BANK OF AMERICA

CLOSE UP WASHINGTON DC

STUDENT LEADERS PROGRAM:

DELIBERATION ON THE ECONOMY

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Acknowledgements

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The Economy

Until the outbreak of COVID-19, the US economy is in its longest period of expansion,[1] with growth exceeding expectations.[2] Wages were beginning to rise, and unemployment rate is the lowest in half a century.[3]

However, even those gains did not match the strength of the US economy in previous decades, and many people still had not recovered from the Great Recession of 2007-2009. A high school diploma used to be the ticket to a comfortable middle-class lifestyle—more than 70% of middle-class jobs required only a high school diploma as late as the 1970s, but now less than 40% of jobs are for those without college degrees.[4]

In addition, the racial wealth gap looms large. The median white household has $146,984 in wealth; the median black household, $7,323—about twenty times less.[5] Median black household wealth actually fell sharply between 1983 and 2016.[6]

Educational differences and the effects of past and continuing discrimination play roles in this racial wealth gap. It is, however, only one of many forms of inequality in wealth and income in America. Many Americans, including those in the white working class, feel economically insecure because they have not experienced economic gains over the past few decades. Only 40 percent feel even somewhat financially secure; only a quarter feel confident in their financial ability to “afford retirement”;[7] and only three in ten Americans are truly “financially healthy” according to the Financial Health Network, a nonprofit financial consultancy firm specializing in financial health of less wealthy consumers.[8]

Another problem is that in order to achieve sustained economic growth, the US government has taken on enormous additional debt, and it continues to grow. As a proportion of the total economy, the federal government’s level of debt now exceeds any level in the post-World War II period—and it’s approaching the debt peak of World War II.[9] This year, it’s estimated the US government will spend $900 billion more than it expects to receive, an average of nearly $3,000 of additional indebtedness for every person in the US.[10] Eventually, future generations will need to repay this money.

Furthermore, it is hard to predict what the long-term economic impacts of COVID-19 will be, or even to fully capture the extent to which it has already disrupted the economy. The unemployment rate jumped from less than 5 to almost 15 percent between February and the end of June. The economy returned to a period of recession in February from which it may be emerging, but as cases continue to increase, it is also possible that the recession will continue.

This document presents policy proposals that focus on the generation of income and wealth, whether and how more aid should be provided to the middle class, the working class, and the poor, and finally, on financial responses to COVID-19.

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Income and Wealth

Income inequality has grown in the last decades. Some reports indicate that the top 1% of earners received 21% of all U.S. income in 2017, up from 10% in 1980.[11] At the same time, however, the top 1% paid 37% of all income taxes in the U.S. in 2017—a larger share than the bottom 90 percent.[12] More than half the wage increases since the Great Recession also went to people with higher incomes.[13] Those with lower incomes have only recently begun to see modest increases in their paychecks,[14] ten years after the Great Recession.[15] This is in marked contrast to the period before 1980, when the bottom half of income earners gained significantly.

Some say that today's Americans are better off than nearly everyone who has ever lived. More than three-quarters of Americans now own smartphones, including 94% of those between the ages of 18 and 29,[16] meaning that they carry in their pockets access to information that the world's wealthiest people could not have dreamed of just two generations ago. Moreover, they say, economic inequality is a fact of life and not so bad if people work hard, make good choices, and move up the economic ladder.

Others stress that many ordinary Americans are struggling financially through no fault of their own. Paying for necessities such as health care bankrupts hundreds of thousands of Americans every year. Nearly 40% of Americans reported at least one financial difficulty in 2017, such as being evicted, missing a bill, or skimping on medical care because of the cost.[17] Even though there are ways to climb the ladder, it seems those opportunities have decreased compared to when our parents and grandparents entered the workforce.

The percent of children who can expect to earn more than their parents did has decreased by half since 1945.[18] The causes include the rising cost of higher education, stagnating middle-class wages, young people's declining interest in the military, a decrease in two-parent households, and accelerating health care costs. For example, prior generations often considered joining the military and later going to college on the GI bill as a way to move up economically.

