THE BROOKINGS INSTITUTION

WEBINAR

RESILIENCE AFTER RECESSION:
THE EMERGING LANDSCAPE FOR AMERICAN WORKERS AND FAMILIES

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ANDERSON COURT REPORTING
1800 Diagonal Road, Suite 600
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

PARTICIPANTS:

Welcome:

WENDY EDELBERG
Director, The Hamilton Project,
Senior Fellow, Economic Studies
The Brookings Institution

Roundtable Discussion: Identifying the Disparities During the Economic Recovery

Moderator:

HEATHER LONG
Economics Correspondent,
The Washington Post

Panelists:

DAVID AUTOR
Ford Professor of Economics,
MIT

TREVON LOGAN
Hazel C. Youngberg Distinguished Professor of Economics,
The Ohio State University

Roundtable Discussion: Exploring Policy Solutions to Ensure the Recovery Is Equitable

Moderator:

WENDY EDELBERG
Director, The Hamilton Project,
Senior Fellow, Economic Studies
The Brookings Institution

PARTICIPANTS (CONT'D):

Panelists:

DOUGLAS HOLTZ-EAKIN
President,
The American Action Forum

SHARON PARROTT
President,
Center on Budget and Policy Priorities

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P R O C E E D I N G S

MS. EDELBERG: I'm Wendy Edelberg, director of the Hamilton Project. We are delighted that you have joined today's event. We will be discussing the biggest challenges faced by different groups in the midst of this economic recovery and how many of those challenges are by no means new and have only been exacerbated by the pandemic.

In that spirit, the Hamilton Project released facts document today offering a snapshot on the state of the recovery. Today's event will explore options policymakers have to ensure that the recovery is robust and equitable and that the economy is resilient over the longer term.

Today we published an essay by Betsey Stevenson of the University of Michigan describing the employment situation for women and families. That work builds on an essay that Betsey wrote for the Hamilton Project in July 2020 where she examined the inequities in labor outcomes during the first year of the pandemic.

Today we also published an essay by Bradley

Hardy of Georgetown University and Trevon Logan of the Ohio State University. That essay explores the uneven and absolving ways that Black Americans are experiencing the recovery from the pandemic and the economic downtown. That work also builds on a previous Hamilton Project essay written by those authors earlier in the pandemic.

All three will join our first panel which will be moderated by Heather Long who has covered these issues in depth for the *Washington Post*. That panel will give you an excellent overview of the challenges facing people -- sorry, that panel will give you an excellent overview of the challenges people are currently facing and challenges that our experts, including David Autor from MIT expect to persist.

After that panel, I will be back to moderate a second panel which will include an impressive list of think tank leaders who will debate the fiscal policy changes that we need to make. We will be live tweeting the event using the #covideconomy. You can use that to submit questions for the panelists or email info@hamiltonproject.org. And with that, let me happily turn things over to Heather Long.

MS. LONG: Thank you, Wendy. I'm Heather Long from the *Washington Post* and as so many people know well, this pandemic has been the most unequal recession in modern U.S. history. Many of us can see it as we drive around our communities.

But what we really want to do today is bring people up to speed with these latest research and the latest numbers on where we are now. We obviously have seen some recovery, things are better in some cases than they were a year ago. But there are still millions of Americans who have been left behind and we still see some serious risk of potential deep scaring and just a very changing economy and how we're all going to adjust to this new reality.

So to start us off, I want to dive right in. This great paper from Bradley Hardy and Trevon Logan that really looks at, I encourage people to read through it, what's going on with Black Americans in this who were the hardest hit in many ways in this pandemic and economic recession. Professor Hardy, let's start with you. Obviously, there's been a huge expansion of the safety net, a huge attempt to get out a lot of emergency aid. Have we done enough?

MR. HARDY: No, it's a great question and, you know, frankly Trevon and I have been working on topics spanning, you know, historical policies and conditions and how they actually predict socioeconomic mobility outcomes by race for many years. And so, when the pandemic hit in our discussions, we were anticipating that this shock could have really unequal consequences just for disadvantaged families in general and then Black families specifically. So it motivated our work.

And I think the answer is that the safety net has really operated quite effectively and aggressively to really improve economic conditions really for all Americans and for Black Americans in particular and so I'll share some numbers there. But, you know, one of the things that we do in the paper that I think is important is we're just able to lay out in pretty stark terms that one, you know, really across racial and ethnic groups, we saw a big unemployment shock in the worst possible way. But at the same time, the gap, the unevenness really did widen for Black families and Black workers in particular.

And so, you know, when we look at this, ultimately, we do find though that the child tax credits, these are spanning $3 to $6,000. Economic relief payments, enhanced SNAP food assistance benefits, pandemic unemployment insurance. This all kind of combined to really help out disadvantaged families and Black families.

And so, you know, many folks who were on a Hamilton podcast, webcast are going to know these numbers but, you know, census just put out their poverty numbers and it's really remarkable. In the measures that the census uses that accounts for household expenses and the social safety net, sort of benefits to assist families. Actually those programs were responsible for lowering poverty by about 2.6 percentage points.

And so, you know, this is a really big deal, this is the safety net in action. And household incomes fell at the same time between 2019 and 2020 as you would image with all the joblessness. So, you know, specifically Black poverty fell by 4.3 percentage points, Hispanic poverty fell by 4.9 percentage points Asian and White households saw poverty fall by about 2.5 percentage points.

So, you know, really big deal, really impactful stuff. I think later on in the panel, we could have a conversation around frankly maybe some of the challenges that we face in terms of delivering safety net benefits to all households. You know, I think the short version, Heather, would be that we have many eligible households who don't necessarily file for taxes.

And so, much of our economic relief, the child allowances, enhanced EITC, things like this are running through the tax code. And so, you know, unfortunately, there is evidence to suggest that some of the most disadvantaged households qualify but don't necessarily take up these benefits. And so, you know, this is one of those things that we really have to watch out for.

And in addition, you know, there's some really great benefits and less discussed tax credit programs like the child and dependent care tax credits. You know, big benefits that we want disadvantaged households to be able to take advantage of. So, you know, I guess long story short, the safety net was hugely important. And when you think about the importance and I think Trevon and others will talk about this, it's not just for, you know, say the adult workers but it's really trying to buffer for the next generation.

You know, you have children who have really born the brunt of this. Everything from education to socioemotional development and so the safety net has really been big for them as well.

MS. LONG: Can you just say a little bit more about that, your last point? I think in your paper it was so powerful was I was reading and you have this great graphic. I mean, scary graphic really but shows, reiterates where most of the school closures were and the ramifications that that's going to have longer term on children and society. Can you just sort of sum up your biggest concerns going forward there?

MR. HARDY: Sure. Yeah, you know, I think that's some of what that, you know, unfortunately there's this nexus of race in geography that we see with a lot of the economic problems in the U.S. And so, you know, as it turns out, a disproportionate share of low income and minority students are going to find themselves in schools that were, you know, frankly less likely to be reopening in the middle of the pandemic and for good reason.

So, you know, there were legitimate concerns around exposure and still are legitimate concerns around exposure to COVID-19. And so, at the same time, the consequences for learning, the learning loss that results, this is being born out disproportionately on these economically disadvantaged families, many minority families among them.

And, you know, again just to reemphasize folks like Nathan Anderson at the Chicago Fed, they've done the zip code level work to show that many of the high minority low income zip codes are those where you see eligible but not filing households for this whole broad array of social safety net benefits that are being administered through the tax code. And so, you know, it really has come together in a way that we have to keep our eye on. You know, we've done well but at the same time, we have to really stay focused on these households.

MS. LONG: Professor Logan, I want to bring you in. Obviously in the media, we report every month on the unemployment rate and 5.2 percent right now but that's obviously such a narrow part of the story as you all unpack in your paper. Can you give us a sense of where we are now, particularly for communities of color in this recovery?

MR. LOGAN: I think that one thing I always want to start at the forefront of is what the pandemic is really about which is the coronavirus and its mortality implications. And so where we are in terms of the virus and its devastation, particularly to communities of color, is pretty striking. So we have undone about 10 years of closure in the Black White life expectancy gap with the coronavirus pandemic.

So we are literally at a level where we've taken progress on trying to ameliorate or eliminate racial disparities of longevity. And this pandemic has gone right to that wedge and broking it apart in one year and done more than a decade worth of damage to that convergence.

And the communities in which of course that is concentrated more thinking about this effective longevity, right. So the level of community wide devastation is, of course, also going to be concentrated in these communities. And to a point that Bradley was making about the ability of assistance to help these families in the new work that came out in the national career of economic research this week from Elizabeth Anant at Arnatt College and co-authors talked about the fact that yes, we've reduced child poverty with these refundable tax credits.

But the caveat to that is that amongst the poorest households, getting aide to those families is actually proved to be quite difficult. So I think one of the new challenges that emerges back to Wendy's point about thinking about resiliency for the economy, is that we are going to have to figure out for the first time in generations how to reach the very poorest households who actually need assistance the most.

And so, the way that we've used as Professor Hardy was talking about, the tax code and the filers to distribute benefits completely eliminates the class of people who are at the very end and the left tail of the income distribution who are not filers. Who have an inability to, for example, access some of these resources with the refundable tax credits. And forget about the fact that when this program first rolled out, it was not accessible by cellphone.

So you would need to remember you're one of the poorest households now in the United States by definition of qualifying for the benefit and you can't access it from your cellphone so now how are you going to access your ability to even claim this benefit. Which we now see in the data is one of the things that is stopping us from preventing child poverty in particular even further. So we're going to have to think outside of the box to reach many of the poorest households who are disproportionately non-White households.

