susan Collins (ME)

John Cornyn (TX)

Tom Cotton (AR)

Kevin Cramer (ND)

Michael D. Crapo (ID)

Ted Cruz (TX)

Steve Daines (MT)

Joni Ernst (IA)

Deb Fischer (NE)

Lindsey Graham (SC)

Charles E. Grassley (IA)

Bill Hagerty (TN)

Josh Hawley (MO)

John Hoeven (ND)

Cindy Hyde-Smith (MS)

James M. Inhofe (OK)

Ron Johnson (WI)

John Kennedy (LA)

James Lankford (OK)

Mike Lee (UT)

Cynthia Lummis (WY)

Roger Marshall (KS)

Mitch McConnell (KY)

Jerry Moran (KS)

Lisa Murkowski (AK)

Rand Paul (KY)

Rob Portman (OH)

Jim Risch (ID)

Mitt Romney (UT)

Mike Rounds (SD)

Marco Rubio (FL)

Ben Sasse (NE)

Rick Scott (FL)

Tim Scott (SC)

Richard C. Shelby (AL)

John Thune (SD)

Thom Tillis (NC)

Patrick J. Toomey (PA)

Tommy Tuberville (AL)

Roger Wicker (MS)

Todd Young (IN)

Democrats (0)

Nays (50)

Republicans (0)

Democrats (48)

Tammy Baldwin (WI)
Michael Bennet (CO)
Richard Blumenthal (CT)
Cory Booker (NJ)
Sherrod Brown (OH)
Maria Cantwell (WA)
Benjamin L. Cardin (MD)
Thomas R. Carper (DE)
Bob Casey (PA)
Chris Coons (DE)
Catherine Cortez Masto (NV)
Tammy Duckworth (IL)
Richard J. Durbin (IL)
Dianne Feinstein (CA)
Kirsten Gillibrand (NY)
Maggie Hassan (NH)
Martin Heinrich (NM)
John Hickenlooper (CO)
Mazie K. Hirono (HI)
Tim Kaine (VA)
Mark Kelly (AZ)
Amy Klobuchar (MN)
Patrick J. Leahy (VT)
Ben Ray Luján (NM)
Joe Manchin III (WV)
Edward J. Markey (MA)
Bob Menendez (NJ)
Jeff Merkley (OR)
Christopher S. Murphy (CT)
Patty Murray (WA)
Jon Ossoff (GA)
Alex Padilla (CA)
Gary Peters (MI)
Jack Reed (RI)
Jacky Rosen (NV)
Brian Schatz (HI)
Charles E. Schumer (NY)
Jeanne Shaheen (NH)
Kyrsten Sinema (AZ)
Tina Smith (MN)
Debbie Stabenow (MI)
Jon Tester (MT)
Chris Van Hollen (MD)
Mark Warner (VA)
Raphael Warnock (GA)
Elizabeth Warren (MA)
Sheldon Whitehouse (RI)
Ron Wyden (OR)

Independents (2)

Angus King (ME)
Bernie Sanders (VT)

Not Voting (1)

Republicans (1)

Dan Sullivan (AK) ?

Democrats (0)

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Coronavirus Relief Budget Reconciliation Package - Prohibit Tax Rebates for Incarcerated Individuals

March 6, 2021 - Senate Roll Call Vote 103 - HR 1319

Description

Cassidy, R-La., amendment no. 1162 to the Schumer, D-N.Y., substitute amendment no. 891 to the bill that would prohibit individuals who are prisoners, probationers or parolees during the full calendar year of 2021 from receiving the $1,400 tax rebate provided by the bill.

Outcome

Rejected by a vote of 49 - 50:
Republicans 49-0
Democrats 0-48
Independents 0-2

Vote Key

Yeas (49)

Republicans (49)

John Barrasso (WY)

Marsha Blackburn (TN)

Roy Blunt (MO)

John Boozman (AR)

Richard M. Burr (NC)

Mike Braun (IN)

Shelley Moore Capito (WV)

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John Hoeven (ND)

Cindy Hyde-Smith (MS)

James M. Inhofe (OK)

Ron Johnson (WI)

John Kennedy (LA)

James Lankford (OK)

Mike Lee (UT)

Cynthia Lummis (WY)

Roger Marshall (KS)

Mitch McConnell (KY)

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Jim Risch (ID)

Mitt Romney (UT)

Mike Rounds (SD)

Marco Rubio (FL)

Ben Sasse (NE)

Rick Scott (FL)

Tim Scott (SC)

Richard C. Shelby (AL)

John Thune (SD)

Thom Tillis (NC)

Patrick J. Toomey (PA)

Tommy Tuberville (AL)

Roger Wicker (MS)

Todd Young (IN)

Democrats (0)

Nays (50)

Republicans (0)

Democrats (48)

Tammy Baldwin (WI)
Michael Bennet (CO)
Richard Blumenthal (CT)
Cory Booker (NJ)
Sherrod Brown (OH)
Maria Cantwell (WA)
Benjamin L. Cardin (MD)
Thomas R. Carper (DE)
Bob Casey (PA)
Chris Coons (DE)
Catherine Cortez Masto (NV)
Tammy Duckworth (IL)
Richard J. Durbin (IL)
Dianne Feinstein (CA)
Kirsten Gillibrand (NY)
Maggie Hassan (NH)
Martin Heinrich (NM)
John Hickenlooper (CO)
Mazie K. Hirono (HI)
Tim Kaine (VA)
Mark Kelly (AZ)
Amy Klobuchar (MN)
Patrick J. Leahy (VT)
Ben Ray Luján (NM)
Joe Manchin III (WV)
Edward J. Markey (MA)
Bob Menendez (NJ)
Jeff Merkley (OR)
Christopher S. Murphy (CT)
Patty Murray (WA)
Jon Ossoff (GA)
Alex Padilla (CA)
Gary Peters (MI)
Jack Reed (RI)
Jacky Rosen (NV)
Brian Schatz (HI)
Charles E. Schumer (NY)
Jeanne Shaheen (NH)
Kyrsten Sinema (AZ)
Tina Smith (MN)
Debbie Stabenow (MI)
Jon Tester (MT)
Chris Van Hollen (MD)
Mark Warner (VA)
Raphael Warnock (GA)
Elizabeth Warren (MA)
Sheldon Whitehouse (RI)
Ron Wyden (OR)

Independents (2)

Angus King (ME)
Bernie Sanders (VT)

Not Voting (1)

Republicans (1)

Dan Sullivan (AK) ?

Democrats (0)

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Washington Examiner

NEWS

Nearly $1 billion in stimulus funds sent to prisoners in 2021, 'terrorists and perverts' got $1,400 checks

by Jerry Dunleavy, Justice Department Reporter & Andrew Kerr, Investigative Reporter |
February 11, 2022 12:45 PM

The federal government doled out nearly a billion dollars in stimulus payments to prison inmates in 2021 under President Joe Biden's American Rescue Plan, according to IRS records obtained by the *Washington Examiner*.

The third-round stimulus payments to prisoners totaled $924.3 million, which was much greater than previously reported. The checks went out despite efforts by Republican Sens. Tom Cotton of Arkansas and Bill Cassidy of Louisiana to bar stimulus funds from going to prisoners. Senate Democrats voted unanimously against the amendment in a 50-49 party-line vote in March 2021.