Another issue is that the size of the federal government workforce has declined over the last decade and is now nearly 15% lower than it was around 2010.[19] Government jobs have historically provided relatively stable middle-class lifestyles.

Here are a few policy proposals focused on income and wealth generation.

The Federal Minimum Wage

Increase the federal minimum wage from $7.25/hour to $15/hour

One proposal is to raise the federal minimum wage. The current federal minimum wage is $7.25/hour,[20] but some support raising it to $15/hour. Such an increase, they argue, will substantially raise the take-home pay of nearly 40 million workers[21] who need it most, many of whom are living in poverty.[22]

Raising the minimum wage could also help close the gender pay gap, which finds women will be making only 79 cents for every dollar men make.[23] Because women make up a majority of minimum-wage earners,[24] raising the minimum wage should boost women's earnings. Supporters also point out that in real value (after inflation) the current minimum wage is actually lower than in prior decades,[25] and they say that putting more money in the hands of low-income consumers would spur the economy.

Opponents counter that while the policy may be well-meaning, making employees more expensive for companies to hire will backfire—companies will hire fewer of them, leaving many workers out of the labor force. The higher cost of human labor will also lead companies to invest in technology to replace workers' jobs. Finally, some argue that $15/hour is so high that people will not be hired for entry-level jobs, especially in states with lower wage rates. This cuts off the crucial bottom rung of the economic ladder for the lowest income earners, including many immigrants and workers of color. Supporters of a higher minimum wage, however, point to studies showing that such increases have only very small effects on the unemployment level.[26]

Others disagree, pointing to recent study by the Congressional Budget Office estimating that while the $15/hour minimum wage would lift 1.3 million people out of poverty and raise the wages of 17 million workers, it would cost between one and three million jobs.[27]

Universal Basic Income (UBI)

The government should give cash grants of $1,000/month to all adults at least 18-years-old.

Another proposal is to provide a Universal Basic Income that would give all working-age adults a cash grant, perhaps $1,000 monthly, whether they work or not, and no matter how much money they make.

Supporters argue that it provides an important safety net against poverty, and, more importantly, allows people to make long-term investments in themselves. The certainty of receiving the UBI would allow people to invest in their education, develop their own business ideas, build wealth for retirement, or just keep out of debt from medical bills and other expenses. Not only would a UBI help people stay out of poverty, but it could grow the economy.

Opponents complain that it would be quite expensive, though perhaps it could replace other welfare programs. Some of the debate about UBI centers on whether it would be a supplement to current welfare programs or a replacement. Critics of current programs argue it is more efficient to just give people cash to spend as they need it, rather than allocate some government welfare dollars to food, others to health care, some to education, etc. If the UBI does replace existing welfare programs, it could result in reducing federal assistance to the very neediest, who may currently receive more than $1,000 per month in government support through various programs.

Critics also argue that a UBI provides an incentive *not* to work because people will be paid whether they work or not, which will mean that many able-bodied adults might simply choose not to work or to work much less. The proposal taxes those who work in order to give money to everyone. Also, say critics, some people might not spend the money wisely: instead of investing in education, they might engage in recreational activities or buy illicit drugs.

Small Business Grants

Governments should increase grants to create more women and minority owned small businesses

Women and minority-owned businesses play a significant role in the US economy. Businesses owned by women, in 2019, accounted for 42% of all businesses in the US and generate a revenue of $1.9 trillion dollars[28]. The U.S. Department of Commerce estimated that, in 2019, there were more than 11 million minority-owned firms in the US[29]. Nonetheless, there are still many small business owners that are struggling to develop and grow due to the lack of financial resources and approvals.

Proponents of this proposal for increasing grants for women and minority-owned small businesses cite the various cases where these business owners were turned away or rejected from applying for small-business loans or financing. In order to bridge the funding gap, grants are the best options as they do not require the amount to be paid back as long as the money is reported on how it is being used. Proponents believe that increasing the grants will only benefit the whole economy as women and minority-owned small businesses not only embody the independence and determination of the American spirit, but they provide a significant amount of the employment opportunities and revenue annually[30].

