

'We need the government': Biden's \$1.9 trillion relief plan reflects seismic shifts in U.S. politics

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A new Democratic administration facing down a massive economic crisis pushes an \$800 billion stimulus package. A bloc of centrist Democrats balk at the price tag, and Republicans are thrown into a frenzy warning about the impact to the federal deficit.

A little more than a decade later, another new Democratic administration takes office facing a different economic crisis. This time, it proposes spending an additional \$1.9 trillion, even though the federal deficit last year was \$3.1 trillion — much larger than during the last crisis. Centrist Democrats unify behind passing the measure, and the GOP rejects it but in a more muted fashion.

The disparity between the reception to President Barack Obama's 2009 stimulus plan and President Biden's is the result of several seismic shifts in American politics — the most dramatic of which may be the apparent impact of the pandemic on attitudes about the role of government in helping the economy.

Since the outset of the coronavirus pandemic, polling has found substantial support among Americans for providing more government aid for those in need. That is partially due to the nature of the current crisis, which for a time opened a deeper economic hole

than even the Great Recession. But the shift is also the result of a reorientation on economic policy — on the left and on the right — that has transformed the political landscape.

On the right, congressional Republicans may still fret about higher deficits — but the most popular politician among their voters does not. As a candidate and as president, Donald Trump blew past Republican concerns about the deficit, pushing for trillions in additional spending and tax cuts and running unprecedented peacetime debt levels.

And on the left, Democratic lawmakers have increasingly learned to ignore fears about spending too much. Party leaders have said they suffered crippling political defeats in the 2010s precisely because they did not deliver enough meaningful economic relief under Obama — a mistake that they see an opportunity to correct under Biden. Democrats also repeatedly tout the 2017 Republican tax cut, which is expected to add approximately \$2 trillion to the national debt, as a reason to be skeptical of GOP concerns about fiscal restraint.

“It’s been a major shift. People have gone from being anti-government, to beyond being even neutral on it, to thinking: ‘We need the government; it has to help us,’” said former congressman Barney Frank (D-Mass.), who helped craft Congress’s response to the last financial crisis and Great Recession.

“You have a new consensus in America — that the government has an important role, and that Ronald Reagan was wrong. For the first time in my lifetime, people are saying that the government has done too little rather than doing too much.”

The upshot is that Americans overall have appeared largely supportive of Biden’s stimulus blitz, which would push the total national debt beyond \$23 trillion. This change has helped speed Biden’s massive relief package through Congress with relative ease, despite unified Republican opposition and last-minute changes pushed by moderate Democrats. Centrist Senate Democrats trimmed unemployment benefits but did not significantly reduce the overall size of Biden’s legislation.

A Monmouth University poll taken in late February found more than 60 percent of Americans supported the \$1.9 trillion measure. More than two-thirds also said they would rather the relief package include \$1,400 stimulus checks than see bipartisan support for the effort, Monmouth found. Quinnipiac University found in a poll released in February that Americans supported \$1,400 stimulus payments, with 78 percent in favor and only 18 percent opposed.

“What happened in 2009 and ’10 is, we tried to work with the Republicans, the package ended up being much too small, and the recession lasted for five years,” Senate Majority Leader Charles E. Schumer (D-N.Y.) said in an interview. “People got sour; we lost the election.”

This emerging consensus is not without its detractors. Congressional Republicans widely panned Biden’s relief bill as providing far more funding than is necessary, arguing much of it goes to waste. A number of leading economists, influential Washington groups and

Wall Street analysts have said key parts of Biden's bill are poorly targeted to the specific needs of the crisis — particularly given the encouraging signs on vaccinations and the job market.

Although the bill is popular right now, congressional Republicans have also projected confidence that will change once its provisions become more widely known and they have a chance to campaign against it.

Every Republican in the House and Senate voted against the bill, undermining Biden's campaign promises to work across the aisle and find common ground. The president's difficulty at points securing the support of centrist Senate Democrats — a process that led to a nine-hour standoff with Sen. Joe Manchin III (D-W.Va.) on Friday — also suggests the challenges he is likely to face securing support for his next legislative effort. Moderate lawmakers of Biden's party may be less likely to back a narrowly partisan effort again if it's not responsive to an economic emergency.

"I think it's important for the American people and our Democratic colleagues to recognize that when they're going to propose spending money that's not needed and that's wasteful — and they lard up a piece of legislation — that we're not going to just sit back and take it," Sen. Mitt Romney (R-Utah) told reporters on Thursday. "We're going to fight back."

The bill's \$1.9 trillion cost — budget experts say the ultimate price-tag may be \$1.8 trillion — makes it one of the most expensive pieces of legislation in terms of its single-year impact, particularly when considered in tandem with the approximately \$900 billion bill approved in December. An analysis from the Committee for a Responsible Federal Budget, which argues for lower deficits, found the package could ultimately cost \$4 trillion if key provisions are extended.