"In one of the most inexplicable votes in Senate history, Senate Democrats sent terrorists and perverts $1,400 checks paid for by U.S. tax dollars. It is a vote that should tick off every American," National Republican Senatorial Committee Chairman Rick Scott, a senator from Florida, said in January. "The Boston Marathon bomber and Larry Nassar are in prison for their evil deeds killing Americans and molesting children. They do not deserve our money."

GOP SENATORS FUME OVER PRISONERS GETTING STIMULUS CHECKS

"Senate Democrats' shameful vote will live in infamy and will be a major reason why Republicans will take back the Senate and end the madness," Scott said.

The IRS reported that the money went to approximately 645,000 people who were incarcerated at the start of the year, according to FOIA records provided to the *Washington Examiner* by the NRSC.

The figure is much higher than the $783.5 million figure previously reported by Fox News in July.

"Individuals will not be denied Economic Impact Payments solely because they are incarcerated," the IRS said on its website. "An incarcerated individual may be issued a payment if all eligibility requirements are met and the individual filed a 2020 or 2019 tax return that was processed by the IRS."

Cotton railed against Democrats for voting to provide stimulus payments to criminals such as Dylann Roof, who was convicted of murder after he killed nine black people at a church in Charleston, South Carolina.

"Dylann Roof murdered nine people. He's on federal death row. He'll be getting a $1,400 stimulus check as part of the Democrats' 'COVID relief' bill," Cotton tweeted after Senate Democrats shot down his amendment.

Tom Cotton
@TomCottonAR · **Follow**

Dylann Roof murdered nine people. He's on federal death row.

He'll be getting a $1,400 stimulus check as part of the Democrats' "COVID relief" bill.

2:29 PM · Mar 6, 2021

14.9K See the latest COVID-19 information on Twitter

Read 2.8K replies

Democratic Sen. Dick Durbin of Illinois defended his party's move to secure stimulus payments for prisoners, arguing that the families of such people needed financial support.

"Children should not be forced to go hungry because a parent is incarcerated. Relief payments would allow families to replace lost income and pay rent and put food on the table," Durbin said in March 2021. "I would urge my colleagues to understand what we are facing with our criminal justice system today. We need to bring more justice to it and caring for the families of those who are incarcerated."

The federal government also provided stimulus payments to prisoners in 2020 under former President Donald Trump's watch.

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The IRS tried to block stimulus payments from going to prisoners in 2020, but a federal judge ruled in October 2020 that prisoners were eligible for the checks because the law contained no provision that barred such individuals from receiving stimulus funding.

Receipt of Third-Round Economic Impact Payments by Incarcerated Individuals

The American Rescue Plan Act of 2021 (American Rescue Plan), Public Law 117-2, 135 Stat. 4 (March 11, 2021) contains no provision, or amendment to the Internal Revenue Code (Code), that prohibits an incarcerated individual from receiving a third-round Economic Impact Payment if the individual otherwise is eligible to receive such payment. The Internal Revenue Service (IRS) released an FAQ on March 26, 2021, providing the following question and response: "Is an incarcerated individual eligible for the third payment? Individuals will not be denied Economic Impact Payments solely because they are incarcerated. An incarcerated individual may be issued a payment if all eligibility requirements are met and the individual filed a 2020 or 2019 tax return that was processed by the IRS."

Pursuant to a statutory requirement under the Code, the IRS receives, on an annual basis, data from the Federal Bureau of Prisons and State agencies regarding individuals who are incarcerated. The incarceration data used for this analysis were current as of November 2020. The incarceration data contain, among other things, the anticipated release date of the individual. The tax data used for this analysis were as of January 7, 2022. The IRS examined these data and identified approximately 645,000 individuals who were (1) incarcerated as of January 1, 2020, (2) had an anticipated release date later than December 31, 2020, and (3) were in a tax unit—which, for example, could be as a single filer or as filer on a joint return where the incarcerated individual's spouse was not incarcerated—that was issued a third-round Economic Impact Payment under the American Rescue Plan. (Some of these incarcerated individuals may not have been incarcerated at the time third-round Economic Impact Payments were issued.) The total amount of the third-round Economic Impact Payments under the American Rescue Plan issued to these such individuals was approximately $924.3 million.

SENATE · Published January 6, 2022 11:05am EST

Senate Dems cleared way for Boston Bomber, other convicted murderers to receive stimulus checks

Dzhokhar Tsarnaev ordered to return $1,400 COVID-19 relief payment

By Jessica Chasmar | Fox News

Boston Marathon bomber Dzhokhar Tsarnaev appeals his death sentence

Tsarnaev's attorneys argued before the First Circuit Court of Appeals that their client's trial wasn't fair.

Senate Democrats cleared the way for convicted murderers like Boston Marathon bomber Dzhokhar Tsarnaev to receive stimulus checks when they passed the American Rescue Plan of 2021 last March without a GOP amendment that would have blocked inmates from receiving the checks.

Tsarnaev has been ordered by prosecutors to return a $1,400 COVID-19 relief payment he received last summer along with other money sent to him, according to a court filing Wednesday.

BOSTON MARATHON BOMBER ORDERED TO RETURN $1,400 CORONAVIRUS RELIEF PAYMENT TO VICTIMS FOR RESTITUTION

This combination of undated file photos shows the two brothers the FBI initially said were suspects in the Boston Marathon bombing on Monday, April 15, 2013, Tamerlan Tsarnaev, 26, left, and Dzhokhar Tsarnaev, 19. (The Associated Press)

Tsarnaev so far has only paid $2,202.03 of the more than $101 million in restitution owed to his victims. The filing said the $1,400 in COVID-19 relief money should instead be used as restitution.

Tsarnaev was sentenced to death two years after the 2013 Boston Marathon bombing, which left three people dead and hundreds hurt. The death sentence was overturned in 2020 after a court ruled that a trial judge erred by excluding some evidence. An appeal to reinstate his death sentence is before the U.S. Supreme Court.

Sen. Tom Cotton, R-Ark., warned in March that convicts like Tsarnaev would benefit from the $1.9 trillion coronavirus relief bill, which included $1,400 stimulus checks for individuals making less than $75,000.

"Dzhokhar Tsarnaev, the Boston Bomber, murdered three people and terrorized a city," Cotton wrote in a March 6 tweet. "He'll be getting a $1,400 stimulus check as part of the Democrats' 'COVID relief' bill."

Tom Cotton
@TomCottonAR · **Follow**

Dzhokhar Tsarnaev, the Boston Bomber, murdered three people and terrorized a city.

He'll be getting a $1,400 stimulus check as part of the Democrats' "COVID relief" bill.

2:39 PM · Mar 6, 2021

25K See the latest COVID-19 information on Twitter

Read 7.3K replies

Cotton, along with Sens. Bill Cassidy, R-La., and Ted Cruz, R-Texas, offered an amendment on the floor at the time to block checks from prisoners, but it failed on a party-line vote, 49-50.

Both Cotton and Cassidy voted in favor of two COVID-19 relief bills under the Trump administration that also did not exclude prisoners from receiving stimulus checks. Cruz voted against both bills that offered $1,200 and $600 checks.

