

The GOP's Fiscal Policy Failure



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Between presidential joyrides around a hospital, fights over plexiglass at debates, and even a raccoon attacking reporters outside of the White House, we cannot forget one key fact: Republican leaders are failing the American people.

Yesterday, I made remarks at the National Association for Business Economics (NABE) annual meeting. I described how our NABE Foundation expanded its diversity scholarships to support STEM-like education at the courses we are offering. NABE spearheaded this urgent pursuit by forming a partnership with Howard University years ago. Watching these students excel at their chosen fields and witnessing this incredible exchange of ideas has been extremely gratifying.

My remarks came just before Federal Reserve Chair Jay Powell told an audience of 300 attendees that **more federal government assistance was needed** to help get workers and the economy back on track. He has said this many times since the CARES Act funds began to run

out. Over 25 million workers are on unemployment insurance programs, but that support is expiring. We are in week number 31 by my count, where the “Haves” in our economy are able to work from home, while the “Have Nots” trudge to work, often with inadequate protection, helping us all meet basic human needs.

Hundreds of experts around the globe have expressed consensus on the solution: Push ahead with massive fiscal stimulus to combat this pandemic. There is no ambiguity in their prescription – “Go Big, Go Fast.” It costs less money to deal with the problem now rather than suffer the long-term effect of ignoring it. Those of you who watched the debacle of the Greek debt crisis of 2011 will surely agree. Europe’s policymakers were reticent, stingy, worried by “transfers” from northern European, wealthy countries to those in the “south.” Austerity proved to be a disaster. It took longer for Europe to recover. The nightmare saw economic and job losses mount.

We did a study at Ford Motor Company during the 2000s. Thanks to one of my team members who did a thorough case study examination, we concluded: “You cannot shrink to health.” That phrase has resonated with me on many occasions as I look at policy portfolios, both here and abroad.

Now we are confronted with fiscal folly. The Trump Administration and GOP-led Senate are unwilling to address what is necessary and imperative: provide more unemployment benefits, keep people in their homes, make sure no one goes hungry, keep the lights on in small businesses across the country, make sure everyone has health insurance, help state and local governments fight COVID-19 with an army of resources, address the needs of first responders and others fighting on the front lines in our public health system, and more aggressively fight the pandemic. It is not too late, and the well-being of millions of our fellow citizens depends on strong action.

Yesterday at the NABE annual meeting, a very well-known economist showed the consequences of ineffective pandemic containment: many more lives lost, far more jobs cut, and an economy in shambles. This echoes what I see here in Michigan with nearly 20,000 jobs lost in the auto sector alone and over 400,000 on unemployment insurance programs—assistance that will now start to run out.

The current failure by the Republican Party to enact massive fiscal policy stimulus is bad economics. Worse, it exhibits a callous disregard for humanity. Instead, we must be resilient and push for a brighter and more equitable future. A future that puts people first. Without that, what are we doing here?