



We Need Robust Public Investment to Rescue the Economy

The data is clear — robust public investment is good policy, and is desperately needed to rescue the economy from the current economic crisis. With hundreds of thousands of businesses shuttered and millions out of work, we need expanded unemployment insurance, direct stimulus payments, aid to state and local governments, and aid for renters and homeowners.

✓ **We need unemployment insurance for the millions of Americans who have fallen into poverty.**

- **7.8 million people fell into poverty from June to November** as the poverty rate jumped 2.4 points — the *largest jump since the government began counting 60 years ago*. **Requests for food pantries have skyrocketed** in all 50 states and spending at grocery stores has plummeted since \$600 weekly unemployment checks expired in July.
- Cutting off the \$600 in additional unemployment insurance over the summer was a devastating blow, **sending nearly 4 million** people into poverty and **pulling \$667 billion of purchasing power out of the U.S. economy** in August alone.
- Expanding unemployment insurance now would **support more than 5 million jobs**, and **boost the GDP by 3.7%**, according to the Economic Policy Institute. And **there's no downside** — research shows that people getting unemployment insurance work harder to find a new job than those whose benefits have run out.
- Economists from Jason Furman to Moody's Analytics' Mark Zandi agree that **unemployment insurance is one of the most potent tools available** to help families and the economy. **Every dollar spent on unemployment insurance generates a \$1.64 increase** in GDP, according to Zandi.

✓ **We need direct stimulus checks — a crucial lifeline for millions of Americans and a boost for the economy.**

- Families spent the first round of \$1,200 stimulus checks on immediate needs like food, rent, and mortgages. The checks prevented people from falling into poverty and even helped **drop the poverty rate by more than two points** in April and May, when the pandemic was raging.

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- o Federal Reserve Chair Jerome Powell **credited the stimulus checks and additional unemployment insurance with a rebound in household spending** — which we need to keep more businesses from shuttering.
 - o More than 150 economists agree that the **stimulus checks are an essential tool**, and regular, lasting checks will boost economic security.
 - o Support for direct checks **continues to climb** — at the end of March, 58% of voters supported stimulus checks. Now, 78% of likely voters support a \$2,000 stimulus check.
 - o With the poverty rate back on the rise, businesses shuttered, and millions unemployed, **we need to throw Americans another lifeline.**
- ✓ **We need aid to state and local governments to support schools, keep first responders from being laid off, and sustain crucial services.**
- o Local governments are in trouble — they make up about **13 percent of all employment**, but since the pandemic began, state and local governments have had to **lay off 1.4 million workers. Millions more jobs are at risk** without more federal help.
 - o Countless economists, former and current Federal Reserve Chairs, and Senators on both sides of the aisle agree that we must rescue state and local governments. Even many of **Mitch McConnell's allies in the Senate** have balked at his suggestion to let states go bankrupt.
 - o Investing in state and local governments pays off for everyone — **every dollar invested in state and local aid generates \$1.36 in GDP** growth.
- ✓ **We need aid for renters and homeowners who face an eviction crisis.**
- o We're facing one of the most severe housing crises in U.S. history. In November, more than **12 million renters** reported that they weren't caught up on rent, and 30-40 million more could be at risk of eviction.
 - o **Renters are particularly vulnerable** to the economic crisis of COVID-19 — up to 34% of renters are employed in jobs that are most vulnerable to COVID-19-related shutdowns. More than half of landlords have no access to a line of credit that could help them if their renters can't afford to pay.

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- **Communities of color are feeling the rental crisis** the hardest — roughly 28% of Black renters and 24% of Latino renters are behind in payments. Half of Black and Latino households are struggling to pay for usual expenses like rent and groceries.
- **Renters are relying on help from Congress** — during the pandemic, 30% of renters have used government aid to pay rent, and another 30% have had to borrow or take out loans to pay. But the aid they've gotten so far is nowhere near enough to end the eviction crisis, according to experts.