In this courtroom sketch, Assistant U.S. Attorney Aloke Chakravarty is depicted pointing to defendant Dzhokhar Tsarnaev, right, during closing arguments in Tsarnaev's federal death penalty trial Monday, April 6, 2015, in Boston. (The Associated Press)

Sen. Dick Durbin, D-Ill., argued in March that prisoners' children could be affected by withholding the money from them.

Democrats pushed through the legislation in a party-line vote of 50-49 on March 6. The final amended bill was passed by the House a few days later, with Rep. Jared Golden, D-Maine, as the sole Democrat to vote with Republicans, and President Biden signed the bill into law on March 11.

Fox News' Brie Stimson and Morgan Phillips contributed to this report.

Jessica Chasmar is a reporter for Fox News Digital. Story tips can be sent to Jessica.Chasmar@fox.com and on Twitter: @JessicaChasmar.

US Attorney's office requests Boston Marathon bomber turn over funds, including $1,400 stimulus payment

By Taylor Romine, CNN

Updated 9:24 AM ET, Mon January 10, 2022

Dzhokhar Tsarnaev, seen in April 2013, was convicted for the deadly Boston Marathon bombing attack.

(CNN) — Boston Marathon bomber Dzhokhar Tsarnaev should turn over money to his victims, including a previously deposited $1,400 federal stimulus payment, the US Attorney's Office of Massachusetts said in a filing.

The Wednesday filing is requesting the Federal Bureau of Prisons to turn over funds from Tsarnaev's inmate trust account. Tsarnaev is currently serving a life sentence in a federal prison in Florence, Colorado.

Despite having more than $21,000 transferred to his account since 2013, prosecutors said Tsarnaev has paid only a little more than $2,000 toward restitution.

Of the $21,000 in payments transferred to Tsarnaev's account, most were made by attorneys or individuals, but also includes a $1,400 stimulus payment from June 2021, the filing says. As of December 22, 2021, he had approximately $3,885 in his inmate trust account, prosecutors said.

"For privacy, safety, and security reasons, the Bureau of Prisons does not comment on individual inmate's conditions of confinement, pending litigation, or matters that are the subject of legal proceedings," the agency said.

CNN has reached out to Tsarnaev's attorneys for comment.

Tsarnaev owes $3,000 for a special assessment and $101,126,627 in criminal restitution, filings show. Four were killed and hundreds were injured after Tsarnaev and his brother set off two shrapnel bombs near the Boston Marathon finish line in 2013.

While Tsarnaev has paid only around $2,000 toward the money owed, prosecutors said, he's given money from his account to "other third-parties." The largest amount was given to his siblings for items such as gifts, "support" and books, totaling around $2,000, they said.

"The United States submits that the requested relief is reasonable and appropriate in this instance, especially in light of the Defendant prioritizing payments to his siblings over the victims of his crimes," the filing reads.

Related Article: Boston Marathon Terror Attack Fast Facts

his restitution obligation," the filing says.

Days after the CARES Act was signed, establishing the stimulus payments, the IRS opened an online portal allowing people who weren't required to file income tax returns -- because their income was less than $12,200 -- to enter their information and receive a payment, according to a lawsuit filed against the IRS commissioner, the ex-Treasury secretary and others.

Supreme Court agrees to review Boston Marathon bomber death penalty case 02:09

Citing a permanent injunction in the case, the IRS says it cannot deny payments to incarcerated individuals who are US citizens or resident aliens, have not been claimed as a dependent, have a Social Security number valid for employment and meet the IRS annual income threshold, according to the agency's website. Any inmate who was incarcerated in 2020 and wasn't required to file an income tax return in 2018 and 2019 had until November 4 to submit the "simplified" return necessary to collect the payment, the IRS website says.

In July 2020, a federal appeals court said Tsarnaev would remain in prison for the rest of his life but that he should be given a new penalty-phase trial, citing issues concerning juror selection and pretrial publicity as well as the exclusion of evidence that may have helped his case.

The 1st US Circuit Court of Appeals then vacated Tsarnaev's death penalty with directions to hold a new penalty-phase trial.

In October 2021, the US Supreme Court heard appeals to reinstate Tsarnaev's death sentence, a case that remains before the court.

CNN's Eliott C. McLaughlin contributed to this report.

The Detroit News

MICHIGAN

Feds seize Larry Nassar's stimulus checks for victim restitution

Robert Snell
The Detroit News

Published 4:25 p.m. ET Aug. 19, 2021 | Updated 5:30 p.m. ET Aug. 19, 2021

A federal judge Thursday ordered the seizure of about $2,000 from the prison account of Larry Nassar, the former USA Gymnastics and Michigan State University doctor accused of sexually abusing hundreds of girls and women and the money will go to five of his victims.

The $2,041.57 marks the first substantial payment for victims as part of Nassar's punishment stemming from a 60-year sentence on a federal child porn charge. He also pleaded guilty in Ingham and Eaton counties to state charges of sexually assaulting female gymnasts.

The money that is being given to victims is two federal stimulus checks Nassar received earlier this year.

The order by U.S. District Judge Janet Neff comes one month after prosecutors faulted Nassar for paying only $300 in penalties despite receiving $12,825 in the three years since he was sent to federal prison.

As part of his conviction, Nassar was ordered to pay $57,489 in restitution and a $5,000 special assessment.

rsnell@detroitnews.com

Twitter: @robertsnellnews

CRIME • Published January 11, 2022 7:40am EST

Convicted murderers, sex traffickers received COVID stimulus checks while in prison, court docs show

Violent criminals across US received coronavirus stimulus payments

By Jessica Chasmar | Fox News

Fox News Flash top headlines for January 11

Fox News Flash top headlines are here. Check out what's clicking on Foxnews.com.

The federal government is suing convicted murderers and sex traffickers who received COVID-19 stimulus checks, ordering them to use the funds to pay restitution to their victims' families, according to court documents reviewed by Fox News Digital.

Senate Republicans cried foul last week after it was revealed that Boston Marathon bomber Dzhokhar Tsarnaev received a $1,400 stimulus check under the $1.9 trillion coronavirus relief bill known as the American Rescue Plan of 2021, which was signed by President Biden last March.

SENATE DEMS CLEARED WAY FOR BOSTON BOMBER, OTHER CONVICTED MURDERERS TO RECEIVE STIMULUS CHECKS

Sen. Bill Cassidy, R-La. (Reuters)

Sens. Bill Cassidy, R-La., Tom Cotton, R-Ark., and Ted Cruz, R-Texas, offered an amendment on the floor at the time to block checks from prisoners, but it failed on a party-line vote, 49-50. The previous coronavirus relief bills also lacked any language barring imprisoned felons from receiving stimulus payments.

"Senate Democrats blocked my amendment to prevent prisoners, like the Boston Marathon bomber, from receiving government stimulus checks," Cassidy said in a statement last week to Fox News Digital. "It is an insult to victims."

Federal officials in Massachusetts filed a motion Wednesday urging the court to order Tsarnaev to hand over the $1,400 COVID relief money and any other funds in his inmate trust account to be put toward the more than $101 million he owes his victims.