Opponents of this proposal argue that small business grants are often time consuming to complete, restrictive in eligibility and have long response times; all of which make it difficult for people to actually become small business owners. Moreover, others argue that this is simply providing free money, which is unfair to those that are not eligible for the grants.

Corporate Taxes

The US should lower the corporate tax rate from 21% to 15%

The 2017 tax cuts reduced the tax on corporate profits from 35% to 21%.[31] Supporters of a higher corporate tax rate say that some corporations make billions of dollars in profits each year, so they can afford this. Raising corporate taxes, they say, brings in badly needed revenue to the federal government. Also, corporations benefit from a number of legal protections in the US, so a higher level of taxation is a fair trade-off. These supporters add that even if the US raises the corporate tax rate, it will continue to attract investment because the US is a wealthy country that has a large number of consumers and a strong legal system.

Advocates of further lowering the corporate tax rate—for example, from 21 to 15%—say that not all businesses are wealthy and can easily pay this tax. In other words, higher corporate taxes may harm small business investments. Higher corporate tax rates make investing in high-tax countries less attractive compared to countries with lower taxes. Thus, they argue, raising the corporate rate will send investors looking for other countries, which would reduce employment in the US.

In support of lower corporate taxes in the US, others point to the strong economic growth that followed the 2017 corporate tax cuts. Under higher taxes and to generate the same profits for investors, companies might have to cut wages and jobs in order to generate the same profits for investors. Employees would end up bearing the burdens of higher corporate tax rates, they add.

Moreover, setting the corporate tax rate at 21% does not mean that every business pays 21% of its profits in taxes. Companies can use so-called loopholes to reduce the taxes, and some firms and industries—especially technology—are better positioned to take advantage of them than others. In other words, wealthier and well-advised companies in certain industries may pay little in taxes, no matter what the tax rate is. Raising taxes will therefore disproportionately hurt smaller businesses.

Stimulus and Assistance to the Poor and Middle Class

For decades, as worker productivity rose, wages typically increased along with it. But starting around 1970, even as workers continued to grow more productive, their wages became stuck in the same place. Some people point out that total compensation packages, including health insurance, pension contributions, and similar benefits, have kept closer pace with productivity.[32] Still, the middle class has stagnated economically.

What policies might fix this problem?

Earned Income Tax Credit (EITC)

Expand the Earned Income Tax Credit (EITC), which provides a benefit to low-income workers, to more middle-class workers

One proposal is to increase the generosity of the Earned Income Tax Credit, which benefits low-income workers, especially those with children. For those with no children, the maximum income a person can earn and still be eligible is $15,270. This eligibility level rises to $40,320 for people with one child and to $49,194 for people with three or more children. Those with no children can receive up to $519 under the EITC; those with three or more can receive up to $6,431.[33]

Some think that the EITC should be made more generous, either by permitting those who make more money to be eligible for the subsidies or by allocating more money to those who already qualify (or both). Supporters argue that the EITC is one of the most effective anti-poverty programs because it encourages work. The credit grows as work and wages

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increase, encouraging people to work more. It also injects much-needed resources into low-income families, who may help the economy by spending that money.

Critics say that there are more effective ways to grow the economy, such as by encouraging investment in new businesses and ideas. They believe that the tax system already treats the poor generously enough—nearly half of Americans pay no federal income taxes, in most cases because they don't earn enough money,[34] and there are a large number of programs and grants to assist the poor. These Americans still pay state taxes, property taxes, sales and other taxes. Some add that the government should not subsidize people for having children and that the EITC does this by giving greater benefits to those with more children.

Government-Funded College

The government should cover the cost of college tuition at public universities for all students who could not otherwise afford it

Another proposal would have the government subsidize or entirely pay the cost of education at a public college for any U.S. citizen. A college degree is increasingly a necessity today. While American higher education is world-renowned, it is also among the most expensive,[35] and the cost of college—even at public universities—has doubled in the last thirty years.[36]

Supporters of this proposal argue that it will help combat America's underperformance in education (compared to other developed countries). Not only is a more educated society good in itself, they argue, but it will also lead to a stronger economy. Moreover, public funding of K through 12 education has long been a core feature of American society. So, if a college degree has become as essential as a high school degree, why should it not be publicly funded as well?