MS. LONG: Betsey, Professor Stevenson, we want to bring you in. You wrote a great paper on women, work and families. So trying to give us another perspective on where we're at with what so many started calling the she session last year. And, you know, I just was hoping that you could give us an update. Are women getting back to work?

MS. STEVENSON: Well, the great news is that they are getting back to work. So what we see is a little more than three-quarters of men and women have gone back to employment. And women lost more jobs so they've actually added back more jobs than men because they've gone back sort of proportionate to the extent to which they've lost jobs.

But let's step back for a second because I think people don't fully understand how different this recession was for women and how that might shape our recovery going forward. So in this recession, women's employment declined 16 percent while men's fell 13 percent. That may sound like a pretty small gap but the thing to realize is that in every past recession, women's employment has really barely fallen and recovered very quickly.

The 2007 recession, women's employment did fall but it fell by less than half of what it fell for men and they recovered much faster than men's employment recovered. And the reason for this is this is the first recession that was really concentrated on the service sector.

So previous recessions have really been focused on the goods producing sector which are where men tend to work. And so we see big declines in things like manufacturing in a recession. And this recession, it was in person service jobs. And this really dovetails with the things that you just heard from professors Hardy and Logan because the people who do in person jobs tend to be women and they also tend to be low earners, low income individuals.

And so, it was really a double edged sword because they could, some of them lost their jobs which, you know, was a financial problem. Others kept going to work which was actually a health problem which is part of how we ended up with some of the racial disparities that Professor Logan mentioned in terms of COVID health outcomes.

So it was little bit great, you get to keep your job but if you keep your job, you're going to be at risk of health problems, at risk of death. Otherwise, you could be sent home at risk of poverty. So that was sort of the bad situation we were in. What we've seen is people coming back to work who had stepped out of the labor force. But I think that if you put that bad situation at the front of your mind, you'll understand why we have a very different kind of return to work right now.

So there are lots of jobs and there are lots of job openings but there are people who hung on to their job throughout the pandemic because they were afraid that they might not be able to eat or pay their rent if they didn't hang on to their job. And they now have a little bit more confidence to think oh, okay I, you know, the economy is picking up, there are a lot of job opportunities out there, there was some support for families, I'm now going to look for something, a job that is, you know, perhaps pays a little bit better, maybe has less COVID risk associated with it.

And then you have people coming back to work and wondering, should I be doing something different. And what we really saw in this recession was parents got hammered. And so, the majority of parents are saying that they want to do something different. Many of them want to work fewer hours, they want to pursue a less demanding career.

Some of them though are looking for a better job. Maybe a job that has more flexibility might be one definition of better. Another might be higher pay, more commitment because we're also seeing in this very strange labor market right now that while there are record levels of openings, we're also seeing continued layoffs and people who are unable to have those sorts of continuous work.

So if you see, look in the data and you see the probability of having been employed for four months straight is still lower in 2021 than what it was in 2019. So we've got this underlying tumult in the economy that I think is shaping where people want to be, where they're willing to be and how much they're demanding to be paid in order to be there.

MS. LONG: And could I just follow up, you have this really great line in your paper where you talk about women are coming back to the labor force but they're doing it on their own terms. And I'm just wondering if you're optimistic that obviously people are desiring different types of jobs and different work arrangements. Do you think there are enough available? Are you optimistic that employers are getting this message?

MS. STEVENSON: I think that you see employers are getting the message. People have no desire to return to work five days a week in an office. Now not every worker out there gets to be a person who can work from home so this isn't -- that desire for being able to work from home is not -- is about one class of workers, people who can do their job from home.

But I think overall what we're seeing is an increased demand for some kind of flexibility and control over their schedule and lives. So that is being expressed again in a lot of survey data and you see a lot of this in the press. And in my own survey data, saw the same thing. Roughly half of people surveyed said they want to be able to work from home. They're either going to try to get their current job to let them keep working from home or they're looking for a new job where they'll be able to do some of their work from home.

So we know that people want that kind of control. And I think when you see surveys of employers, they expect that they're going to have to give people a little bit more control over their schedule. So I think there is, if you look at the data, there's a lot to see that's very optimistic. The fact that in almost every industry, women have gone back at the same rates as men.

A very notable exception, to me is notable is retail sales where men have added back all their jobs and women still have about half a million fewer female workers in retail sales. And I think that's telling you something about how they feel about retail sale jobs and their willingness to go back at the wages that they were paid before for those jobs.

And so, you know, when I said I think women are going back but they're not going back on the pre-pandemic terms. They're insisting on higher wages for at the bottom end of the distribution. They're insisting on more control over their schedule, more flexibility to be able to work the hours that work for them or at the place that works for them. And I think that in order to keep hiring, employers are going to have to adjust.

And we're already seeing that the employers who have raised their wages at the bottom end of the distribution, who have given workers flexibility about when and how often to come back into the office. Who started to make accommodations around personal needs, we're seeing those employers saying they're having no trouble hiring. And then employers who are trying to do what they were doing before are saying oh my gosh, it's the biggest worker shortage I've ever experienced.

MS. LONG: Yeah. Professor Autor, we want to bring you into this conversation. I'm just curious how you sum up what you're hearing and what you're seeing in the data. How would you describe where we are at in the worker recovery and where you are most concerned about potential scaring or problems getting us back to where we want to be.

MR. AUTOR: Thank you, Heather. I learned a lot from reading the papers by Professor Harvey, Logan and Stevenson as well as the fact sheet that was put out by the Hamilton Project. I mean I think it's such a paradoxical time. I think everybody here is surprised.

You know, just to name a few of the ironies, you know, we are the country that developed all the vaccines that we are now not taking. We're the least vaccinated high income country, therefore the one facing the most calamitous health consequences.

We expect an enormous rise in poverty during the pandemic. Instead we've seen a historical fall. We expected an enormous permanent business closure. In fact, there weren't that many closures and the rate of business opening has reached historic highs all the sudden and in unexpected places.

And GDP has fully rebounded, that was not expected but most important is, and I'm on record with this false prediction, that we would have a very slack labor market after the pandemic. That basically employers would be slow to be adding back these services jobs, workers, and they would have automated more and people would have gotten used to doing, you know, customer service electronically. And so, workers would be kind of scrambling to get those low paid jobs again.

And, in fact, just the opposite has occurred. It's true that employment has not rebounded fully in leisure and hospitality and restaurants. But an important part of that is because workers are choosing to hold out for higher wages or to do something else instead and that's a positive development in many ways.

The problem in the U.S. that we've had is not a lack of jobs, it's a lack of good jobs. We are very low paid high income country at the bottom. Obviously, we're a very high paid high income country at the top. In other words, we have a ton of inequality and that inequality isn't just because some people were high and some people were very high. It's because some people are very high and many people are very, very low.

So this is actually creating a situation where the terms of negotiation between workers and employers are changing. The fact that people can say, you know, I want more flexibility, I want more time with my kids, I want to work only four and not five days. Well people always wanted that stuff they just didn't think they could ask for it.

And so, hopefully, you know, and this is a big hope and it's not a certainty is, you know, we needed a sea change, we needed a big push to get us out of the equilibrium we were in which is a bad equilibrium of many poorly paid in person service jobs. Food service, cleaning, security, entertainment, recreation, home healthcare. Many done by women and minorities, unstable jobs, no career path, you know, no benefits, no vacation, no family leave.

If people's preferences change such that they hold out for more, employers will pay more. They will voluntarily pay more to get workers, they need them. So there's, you know, a lot more reason to be optimistic then I know that I anticipated and I think many. So the question is whether we can use this moment well, right. It's an opportunity to change the terms of the debate.

For one thing, the pandemic has broken open a big log jam on what type of social welfare system we were willing to have and who could get benefits and what type of benefits. We now see hey, guess what shocking, you send families with children a lot of money and poverty goes down. I mean, it shouldn’t be rocket science but seemingly some people didn’t believe that could and yet it's happened and you extend the unemployment insurance system and people are better insured against the financial devastation of job loss.

And perhaps it's possible to envision a labor market that creates more reasonably secure jobs. That will of course have cost and benefits. It will mean higher prices for restaurants and let fewer hotels, your hotel room will get cleaned every other day instead of every day. That's a good thing. That means we're using labor more productively and affording a higher standard of living for the people doing that work.

So I think there are many reasons to be cautiously optimistic and most of all to be entrepreneurial in trying to take some of these changes and turn them, bend the curve in a direction that we'd all like to see it go.

MS. LONG: Professor Logan, I'd like to return to you and tap your expertise on whether you think this worker bargaining power that we're seeing right now, the ability to demand higher wages or more flexibility. Do you think it's going to last and is it reaching all workers? Are Black workers able to benefit from this as well?

MR. LOGAN: You know, I think there are two big issues here so I'll talk about the racial dimension in a second. But I think the first dimension is that we're finally seeing, I think for the first time in a very long time, first of all a robust discussion about monopsony in the labor market. But second, some counterwheeling interest to monopsony which has been sort of the secret sort of animal or beast in the labor market for quite some time.

The number of workers, for example, who are covered under non-compete agreements and other sort of anti-really competitive the labor market institutions was actually surprisingly high. It also is a feature of consolidation, in particular, markets for example in healthcare industries if there are only two hospital systems in your local metropolitan area. And you're a healthcare worker, you basically have two potential employers and that's sort of it and it can bid your wages down.

And so, one of the things that we're finally seeing that the pandemic has opened up is this ability of workers to sort of get around or navigate some of those anti-competitive practices. And that probably is one function of them uniting and facing the same pandemic and the inability of the monopsonies really to break down those coalitions that are formed.

