



UNITED STATES HOUSE COMMITTEE ON  
**WAYS & MEANS**  
REPUBLICAN LEADER KEVIN BRADY

**To: GOP Ways and Means Committee Members**  
**From: Ways and Means Committee Staff**  
**Date: April 4, 2022**  
**Re: Hearing on “Overcoming Racism to Advance Economic Opportunity”**

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The Ways and Means Committee will hold a full committee hybrid hearing on **Wednesday, April 6, 2022, at 10:00am, to consider “Overcoming Racism to Advance Economic Opportunity.”** If you have any questions, please contact Greg Warren at (202) 225-0507.

## **I. GOP HEADLINE AND BACKGROUND**

*From higher prices to tax increases to fewer opportunities, life is harder for minority families and minority owned businesses because of Democratic policies. We can help these Americans more by making tax reform permanent, creating jobs, and promoting economic growth.*

This hearing is likely to focus on work done by Ways & Means Democrats’ [“Racial Equity Initiative,”](#) which was created last year and is led by Rep. Terri Sewell (D-AL), Rep. Jimmy Gomez (D-CA), and Rep. Steven Horsford (D-NV). Chairman Neal’s staff released a [related report](#) in January 2021, and the REI released its [own paper](#) in July 2021. We anticipate that Democrats will focus on tax and health policies, though subject areas across the Committee are likely to be discussed.

## **II. WITNESSES**

Republican: [Alfredo Ortiz](#) – President & CEO, Job Creators Network

- [Congressional Dems are out of touch with America’s small businesses](#) (3/21/22)
- [9 ways Biden’s feckless cabinet is contributing to our country’s problems](#) (2/8/22)
- [Build Back Better would further depress US labor force participation](#) (12/13/21)
- [Americans simply don’t want the costs of Biden’s Build Back Better bill](#) (10/20/21)
- [Biden’s tax hike would devastate small businesses](#) (5/2/21)
- [The tax-cut boom – Trump/GOP right, Dems and media flat out wrong](#) (12/24/19)
- [JCN Runs Full-Page Ad in the WSJ Countering Fight for \\$15 Protests](#) (4/3/17)

***We have no goals for the Democrat witnesses and do not recommend Members direct questions to them.***

Democrat: [Camille Busette](#) (boo-set): Director, [Race, Prosperity, and Inclusion Initiative](#), Brookings

- [What does the BBB Framework mean for BIPOC communities](#) (11/5/21)
- [Social networks and economic mobility findings](#) (3/9/21)
- [Testimony: HFS Hearing on “Capital markets and Emerging Lending”](#) (7/14/20)
- [America: Individual effort is not going to help us address racism](#) (7/11/20)
- [Racism and the task ahead for the 2021 White House](#) (6/11/20)
- [Why \\$1 trillion is not enough](#) (3/21/20)
- [Protecting our most economically vulnerable during COVID-19](#) (3/16/20)

Democrat: [Carmen Rojas](#) – President & CEO, Marguerite Casey Foundation

- [Congress can help families with Child Tax Credit](#) (1/2/22)
- [Solving racial and economic justice is ‘not just about ideas](#) (5/5/21)
- [Progress and peril on the road to a just economy](#) (5/4/21)
- [Understanding the implications of structural racism](#) (10/7/20)
- [Talk About Challenging the Status Quo and Championing Racial Justice](#) (10/5/20)

Democrat: [Sung Yeon Choimorrow](#) (sung yun choy-morrow) – Executive Director, National Asian Pacific American Women’s Forum

- [President Biden Calls out Anti-Asian Hate and Violence](#) (3/1/22)
- [Building back better – or leaving women behind?](#) (11/4/21)
- [Want to Stop Asian Hate? Start by Passing the Build Back Better Act](#) (10/27/21)
- [AAPJ women have the smallest pay gap—but that ‘masks’ big disparities](#) (5/20/21)
- [Asian-American groups push for socio-political clout with funding surge](#) (4/30/21)
- [How Racism and Sexism Intertwine to Torment Asian-American Women](#) (3/18/21)
- [Solidarity in Action: Get to know Sung Yeon Choimorrow](#) (7/24/20)

Democrat: [Daniel E. Dawes](#) – Executive Director, Morehouse School of Medicine

- [Health equity pioneers applaud progress, caution against backsliding](#) (11/8/21)
- [Daniel E. Dawes Appointed to the CDC’s Federal Advisory Committee](#) (10/20/21)
- [Race and the Patient-Physician Relationship in 2021](#) (8/17/21)
- [Data and Technology Can help Us Make Progress on COVID Inequities](#) (3/27/21)
- [AMA, Satcher launch fellowship program to confront health inequities](#) (2/22/21)
- [Back to ‘normal’ isn’t good enough](#) (2/10/21)

### III. TAX OVERVIEW

The Tax Cuts and Jobs Act of 2017 (TCJA) created broad opportunity and prosperity for all Americans. Contrary to Democrat claims, TCJA provided a larger tax reduction for the lowest income Americans (10 percent cut) than for the Top 1% (less than one-half of one percent cut). TCJA resulted in the lowest unemployment rate in 50 years, with record-low unemployment for women, people of color, and workers without a high school degree.