Critics see this as another massive government spending program that the country cannot afford, and for a benefit that should be an individual's responsibility to fund. They say that student loans are affordable for most people, and plenty of adequate jobs exist for those without a college education—even some jobs where employers subsidize the cost of college courses.[37] Not everyone, the critics say, needs to go to college. Moreover, they add, a blanket subsidy for education at public colleges could waste money in supporting children of well-off families, who make up the majority of current college attendees and whose families can afford the full cost.[38]

Finally, if the government is paying tuition costs, won't schools simply increase tuition, knowing that the government will pay it and they will make more money? And any effort by the government to prevent this, the critics say, would just impose more burdensome regulation.

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Supplemental Nutrition Assistance Program (SNAP) and Women, Infants, and Children (WIC) programs

The federal government should reduce funding for SNAP and WIC programs, which provides food assistance to low income families

SNAP currently serves millions of families with food assistance, often for basic nutritional needs. In 2015, SNAP helped bring 4.6 million Americans out of poverty, of which 2 million where children and 366,000 seniors.[39] The WIC program helps "low-income pregnant, postpartum, and breastfeeding women, infants, and children up to age 5" by assisting them with healthy food selection and health advice. In 2017, 7.2 million out of 14.1 million eligible people participated in the WIC program.[40]

Supporters of this proposal argue that many families are reliant and will become reliant on these programs. These programs are meant to help families temporarily and help them move forward; therefore keeping families on too long. Moreover, at the end of 2019, new SNAP requirements altered the method to which people's income and expenses were calculated, therefore how benefits were awarded.[41] For example, the Agriculture Department discovered, in 2017, that some states overestimated the utility costs which caused some people to have too many food stamps and others too little.

Critics believe that reduced funding in these food assistance programs will have significant negative impacts on families nationwide. The reduced funding will cause many families to be taken off of food assistance programs and will likely result in a new increase in obesity. Obesity has commonly been related to the lack of choice in picking out healthier and organic foods. SNAP and WIC have both provided Americans an opportunity to choose foods that are of higher quality and healthier foods.

COVID-19 Financial Responses

In response to the economic effects that the COVID-19 pandemic is having on the U.S. economy, Congress passed, and President Trump signed into law, the Coronavirus Aid, Relief, and Economic Security (CARES) Act on March 27, 2020[42]. The over $2 trillion economic relief package was created in order to, "provide *fast and direct* economic assistance for American workers, families, and small businesses, and preserve jobs for our American industries."[43] This act aids American workers and families through direct, cash payments of "up to $1,200 per adult for individuals whose income was less than $99,000 (or $198,000 for joint filers) and $500 per child under 17 years old – or up to $3,400 for a family of four."[44] In regards to small businesses, the act establishes a Paycheck Protection Program which has authorized up to $349 billion in order to "provide small businesses with funds to pay up to 8 weeks of payroll costs including benefits" and may also be used to "pay interest on mortgages, rent, and utilities."[45] The preservation of jobs in U.S. industries is being implemented through an Employee Retention Credit in which, "Employers of all sizes that face closure orders or suffer economic hardship due to COVID-19 are incentivized to keep employees on the payroll through a 50% credit on up to $10,000 of wages paid or incurred from March 13, 2020 through December 31, 2020."[46]

Emergency Money for the People Act

The federal government should pass into law the Emergency Money for the People Act, which will give every American age 16 and older, who earns less than $130,000 per year, $2,000 every month, for at least six months, or up to 12 months total, unless employment levels return to pre-COVID-19 levels after the initial six-month period

The act will give every American age 16 and older, who earns less than $130,000 per year, $2,000 every month, for at least six months, or up to 12 months total, unless employment levels return to pre-COVID-19 levels after the initial six-month period.