How it functions in the racial disparities in the labor market is a bit different. Because what we've seen shockingly is some labor force participation differences by race which have persisted and are a bit disturbing. So there is this, particularly among Black men who have both high unemployment rate and low labor force participation rates. There are still some parts of the labor market that have not been fully brought back in even though we see wages rising and these employers talking about a tight labor market.

You would think that would benefit the workers who are really outside of the traditional labor market for a very long time as potential sources of labor. But they have not repatriated back into the labor market as of yet. So I think that that is one of the features that is driving some of the racial disparities that we've seen. But at the same time, I think, we've also seen significant headway against the monopsony power that a lot of employers were frankly enjoying for the better part of at least a decade.

MS. LONG: And can you just define monopsony for people who aren't econ 101?

MR. LOGAN: Yes. I'm talking to a bunch of economists. They are all nodding their heads and so I just assumed everyone else is doing the same. So monopsony is the opposite of monopoly, right. So in monopoly, there is a single seller of a product but in monopsony there is a single buyer of a product.

And so, when we're thinking about the labor market, a traditional example would be the company town where everyone works for the same company and if you think about it, it's the exact opposite of what you would get in monopoly. In monopsony you're going to big wages down because you're the only employer, the only person who is demanding labor in the market. And that works to bid wages down as opposed to other forces that a competitive market would actually bid wages up.

MS. LONG: Okay, thank you. Professor Hardy, I want to go back to you. You know, you brought up at the end earlier about the challenges that still remain. Obviously, there's a lot of optimism. People are seeing all of these job openings, they're seeing GDP back. But can you walk through a couple of the top challenges that you think people need to keep in mind.

MR. HARDY: Well, you know, I guess I would say two that loom large. I mean, one it's sort of challenge/opportunity in that, you know, we saw state human service agencies really pressed in terms of their operational capacity during the pandemic, including their technology. Their ability to quickly stand up benefits when you had a crush of potential clients.

And so, these human services agencies that deliver social assistance, they really did the best they could with what they had. But you know it does recommend, continued attention to modernization. You know, just the technology, the infrastructure, making sure that workforce has what it needs to deliver assistance. So that's one piece.

You know, relatedly I would say that many of the policies that we're so excited about have been delivered at the federal level. But they are largely implemented oftentimes, in some instances, by the states. And so, we do know that in some instances some states have opted out of programs like, you know, the emergency unemployment insurance.

And so, when we talk about the safety net, it is important to keep in mind that we really have, you know, 50 plus safety nets. And so, there are aspects that are delivered federally and, you know, frankly for Black Americans, there's a long history of federal policy interventions that have been quite helpful and important in cases where some states I would say qualitatively don't do what they should.

We can argue about that but I think the history kind of speaks for itself there. And so, we just have to keep an eye on how our state human service agencies are operating to serve their residents. And I guess the other thing I would say then is that for these tax credits, again, there was a great Hamilton piece back in 2014 by Jim Ziliac talking about the child and dependent care tax credit. Much of what we see right now through the American Rescue Plan provides for a really generous, you know, refundable credit for families spanning $8 to $16,000 depending on child care expenses.

So you think about the benefits for supporting families going to work but again, this is an entire program that you can't benefit from if you're not able to file. And so, do we have the resources, do we have the non-profits working with our human service agencies to connect these families to the tax system in this case.

And so, you know, with that in mind, I guess I would also say many of these expansions that, you know, Professor Autor mentioned are temporary right now. And so, there is a question about whether these things will be made permanent. And again, you know, even speaking to Professor Stevenson's point, you know, we see this high income volatility among lower income and workers with fewer formal educational credentials. That has all sorts of consequences that didn’t necessarily go away.

So these spikes, that unpredictability of the earning stream. Some of that is maybe a good thing, right, it means that some workers have choices and they're moving along. I'll just share a quick anecdote. There's a young man in our neighborhood, you know, who we're friendly with and we watched him move from busing tables at a restaurant we go to to actually taking orders. He disappeared and then a week or two later, we saw him in the Apple store. So this was over the course of maybe a three week period that he'd made this progression within his firm and then jumped over and just said, you know, there's better opportunities here.

So that might look like income volatility, maybe that's the kind we want but at any rate, I think these are all kind of challenges and opportunities for us to keep an eye on.

MS. LONG: Professor Stevenson, I want to go back to you and pick up, you know, you've been helping us think through this mismatch between all these job openings and what workers want and unemployed people want in order to get back. Several people wrote in and Don Mathas and Alma Aronda, for instance, wrote in asking basically about the skills mismatch. Do you buy this notion that people don't, you know, they want to switch jobs but maybe they don't have the skills to do it. And they're sort of wondering if you think we need a bunch more worker training programs or these sorts of things.

MS. STEVENSON: So, you know, I don't believe that there's some sort of big skills mismatch out there that, you know, somehow employers can't fill jobs because they can't find people with the skills they want. You know that said, I do think that there's a lot of people who are looking to increase their skills. We're certainly seeing growth in certificate and certification style programs rather than going and getting that four year college degree and hoping that turns into some job. Actually focusing on what's the skill I need to get the job I want getting certified in that and going straight to it.

I think there's a lot of demand for that and I think there's a lot of value in it really giving people the skills they want to make the change. But I wouldn't describe our current labor market as suffering from some sort of skills mismatch. I think that's the kind of thing employers say when they don't want to raise the wages to be able to find the pool of people that have the skills that they want.

You know, it's usually, you know, can you hire, you know, you want to hire people with a certain set of skills at a certain price. And when you find there's a shortage, there's a real solution to that, raise the wage and you'll usually be able to find people.

Now that said, I do want to come back to sort of, you know, I started from a very optimistic place and I do think that the data that I've looked at makes me pretty optimistic in the same way that David Autor expressed his optimism. You know, I think there's a glass 75 percent full and a glass 25 percent empty story there to be told, right.

So 75 percent of the people have gone back to work, 25 percent haven't. And when I look at working parents, what you see is nearly a quarter of working moms either quit their job or reduced their work and reduced hours in the pandemic. And actually, 20 percent of working dads said that they either reduced their hours or quit their job during the pandemic.

So I think that moms have gotten a lot of attention here. They've got a lot of attention because we've never seen so many women lose a job in a recession before. But actually, this really seems to have impacted parents a lot and I came back to this. Because one of the things that was really striking to me is, you know, between 10 and 15 percent of working moms and working dads paused upscaling.

So they stopped getting training, they stopped getting education, they stopped doing some kind of upscaling that they were doing. So in that sense, I do worry that there's a little bit of a shortage which comes, and I put this in air quotes because those people if there wasn't the pandemic would have certain set of skills today.

And, you know, what I think that that is highlighted is actually the difficulty of getting skills when you don't have childcare. And it could in the long run put us in a better place if we can all just stop and look at that fact, right. That we had, you know, about -- we had 15 percent of working fathers and I think 12 percent of working mothers pause upscaling. Well if they paused upscaling because they lost access to childcare, now let's think about the lack of childcare in our economy and how many people are prevented from getting new skills because they don't have childcare.

So that's not in my data because those are people who haven't even tried, those are people who didn't have access to childcare and that's prevented them. So I think that as we start to think about how we support training programs for workers it's going to also have to be about how do people eat when they're getting trained and how do they get their kids taken care of when they're getting that training. Because of course in order for us to meet growing demand for skills, we're going to have to support worker training programs.

MS. LONG: Yeah. Professor Autor, I want to circle back to you and get a little bit of an update from you on the automation story. You know, there was a lot of concern, you wrote a paper last summer about is automation picking up during this pandemic. And I wonder if you could give us an update on where you're thinking is about the role automation will play going forward.

MR. AUTOR: Sure. So, I mean, I think there is evidence that automation is picking up and, you know, not at a phenomenal rate but we see more of it being used and accepted. So, for example, White Castle has this robot called flippy. It's doing the kind of the fry area. You can go to a bank window and instead of having an ATM or a teller, you have a screen and you connect to a person in another state who is obviously handling more customers. Many, many more people are comfortable placing orders online for food and clothing and so on.

But I think it's important, it matters why automation is occurring. Is automation occurring because employers are responding to labor scarcity or is automation occurring because employers are figuring out ways to lay off workers even when there is lots of them around.

And the former case is much better than the latter case. And that's the case where employers are automated partially in response to labor scarcity and that's a good thing. It tends, it means that, you know, they're recognizing workers are getting more expensive. I better use them more productively. One way to do that is to, you know, augment the machines. Another way is to use fewer workers and use more machines. But that's a natural process.

In fact, you know, if you look at the countries that use the most robots per capita, for example, the oldest countries, the countries that have the oldest populations. You know, Korea, Japan, Italy and that's a natural response to labor scarcity.

So I'm not, this face of automation doesn't worry me as the ones where, you know, an employer says I have 10,000 call center workers and I'm going to flip a switch and then boom, I have no call center workers, I just have mediocre software that kind of frustrates customers but gets the job done cheap enough that I'm willing to put out degradation and service quality.

So I think the -- so yeah, so the automation we're seeing right now is, I mean, it is the pandemic has accelerated and brought into the present, things that would have taken 10 years to unfold. I mean, an example is this conversation. We are all tele presently engaged rather than physically engaged. Telepresence or Zoom, it wasn't invented during the pandemic.

The big change was a change in social norms and overcoming a coordination problem. The miracle is not that, you know, I'm using Zoom or, you know, Professor Stevenson is using Zoom it's that all of us agree to use Zoom simultaneously and decided we actually don't have to travel to D.C. for this conversation. And that changes work a lot and it's going to change and already we see a work by Nicholas Bloom at Stanford and David Chicago Booth and their co-authors show that even if we look at patenting now it's shifting into all these innovations that compliment people working from home.

