



President Biden's Misdirection and Misuse of 17 Nobel Economists 1/23/22

The President has said on different occasions, and he repeated it this week that his BBB is not inflationary. He refers to a letter from 17 Nobel economists to prove it. The President is pulling the wool over your and their eyes and the 17 economists seem to sheepishly let him get away with it. The President exhibits all the characteristics of a good magician where misdirection and sleight of hand are necessities.

The Federal Reserve, the economy, and the public are singularly focused on inflation now for 2021-2023. And not some long-term future prediction. All one must do is read the last line of their short letter to him. We seem to prefer reading about what someone said rather than simply read what was actually said. The letter is readily available, and I encourage you to read it. It was written in September and the three short paragraphs were primarily focused on the Infrastructure bill which had been passed by the Senate and was awaiting action by the House. The last sentence of the letter states: "Because this agenda invests in long-term economic capacity and will enhance the ability of more Americans to participate productively in the economy it will ease longer term inflationary pressures."

Maybe, maybe not. They say nothing about the short-term impacts.

Coincidentally, the N.Y. Times has a front-page story that indicates that Biden's stimulus programs have had an important impact on inflation. They quote several economists and Universities saying so. There is not one economist quoted in this story saying otherwise. Have the 17 economists quarantined themselves from speaking out?

The two Democratic Senators support several provisions of the BBB proposal. Their opposition revolves around two issues. That it is inflationary and hasn't been scored correctly (once again, sleight of hand). For example, the childcare credit is scored for only one year
When everyone knows it will be a permanent part of the budget indefinitely. We show the CBO's estimate it scored more reasonably.



Covid and supply chain issues are responsible for much of the inflation we are experiencing now. Yet it doesn't take a Nobel economist to tell you that if you increase demand(through added stimulus) when supplies are short or tight that inflation is the price you pay.

Analysis of Potential Modifications to Selected Sections of H.R. 5376

Billions of Dollars

Titles and Sections	Policy Area	Net Increase or Decrease (-) in the Deficit, 2022–2031 ^a		Modification Specified by Senator Graham and Congressman Smith
		As Passed	With Modifications	
XIII. 137102	Child tax credit	185	1,597	Make permanent rather than ending after 2022
II. 23001 and 23002 ^b	Child care and preschool	381	752	Make permanent rather than ending after 2027
XIII. 137601	State and local tax deduction	-15	245	Remove limits on the deduction after 2025
XIII. 137301 and 137302 ^b	Health insurance subsidies	74	220	Make permanent rather than ending after 2025 and 2026
III. 30712	Home- and community-based care	146	209	Make the increase of 2 percentage points in the FMAP permanent rather than ending after six fiscal quarters ^c
XIII. 137304; III. 30601 ^{b,d}	Health insurance subsidies for certain low-income populations	57	180	Make permanent rather than ending after 2025
XIII. 137201	Earned income tax credit	13	135	Make permanent rather than ending after 2022
II. 20021, 20022, and 20023 ^b	Higher education	12	29	Make permanent rather than ending after various years
XIII. 137305; III. 30605 ^{b,d}	Health insurance subsidies for recipients of unemployment compensation	2	28	Make permanent rather than ending after 2022
II. 24002	Summer Electronic Benefit Transfer	3	23	Make permanent rather than ending after 2024
III. 30751	Maintenance of Medicaid eligibility standards	7	20	Make permanent rather than ending after 2025
XIII. 133001–133503 ^b	Trade Adjustment Assistance	6	14	Make permanent rather than ending after June 2025
XIII. 135102	Tax-exempt bond financing	9	11	Make permanent rather than ending after 2026
XIII. 134201	Elder abuse, neglect, and exploitation	4	8	Make permanent rather than ending after various years
XIII. 138516	Compensation of <small>Screenshot</small>	2	3	Make permanent rather than ending after 2025