The CARES Act has been criticized by some as insufficient;[47] this has prompted Representatives Ro Khanna (CA-17) and Tim Ryan (OH-13) to introduce new legislation, titled the Emergency Money for the People Act, to provide additional and recurring cash-payments to taxpaying Americans impacted by the COVID-19 pandemic.[48] Congressmen Khanna and Ryan claim that the one-time cash-payment provided by the CARES Act was inadequate and excluded groups which should have received aid, such as college students and adults with disabilities--both of whom are claimed as dependents--as well as other groups.[49] The Emergency Money for the People Act would include a "$2,000 monthly payment to every qualifying American over the age of 16" for at least six months, and would be renewed for another six months, unless employment levels would reach pre-coronavirus levels of 60%.[50]

Proponents support the implementation of this program because it greatly increases the aid given to Americans: eligible Americans wouldn't only receive the one-time $1,200 stimulus check as covered by the CARES Act, but would additionally receive $2,000 monthly, for at least six months--but up to 12 months total, if after six months of implementation, employment levels would not return to their pre-coronavirus level of 60%.[51]

Opponents of the Emergency Money for the People Act proposal recount how as of April 26, 2020, the U.S. government has already spent over $2 trillion through relief packages which aim to combat the economic fallout caused by the COVID-19 pandemic. In addition, of that $2 trillion in aid, the CARES Act itself has provided $1.8 trillion in direct financial aid to individuals and businesses, making it the largest stimulus package in U.S. history.[52] Therefore, opponents argue, additional spending is not needed.

Unemployment Benefits and COVID-19

The federal government should keep unemployment benefits the same as before COVID-19.

Due to COVID-19, many businesses have shut down and many workers have lost their job, leading to a sudden increase in unemployment in the past few months. The unemployment insurance, a joint state-federal program, helps workers who become unemployed through no fault of their own by providing a certain percentage of the individual's earnings in the

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last 52 weeks up to a maximum amount.[53] Since COVID-19, the number of unemployed Americans has risen from 6.2 million in February to 20.5 million in May 2020 and still counting. With the new CARES Act, unemployed workers will now receive an additional $600 per week on top of any state-provided unemployment benefits until the end of July 2020. Additionally, the CARES ACT has increased the duration of unemployment benefits offered by 13 weeks in addition to each separate state's timeframe and has opened unemployment benefits for those that would otherwise not qualify for regular unemployment compensation.

Despite these changes, supporters of keeping unemployment benefits the same as they were before COVID-19 argue that additional benefits have and will prevent people from going back to work. The $600 per week provided by the Federal Pandemic Unemployment Compensation program (FPUC) in addition to the benefits currently provided by states is sometimes more than what people were making prior to the pandemic. At this rate, an unemployed worker would receive $31,200 a year[54], making it less incentivizing to find work again if your earnings will be less than that provided by $600 per week.

Critics argue that the new unemployment benefits are simply a transition for millions of American workers to find new jobs or be reemployed. The unemployment rate as shown from the labor's department, marks a slight decrease in the unemployment rate from 14.7% in April to 13.3% in May. With unemployment claims continuing to increase and COVID-19 still keeping Americans out of work, additional unemployment benefits are crucial to assisting Americans through this time. Currently, members of Congress are looking for ways to improve the current legislation for unemployment benefits[55] so that those who need the unemployment benefits will be able to sustain themselves during these times while not inviting people to just stay at home and not find work when they are otherwise able to.

* * *

Many conflicting values and visions exist in these discussions. Do we value creating more equal opportunity for the next generation—giving young people a better start in life? Are the proposals below worth the large costs—particularly given the steadily rising federal debt, which will also be paid by the next generation? Will greater benefits to the very poor serve social justice? Will they also help the economy? Or is there a danger that the new taxes and regulations that come along with new government programs for the poor will undermine the ability of entrepreneurs to create new businesses and jobs? And what will be the impact on the federal deficit if we pay for these new programs by borrowing the money rather than raising taxes?

Policy Proposal Tables

The table below discusses some proposals and presents some arguments for and against the proposals. These are only some of the many arguments for and against the proposals; they are meant to help start your deliberations.