And so, you know, I think the big automation challenge we face over the long run is that we have kind of squeezed a lot of middle skilled jobs out of existence and the labor market has bifurcated into a lot of, you know, great highly paid professional, technical managerial jobs. They're creative, they have long career trajectories, they reward talent and hard work and then a lot of dead end jobs.

That not only do they not provide upper mobility but they don't provide even a reasonable standard of living if you're going to be stuck there. So that's the jobs I'm worried about and I would like to see A, improvements in those jobs' qualities and B, I would like to see employers do more of reducing over credentialling of jobs and reducing their unwillingness to take risks on people who don't have standard credentials but could be trained or people who have, you know, some, you know, adverse history or don't appear to pose a threat. And employers will do that when there is scarcity and there is leadership in this as well.

MS. LONG: Let me just jump in.

MR. AUTOR: I'm sorry. I'll stop there. I apologize.

MS. LONG: I'm sorry, you're making so many good points.

MR. AUTOR: I'm an academic. I could give a one hour lecture.

MS. LONG: Okay we've got four minutes left. I just want to go real quick. Everybody gets one minute here to just say their final thought. Maybe, you know, we're about to turn this panel over to a bunch of policymakers. So maybe we just end with one final thought, you know, what makes you optimistic and what do you still, what keeps you up at night? Sort of a positive and negative. Professor Hardy, we'll go with you.

MR. HARDY: You know, just go be quick, you know, first of all, we've talked about the safety net and its importance as being a promoter of social and economic mobility. We have that evidence. But, you know, another really important engine is the nation's higher education system. Certificates, two and four year universities. We made great progress in bringing students from lower income backgrounds, students from minority households into the post-secondary education system.

I'm thinking about a lot of the public institutions, the historically Black colleges, minority serving institutions that are really doing the work horse effort of social and economic mobility. And so, you know, from my home state of North Caroline, I grew up on one of those campuses effectively seeing people's lives transformed.

Anecdotally when you talk to the professors on campus at many of these relatively open access public institutions that are promoting economic mobility, you know, the students are having a really difficult time, technology issues, strains in the household, a lot of stuff here we're talking about here as a panel. How is that going to affect subsequent mobility for these children, these teenagers. I'll stop there.

MS. LONG: Good thoughts. Professor Logan, your minute is up.

MR. LOGAN: So on the positive aspect actually doubling back on something that Professor Autor said, White Castle is headquartered in Columbus, Ohio. And in addition to the flipping machine, White Castle pays $15 an hour to workers and we see that advertised all over the city. So it is not the case that automation is automatically displacement of high paying jobs particularly when there is a tight labor market. And I think on the positive side, I don't think we might see the replacement that we were arguing for earlier. It really could be firm or industry specific.

On the negative side or the cautious side about policy, we also saw states, once again, in this sort of federal system again end the unemployment benefit extension in particular states largely for political reasons but underneath the guise of having bringing in some slack to the labor market. And we have seen the evidence that that was not effective. But that has material effect on families. And so, as we think about policy, we have to think about how our political system in many ways could actually be the stumbling block to a resilient economy.

MS. LONG: Good thought. Professor Stevenson, you're up.

MS. STEVENSON: Well, 50 years after the women's revolution brought women into the labor force in large numbers, we see that women are no longer the secondary earners. In fact, before the pandemic, they were the majority of non-farm payroll job holders. They're an intricate and important part of our economy.

Luckily for the country, they're coming back but they are coming back insisting that it's time to really adapt our policies and our jobs to fit their families and the idea of households that have all adults working. So I think if we really want to get all the women back, it's going to be up to Congress to give us things like paid leave, paid sick leave and access to affordable high quality childcare.

MS. LONG: Professor Autor, last word to you.

MR. AUTOR: Well, on the one side, I think we have momentum that we can build on in both the economic changes and also the policy changes that have been brought about so quickly and so much more successfully than most of us would have predicted. I'm actually concerned that the delta variant and things like that are going to push us back in the other direction. I do not want to see this tight labor market turn into a slack labor market. I want this "labor shortage" to persist for several years because to really lock in those gains and change the norms.

MS. LONG: Thanks to our panelists. Wendy, back to you.

MS. EDELBERG: Thank you, Heather. And thank you to Betsey and Trevon and Bradley and David. Excellent discussion.

I am now honored to moderate our next panel. We have Heidi Shierholz, the President of the Economic Policy Institute. I’m waiting for all of the screens to get populated. I am guessing that’s happening. I’m just going to keep going assuming that’s happening as I sit here. Heidi Shierholz’s camera is not working, but we're very grateful that she is making it work to still join us.

We have Douglas Holtz-Eakin who is the President of The American Action Forum. Sharon Parrott who is President of the Center on Budget and Policy Priorities. And Paul Ryan,
Former Speaker of the House and Founder of American Idea Foundation. And Michelle Holder, President and CEO of the Washington Center for Equitable Growth.

And I should note, we are going to lose Michelle just a few minutes before the panel ends because of a prior commitment.

All right. So we will be talking about and likely debating the fiscal policy options that are on the table to address the kinds of challenges described in the previous panel. I think you will hear a wide range of views on what the highest priority should be with regards to fiscal policy.

And these are folks who have felt deeply about these issues in leadership roles where they have analyzed and designed U.S. fiscal policy. One topic I know we will get to is the reconciliation package that is currently moving through Congress. That package is the subject of ongoing negotiations with programs that would increase federal spending, by perhaps $1 trillion or $1-3/4 trillion. Tax cuts of perhaps a $1 trillion and from the offset side tax increases and spending cuts that would total more than $2 trillion.

All right. So those are ambitious efforts. And I'm excited to hear what our panelist thing. Sharon, I would like to start with you. So you've written a lot about the inequities laid bare during the pandemic and how fiscal policy has helped to soften those inequities. What do you think policymakers need to do about going forward?

MS. PARROTT: Right, thank you. It's nice to be with everyone today. You know, I think that this is a moment of actual incredible opportunity to make some significant policy advances that aren't around the edges. That are bigger steps forward on a path to economic racial and health justice.

I think as you heard in the panel, in the prior panel and as you experience the pandemic yourself, the pandemic and the economic fallout really shined a light on a number of the ways that we underinvest in our kids, in our workers, in our healthcare and in our communities and on education.

And that I say shined a light although the evidence for that was quite evident. It was hiding in plain sight if you will. We could see it at high rates of poverty far higher than in other countries, 29 million people lacking health insurance when we entered the pandemic. Far from an ideal way to combat a pandemic. Low levels of social mobility and high levels of inequality. And then underinvestment, the price of that underinvestment was not evenly shared, has not been evenly shared, right?

For generation -- you know, due to generations of racism and other forms of discrimination, the price of that underinvestment has been born heavily by low-income people, yes. But more particularly by people of color, by black and Latino people, by indigenous people, by some segment of the Asian community and people in rural communities. All face high levels of disparities.

So that is sort of the -- that’s the bad news. The good news, right, is that we have an opportunity now to make some substantial policy advances, and we actually know what policies work. So we're not policymaking in a vacuum. We're not policymaking in the dearth of evidence.

We did a lot of things on a temporary basis in relief measures, but we actually have a substantial evidence base on which to build for longer lasting policy advances. So let me just run through in my time a few of those.

So one is like let’s just talk about poverty and inequality. We know that poverty is deeply harmful for children. We know that when children experience poverty their futures are really shortchanged. They experience near term hardship, which frankly in my book is enough to shock the conscience. But they also -- their futures are shortchanged. They have worse employment and education and health outcomes.

And we also know that when we alleviate poverty that we can see the positive impact. We can see that it matters in their long-term trajectories. And so, when we look at the reconciliation bill and the recovery package things like the expansion of the Child

Tax Credit by itself will reduce child poverty by 40 percent would just be an enormous defer with not only in like our near term metrics, but in a true investment sense, in the sense of their future.

So there are pieces that EITC for low paid workers without children, the thing that I know Speaker Ryan has worked on in the past. There is an expansion of that that can really buttress low paid workers that don’t have children for which the safety net is extraordinarily weak as well as some help around housing. The problem with Affordable Housing did not start in the pandemic to be sure.

So that’s sort of one bucket of areas where I think real progress is possible. Another area is in health coverage. And here too we see the importance of really thinking carefully about racial equity. There are more than two million people with incomes below the poverty line who should be getting Medicaid and aren’t because their states have refused to expand the program, to adopt Affordable Healthcare expansion. Two million people largely in states in the deep south disproportionately people of color, 60 percent of that two million people are people of color. Between that and making market place coverage more affordable, we can go a long way at expanding healthcare.

I would say another bucket is supporting the labor market and workers. And we heard a lot about that in the earlier panel. Big steps forward are possible in childcare as well as paid leave.

And the other investment area is another area that Bradley Hardy and Trevon Logan talked about, which is this sort of this kind of education and workforce development and how that can bridge opportunity.

The last thing I just want to say is that I know there will be robust conversation about deficits and debt. It is really important to understand that the country has the ability to pay for these investments. Over the next 10 years, our economy is projected by CBO to be $288 trillion. These investments are large, but they really are not that large when you think about the size of our economy. And we have embarked on two decades of tax cutting. Some reversal of that provides ample resources to make these investments and finance them with smart revenues as well as drug saving.

MS. EDELBERG: Thank you very much, Ms. Parrott. So Speaker Ryan, she said my question for you nicely.