Democrats are blowing past these concerns. Democratic lawmakers and aides say they have heard very few complaints from constituents about concerns the relief plan will drive up the deficit. Even senators representing states that Trump won by huge margins, such as Jon Tester (D-Mont.), have gone along with the bill's price tag.

The White House has pointed to a range of economic analyses showing that without dramatic federal intervention, it could take as long as two years for employment to fully recover. Economists have also pointed to low interest rates as enabling historic borrowing at relatively low costs. The U.S. jobs report showed the economy added close to 400,000 jobs in February, but the number of Americans out of work is still over 9 million more than it was pre-pandemic.

Biden is in some ways the ideal messenger for their spending blitz. A septuagenarian who spent four decades in Congress, the president is hard to portray as a socialist or radical leftist — even as he advances some ambitious expansions of government spending, including a major new child tax benefit.

"Biden's style and his persona have allowed him to be heard as pragmatic on policies that if articulated by other people would sound ideological," said Celinda Lake, a Democratic pollster who advised Biden's 2020 presidential campaign. "Just by temperament and

culture and background, Joe Biden seems less ideological and more pragmatic.”

That has also appeared to contribute to a more muted reaction to Biden’s spending plans than Obama’s. Reports from the Conservative Political Action Conference, held this year in Florida, indicated that the debt and deficits were not major themes energizing the conservative base.

The shift has been accelerated by the party’s leader. Trump has so far largely avoided critiquing Biden’s stimulus plan. He did recently blast Senate Minority Leader Mitch McConnell (R-Ky.) for refusing to support his and Democrats’ push for \$2,000 stimulus payments in December, a decision that Trump said cost the GOP the Georgia runoff elections that determined control of the Senate.

“In the background leading to the Obama era, \$300 billion deficits were considered a crisis, and in that context an \$800 billion stimulus was an enormous sticker shock even among Democrats,” said Brian Riedl, a former aide to Sen. Rob Portman (R-Ohio) now at the libertarian-leaning Manhattan Institute. “It has been a massive shift toward the view [that] almost no level of borrowing will have negative consequences. Billions just became trillions.”

Dave Hopkins, a professor of political science at Boston College who studies the Democratic Party, said the Republican base is no longer “stoked” by criticisms of overspending.

“Moderate vulnerable Democrats feel a lot more freedom to vote for a big spending bill in the current moment — because the polls suggest it’s popular, and because the case against Democrats is being made on Dr. Seuss and Mr. Potato Head, not the debt,” Hopkins said.

Beyond the shifting politics, Democratic lawmakers have themselves shifted in their beliefs.

In the 1990s, Rep. Don Beyer (D-Va.), now vice chair of the House’s Joint Economic Committee, supported the Democratic presidential candidates who most seriously campaigned on closing the national deficit.

Beyer’s thinking has changed. He cited conversations with a range of economists on wonky issues such as the relationship between employment and inflation, as well as watching the impact of covid aid as it was sprayed across the American economy.

Beyer sits on the House Ways and Means Committee, which writes the nation’s tax laws.

“We’re always doing things like the Employee Retention Tax Credit,” he said of a refundable credit to reimburse businesses hit by covid for keeping employees on the payroll. “I don’t want to diminish those kinds of things, but they don’t feel real to people the way the \$600 check does.”

Beyer added: “I was knocking doors for Joe Biden in Pennsylvania [last fall], and the most memorable conversation I had was with a guy who said, ‘I just want to know who will send me the checks.’ . . . Covid has given us the opportunity to provide very meaningful benefits to these folks.”

Democrats were not always so concerned with the marketing of their plans.

In 2009, Pennsylvania Gov. Ed Rendell (D) went to the White House and begged Obama officials to have the treasury secretary send letters to millions of American households explaining how they would benefit from a \$1,000 tax cut in Obama’s stimulus. The administration refused.

“If you went to the streets of Philadelphia in 2010 and asked every man and woman if they got a tax cut from Obama’s stimulus, they would have said no,” Rendell said.

The White House is now aiming for the opposite. In remarks on Saturday, Biden emphasized the cash that the plan will send to millions of Americans — in direct stimulus payments, new child benefits, and unemployment assistance, among other provisions.

White House press secretary Jen Psaki said Friday the administration would aim to do a much better job than Obama’s team had in ensuring that people saw how they were being helped by the government.

“Quite frankly, without the overwhelming, bipartisan support of the American people, this would not have happened,” Biden said after the Senate passed the measure. He touted the “real, tangible results” delivered by the package. Americans, he said, “will be able to see and know and feel the changes in their own lives.”

Tony Romm contributed to this report.

Correction: An earlier version of this story misstated the federal deficit for 2008, which was \$469 billion and projected to grow significantly in the next year. This version has been corrected.