	TAXING THE WEALTHY AND CORPORATIONS	
PROPOSALS	Arguments for	Arguments against
INCREASE THE FEDERAL MINIMUM WAGE FROM $7.25/HOUR TO $15/HOUR.	Raising the minimum wage to $15/hour would increase the wages of tens of millions of the nation's most vulnerable workers, particularly those who lack college degrees. It would lift over one million workers out of poverty.	This increase would make workers more expensive to hire. Businesses would respond by laying off workers and investing in technology to replace workers, costing over one million jobs, by one estimate. These effects would be especially serious in states where a large share of workers earn far below $15 per hour.
THE GOVERNMENT SHOULD GIVE CASH GRANTS OF $1,000/MONTH TO ALL ADULTS AT LEAST 18-YEARS-OLD.	This program might be more effective than other anti-poverty initiatives because it lets people decide how their money is best spent. It may also reduce the government's administrative costs because it would not need to determine and keep track of who is eligible. And it could permit people to make longer-term investments, such as in their education, because they are less desperate to take low-paying jobs to make ends meet.	Such cash grants would need to be funded somehow, either by the federal government raising taxes or borrowing more money. Cash grants also may reduce people's incentive to work because they will receive the money whether they work or not. And, there is a risk that people will not spend the money to make long-term investments in themselves, but on frivolous or impulsive things.
GOVERNMENTS SHOULD INCREASE GRANTS TO CREATE MORE WOMEN AND MINORITY OWNED SMALL BUSINESSES.	Women and minority- owned businesses continue to be driving forces in the US economy. Grants provide opportunities for those that have not had opportunities to develop a credit profile and/or have been denied loan applications.	The government should not intervene in helping businesses gain an advantage. This will detract from our market-based economy that has grown exponentially due to innovation, entrepreneurship, and competition.

THE US SHOULD LOWER THE CORPORATE TAX RATE FROM 21% TO 15%.	While the US corporate tax rate is now in line with the rate of other leading economies, reducing the rate further would make America an even more attractive place to do business, spurring employment and economic growth.	The 2017 corporate rate cut from 35% to 21% was already drastic, and it's uncertain whether it benefited workers. Cutting the rate again would further increase the national debt, already at a record high, and, like the 2017 cut, would fail to benefit workers.

	STIMULUS AND ASSISTANCE FOR THE POOR AND MIDDLE-CLASS	
PROPOSALS	Arguments for	Arguments against
EXPAND THE EARNED INCOME TAX CREDIT (EITC), WHICH PROVIDES A BENEFIT TO LOW-INCOME WORKERS, TO MORE MIDDLE-CLASS WORKERS.	The EITC is among the nation's most effective anti-poverty programs. It also increases female work participation, and it has bipartisan support. But it phases out at low levels of income, especially for those without children. Expanding it would provide these benefits to more taxpayers.	Federal revenue is not unlimited. Expanding the EITC to middle-class workers would require either trimming benefits from the working poor or raising taxes to finance the new benefits. Thus, keeping the EITC's focus on the working poor makes better sense.
THE GOVERNMENT SHOULD COVER THE COST OF COLLEGE TUITION AT PUBLIC UNIVERSITIES FOR ALL STUDENTS WHO COULD NOT OTHERWISE AFFORD IT.	Ninety percent of new jobs go to those with college degrees. But as the cost of college has grown rapidly, it has become unattainable for the families that education is supposed to help the most—those looking to break into the middle class. Moreover, the US continues to lag behind other developed countries in educational levels. We need a more highly educated society to compete in the 21st century.	We already have a huge federal debt, and this will either increase it or require new taxes. Moreover, not everyone needs to go to college. Many workers can serve society well without it. Money will be wasted subsidizing well-off families who can pay the tuition costs. And colleges may raise tuition costs knowing the government will pay.
THE FEDERAL GOVERNMENT SHOULD REDUCE FUNDING FOR SNAP (SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM) AND WIC (WOMEN, INFANTS, AND CHILDREN) PROGRAMS, WHICH PROVIDES FOOD ASSISTANCE TO LOW INCOME FAMILIES.	The reduced funding will bring along new requirements that will distribute the food stamps and assistance better so people who need it more actually receive it. This will also maintain integrity and incentivize people to not rely on food stamps.	Millions of people rely on food assistance programs like SNAP and WIC. Reducing funding will not only kick many people off of the programs, but increase obesity as people will go back to spending money on foods that are cheaper and less healthy. This will create larger, potentially, more expensive problems for our healthcare system.