I think an event in the last couple of days, you yourself have talked about the inequities that we have seen in the midst of the pandemic and the recovery that we've seen so far. So how do we do what David Autor says we should do which is to make the most of this moment?

What can we afford to do? And what should we do to improve the recovery going forward?

MR. RYAN: Okay. So I may disagree a little bit with Sharon, a couple of points. But I'll put it as pleasantly as I possibly as I can.

One thing I think is data. My foundation is focused on making sure that the Evidence Act is well executed. OMB is leading on this and I think there's a lot of room to improve data collection especially since COVID because blue collar works were harmed so much more than white collar workers.

And so, I think there's a lot of room for data collection to improve the evidence of policies. That leads me to workforce training. We just did a panel on my foundation on this. There's a lot of workforce training programs out there, dozens of them. The problem is we haven't really tracked the evidence of success. And there are some that have been done using randomized control trials that show where success is to be had. So my argument at this moment is let's use data to find out what works and find out what doesn't work. So I think there's an opportunity to follow the data.

I think you probably want me to comment on reconciliation given that's sort of my background. And it's no surprise, I think this reconciliation bill would be a big mistake for a couple of reasons. And I'll try and say something positive at the end about it.

Number one, I think it's going to do a lot to harm our economy. Just these tax provisions alone, you're going to reignite inversions. You're going to bring the business tax rate for corporations and pastures back to the highest and the initialized world when you add state tax on top of it. So you're going to make American workers and companies much, much less competitive. New inversions are going to start. You're going to slowdown job growth. You're going to slow down economic growth and the very basis we want economic growth.

You cannot have upper mobility without economic growth. I like the fact that our labor markets are tight, but I want to make sure that we have jobs that can pull people into the workforce at higher paying jobs. And if you slowdown economic growth, if you make it harder for the job producers, the smaller businesses as this bill does to expand and grow then I think you're going to be self-defeating in that area.

And then the fiscal effects of this. If you take a look at this bill. And look, I've spent my career doing -- it's kind of a fiscal train wreck. So they're disguising the true cost of the bill and they're disguising how much money you're going to actually raise in revenue from this.

So I think it is not paid for. And it is going to give us a huge fiscal headache in that our debt and deficits are going to get out of control. This will put pressure on our dollar as a world preserve currency and our economy is going to slow down with bad tax policy. And if we lose primacy as the world reserve currency then the cost of financing our social contract becomes really difficult to finance. And think of the social chaos and the political chaos that occurs with that.

So I think first let's focus on getting this economy growing and like I said before COVID, the bottom two quintiles of economic earners were getting the biggest wage increases. So we had real standard of living increases. In addition to the fact that I think this is going to slowdown the economy, I think a lot of these spending programs will convert inflation from what is hopefully transitory to more structural. So I think it's going to give us the wrong kind of pressure on inflation. So I think the reconciliation will be a big mistake.

Let me try and find something positive to say about it and Sharon did. I think the EITC reforms are good reforms. And that is something that I would like to see both parties embracing. I tried doing childless adults with EITC. I think it's just a no brainer. I think the data is really clear on this. And we had a hard time with just the way that that systems worked.

We also need to have it embedded in the person's paycheck on a monthly basis. There's a systems problem at Treasury that's overcomeable, but we should have childless EITC and EITC should not be lump sum at the end of the year. It should be embedded in the paycheck. And I think that's something that everybody should come together on because the data is really clear that that really works.

So there are some discrete forms that I think can be passed that people could embrace on both sides, but I just think the reconciliation particularly because of the tax policy and sort of the fiscal timebomb nature of these entitlement programs will actually give us a worse fiscal situation and slowdown economic growth so there's my two cents.

MS. EDELBERG: Thank you, Speaker Ryan. I'll come back to you with some questions about our social insurance as well. But first, I want to turn to Dr. Holder.

So a lot of these conversations have been about that the previous panel has had and that we have been having here so far is really about what to do going forward. What our long-term objectives are for policies. And I’d like to get your take on whether or not that’s the right frame? Or we should continue to be focused urgently on solving the problems that are right in front of us today?

MR. HOLDER: Wendy, I'm sorry. Would you just repeat that question because my internet connection is coming in and out for the moment so I’m going to put my cell phone on airplane mode. Perhaps it’s interfering.

MS. EDELBERG: No problem. And here’s hoping I say it more articulately. So my question is whether or not we're doing the right thing by being so forward looking with our policy priorities? And whether or not that’s doing something dangerous in terms of taking our eye off the ball right now? Are there urgent problems right in front of us that should be demanding policy’s attention right now? And so, should we be focused on the urgent? Or should we be focused on the long-term economic problems in this country? You're not allowed to say both.

MR. HOLDER: I’m not allowed to say both, okay. Well, thank you for that question, Wendy. And I’m going to ignore your instruction. First, let me thank you and the Hamilton Project for inviting me to this very important discussion.

As you noted, I do have a hard stop just before 3:30. And Wendy did not mention why that is, but it is because I am a working mom and I need to pick up my daughter. And I mention that only to say also that my infant daughter is in this room with me which happens to be my bedroom. My childcare provider stops work at 3:00 so my infant daughter is here with me. So if you hear a baby babbling as I’m talking about very serious matters, you would understand why and I’m sure all can relate to the fact that this is the world we're living in, in terms of Zoom and working parents.

So I’m going to go, Wendy, into a bit of a longer answer to your question if you don't mind.

MS. EDELBERG: Go ahead.

MR. HOLDER: So if we're going to have a conversation about building a sustainable, equitable recovery, I believe we first need to pose these questions. What are the cost of an action? What are the cost of non-investing in the very people who make up the foundations of the economy?

While the pandemic itself was sudden and unexpected, the pandemic's economic and health cost were not all together surprising in the deep fragilities and inequities that are engrained in the American symptom. A racially and gender stratified labor market, the lack of paid sick leave for all who work, medical and caregiving leave as well. As well as other basic worker protections. A federal unemployment insurance system that is in need of reform. Corporations with immense market power at the top.

All of these issues and problems pre-dated and exacerbated the crisis. These were not inevitable economic conditions, but the direct result of choices that policymakers have made. Although broadly shared economic of growth is achievable, a stronger more equitable future requires deliberate policy choices coupled with a better understanding of what makes the economy grow.

And in fact, we started to see over the last few years what can happen when policymakers take action to help families. Poverty goes down. Hunger goes down. And savings and consumer demand goes up. But the cost of letting this moment slip by without making continued and sustained investments are far greater than the cost of any increase in the deficit. We only have to look to recent history to understand this.

By any measure, research shows that over the last four decades the economy in this country has been increasingly unequal with most workers' wages held stagnant and employers segregating workers based on gender, race and ethnicity. Since 1980, workers at the 10^{th} percentile of the wage distribution have seen an increase of only 3.3 percent in their wages.

Progress on integrating workers by race and gender across occupations slowed starting in the 1980s and stalled since the year 2000. Which is meant that downturns that hit specific sectors harder such service and care sectors have a disproportionate impact on job losses by gender and race.

The macroeconomic implications of protracted inequality are profound. Economic growth has slowed and the fruits of economic growth are not largely shared.

In recent economic expansions, the top 10 percent of income earners have taken around 50 percent of all of the growth.

While GDP once may have been a reliable indicator of economic health. It now does little good to target GDP as an outcome if the majority of the benefits of GDP growth flows to a small group of people leaving the rest with few gains. Unequal growth has serious consequences. To take just example, Raj Chetty, an economist and his colleagues have demonstrated that absolute intergenerational income mobility has declined greatly in the U.S. And that two-thirds of this decline can be attributed to unequal patterns of growth.

Chetty found that children in America used to have a 90 percent chance of earning more than their parents did. But by 1980, the chances had dropped to just 50 percent. This is partially due to lower average growth in the decades since 1980. But Chetty’s research finds that it is primarily caused by most income growth accruing to the high end of income distribution.

As the steps on the ladder get wider apart, it becomes harder to climb up. Research from the last major economic downturn shows the Great Recession was prolonged and caused the long-term (inaudible) for children in multiple generations of workers in part because of choices policymakers made and a failure to implement solutions that matched the size of the problem.

In the decade following the Great Recession, wages stagnated and working and middle-class families barely recovered despite years of economic growth. Indeed, younger workers, rural communities and many families, especially families of color, never recovered. In fact, data from the Federal Reserve’s 2019 survey of Consumer Finances showed that white wealthier households had stronger recoveries of wealth during the Great Recession and after.

The policy decisions during the recovery from the Great Recession left marginalized communities more vulnerable to the Corona virus recession today. They had less wealth to insulate themselves against the shocks of the recession and the pandemic. The Corona virus inspired cyclical downturn, lead to millions out of work or underemployed with women of color impacted most desperately, which I wrote quite a bit about last year as well as spoke publicly about.

Juxtapose with the top end of the income distribution frame wealth were saving most of their disposable income and maintaining their federal assets. The inequality of the Corona virus inspired downturn remains even more pronounced when compared to previous downturns. It exposed the deep fragilities in our economy. And as Bradley Hardy and Trevon Logan laid out, the effects of the Corona virus pandemic unfolded unevenly hitting black Americans particularly hard.

And Betsey Stevenson made the point that the ongoing pandemic has presented particular challenges for those providing care work. And yet, we've seen the impact policy interventions can make. It's estimated that the Child Tax Credit, for example, could cut child poverty by 45 percent and would have the largest effects on black and Latinx children given those groups higher poverty rates. Unemployment insurance benefits when expanded in 2020 prevented 5.5 million people from falling into poverty.