Tsarnaev is just one of many federal prisoners who are being sued by the federal government in an effort to ensure the stimulus checks are used to pay their court-ordered restitution, court documents reviewed by Fox News Digital show.

This file photo released April 19, 2013, by the Federal Bureau of Investigation shows Dzhokhar Tsarnaev. (FBI via AP, File)

Anthony Robinson, a prisoner at the United States Penitentiary in Terre Haute, Indiana, is serving a life sentence for murdering two people. He was sued by federal officials in August and ordered to relinquish his stimulus money to be used as payment toward the thousands he still owed in restitution.

Yancey Myers, a prisoner at the Federal Correctional Institution in Gilmer, West Virginia, is serving 30 years behind bars for supplying a fatal dose of heroin to a 23-year-old North Dakota man. In August, a judge declared that Myers' stimulus money was not exempt from being seized by the government and ordered him to turn over more than $1,000 to go toward restitution.

Yancey Myers. (Williams County Correctional Center)

Jonathan Dickerson, an inmate at the Federal Correctional Institution in Texarkana, Texas, is serving 20 years behind bars for supplying a fatal dose of fentanyl to a 21-year-old Maryland woman. He was ordered to hand over his $1,400 stimulus check to go toward restitution in August.

BOSTON BOMBER HAS NOT PAID ANY OF $101M RESTITUTION, DESPITE SENDING FAMILY $2k FOR 'GIFTS': FEDS

James Johnson, an inmate at the Federal Correctional Institution Milan in Michigan, is serving 10 years in prison for possessing stolen firearms. He was ordered to turn over more than $1,100 of his stimulus money to go toward restitution in August.

John Lattaker, an inmate at the Federal Correctional Institution in Pollock, Louisiana, is serving 30 years in prison for armed robbery. He was ordered to relinquish his stimulus money to go toward restitution in September.

Robert Carey Evans, an inmate at Federal Medical Center in Lexington, Kentucky who is serving 10 years in prison for possessing child pornography, was ordered to turn over his stimulus money to go toward restitution in September.

Larry Norwood, an inmate at United States Penitentiary Coleman in Florida who is serving 19 years for sex trafficking, was ordered to relinquish his stimulus money to pay down his nearly $200,000 in restitution in October.

Omni Walton, an inmate at the Federal Correctional Institution in Forrest City, Arkansas, who is serving 19 years behind bars for armed bank robbery, was ordered to turn over his stimulus money to go toward restitution in November.

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The judges in many of those cases determined that the prisoners' receipts of COVID-19 relief money constituted a "material change of economic circumstances affecting the ability to pay restitution."

When reached for comment, the Federal Bureau of Prisons directed Fox News Digital to a FAQ page on the Internal Revenue Service website, which states that the IRS cannot deny a payment to someone who is incarcerated if they are a U.S. citizen or

CQ Floor Votes
Feb. 4, 2021

Fiscal 2021 Budget Resolution - Limit Assistance for Undocumented Immigrants

Feb. 4, 2021 Senate Roll Call Vote 18

S Con Res 5

Young, R-Ind., amendment no. 54 that would create a deficit-neutral reserve fund to allow for legislation related to federal tax law changes, including changes to limit or prevent undocumented immigrants from receiving economic impact payments or similar direct, tax-based temporary financial assistance.

Adopted by a vote of 58-42:

Democrats 8-40
Republicans 50-0
Independents 0-2

Vote Key

YEAS (58)

DEMOCRATS (8)

Hassan (NH)
Hickenlooper (CO)
Kelly (AZ)
- Manchin (WV)
- Peters, G. (MI)
- Sinema (AZ)
- Stabenow (MI)
- Tester (MT)

REPUBLICANS (50)

Barrasso (WY)
Blackburn (TN)
Blunt (MO)
Boozman (AR)
Burr (NC)
Braun (IN)
Capito (WV)
Cassidy (LA)
- Collins, S. (ME)
- Cornyn (TX)
- Cotton (AR)
- Cramer (ND)
- Crapo (ID)
- Cruz (TX)
- Daines (MT)
- Ernst (IA)
- Fischer (NE)
- Graham, L. (SC)
- Grassley (IA)
- Hagerty (TN)
- Hawley (MO)
- Hoeven (ND)
- Hyde-Smith (MS)
- Inhofe (OK)

Johnson, R. (WI)
Kennedy, John (LA)
Lankford (OK)
Lee, M. (UT)
Lummis (WY)
Marshall (KS)
McConnell (KY)
Moran (KS)
Murkowski (AK)
- Paul (KY)
- Portman (OH)
- Risch (ID)
- Romney (UT)
- Rounds (SD)
- Rubio (FL)
- Sasse (NE)
- Scott (FL)
- Scott, T. (SC)
- Shelby (AL)
- Sullivan (AK)
- Thune (SD)
- Tillis (NC)
- Toomey (PA)
- Tuberville (AL)
- Wicker (MS)
- Young, T. (IN)

INDEPENDENTS (0)

NAYS (42)

DEMOCRATS (40)

Baldwin (WI)
Bennet (CO)
Blumenthal (CT)
Booker (NJ)
Brown, S. (OH)
Cantwell (WA)
Cardin (MD)
Carper (DE)
Casey (PA)
Coons (DE)
Cortez Masto (NV)
Duckworth (IL)
Durbin (IL)
Feinstein (CA)
- Gillibrand (NY)
- Heinrich (NM)
- Hirono (HI)
- Kaine (VA)
- Klobuchar (MN)
- Leahy (VT)
- Lujan (NM)
- Markey (MA)
- Menendez (NJ)
- Merkley (OR)
- Murphy, C. (CT)
- Murray (WA)
- Ossoff (GA)
- Padilla (CA)
- Reed, J. (RI)
- Rosen (NV)
- Schatz (HI)
- Schumer (NY)
- Shaheen (NH)
- Smith (MN)
- Van Hollen (MD)
- Warner (VA)
- Warnock (GA)
- Warren (MA)
- Whitehouse (RI)
- Wyden (OR)

REPUBLICANS (0)

INDEPENDENTS (2)

King, A. (ME)
- Sanders (VT)

NOT VOTING (0)

DEMOCRATS (0)

CQ Floor Votes
Feb. 5, 2021

Fiscal 2021 Budget Resolution - Democratic Substitute

Feb. 5, 2021 Senate Roll Call Vote 52

S Con Res 5

Schumer, D-N.Y., substitute amendment no. 888 that would strike the text of three provisions added to the bill by amendments previously adopted on the floor. Those amendments would include deficit-neutral reserve funds to allow legislation to prevent immigrants from receiving direct, tax-based temporary financial assistance; limit or prohibit environmental regulations that would ban fracking; and approve the importation of oil from Canada through the Keystone XL pipeline.

Adopted, with Vice President Kamala Harris casting a "yea" vote to break the tie, by a vote of 50-50:

Democrats 48-0
Republicans 0-50
Independents 2-0

Note: In the legislative day that began on Thursday, Feb. 4, 2021.