Under TCJA, income and wealth inequality decreased as wages grew 24 percent faster for Hispanics, 79 percent faster for Blacks, and 95 percent faster for Asian Americans than during President Obama’s second term. 6. More than 6 million people were lifted out of poverty, dropping the poverty rate to 10.5 percent, the lowest level in U.S. history.

	Black		Asian		Hispanic	
	TCJA <sup>1</sup>	Dec. 2016	TCJA <sup>2</sup>	Dec. 2016	TCJA <sup>3</sup>	Dec. 2016
Unemployment Rate	<b>5.4%</b>	8.0%	<b>2.0%</b>	2.6%	<b>4.0%</b>	5.8%
Unemployment Rate – Working Mothers	<b>5.8%</b>	8.5%	<b>2.3%</b>	3.6%	<b>4.6%</b>	6.2%
Increase in Real Household Income	<b>7.9%</b>	5.7%	<b>10.6%</b>	4.2%	<b>7.2%</b>	4.3%
Poverty Rates	<b>18.8%</b>	22.0%	<b>7.3%</b>	10.1%	<b>15.7%</b>	19.4%

1 (August 2019)

2 (May 2018)

3 (September 2019)

TCJA built a foundation for economic growth and prosperity.

Democrats spent most of 2021 trying to raise trillions of dollars in new taxes, which would have a crippling effect on our economic recovery, especially in minority communities. Economic studies showed that Democrats’ tax hikes would have resulted in fewer jobs and lower wages. What’s more, Democrats’ Green New Deal spending spree offered handouts to politically connected corporations and wealthy households in the form of refundable credits and luxury EV subsidies.

American families now face 40-year-high inflation rates and surging prices at the pump. Democrats’ reckless spending policies and the Administration’s attack on American-made energy have worsened this crisis for hardworking families. A recent NBC poll shows that 62 percent of Americans see their family incomes falling behind the cost of living, in the face of 40-year-high inflation. Inflation functions as a severely regressive tax – meaning that low-income households pay a higher proportion of their income than wealthy households.

Instead of reckless spending and crippling tax hikes, Congress should focus on fixing our supply chain, making TCJA permanent, and finding new ways to expand opportunity.

#### **IV. HEALTH OVERVIEW**

The coronavirus launched an unprecedented attack on America's health and the best economy our nation had experienced in decades. America responded with an unprecedented effort to contain the virus. Congress worked with then-President Trump to deliver not one, not two, not three, but four bipartisan measures to combat the health and economic damage of COVID-19. These included investments in testing, treatments, vaccines, and providers serving our most vulnerable populations.

Unfortunately, when they took the reins in Washington, Democrats chose to leverage this health crisis for their own political gains. Less than a dime of every dollar in Democrats' \$1.9 trillion bill in March 2021 went to COVID vaccines and defeating the virus, prioritizing a massive social spending agenda that worsened both inflation and the labor shortage. Of the other 91 percent of the spending in ARPA – a bill supposedly about COVID-19 – rampant examples of misuse and waste continue to pile up. Hundreds of billions of dollars have been used to bail out state governments, and to build bike trails, new high school weight rooms, apartment buildings, and golf courses, to name just a few examples. In fact, with Americans stuck in lines waiting hours for COVID-19 testing or unable to find at-home tests, reports indicate that the Biden Administration also diverted \$850 million in funding meant to support the nation's COVID-19 testing capabilities, to instead deal with the fallout from the Administration's self-created border crisis – including to provide housing for those that illegally crossed the southern border in the wake of Administration policies that weakened border security and encouraged illegal immigration.

Now, Democrats hope to leverage another real aspect of the pandemic— the fact that the data suggests this pandemic has had a disproportionate health and economic effect on communities of color— to advance their one-size-fits-all-agenda. It is clear we must work together to address disparities in a way that ensures improved health outcomes and increased opportunity for all. That will require bipartisan reforms moving forward to increase access to high quality, affordable health care; to reestablish trust in our public health organizations; and a plan to restore jobs and ensure work always pays, especially for communities of color.