Stimulus payments enacted as part of economic relief legislation related to the COVID pandemic moved over 11 million individuals out of poverty. The Corona virus inspired cyclical downturn highlights the need to strengthen automatic stabilizers so that household incomes and spending are supported based on economic conditions rather than whims of political positions. Crucially, the recession also highlights the need for long-term investments in social infrastructure which will help promote broadly share growth.

Now is not the time to let the foot off the gas. If we use the same playbook and debt and deficits from the Great Recession and the decades leading up to it and if we refuse to recognize the absolute necessity of long-term investments, we will see continued concentration of economic and political resources among those at the very top leading to fewer protections and less economic security for workers and their families.

MS. EDELBERG: Dr. Holder, I want to interrupt and then I promise I will come back to you because I want to get Dr. Holtz-Eakin’s reaction to all of this.

So we’ve motivated this conversation about trying to deal head on with the challenges of inequities and the inequities that have been laid there by the pandemic in particular. What fiscal policies do you see as being most effective and what are you most worried about given the current conversation about in Congress about fiscal policies on the table? You're muted.

MR. HOLTZ-EAKIN: Thanks, Wendy. Thanks a lot for a chance to join the conversation.

It certainly is an interesting time. I'd say the first issue is, look, what's the right question to ask. And I think you have framed it correctly by looking at the long term. Congress on a bipartisan basis responded in a timely fashion during 2020. The scale was appropriate. The design of the Cares Act and subsequent appropriation bills, I think was by in large good, not perfect. Everyone has their complaints and it is time to turn from relief steps/stimulus to the long-term challenges that face the economy and the American labor force.

So I think that focus is appropriate. In terms of what's on the table right now? The easy one is the Senate passed infrastructure bill which if you go back to our shared old shop CEO says that if you have such a bill and you pay for it using cuts in noninvestment spending, you can have a durable and noticeable impact on productivity in the economy. That's not exactly what we got out of the Senate. About half of that bill is not paid for. Deficit finance which will minimize its upward push, but it will have a directional correct and noticeable impact on the economy and I think that's a good thing. And we want to get it over the finish line as soon as possible.

Then comes the reconciliation efforts and here I think there are a couple of real problems. The first is that in its attempt to be all things to all people, my fear is it will not be good for anything. It has got climate provisions that are probably not appropriate for reconciliation. Certainly, are poorly designed. Will not have any good impact on the electricity market and are small in compared to the scale of the problem.

It's got health provisions which are a grab bag of expansions and benefits in coverage with no particular problem identified to be solved. It's got education provision and the layering of pre-K program on top of the Head Start program with no real time spent thinking about what we're trying to accomplish in that space. And then adding money for the worse performer in higher education, our community colleges.

And so, I think that will just frustrate people. And, you know, the biggest expansions in the social safety net that don't add up, right? There's no polite way to say how poor this is as fiscal policy. This is a gapping hole in the structural deficit. We already had one.

And my deep concern is that by launching these new programs and using up a lot of the tax capacity to do it, we have used what we were going to need to deal with the existing social safe net, Medicare, Social Security, Medicaid. Important issues there that need to be dealt with. They're getting shunted aside in the rush to get this over the finish line.

And so, I think you've got a situation where a lot of these programs individually are very important. So you could talk about the parental leave program and paying for a parental leave program and really looking carefully at the design and not buying out the base the way we were going to. And doing some things that don't make a lot sense. You're doing the same thing in childcare.

They are all multitrillion dollar initiatives being disguised as smaller things and rushed over the finished line. I think that’s a disservice to all of the parties who are interested in improving each of these aspects of fiscal policy. So the rush is a mistake, the scale is a mistake and the scope especially I think is going to come back to haunt us.

MS. EDELBERG: So in a moment I want to ask Ms. Parrott, I’m guessing, will have some reactions to your take on the reconciliation package.

But for now, I want to turn to Dr. Shierholz. So Speaker Ryan mentioned concerns about inflation. What’s your sense of how the current initiatives that are being negotiated how would they affect the economic trajectory over the next few years? And are you worried about inflation?

MS. SHIERHOLZ: Yes. That is a really good question. I very much think the evidence points to the investments and the social insurance expansions provided for in these plans will not hamper growth. They will do the opposite.

They will provide a huge amount of support to our still recovering job market. And we maybe extremely grateful for that with if we have more variance of COVID. They will enhance equity in long-term economic performance and productivity. They will -- it's not perfect, but it will take important steps towards addressing the climate crisis that we are already seeing unfolding everywhere.

And one thing about this is that research shows that these investments would provide fiscal support for more than four million jobs per year. So I think this will be a really important boost to our economy. And this question about inflation.

So one thing, just backing up a little. Inflation is not a primary economic concern right now. There has been an increase in inflation in recent months that has gotten a ton of attention. It has made some things more expensive for consumers, which can be very painful. But when you look at the data basically all the evidence shows that it is not something we need to be concerned about from a macroeconomic or policy perspective because it is highly likely to be temporary.

It is all about COVID related supply bottlenecks. Other COVID related disruptions. Issues and hiccups with restarting the economy following a pandemic and related shutdown. What we're seeing now really is nothing deeper than that. But then I just want to say even beyond that it’s really important to point out that even if inflation were a real problem right now, going soft on the reconciliation bill would not be a rational response at all for a couple of reasons.

So one thing to note is you really have to heavily discounts the $3.5 trillion number that is associated with it because it is misleading in all sorts of ways. Sharon brought this up, but one key thing is that’s a 10-year cost. As a shared GDP, it’s about 1.2 percent of GDP over that period. That’s not small but it is not a fundamental reorganization of the economy. And the economics behind inflation concern is that too much spending being suddenly thrown into the economy will cause bottlenecks but the spending provisions in the reconciliation package do not hit the economy suddenly.

It is not a stimulus package. It is an investment package. The money is going to be spent out over the next decade. It is not frontloaded. Just to give you an idea, the American Rescue Plan which was a stimulus package spent out 63 percent in Year One by comparison, the infrastructure package and the Build Back Better package spent out roughly six percent in Year One.

And then the last thing that I want to say is many of the provisions in this bill would actually be very useful in alleviating inflationary pressure down the road. The physical investments, the human infrastructure investments in this bill expand the economy’s capacity including labor force participation. So that would make future inflationary outbreaks much less likely. So I think one -- like we want to flip this on its head. If you have a general concern about inflation, the investments in this package are definitely something that you should be pushing for.

MS. EDELBERG: Thank you, Dr. Shierholz. Now, I want to turn to you Ms. Parrott.

So I have learned so much from the Center on Budget about what is being negotiated right now and what the fiscal effects would be and how these different programs would effect income distribution and opportunities for people across the economy. I'm guessing that you have some reactions to what you've heard so far and I'd love to hear them.

MS. PARROTT: Yeah. Thank you. So, you know, I think when we think about the revenues side of the equation for a moment, it's really important to understand that we have been driving for two decades towards lower revenues.

So in 2000, revenues peaked at 20 percent of GDP. They have been on a downward trajectory since. 2018, they were about 16.3 percent of GDP, and over the period of the 2017 tax cuts inflated to average in the range of 1717.4 percent of GDP, okay?

So that like going down 2-1/2 percentage points of GDP in revenues is a very large amount. It sounds like -- you know, in terms of like where we've gone on revenues. So the idea that we don't have room to raise revenues in responsible ways to support investments that have very high payoffs I think is wrong fiscally and I think it’s wrong. And I think it's wrong in terms of what the impact on the economy will be.

The only other thing that I want to say is that we did large tax cuts in 2017 and we were promised a lot of things. We were promised that there would be a big increase in business investment. And we were promised less offshoring. And we were promised GDP growth. And the evidence came in and none of those things happened. We didn’t see the big spike. We didn’t see changes in business investment.

And in fact, the research shows that when you look over the span across countries at changes in tax policy, frankly the promises or the cries of what will befall us depending on which way the tax policy is going are always exaggerated relative to reality.

We didn’t see those big effects with the Trump tax cut. And doing a part of them was similarly not have devastating effects on the economy. And it’s important to know we're not raising revenues to take the money in a garbage can. We're taking those resources and making high impact investments that not only can grow our economy but really importantly I want to underscore the point that Dr. Holder made.

That it isn't just about GDP. It is about the breadth of who shares in growth and who shares in the economic pie. And so, you know, I think that we know a lot about what we can do that can make life better for a lot of people and can broaden opportunity. And to me, knowing that we systematically shortchanged the opportunities of children. That we have tons of evidence about what poverty does to kids. We have tons of evidence that when you alleviate the poverty, their trajectories are better.

We know the policies that will make the difference. And failing to do it is allowing -- is tolerating a system where we systematically underinvest in kids and systematically shortchange their futures. So to me that should be viewed as an incredibly important -- not emergency in the sense that the COVID crisis was an emergency -- but an emergency in the way that we have structured our policies and who gets to benefit from the growth and from the (inaudible) of the United States economy.

So the nation has really big problems, right? Like 29 million people uninsured before the pandemic. Higher child poverty rates than in other countries. And by the way, we often say, well, we have this more restrictive safety net because we really want to make sure that people work. Most wealthy countries have child allowances, have a more robust safety net and they mostly have higher labor force participation rates than the United States.

So we can afford to do these things and when we don't do them we shortchange the country as a whole, but the people who pay the price -- the people who pay the price for that underinvestment are not evenly distributed throughout society. They are low-income people. They are people in rural communities and they are people of color. And so, this is a moment where we can make those big strides and slowing down and, well, let’s study it. And we just need to do less is systematically endorsing a set of policies that we know have failed systematically large groups of people.