Vote Key

YEAS (50)

DEMOCRATS (48)

- Baldwin (WI)
- Bennet (CO)
- Blumenthal (CT)
- Booker (NJ)
- Brown, S. (OH)
- Cantwell (WA)
- Cardin (MD)
- Carper (DE)
- Casey (PA)
- Coons (DE)
- Cortez Masto (NV)
- Duckworth (IL)
- Durbin (IL)
- Feinstein (CA)
- Gillibrand (NY)
- Hassan (NH)
- Heinrich (NM)
- Hickenlooper (CO)
- Hirono (HI)
- Kaine (VA)
- Kelly (AZ)
- Klobuchar (MN)
- Leahy (VT)
- Lujan (NM)
- Manchin (WV)
- Markey (MA)
- Menendez (NJ)

Merkley (OR)
- Rosen (NV)
- Tester (MT)

Murphy, C. (CT)
- Schatz (HI)
- Van Hollen (MD)

Murray (WA)
- Schumer (NY)
- Warner (VA)

Ossoff (GA)
- Shaheen (NH)
- Warnock (GA)

Padilla (CA)
- Sinema (AZ)
- Warren (MA)

Peters, G. (MI)
- Smith (MN)
- Whitehouse (RI)

Reed, J. (RI)
- Stabenow (MI)
- Wyden (OR)

REPUBLICANS (0)

INDEPENDENTS (2)

King, A. (ME)
- Sanders (VT)

NAYS (50)

DEMOCRATS (0)

REPUBLICANS (50)

Barrasso (WY)
- Graham, L. (SC)
- Portman (OH)

Blackburn (TN)
- Grassley (IA)
- Risch (ID)

Blunt (MO)
- Hagerty (TN)
- Romney (UT)

Boozman (AR)
- Hawley (MO)
- Rounds (SD)

Burr (NC)
- Hoeven (ND)
- Rubio (FL)

Braun (IN)
- Hyde-Smith (MS)
- Sasse (NE)

Capito (WV)
- Inhofe (OK)
- Scott (FL)

Cassidy (LA)
- Johnson, R. (WI)
- Scott, T. (SC)

Collins, S. (ME)
- Kennedy, John (LA)
- Shelby (AL)

Cornyn (TX)
- Lankford (OK)
- Sullivan (AK)

Cotton (AR)
- Lee, M. (UT)
- Thune (SD)

Cramer (ND)
- Lummis (WY)
- Tillis (NC)

Crapo (ID)
- Marshall (KS)
- Toomey (PA)

Cruz (TX)
- McConnell (KY)
- Tuberville (AL)

Daines (MT)
- Moran (KS)
- Wicker (MS)

Ernst (IA)
- Murkowski (AK)
- Young, T. (IN)

Fischer (NE)
- Paul (KY)

INDEPENDENTS (0)

Coronavirus Relief Budget Reconciliation Package - Undocumented Immigrants and Tax Rebates

March 6, 2021 - Senate Roll Call Vote 104 - HR 1319

Description

Cruz, R-Texas, amendment no. 968 to the Schumer, D-N.Y., substitute amendment no. 891 to the bill that would make individuals who are not considered lawfully present in the U.S. under current tax code ineligible for the 2021 individual tax rebates provided by the bill.

Outcome

Rejected by a vote of 49 - 50:
Republicans 49-0
Democrats 0-48
Independents 0-2

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Vote Key

Yeas (49)

Republicans (49)

John Barrasso (WY)

Marsha Blackburn (TN)

Roy Blunt (MO)

John Boozman (AR)

Richard M. Burr (NC)

Mike Braun (IN)

Shelley Moore Capito (WV)

Bill Cassidy (LA)

Susan Collins (ME)

John Cornyn (TX)

Tom Cotton (AR)

Kevin Cramer (ND)

Michael D. Crapo (ID)

Ted Cruz (TX)

Steve Daines (MT)

Joni Ernst (IA)

Deb Fischer (NE)

Lindsey Graham (SC)

Charles E. Grassley (IA)

Bill Hagerty (TN)

Josh Hawley (MO)

John Hoeven (ND)

Cindy Hyde-Smith (MS)

James M. Inhofe (OK)

Ron Johnson (WI)

John Kennedy (LA)

James Lankford (OK)

Mike Lee (UT)

Cynthia Lummis (WY)

Roger Marshall (KS)

Mitch McConnell (KY)

Jerry Moran (KS)

Lisa Murkowski (AK)

Rand Paul (KY)

Rob Portman (OH)

Jim Risch (ID)

Mitt Romney (UT)

Mike Rounds (SD)

Marco Rubio (FL)

Ben Sasse (NE)

Rick Scott (FL)

Tim Scott (SC)

Richard C. Shelby (AL)

John Thune (SD)

Thom Tillis (NC)

Patrick J. Toomey (PA)

Tommy Tuberville (AL)

Roger Wicker (MS)

Todd Young (IN)

Democrats (0)

Nays (50)

Republicans (0)

Democrats (48)

Tammy Baldwin (WI)

Michael Bennet (CO)

Richard Blumenthal (CT)

Cory Booker (NJ)

Sherrod Brown (OH)

Maria Cantwell (WA)

Benjamin L. Cardin (MD)

Thomas R. Carper (DE)

Bob Casey (PA)

Chris Coons (DE)

Catherine Cortez Masto (NV)

Tammy Duckworth (IL)

Richard J. Durbin (IL)

Dianne Feinstein (CA)

Kirsten Gillibrand (NY)

Maggie Hassan (NH)

Martin Heinrich (NM)

John Hickenlooper (CO)

Mazie K. Hirono (HI)

Tim Kaine (VA)

Mark Kelly (AZ)

Amy Klobuchar (MN)

Patrick J. Leahy (VT)

Ben Ray Luján (NM)

Joe Manchin III (WV)

Edward J. Markey (MA)

Bob Menendez (NJ)

Jeff Merkley (OR)

Christopher S. Murphy (CT)

Patty Murray (WA)

Jon Ossoff (GA)

Alex Padilla (CA)

Gary Peters (MI)

Jack Reed (RI)

Jacky Rosen (NV)

Brian Schatz (HI)

Charles E. Schumer (NY)

Jeanne Shaheen (NH)

Kyrsten Sinema (AZ)

Tina Smith (MN)

Debbie Stabenow (MI)

Jon Tester (MT)

Chris Van Hollen (MD)

Mark Warner (VA)

Raphael Warnock (GA)

Elizabeth Warren (MA)

Sheldon Whitehouse (RI)

Ron Wyden (OR)

Independents (2)

Angus King (ME)

Bernie Sanders (VT)

Not Voting (1)

Republicans (1)

Dan Sullivan (AK) ?

Democrats (0)

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Fact-checking

Immigrants without Social Security numbers are not eligible for stimulus checks

By ARIJETA LAJKA March 11, 2021

CLAIM: "Illegal aliens" will receive a $1,400 stimulus check through the COVID-19 relief bill.

AP'S ASSESSMENT: Partly false. The vast majority of immigrants without lawful status in the U.S. do not have Social Security numbers and cannot receive a $1,400 stimulus check. A small number of people who entered the U.S. on a temporary work visa and were issued Social Security numbers may be able to receive a payment, even if they overstayed their visas.

THE FACTS: On Wednesday, President Joe Biden and Democrats claimed victory as Congress approved a sweeping $1.9 trillion COVID-19 relief bill, which would provide many Americans with a direct $1,400 payment based on income.