COVID-19 FINANCIAL RESPONSES		
PROPOSALS	Arguments for	Arguments against
THE FEDERAL GOVERNMENT SHOULD PASS INTO LAW THE EMERGENCY MONEY FOR THE PEOPLE ACT, WHICH WILL GIVE EVERY AMERICAN AGE 16 AND OLDER, WHO EARNS LESS THAN $130,000 PER YEAR, $2,000 EVERY MONTH, FOR AT LEAST SIX MONTHS, OR UP TO 12 MONTHS TOTAL, UNLESS EMPLOYMENT LEVELS RETURN TO PRE-COVID-19 LEVELS AFTER THE INITIAL SIX-MONTH PERIOD.	This program would provide financial support for Americans who were excluded from the CARES Act, such as college students and adults with disabilities who are claimed as dependents, among other excluded groups. The cash grants made available through this program would be larger than the one-time $1,200 direct payment provided by the CARES Act, and would also be recurring. Such cash grants would increase consumer spending, which has been greatly curtailed by the economic effects of the COVID-19 pandemic. An increase in consumer spending is crucial as consumer spending comprises 70% of American gross domestic product.	As of April 26, 2020, the U.S. government has enacted COVID-19 economic relief packages totaling more than $2 trillion. Of that aid, the CARES Act itself has provided $1.8 trillion in direct financial aid to individuals and businesses, making it the largest stimulus package in U.S. history. More spending is not needed. It is not economically prudent to further increase the national debt, which stands at more than $24 trillion as of April 2020.
THE FEDERAL GOVERNMENT SHOULD KEEP UNEMPLOYMENT BENEFITS THE SAME AS BEFORE COVID-19.	The additional unemployment benefits often provide more benefits than most people would usually earn. These benefits are disincentivizing workers to return back to or find work.	Federal government should keep the new unemployment benefits throughout the rest of COVID-19 as they are an important medium of getting by when millions of workers are quarantined and have lost their jobs. Only through these current unemployment benefits will American workers be able to return to the workforce after COVID- 19.

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Glossary

Income vs. Wealth: Income refers to the amount of money that a person has made in a year, whereas wealth refers to that person's net worth, their assets minus their debt. For instance, a person can make $100,000 of income in year one, but if they consume it all that same year on items such as food, rent, health insurance, and vacation, then they have no wealth at the beginning of year two.

Great Recession: The Great Recession refers to the 2007-09 financial crises, which was marked by high unemployment, home foreclosures, bank failures, and a slow return to normal conditions in the years thereafter.

Economic Mobility: The ease with which someone can change their economic circumstances, say, by working hard to move up from poverty to the middle class. The more economic mobility a society has, the less damaging the effect of being born into a poor or otherwise unlucky family.

Ordinary Income: Generally-speaking, wage income earned as an employee.

Corporate Tax Rate: The rate of taxation on many companies' profits. The 2017 tax cuts reduced this rate from 35% to 21%.

Minimum Wage: The minimum wage is an act of the government that sets the minimum hourly wage that a company must pay its workers—with few exceptions, no company can pay a worker less. The national minimum wage set by Congress is $7.25/hour. Several states and cities have set higher minimum wages that apply only within those states' and cities' borders.

Federal Government's Level of Debt: Our country's level of debt is calculated based on the total amount of public debt accumulated divided by the total Gross Domestic Product (GDP), which is the total value of goods produced and services provided. In the last decade, this ratio rose to over 100 percent, which means that the US has accumulated more public debt than GDP.

G.I. Bill: This bill was initially enacted to provide benefits to World War II veterans. Today, the updated G.I. Bill pays for education or job training for those who served on active duty after September 10, 2001.

(Social) Safety Net: The various welfare programs by the federal government including Pell Grants and Supplemental Security Income (SSI) that assist low-income Americans.

Earned Income Tax Credit: This subsidizes low- and moderate-income working families by providing a tax create equal to a percentage of the workers' earnings up to a maximum amount. Larger credits are given to families with more children. After reaching the maximum amount, it stays the same before declining with each additional dollar of income until no credit is available.

[redacted]

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