MS. EDELBERG: So Speaker Ryan, I want to ask you specifically about the social insurance system. So what do you think you've learned about the effectiveness of the social insurance system and the U.S. over the last 18 months? And what does that suggest for priorities for fixing it going forward?

MR. RYAN: Yeah, Wendy, I could comment on all those things. I won't. Some things people said I agree with and some of them I didn't.

We have a 20th century social insurance system that we need to turn into a 21st century social insurance system. I spent years studying the universal credit in England. I thought the idea was a phenomenal idea, not very well executed.

And I think the mistakes that we have made in government is kind of what Sharon mentioned. We just throw together programs on top of other programs without studying the effectiveness of these programs or following the evidence of these things. So I really do think our entire social insurance safety net is due for an overhaul based data, based on evidence, based on what is proven to work.

And yes, we should do some experimentation. We should run some RCTs across the board, but I think adding new programs on top of old failed programs in hopes that it is going to be done differently or produce new results, I think is just not going to work. It's the same mistake we have been making.

So, frankly, given what we have in technology, given what we have in data and analytics and digital technology, I really believe we can streamline our social insurance system really with an eye toward proven methods of upper mobility to help those people who have historically not gotten ahead.

So I think you're right. I think the pandemic hurt the least among us the most. And I think Michelle was right about the post-'08. It was the wealth effect by the fed help people at the top end do extremely well and we had stagnation below that. I think that's because bad fiscal and regulatory policies.

So I think there are better policies to get us faster economic growth, faster wave growth, better living standards. But throwing on top of it brand new ideas that are untested on top of a creaky social insurance infrastructure from the 20th century that is not meeting its potential, I just don't think it's a smart move. And I think it’s going to give us a huge debt hangover and I think it’s going to bad for our economy.

So I would take today’s technology, overhaul the social insurance system, focus on getting the incentives right, the benefit mix right. And the thing that always bothered me when I studied all this stuff is the benefit offsets. You had -- I mean the highest tax rate, frankly, isn’t, you know, Aaron Rogers, the guy who is a quarterback. It's the mom who is getting ahead. Has a couple of kids. Gets a wage increase and loses benefits and has all these benefit cliffs. Most of us agree on that.

I think there is a way of dealing with these benefit cliffs so you can customize benefits on a per person basis using technology, using good economics so that it always pays to move ahead. So that you're making sure that the benefit mix, whether it’s job training, childcare, transportation. I’m in Wisconsin right now. Heating, whatever that might be is designed properly so that a person is always on the curve on that way up. And we don't have all these benefit cliffs that knock them back.

That's what I would be focusing on right now to try and build the 21^{st} century social insurance system that's durable, that's effective and, by the way, affordable. That doesn't bankrupt the country.

MS. EDELBERG: So not being glib but it does sound like you have described a utopia social insurance. And so, which, you know, having used that word kind of suggests it's not particularly achievable and certainly not very achievable in a short term.

MS. EDELBERG: Yeah, I say the same thing to you sometimes. But, by the way, this is great with Susan Hamilton. I love doing events out of the comfort zone. It's nice to do.

I think in the 21^{st} century with data and digital, with the economy steel that we have, surely, we can rethink how we design our social insurance system. I think it's kind of ridiculous. I mean look. My own experience with EITC just trying to make it monthly, trying to extend it to child -- it wasn't -- I didn't have any problem with my side of the aisle. I didn't have any problem with Democrats. I couldn't do it because government couldn’t do it.

So this stuff is just ridiculous. And so, I really believe we need to rethink the way our systems work and the way we design our benefits. And we just paint everyone with the same brush. We treat everybody the same and it’s a result of this macroeconomic policy, we have bad micro-policy with benefit offset -- with benefit cliffs that really set people back.

And so, I really do believe -- and there’s a lot of RCTs out there that show you this works by the way that you can customized welfare to a person. All this sort of navigation, wrap around benefit structures with good RCT show you there’s a way to do this. I think that can be done in a macro basis to government.

So I don't think it’s naïve. I don't think it’s utopia. I don't think it is around the corner, but I think it is something aspirationally we should try do instead of just throwing new programs on top that have fiscal timebombs that have no proof of success. That’s my point.

MS. EDELBERG: So, Dr. Holder, I know we're going to lose you soon, and I want to hear your reactions.

Are the problems more urgent than what Speaker Ryan’s plan could, you know, could solve them?

MR. HOLDER: Well, you know, I can’t really get a good sense of the type of plan. I don't know the sort of nuts and bolts of the plan that Speaker Ryan is envisioning just from, you know, a three-minute discussion.

But what I will say is, you know, in this harkens back to your question earlier, Wendy, which is, you know, we're in a particular moment in this country where, you know, fiscal policy and monetary policy can make a real difference in the lives of millions of Americans. And I must say that, you know, the fiscal policy measures that were taken last year by our government under a Republican presidency were really on point in terms of, you know, extending UI benefits. You know, increasing SNAP benefits.

So from my perspective, our government responded in exactly the right way regardless of what party was in power last year when the country needed it. I think the issue though is that we shouldn’t be now taking the foot off the gas. What we've seen is that the economy recovering, right? It is slow but sure. Unemployment has declined. Yes, there are differentials based on race and gender, but we are in a slow but steady recovery.

And now is not the time to pull back on that. And, you know, to some degree -- at some level, you know, I kind of disagree with the notion of sort of piling new programs on top of old programs. I think to me most of the discussion has been in terms of certainly the social infrastructure package is improving our existing social infrastructure not adding onto it new stuff where, you know, there are old measures that aren't working.

And I can tell you, you know, our social insurance programs as it stands, one should never think that they provide really rich benefits. In fact, if you look at folks who receive TANF, folks who receive Social Security Disability Insurance, the income transfers they receive still keep them under the poverty level. So these folks aren't living high off the hog. They are really still struggling.

But I will leave it there because I actually have to exit now. I'd like to thank everyone on this panel. And, Wendy, especially for you putting up with me having to exit early. Thank you so much.

MS. EDELBERG: No, thank you, Dr. Holder. And we are all juggling so nothing but empathy. And thank you for joining us.

So, Dr. Shierholz, what do you think about this way of characterizing the initiatives that we are talking about? Are we piling programs on top of programs? Or are we creating space and resources to improve programs?

MS. SHIERHOLZ: That is a prime question. I don't actually know if I have a good answer to that. One thing that I do want to respond to is this idea that -- I mean, like the thing about the fully refundable child credits. We can get rid of benefits cliffs. It does get rid of benefits cliffs. It does create a monthly payment.

These kinds of reforms really, really are possible. So this idea that we're coming into this without -- that these are intractable problems that we can’t do anything about, it just isn’t reality. We really can transform these sort of things and there is this movement right now to actually be able to do it, which is incredibly important that we take advantage of them.

MS. EDELBERG: So Dr. Holder talked about not wanting us take our foot off the gas. That we shouldn’t take our foot off the gas right now.

And is that the right way to think about it in your mind?

MR. RYAN: No. I mean that was the American Rescue Plan, which is, you know, 4.19 trillion in stimulus into an economy that’s growing at 6.5 percent where the timing is wrong, the scale is wrong and generate a problem for yourselves which is inflation at an annual rate of 7 percent year to date. You know, supply chain inflation, you know, look at the price indices. The further you go down on the (inaudible), the higher they are.

And the inflation expectations that have steadily ratcheted up to five percent that’s an unforced error. And so that is a mistake. We don't need to do more of that so please.

Now, think just about problems that we have and we would like to have sensible programs to address. Child Tax Credit, you know, fully refundable. Great stories we told about a woman making $20,000 worth a child. $200,000 gets the same benefit? That doesn't make any sense. Look at the childcare subsidies. Capped is seven percent of your income. It's the most you can pay for childcare. That means that there is going to be about six people who are actually exposed to the cost of childcare. It's a recipe to make it more, not less expensive.

And the supply pieces of that policy are a fraction of the potential need for additional capacity. So that's going to make the problem worse, not better. Well intentioned. No one took the time to draft a good bill and solve the problem. And it doesn't add up. And I hear what everyone is saying. Yeah, we can afford this.

Well, if we can afford it be honest about it. Put the full cost, 5-1/2, six trillion on the books, raise $5.5, $6 trillion in taxes. Have the debate on those terms instead of the way we're doing it now. I think this is a mistake. I think it’s a design mistake. I think it’s a macro mistake. I think it’s a long-term fiscal error. And, you know, it’s just hard for me to be supportive of that.

MS. EDELBERG: So first, just to say I have a different interpretation of what the fiscal support has done to the economy. I can completely appreciate that there are challenges right now with supply constraints and, you know, record high job openings alongside, you know, labor supply that is not keeping pace.

We have extraordinary challenges, but the fiscal support did a lot of good.

MR. RYAN: I don't agree about 2020. As I said --

MS. EDELBERG: No even 2021. Yeah, I’m going to carry it into 2021. And I am grateful that we have the strong and robust recovery that we have now. And I attribute a great deal of that to the fiscal support. Even in, you know, and I think it’s going to carry us through to the end of this year. But I think --

MR. RYAN: Just for a second? I mean --

MS. EDELBERG: Okay.

MR. RYAN: -- we were going 6.5 percent when we passed the American Rescue Plan. That was the first quarter. We sent out all those checks, all that fiscal support. What are we growing the second quarter?

MS. EDELBERG: Well, I think you're thinking about these growth rates quarter to quarter is misleading because we were bouncing back from just such large declines that every reporter had to figure out the difference between annual rate and quarterly rate growth rates.