Several misleading claims swirled online as to who would receive the payment. One Facebook post stated: "Illegal aliens will receive $1400 stimulus checks."

But in fact, the COVID-19 relief package excludes most immigrants in the country without legal permission, as did the two previous packages that passed under the Trump administration.

The relief package's text states that "any nonresident alien individual" is not eligible for a stimulus check. Both relief packages passed during the Trump administration used the same language. According to the Internal Revenue Service, a nonresident alien is "an alien who has not passed the green card test" or "the substantial presence test," which refers to the portion of the year someone is physically present in the country. But whether someone will receive a stimulus check really comes down to whether they have a Social Security number.

"For the most part, no unauthorized immigrants will receive the $1,400 stimulus payments," said Julia Gelatt, a senior policy analyst at the Migration Policy Institute in an email to The Associated Press. "In order to receive a payment, someone must have a valid Social Security number issued by the Social Security Administration."

According to a recent estimate by the Center for Migration Studies, a think tank focused on international migration, there were 10.35 million immigrants living in the country without legal status in 2019. Most of them do not have Social Security numbers.

However, there are some people who entered the U.S. on valid temporary work visas who received a Social Security number while on that visa. Those who overstayed their visas may qualify for a stimulus check, but experts say the number of people in this category is small.

"We don't know how many unauthorized immigrants overstayed a temporary work visa that grants access to a Social Security number, but again, it's likely to be a pretty small number," Gelatt said. "And we will still have to see if the IRS really issues payments to people with a Social Security number that is no longer authorized for work."

Republican Senator Ted Cruz of Texas offered an amendment to the bill last week, seeking to block people who are not "lawfully present" from receiving a check. Democrats shot down the amendment since it would have prevented mixed-status households from receiving payment.

Gelatt noted that the most recent COVID-19 relief package, unlike prior ones, allows immigrant parents in the country without legal permission to receive a payment for their U.S. citizen children only. Advocates for the bill said Cruz's amendment would have invalidated that provision.

During the first round of stimulus payments in March 2020, U.S. citizens and permanent residents

2020 made $600 stimulus checks available to those U.S. citizens and permanent residents in mixed-status families. That legislation still left out over 2 million U.S. citizen children whose parents were both ineligible to receive checks because they were in the country illegally, according to AP reporting.

While social media users falsely suggested stimulus checks would automatically be distributed on a large scale to immigrants in the country illegally, immigrant rights advocates criticized the reality

statement that “Congress unconscionably still continues to exclude” these immigrants from

receiving stimulus checks, “even as many of these same immigrants are working in essential roles and ensuring that our communities are able to weather this prolonged health crisis.”

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This is part of The Associated Press’ ongoing effort to fact-check misinformation that is shared widely online, including work with Facebook to identify and reduce the circulation of false stories on the platform.

ACTUARIAL NOTE
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SOCIAL SECURITY ADMINISTRATION
Office of the Chief Actuary
Baltimore, Maryland

EFFECTS OF UNAUTHORIZED IMMIGRATION ON THE ACTUARIAL STATUS OF THE SOCIAL SECURITY TRUST FUNDS

by Stephen Goss, Alice Wade, J. Patrick Skirvin, Michael Morris, K. Mark Bye, and Danielle Huston

INTRODUCTION

This actuarial note provides information related to projections of the effects of unauthorized immigrants on the U.S. labor force, and more specifically on the actuarial status of the Social Security (OASI and DI) Trust Funds. We have been modeling this important, yet elusive, population for many years. We reported on these effects in a letter to Illinois Senator Dick Durbin in 2007 (copy available on request). The nature and characteristics of this population have changed over the last decade and so we have modified our methods to better account for work activity and potential benefit receipt by unauthorized immigrants. All estimates and analysis reflect the intermediate assumptions and methods developed for the 2012 Trustees Reports.

The balance of this note provides:

- A brief review of the nature of unauthorized immigration, how it has changed, and how our modeling has evolved;
- A detailed discussion of the effects of unauthorized immigration on Social Security's actuarial status;
- Answers to some important questions regarding undocumented immigrants; and
- A list of the major laws affecting both unauthorized immigrants and Social Security.

A BRIEF REVIEW OF UNAUTHORIZED IMMIGRATION

Legal immigration into the United States has been a major source of population growth and diversity. For over a century, legal immigration has been regulated and the numbers of legal immigrants have been limited by a succession of laws. Unauthorized immigration into the U.S. results from entering the country without legal authorization and from overstaying temporary visas. Both forms of immigration have contributed substantially to the population, directly and indirectly. The indirect contribution refers to the fact that children born in the U.S. to these immigrants are U.S. citizens. For the purpose of this discussion, we use the following terms:

- *Legal immigrants* – U.S. residents born outside the U.S. who have been granted legal permanent resident (LPR) status or have become naturalized citizens.
- *Other immigrants* – U.S. residents born outside the U.S. who have not attained LPR status or citizenship (this group includes those with temporary legal visas).
- *Unauthorized immigrants – Other immigrants* residing in the U.S. without current papers documenting their legal status (i.e., either they entered the U.S. without legal documentation or they overstayed temporary visas).
- *Unauthorized workers – Other immigrants* working in the U.S. without current visas granting them authorization to work.

In the beginning of 1989, there were an estimated 5 million unauthorized immigrants in the U.S. The Immigration Reform and Control Act of 1986 (IRCA) allowed unauthorized immigrants who could prove they had been residing here for 5 years to apply for LPR status. From 1989 through 1991, about half of these unauthorized immigrants were granted LPR status under IRCA. Since the mid 1990's, however, the estimated number of persons entering the U.S. without authorization has averaged over 1 million per year, and the estimated number of unauthorized immigrants now totals more than 10 million. Individuals leave unauthorized status both by leaving the U.S. (emigration) and by applying for, and being granted, LPR status. In fact, about half of the individuals granted LPR status each year are estimated to come from the other immigrant population. Most of these individuals are residing as temporary legal immigrants with visas or have overstayed visas, rather than coming from the population that has never had temporary legal status.

In 2008, the Office of the Chief Actuary (OCACT) completely restructured the projection method for the other immigrant population. This restructuring had two objectives. The first was to model separately the annual flows of individuals: (1) entering the country in other immigrant status; (2) converting from other immigrant status

to LPR status; and (3) leaving the U.S. from the other immigrant population. The second objective was to reflect administrative changes made by the Social Security Administration (SSA) since 2001, which made it more difficult for unauthorized immigrants to obtain Social Security numbers (SSN) through illegitimate means. Since 2001, SSA greatly increased scrutiny of applications for an SSN after birth, which reduced the incidence of illegitimate receipt of an SSN. For other immigrants entering the U.S. in 2001 and earlier, we assume that about one-third attained apparently legitimate SSNs through illegitimate means. For unauthorized immigrants entering the country after 2001, we believe that the granting of SSNs based on illegitimate documentation has been greatly reduced.

Laws enacted in 1996 and 2004 make Social Security benefits unavailable to unauthorized immigrants residing in the U.S. and to any noncitizen without a work-authorized SSN at some point in time. We project that these laws will significantly reduce benefit receipt among persons who remain in the unauthorized immigrant population in the future.

