

Congress of the United States
Washington, DC 20515

May 17, 2021

President Joseph R. Biden
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear President Biden:

Thank you for your steadfast and decisive leadership during the ongoing public health and economic crisis. The American Rescue Plan (ARP) has provided much-needed relief to millions of Americans. Direct payments and enhanced unemployment insurance (UI) in particular have served as lifelines to families and workers that have had their lives upended by the pandemic. As we continue to Build Back Better, it is imperative that we work to ensure this critical relief remains available when they need it most.

In the American Families Plan, you pledged “to work with Congress to automatically adjust the length and amount of UI benefits unemployed workers receive depending on economic conditions.” We welcome this opportunity but urge you to prioritize both automatic UI extensions and recurring direct payments tied to economic conditions. The pandemic has served as a stark reminder that families and workers need certainty in a crisis. They deserve to know they can put food on the table and keep a roof over their heads. They should not be at the mercy of constantly shifting legislative timelines and ad hoc solutions.

Direct payments and enhanced UI are among the most effective forms of relief available. Not only do they help keep families and workers out of poverty,ⁱ they act as economic stimulus by increasing spendingⁱⁱ and supporting jobs.ⁱⁱⁱ When the CARES Act relief checks ran out, poverty rose, and many families and workers experienced spiraling debt.^{iv} Automatic stabilizers will give families and workers certainty that relief is coming. Families and workers shouldn’t have to worry about whether they’ll have enough money to pay for essentials in the months ahead as the country continues to fight a global pandemic and recession. Two-thirds of adults reported that the third stimulus check was important to their financial well-being. But nearly as many – six in ten – reported that the checks will last less than three months, which is virtually unchanged from January.^v Most people spent relief checks on monthly expenses or essentials such as food, utilities, rent, and mortgage payments.

The two forms of payments also work in tandem. While UI replaces lost income for those out of work, direct payments are crucial for supporting struggling families that fall out of its reach. This includes the millions of workers that do not qualify for UI after having their hours reduced, switching to lower-paying jobs, or temporarily leaving the workforce to care for family members. The ARP’s \$1,400 checks alone will keep 11 million people out of poverty this year, with UI expansion and other provisions in the bill accounting for the another five million.^{vi} A fourth and fifth check could keep an additional 12 million out of poverty.^{vii} Combined with the

effects of the ARP, direct payments could reduce the number in poverty in 2021 from 44 million to 16 million.

Recurring direct payments have wide support from both the general public and economic experts. Polling shows 65 percent of Americans support recurring cash payments “for the duration of the pandemic.”^{viii} This includes support from 54 percent of Republicans and 60 percent of independents. Economists support the idea too. More than 150 economists recently wrote an open letter supporting automatic stabilizers as part of a strong recovery and warning against repeating the mistakes of the Great Recession, when an insufficient response led to unnecessary suffering, particularly among low-income workers.^{ix}

In your joint address to Congress, you laid out a vision to turn crisis into opportunity. Tying recurring direct payments and automatic UI extensions to economic conditions would do just that. We urge you to include both in the American Families Plan and are ready to work with you to enact this critical relief into law.

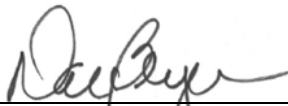
Sincerely,



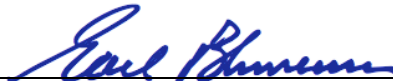
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- ⁱ “The CARES Act Could Reduce Poverty to Pre-Crisis Levels If Access Is Adequate,” June 21, 2020. Center on Poverty & Social Policy at Columbia University.
- ⁱⁱ Farrell, Diana, Peter Ganong, Fiona Greig, Max Liebeskind, Pascal Noel, Daniel Sullivan, and Joseph Vavra. “The Unemployment Benefit Boost: Trends in Spending and Saving When the \$600 Supplement Ended.” JPMorgan Chase & Co. Institute. JPMorgan Chase & Co., October 2020.
- ⁱⁱⁱ Gould, Elise, and Josh Bivens. “Reinstating and Extending the Pandemic Unemployment Insurance Programs through 2021 Could Create or Save 5.1 Million Jobs.” Working Economics Blog. Economic Policy Institute, December 2, 2020.
- ^{iv} “Monthly poverty rates in the United States during COVID-19,” October 15, 2020. Center on Poverty & Social Policy at Columbia University.
- ^v Foster, Sarah. “Survey: More than 6 in 10 Americans Say \$1,400 Stimulus Checks Won’t Last Three Full Months.” Bankrate, April 14, 2021.
- ^{vi} Wheaton, Laura, Sarah Minton, Linda Giannarelli, and Kelly Dwyer. “2021 Poverty Projections: Assessing Four American Rescue Plan Policies.” Urban Institute, March 10, 2021.
- ^{vii} Maag, Elaine, and Kevin Werner. “How Additional Cash Payments Would Reduce Poverty.” Tax Policy Center, March 30, 2021.
- ^{viii} “65 Percent of Americans Support Monthly \$2,000 Coronavirus Relief Payments.” Data For Progress, January 4, 2021. <https://www.dataforprogress.org/blog/2021/1/04/65-percent-support-monthly-2000-checks>.
- ^{ix} Zeballos-Roig, Joseph. “‘An Essential Tool!’ 156 Top Economists Call for Recurring Stimulus Checks until the Economy Recovers from the Coronavirus Pandemic.” Business Insider, July 7, 2020.