### *Democrats' Health Workforce Policy Proposals*

- Adapt health care culture to one that is safe for all patients and supported by a diverse workforce with structural and cultural competencies in accessibility (language and assistive technologies), community health, women's health, and geriatric health to help engender trust
- Diversify the health workforce pipeline, expand career advancement opportunities, and increase geographic equity of the workforce
- Address the dearth of behavioral health prescribing capacity and service delivery in underserved communities and institutions receiving public funding
- Address barriers to entry into the health professions, including for those disadvantaged by inequities in the education and criminal justice systems
- Align education and workforce incentives in the tax code to the needs of 21st century learners
- Ensure that workers receive living wages, paid leave, other employment supports for essential health work, and opportunities for retirement security
- Fund evidence-based approaches that increase the number of people of color pursuing health careers, like the Health Profession Opportunity Grant program

### *Democrats' Health Care Policy Proposals*

- Close gaps in health coverage for vulnerable populations, such as low-income, working-age adults living in states that have not adopted the ACA Medicaid expansion and those who, despite potential eligibility for assistance, remain uncovered and underserved, such as foster youth and those who are homeless
- Improve quality program incentives to discourage preferential selection of patients (i.e., cherry picking and patient dumping)
- Address the crisis in maternal mortality and severe maternal morbidity for women of color (e.g., invest in continuous insurance eligibility throughout pregnancy, delivery, and the first year of life; and federal home visiting and other proven programs to provide new parents and families with the maternal and child health information they need to fully live up to their potential)
- Maintain strong consumer protections for affordable access to fairly priced prescription drugs
- Refine plan benefits with a focus on inclusion and expansion of social benefits
- Strengthen proven programs that reduce the number of uninsured
- Support a "no wrong door" approach to providing assistance with health coverage and costs
- Increase accessibility and reasonable accommodations within health care facilities so people with disabilities have better access to diagnostics, care, and treatment

## **V. WORKER AND FAMILY SUPPORT OVERVIEW**

### ***America's needy families need good-paying jobs, not more emergency spending and endless government checks.***

- No amount of government checks can address the underlying challenges families face that hold them back from working toward success and economic independence.
- Democrats' monthly welfare-without-work Child Tax Credit would relegate an entire generation of workers to the sidelines.
- A University of Chicago study found the CTC expansion would lead 1.5 million workers to exit the labor force.
- Republicans support the CTC, in fact we doubled it to \$2,000 in TCJA and increased the refundable portion, providing a significant tax cut to millions of families.
- What we don't support is converting the effective and bipartisan CTC into a "welfare without work" program.
- Republican solutions, such as those included in the *JOBS for Success Act*, focus on more modern approaches like investing in marginalized workers, promoting case management, and developing the workforce - linking federal benefits to the pursuit of work and the skills that lead to work.

### ***Democrats' war on work will devastate our economic recovery.***

- Democrats' Build Back Better proposal is \$2 trillion in unfunded commitments to the American people.
- Main Street businesses and job creators are eager to hire back their workers, but Democrats' partisan unemployment benefits that paid people more not to work, and monthly Child Tax Credit for non-working households with children, crushed hiring efforts.
- Democrat's Toddler tax would raise child care costs. For over half of families with two kids could be faced with as much as \$27,000 in additional costs.
- Republicans have a proven record of supporting working families.
- Instead of pursuing a partisan approach to find solutions, Republicans put out a proposal, the *Protecting Worker Paychecks and Family Choice Act*, and offered to work with the Democrats and design flexible child care and family leave policies that build on what the private sector is already doing and incentivize more businesses to offer these benefits to working families.
- Republicans are ready to work with Democrats to find common ground on an issue everyone can agree on - improving the lives of working families.

***Our goal should be ensuring that all Americans, especially those in minority communities, have a chance to pursue success.***

- Many groups that historically faced economic disadvantages in the labor market benefited from the strong economy in 2018 and 2019.
- Prior to the pandemic jobs were booming and wages were rising. At 3.5 percent unemployment rate was the lowest rate since 1969.
  - The unemployment rate for African Americans fell to 5.2 percent in 2019, the lowest rate on record since the series began in 1972, and down from the past recession peak of 16.8 percent in 2010.
  - The unemployment rate for Hispanics fell to 4.0 percent in 2019, the lowest rate on record since the series began in 1973, and down from the past recession peak of 13.0 percent in 2009.
  - The unemployment rate for those with less than a high school education fell to 5.0 percent in 2019, the lowest rate on record since the series began in 1992, and down from the past recession peak of 15.8 percent in 2010.
- Low unemployment was driving wage growth – median real wages grew by 4.9 percent from the end of 2017 through the end of 2019, almost double the total growth in real wages over the 15 prior years.
- The Atlanta Federal Reserve Bank found low-income workers to be the greatest beneficiary as wage growth in 2018 and 2019 was largest for those in the lowest quartile of the wage distribution.
- Low unemployment and higher wages served as a magnet for Americans to re-enter the workforce – the labor participation rate for Americans in their prime working years, ages 25 to 54, was at its highest level in more than a decade.