

# **NEWS FROM A RURAL WV DEMOCRATIC VIEWPOINT**

## **Biden's Full-Employment Economy**

You haven't heard about a "war on poverty" anywhere, not on TV, radio, newspapers, or even Facebook. At least not since LBJ. But it is happening in Biden's administration – and not by just giving money to poor people.

Instead, the President and the Democrats in Congress have worked to improve the economy from the bottom up, creating good jobs for the lower and middle classes.

Remember that Covid had crashed the economy when Biden took office. An immediate stimulus was needed and Biden's economists fought to make it large enough to do the job.

They convinced enough Republicans who helped pass two bipartisan Coronavirus Response Acts that sent out about \$2.9 trillion through unemployment benefits and stimulus checks.

The \$1.9 trillion dollar American Rescue Plan of 2021 that followed greatly boosted Americans' purchasing power. No Republicans voted for it.

The Plan delivered a cash payment to citizens and a monthly prepayment of a Child Tax Credit to families with children. The prepayment was a hugely successful 12-month experiment.

*The nation's rate of child poverty dropped 40 percent.*

. The prepayment was stopped by all Republicans in Congress joined by Senator Joe Manchin. (Yes, Manchin has a D after his name, but apparently it doesn't always stand for Democrat.)

The Plan also loaned or gave money to businesses to keep their doors open and their workers employed.

*As a result, the unemployment rate dropped steadily and has now reached historic lows, now at 3.6%.*

Low-wage workers in particular – young, with only high school educations, mostly in service-sector jobs – have been able to quit those jobs for better paying ones.

The effect of higher wages for low-wage workers has been incredible.

*For the first time in 40 years, the inequality gap in America has actually been reduced.*

In 1980, Reaganomics began to be applied to our society. It's also known as "Trickle-down Economics." Reaganomics is the Republican theory that lowering taxes on the wealthy allows them to create jobs for everyone else.

Not surprisingly, the wealthy kept their tax cuts and invested them, helping only themselves.

Since 1980, the wealth of upper-income households rose dramatically while the wealth of middle and lower income households shrunk.

But thanks to Democratic economic plans that help low-wage earners, *the equality gap between those in the highest 10% of earners and the lowest 10% has been reduced by a full 25%.*

The increase in low-wage pay has even outpaced the rise in inflation.

President Biden is showing that by helping everyone in our society, not just the rich, we can lower child poverty, enjoy close to full employment, fight inflation, and make us more equal. (And don't worry about the rich. They will do fine. They always do.)

~ Deirdre Purdy, Chairperson, Calhoun County Democratic Executive Committee