How the Participation of Unauthorized Workers Affects Social Security's Financial Position

For the annual Trustees Reports, the President's Budget, and other documents, OCACT projects the numbers of unauthorized immigrants residing in the United States, their earnings, and the implications of these earnings on Social Security financing. Our projections assume that unauthorized residents work at about the same rate as the rest of the population by age and sex, but earnings are less likely to be reported as taxable and even less likely to be credited for future benefit entitlement. Thus, our projections suggest that the presence of unauthorized workers in the United States has, on average, a positive effect on the financial status of the Social Security program. For the year 2010,[1] we estimate that the excess of tax revenue paid to the Trust Funds over benefits paid from these funds based on earnings of unauthorized workers is about $12 billion.

While we cannot determine the precise effect on Social Security financing of earnings of unauthorized immigrants, program data fully capture this effect. The current overall financial status of the Social Security Trust Funds is well known, and it provides an excellent base upon which to make projections for the future. The difficulty lies in determining what portion of total taxes paid to and benefits received from the Social Security Trust Funds derive from the earnings of these immigrants. We can only estimate these amounts using the best available information.

Beyond the taxes paid and benefits received by unauthorized workers, the larger effect on the long-term actuarial status of the OASDI Trust Funds derives from the children born in the U.S. to these immigrants. These children are natural born citizens and add to the growth in the overall U.S. population. This contribution to future generations of workers is the largest part of the effect on the actuarial status both for legal and other immigrants.

Earnings of Unauthorized Immigrants in the United States

The Census Bureau estimates that the number of people living in the U.S. who were foreign born and not U.S. citizens was 21.7 million in January 2009. Of these, 12.6 million individuals were not legal permanent residents of the U.S. We refer to this group as other immigrants (other than legal permanent resident immigrants). Of this number, about 10.8 million resided in the U.S. in an unauthorized status. The remaining other immigrants resided in the U.S. in a temporary authorized status (for example students and workers with temporary visas).

In order to make projections of the financial status of the Social Security program, OCACT projects the number of other immigrants who are working under various classifications. OCACT assumes that other immigrants are as likely to work as legal permanent residents of the same age and sex. The estimated number of other immigrants working is 8.3 million in 2010. OCACT estimates 0.6 million of the 8.3 million other immigrant workers in 2010 had temporary work authorized at some point in the past and have overstayed the term of their visas. In addition, OCACT estimates that 0.7 million unauthorized workers in 2010 obtained fraudulent birth certificates at some point in the past and these birth certificates allowed the workers to get an SSN. Combining these two groups with the 1.3 million current visa holders with temporary authorization, we estimate 2.7 million other immigrants have SSNs in their name and thus can work, pay taxes, and have earnings credited to their record for potential benefits in the future.

OCACT estimates 1.8 million other immigrants worked and used an SSN that did not match their name in 2010. Their earnings may be credited to someone else's record (when the SSN and name submitted to the employer match Social Security records) or may be credited to the Earnings Suspense File (when submitted with non-matching SSN and name). Finally, OCACT estimates 3.9 million other immigrants worked in the underground economy in 2010.

[1] January 1, 2010, is the starting year for the Social Security population projections. These estimates for 2010 rely on the most recent estimates from the Census Bureau and Department of Homeland Security at the time of preparation for the 2012 Trustees Report (November 2011).

Eliminating the current visa holders with temporary authorization (1.3 million other immigrants with legal work authorization), and those in the underground economy (3.9 million unauthorized workers), we estimate that there are about 3.1 million unauthorized immigrants working and paying Social Security taxes in 2010. With the average amount of OASDI taxable earnings for these immigrants assumed to be about 80 percent of the average level for all workers, we estimate $13 billion in payroll taxes from unauthorized immigrant workers and their employers in 2010.

Benefits Based on Earnings by Unauthorized Immigrants

Estimating the portion of all 2010 OASDI benefit payments that will be based on prior unauthorized earnings is even more problematic than estimating current unauthorized earnings. In general, we believe that the evidence indicates a relatively small portion of those who potentially could draw benefits do so.

The principal category of unauthorized immigrants who can currently draw a Social Security benefit includes those who have overstayed visas, or obtained an SSN through illegitimate means. For January 1, 2010, we estimate that there were 720 thousand other immigrants aged 62 and over. Assuming: (1) about 25 percent of these immigrants meet the insured requirements and have a functional SSN matching their name; and (2) they have a monthly benefit level about half the average, we estimate about 180 thousand beneficiaries received roughly $1 billion in benefits in 2010.

Three additional categories of workers account for a relatively small amount of the total OASDI benefit payments. First, individuals who began receiving benefits before 1997 and never obtained authorization to work, could potentially be receiving benefits. However, they met the difficult challenge of documenting their past earnings and establishing the earnings as taxable. Second, individuals who never obtained authorization to work, received an SSN before 2004, and now live abroad could potentially receive a benefit. However, they would have similar challenges in documenting past earnings. Third, individuals who currently have authorization to work but did not have authorization while residing here in the past would find it difficult to document the earlier earnings. In each of these cases, the requirement to document ownership of reported taxable earnings in the past is a high hurdle, and meeting this requirement seems to be more the exception than the rule.

Overall, therefore, we estimate that about $1 billion of OASDI benefit payments for 2010 derive from earnings in years where the worker was unauthorized.

Conclusion

While unauthorized immigrants worked and contributed as much as $13 billion in payroll taxes to the OASDI program in 2010, only about $1 billion in benefit payments during 2010 are attributable to unauthorized work. Thus, we estimate that earnings by unauthorized immigrants result in a net positive effect on Social Security financial status generally, and that this effect contributed roughly $12 billion to the cash flow of the program for 2010. We estimate that future years will experience a continuation of this positive impact on the trust funds.

While we expect the size of the unauthorized population to grow further in the future, several changes would limit the reporting of their earnings as taxable. Among these are issuance of SSNs at birth in recent years and greater scrutiny of birth certificates for individuals who only apply for SSNs at working ages. In addition, recent legislation requires that other immigrants receiving an SSN after 2003 cannot receive benefits unless the worker had legal work authorization at some point before retiring. Another recent change is the creation of a national-wide earnings verification system, which allows employers to check the legal status of their employees. While these changes will alter the future impact of earnings by unauthorized immigrants on the trust funds, we still expect significant effects that will benefit the financial status of the programs.

ANSWERS TO SPECIFIC QUESTIONS ON UNAUTHORIZED IMMIGRATION

Unauthorized workers in the U.S. and the Social Security system

- **Question:** To what extent has the economic downturn (that began in 2007) changed immigration trends in the U.S.?
  Response: The economic downturn did not affect the number of persons attaining legal immigrant status, as there are always more applicants than can be allowed under the legal limits. However, the downturn did affect the numbers of other immigrants entering and leaving the country. For the intermediate projection of the 2008 Trustees Report (these projections did not include the downturn), we assumed 1.5 million other immigrants

would enter the country in 2009. We now estimate that about 700 thousand other immigrants entered the country in 2009. In addition, due to the recession, we estimate that the number of other immigrants leaving the country was elevated in 2009, leaving only 40,000 net other immigrants for the year. We expect the effects of the recession on the number of other immigrants entering and leaving the country to be temporary. For 2015, we expect the number entering the country to return to 1.5 million and the net other immigration to be about 500,000.