So I think that the growth rates are not the best way to think about it. I think the question is what trajectory are we on? And are we now on a trajectory where we have more confidence in a sustained recovery over the next year or so? And I think that the fiscal support including, you know, up to what was passed in March. I think that the fiscal support gave us a lot of insurance to create a more robust recovery, but I’m going to stop because I am inserting myself in a way that I don't think I’m allowed by moderator rules.

And instead, I’m going to ask Sharon Parrott to, I think, she's going to have some reactions to what you were concerned about in terms of what's being written and what's being put into the reconciliation package.

MS. PARROTT: Yeah, I think -- I just want to actually just make sure everyone is clear. The Child Tax Credit expansion, the increase in the credit starts to phase down well below $200,000. It phases down at $112,000 for an unmarried parent and starts to phase down to $150,000 for a married couple family and actually phases down relatively rapidly and that's just the increase.

I will say that the 2017 tax law expanded the Child Tax Credit to get from $1,000 to $2,000. And it is the law that took it to $400,000 for married parents, savings on after $400,000. So the increase of the credit that's now on the table is better targeted.

Now, we can have a conversation, right, about where the right inflection point is. But you can't sort of complain about benefit cliffs at the low end and then sort of complain when the phase down starts to happen more in the middle, but -- but let's be clear. It was the 2017 tax law that took the Child Tax Credit to $2,000 under $400,000 where it begins to phase down for married parents. And that may or may not be bad.

You know, we can have a conversation about that, but the increase in the credit in this package is more targeted than that. So I just did want to insert that. Plus, I think it is not right to say this is just piling on a bunch of new programs.

In fact, a lot of what’s happening is we're taking programs that do have a proven record of success but are dramatically underfunded so they serve a small share of eligible families and we're expanding them. We're taking the evidence that we know, for example, that housing vouchers reduce homelessness and instability.

They reduce the number of times that children change schools which is a known factor in children’s outcomes. We know that having vouchers do that, but funding is so limited only one in four households that qualify for rental assistance gets it. And it is expanding that.

We know that childcare subsidies help families both economically and expand their childcare actions, but before the pandemic only one in six children eligible for childcare assistance received it. And so, we are taking programs that have some record of evidence and effectiveness and we're expanding it.

Pay leave has been tried and tested in a number of states and a number of localities. And by the way, in most of the developed world have pay leave. So unless somehow the United States is -- and the United States feelings are dramatically different, pay leave is a robustly tested policy that is in place and well liked in the states and localities that it exists in the United States and around the world.

So, you know, there are arguments against doing those things. And there's arguments if you really want low taxes and that's the thing you care the most about and you don't want to make those investments.

But arguing that all of this is somehow untested, no evidence, lots of new things with no thought behind it, I think really isn't a fair characterization of the policy work that has gone into these kinds of proposals not just in the last year, but over the last two decades.

MS. EDELBERG: Speaker Ryan, I can’t tell if you're -- I know, I know (inaudible) has taken (inaudible) a bit. But it looks like you want to jump in.

MR. RYAN: I’m trying to be kind. Yeah, my redundance comments aren’t about the CTC. I mean, I think there’s a lot of efficacy in the CTC.

It’s all these other things. We have Pell Grants. We have Head Start. We have all these other programs. Already right now, which by the way neither have been improving.

The point I’m trying to make is basically what Doug made. Which is, look, I know how reconciliation works. I spent my adult life in reconciliation. You're trying to shove 10 pounds of sugar into a four-pound bag. And they are throwing together all these programs which cost a whole lot more than is being advertised.

I guarantee you if this bill passes, the alternative fiscal scenario that CBO is going to put out there won’t look anything like the score going into this thing. You have climate in here. You have education.

It’s a grab bag. It’s a fraction of the actual cost and you're putting on top of it which I know people disagree with me, really bad economic policy.

The tax policy in here is going to deaccelerate our economic. It’s going to reduce upper mobility. It’s going to harm job creation. That is a bad thing. So that’s the point I’m trying to make.

CTC? I’m a fan of the CTC. I’m a real big fan of the EITC. So I do think that there are areas where you could have had -- just like the -- what Robin Mitt put together, the bipartisan infrastructure bill. There might have been a chance to put something together here like we did when we responded to, you know, the pandemic.

I too think the government’s response was pretty much right on during the pandemic. And like, Doug, I think he hit -- Biden came in. He wanted to have his own package. It was too much, too late in my opinion. I know, Wendy, you don’t agree that. And I think now you're just adding on top of it. What I said before.

And you're trying to pay for it, a fraction of it with really bad economic policy. What the long term we should focus on? Fast economic growth. Faster upper mobility. Growth that accrues to people who have never seen it before. To Michelle's point earlier. And I don't think that's what this does, frankly.

MS. EDELBERG: And so, I just want to jump in and say and I'll turn it to one second, Doug. That when Paul Ryan talks about the CTO writing an alternative fiscal scenario that would show a much steeper trajectory than what is -- I don't know. What is in people's minds as they contemplate in the reconciliation package.

The reconciliation package will no doubt have things in it that sunset. It will no doubt have benefits that phase out in sunset over time. And if one were to, you know, counter to the policy that's past. Counter to the law if indeed it's put into place. Assume that those policies continue that would no doubt create more spending.

But that's not to say that, you know, CTO would be doing that exercise. They would not be saying that policymakers were wrong in characterizing the spending under the package.

Doug, I’m going to let you jump in and then I want to ask everybody different questions.

DR. HOLTZ-EAKIN: No. I said I have a hard stop at 3:45. So we might as well let people talk.

MS. EDELBERG: All right. Excellent. So we just have a few minutes. I want to take a page from Heather Long’s book and ask everybody if they could just weigh in quickly with only the three minutes that we have of what you're pessimistic about and what you're optimistic about? And, Heidi Shierholz, we're turn it to you.

MS. SHIERHOLZ: Sure. I will --okay. So one of the things that we haven’t discussed yet, but I think is really important. Policies that are crucial to -- there are policies that are crucial to an equitable recovery that aren’t in the reconciliation package that we haven’t talked about. And one of the things that we know once we get back to say, 3.5 percent unemployment rate. We get some of these investments in place.

We know that we will not have done the things that will undo the four decades of, you know, policy choices that have transferred economic leverage to workers to their employers. Things like the erosion of the real value of the minimum wage, declining enforcement of labor standards of that sort of steady erosion of the real right for workers to join a union. Those kinds of things are really crucial to getting the kind of recovery in place.

There's one of those things is in the reconciliation bill. It's some of the provisions of the Pro Act which is the bill that would boost unionization. Some of those provisions are in there, are in reconciliation right now, but most of those are not. So there is also just this whole other body of policies that are incredibly important that we need to really take seriously in order to have the kind of equitable recovery that we need.

So once we get this thing through our work still not really done.

MS. EDELBERG: Douglas Holtz-Eakin.

DR. HOLTZ-EAKIN: Well, I'm optimistic about the capacity of Americans to solve growth problems. I think last year was a great attribute to that. People always say, we cannot get together and address a crisis.

We had a tremendous crisis and proved very capable of responding in an effective fashion. So that's a reason for optimism and we can build on that.

I'm pessimistic about one thing and that is our commitment to our children. One of the striking facts that comes up every year is the number of fourth and eighth graders who are serious deficient in math and reading in our educational assessment program. That's a quarter to a third. And there's no discussion of doing anything to our education system. No discussion about how we have steadily failed them for a decade. And that will not be a good thing in another decade.

MS. EDELBERG: Paul Ryan and then will give Sharon Parrott the last part.

MR. RYAN: I want to just say one quick thing about reconciliation to Heidi's point. And I spent a career disappointing my own party saying you can't put that in reconciliation. You can't put that in reconciliation.

It's a very limited tool and there's a lot of stuff the rules don't allow for a lot of things. And people off the hill just kind of don't know the reconciliation process. It's really meant to be circumspect and very, very surgical. It's just an observation.

I'm pessimistic about our politics frankly. It's one of the reasons why I'm spending most of my time on data and evidence. I think that's as nonpartisan as it gets. Penny Marin and I wrote this law. I really think there's promise for this so we can get past ideological arguments, get past philosophical partisan arguments and get down to more data. I'm a big believer in that. I think that's what I'm optimistic about.

I'm optimistic about innovation and back to the pessimism side. I'm really worried about our fiscal balance sheet and I'm really worried about the future of our dollar. That means whether we can afford our social safety net, our social contract or not. And so, that's something I'm very concerned about. But to Doug's point, like Churchill said, Americans can be counted upon to do the right thing but only after they've exhausted all the other possibilities. I think we're committed to doing that.

MS. EDELBERG: Sharon.

MS. PARROTT: I’m optimistic that we're going to get a package that really can make a level shift different in the lives of real people. And that we will improve the opportunity trajectories of kids that we have systematically shortchanged their futures for many, many years.

I am pessimistic about some of the pulling apart. Similarly, to what Speaker Ryan was talking about. It’s our politics, but it’s also the ways in which disparities play out based on where people live. And so, I look at Medicaid expansion and I look at all of the evidence about both what Medicaid expansion brings to people in terms of health. And what it brings to states in terms of their balance sheet.

And the fact that we have 12 states that in light of that evidence have kept more than two million people from having any pathway to coverage. Disproportionately people of color mostly in the South. I’m actually optimistic that we're going to fix it federally because we don't have a choice. Because it’s too much of a stain on our country to leave it be. But it leaves me deeply sad and pessimistic that that situation has been allowed to stay in place in those states, many of which have such a long and difficult racial past. Not that they are alone in the country on that.

MS. EDELBERG: Thank you very much. And thank you to all of our panelists. I hope you found this discussion as fascinating as I did and thank you very much for joining our event.

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