- **Question:** What is the total number of unauthorized workers now participating in the U.S. economy? How has this number changed in the past and how will it change in the future?
  Response: We estimate that the number of unauthorized workers grew from 4.8 million in 2000 to 8.0 million in 2007, the peak of the last business cycle. The economy then fell into recession and the estimated number of unauthorized workers declined to 7.0 million in 2010. We project that the economy will recover and that the number of unauthorized workers will rise to 9.6 million in 2020.

- **Question:** What is the number of workers who are entering the country illegally? What is the number of workers who have overstayed their visas? How have these numbers changed?
  Response: The number of persons residing in the country without current legal authorization grew during the period 1990 to 2006 and the Department of Homeland Security (DHS) estimated the stock of unauthorized immigrants to be 11.8 million as of January 1, 2007. However, DHS estimated that this number declined to 10.8 million as of January 1, 2009. After the recovery from the recession, we assume the annual number of other immigrants (unauthorized and temporary visas) entering the U.S. will be 1.5 million per year. However, we assume that about one-third of those entering the country (largely those who have temporary visas or overstay temporary visas) will gain LPR status within a few years, and that the majority of the remaining 1 million other immigrants will eventually leave the country. We estimate the number of other immigrants who have entered the country legally with a temporary visa, have overstayed their visa (work or student), and are working using their legitimately acquired SSN to be 0.6 million in 2010, slightly above the 2000 level of 0.5 million.

- **Question:** How many of the unauthorized workers have an SSN issued in their name and how many are reporting earnings under invalid numbers?
  Response: Before 1980, many unauthorized workers obtained SSNs in their name using fraudulent identification, particularly birth certificates. After 2001, however, SSA became far more vigilant on identification, and the number of persons obtaining SSNs with fraudulent identification should now be relatively small. We estimate 0.7 million unauthorized workers in 2010 were working using fraudulent identification (most with SSNs obtained before 2001), and we project this number to decrease to less than 0.2 million in 2040. Increasingly in the future, earnings reported to SSA for unauthorized workers will be reported with an illegitimate SSN. In this case, the reported earnings show up with a mismatch between name and SSN and thus would be assigned to the Earnings Suspense File. Due to this mismatch, the worker (and employer) would be paying payroll taxes, but the earnings would not be credited toward later receipt of benefits. Our estimate for the current stock of these immigrants is 1.8 million in 2010, rising to 3.4 million by 2040.

- **Question:** How many unauthorized workers are employed in the underground economy? How has this number changed in the past and how will it change in the future?
  Response: The estimated number of unauthorized workers who are employed in the underground economy grew from 2.2 million in 2000 to 3.9 million in 2010. We project the number of these workers to grow to 9.0 million in 2040.

Wage reporting and wage levels

- **Question:** Of the unauthorized workers paying OASDI taxes, what is the average level of earnings upon which the taxes are levied and how does that level compare with the broader U.S. labor force?
  Response: We assume the average level of taxable earnings for these unauthorized workers equals about 80 percent of the average level for all workers. For 2010, we estimate this average level for these unauthorized workers to be about $34,000.

- **Question:** What is the dollar amount of payroll taxes paid by unauthorized workers and their employers for the latest tax year?
  Response: We estimate $13 billion in OASDI payroll taxes from unauthorized immigrant workers and their employers in 2010. This number reflects earnings for those with no recorded SSN, those who have obtained an SSN with fraudulent identification, and those with legitimate SSNs who have overstayed temporary visas.

- **Question:** Does information in the Social Security Earnings Suspense File (ESF) provide insights into

unauthorized workers' labor force participation and earnings? What dollar amount or percentage of earnings in the ESF is the result of unauthorized work? How many items posted to the ESF are from unauthorized work? Since both legal and illegal workers may hold several jobs in any tax reporting year, how does that affect the estimate of unauthorized wage items and earnings reported by unauthorized workers?

Response: Viewing the history of the ESF, we attempt to separate the total dollar amount of taxable wages for each year between unauthorized workers and the rest of the population. However, because we cannot identify which individual "wage items" are for unauthorized immigrants and which are for legal residents, we have no way to determine specifically either the number of wage items reported per worker or the average total annual earnings per worker represented on the ESF. Historically, both the unauthorized population and the percent of total reported earnings that goes to the ESF have been rising and we estimate a continuation of these trends. We estimate earnings in the ESF for unauthorized immigrants will increase from less than 1 percent of total taxable payroll in 2000 to about 2 percent in 2040.

Benefits based on earnings by unauthorized workers

- **Question:** How many unauthorized workers receive benefits from Social Security? How many fall under the category of overstayed visa or an SSN obtained through illegitimate means? What is their benefit level, their insured status, and the total amount of benefits they receive compared to authorized workers? What are the trends over time? How will these trends change in the future?

  Response: Individuals who enter the country as unauthorized immigrants and remain in that status for life are relatively unlikely to receive benefits from the OASDI program. Those who work in the underground economy have no basis for expecting to be entitled for benefits. Those who have worked and paid payroll taxes without a matched SSN will have had their earnings placed in the suspense file and will have only a relatively remote possibility of obtaining credit for these earnings for the purpose of becoming entitled to a benefit. The relatively small and declining number of unauthorized immigrants who have an SSN with earnings credited in their name, may receive benefits in the future. However, to receive benefits they must meet the following three conditions: (1) work long enough to acquire insured status under the program; (2) receive legal work authorization at some time; and (3) receive legal resident status for the time of their benefit entitlement or, if not, are willing to leave the U.S. to receive a benefit.

- **Question:** What categories of persons, who are or were unauthorized workers, may be eligible for benefits if they can document past earnings? To what degree are they successful in documenting such earnings?

  Response: We estimate about 30 percent of the other immigrants who were living in the U.S. and were age 62 in 2000, would be eligible to receive retired-worker benefits. We project that the percent eligible to receive a retired-worker benefit will decline to around 10 percent at the end of the 75-year projection period. In addition, SSA authorized about 0.5 million checks to persons living abroad in December 2010. However, most of these individuals are U.S. citizens living abroad or persons receiving benefits under totalization agreements with other countries (based on authorized work).

MAJOR LAWS AFFECTING UNAUTHORIZED IMMIGRATION AND SOCIAL SECURITY

- *Immigration Reform and Control Act (IRCA) of 1986* allowed about ½ of the undocumented population in 1987 to become legal permanent residents over the period 1989-1991.
- Effective December 1, 1996, the *Illegal Immigration Reform and Immigrant Responsibility Act of 1996* prohibits SSA from paying monthly Title II benefits to noncitizens who are in the United States for any month during which they are not lawfully authorized to be in the country. After 2000, SSA became more vigilant in issuing SSNs. Since September 2002, SSA verifies noncitizens' immigration status with the Department of Homeland Security (DHS) before assigning an original SSN or issuing a replacement SSN card.
- The *Social Security Protection Act of 2004* restricts SSA from authorizing Title II benefits to noncitizen workers who received an original Social Security number (SSN) after January 1, 2004 unless they were issued an SSN for work purposes or were admitted into the United States as a nonimmigrant visitor for business or as an alien crewman.