

Questions for Dr. Jared Bernstein, of Virginia, to be Chairman of the Council of Economic Advisers, Executive Office of the President, from Chairman Sherrod Brown:

- 1. We need to reduce our nation’s deficit and debt, but that sacrifice should not be placed only on the backs of seniors and working families. How did the Tax Cuts and Jobs Act, which cut taxes for billionaires and big corporations, diminish revenues flowing to the Treasury?**

The Tax Cuts and Jobs Act (TCJA) made substantial changes to the Federal individual income, corporate income, and estate tax system.¹ The consensus view² of the TJCA is that it was a large tax cut in the short term, tilted towards those with the highest income, that becomes more regressive over time. This view was reflected in the non-partisan 2018 Congressional Budget Office Budget and Economic Outlook: 2018 to 2028,³ which took into account the effects of the TCJA on the economy and budget. That outlook found that over the ten-year period from 2018 to 2028, the TCJA increased their projected deficit by \$1.85 trillion.

Furthermore, a recent working paper, “The Efficiency-Equity Trade-Off of the Corporate Income Tax”,⁴ confirmed earlier studies⁵ that the TCJA did not pay for itself via increased economic growth. Looking solely at the corporate tax changes, the paper estimated that after accounting for macroeconomic effects, the TCJA reduced annual tax revenue by \$88 billion. Even where the revenue effects were more mixed, there were missed opportunities⁶ to create a fairer tax system that incentivized firms not to shift profit overseas. The mix of tax changes in the TCJA designed to close loopholes for evasion for multinational corporations in fact appear to just open others, and studies are still uncertain about the net effect of the TJCA on profit shifting. Recent proposals from the Biden Administration seek to close the existing TCJA loopholes and incentives that encourage offshoring and profit shifting, all of which are estimated to reduce deficits by \$667 billion over ten years, according to the Office of Management and Budget.⁷

- 2. Can you describe to the Committee the factors that have affected energy prices since President Biden came into office?**

Fluctuations in energy prices since January 2021 have largely been a function of: 1) the global energy sector recovering from historic declines in demand resulting from the pandemic; 2)

¹ This briefing paper provides a description of the business tax changes. <https://www.taxpolicycenter.org/briefing-book/how-did-tax-cuts-and-jobs-act-change-business-taxes>. This briefing paper provides a description of the individual tax changes. <https://www.taxpolicycenter.org/briefing-book/how-did-tax-cuts-and-jobs-act-change-personal-taxes>

² <https://www.taxpolicycenter.org/publications/reflections-tax-cuts-and-jobs-act>

³ <https://www.cbo.gov/system/files/2019-04/53651-outlook-2.pdf>

⁴ <https://economics.yale.edu/sites/default/files/2023-01/The%20Efficiency-Equity%20Tradeoff%20of%20the%20Corporate%20Income%20Tax.pdf>

⁵ See <https://www.brookings.edu/policy2020/votervital/did-the-2017-tax-cut-the-tax-cuts-and-jobs-act-pay-for-itself/#:~:text=The%20TCJA%20did%20not%20pay,not%20be%20one%20of%20them>; see also <https://budgetmodel.wharton.upenn.edu/issues/2018/10/18/as-predicted-tcja-isnt-paying-for-itself-confirmed-by-figures-from-the-treasury-department>

⁶ https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3274827

⁷ See Budget of the U.S. Government, Fiscal Year 2024, available at https://www.whitehouse.gov/wp-content/uploads/2023/03/budget_fy2024.pdf, 166.

disruptions relating to Russia’s illegal invasion of Ukraine; and 3) uncertainty surrounding future global demand—in particular demand from China.

In 2021, the U.S. saw robust economic growth, which created strong demand for energy products such as oil and natural gas. But because the pandemic lowered global demand for energy products in 2020,⁸ many energy firms either curtailed productive capacity or went out of business altogether, thereby limiting the sector’s ability to respond to a sharp increase in demand. This was most acute in the refining sector, which saw a large drawdown in capacity during 2020 and the early part of 2021.

When Russia invaded Ukraine, the problems in the recovering energy sector were compounded due to a reduced supply of Russian fossil fuels. In addition to this, China—a large consumer of fossil fuels—had greatly reduced demand due to their “zero-COVID” policies. As China’s economy began to rebound, however, the uncertainty surrounding how much additional global demand they would contribute put upwards pressure on energy prices. The uncertainty surrounding these dynamics also put upward pressure on prices through higher “risk premia,” or the compensation demanded when uncertainty is heightened.

In the fall of 2022, however, energy prices began to moderate due to high production (particularly from the U.S.), President Biden’s release of oil from the Strategic Petroleum Reserve (SPR), less uncertainty (and therefore lower risk premia), and demand coming in lower than expected.⁹ Currently, gasoline prices (on a national average) are more than \$1.30/gallon lower than they were during the peak of last summer, and U.S. natural gas prices have declined by over 70 percent since last fall.

3. Can you describe what has happened to domestic oil and gas production during the Biden Administration?

Both crude oil and natural gas production have been higher under President Biden than any President on record, as demonstrated by the table below. Furthermore, renewable energy production has also been higher under President Biden than any President on record. Together, these facts demonstrate that the Administration is executing on its plan to meet the current energy needs of the economy while also ensuring the economy transitions to renewable sources of energy. This includes historic investments in renewable and clean energy in the Inflation Reduction Act.

⁸ https://www.eia.gov/dnav/pet/pet_cons_psup_dc_nus_mbb1_a.htm

⁹ See, e.g., <https://www.reuters.com/business/energy/brent-oil-lower-amid-stronger-dollar-caution-ahead-fed-minutes-2023-02-21/>

Average Energy Production By President

President	Weekly Crude Oil Production (million bpd)	Dry Natural Gas Production (billion cubic feet)	Renewable Energy Production (trillion btu)
Reagan	8.59	1,423	496
HW Bush	7.36	1,473	505
Clinton	6.38	1,566	538
W Bush	5.39	1,587	517
Obama	7.13	2,011	770
Trump	11.03	2,629	963
Trump: Feb 2017-Feb 2020	10.98	2,582	960
Biden	11.62	2,941	1,073

Source: EIA; CEA analysis

4. Where have you excelled in past positions in attracting, hiring, and promoting people of color in positions in your organization/s? Where might there be room for improvement?

Whenever I have been in a position to attract, hire, or promote diverse job candidates, I have aggressively tried to do so. This includes management positions in my prior job at the Center on Budget and Policy Priorities as well as my current position as a Member of the Council of Economic Advisers. I have also worked hard to promote persons of color and women in economics through publications. For example, I have worked with a number of women of color on monetary policy issues from the perspective of racial equity.

However, there is always room for improvement in this area. If confirmed, I plan to focus even more so on diverse hiring goals, including for the open Member slot at CEA.

5. What specific measures will you use to evaluate the success of CEA in understanding and addressing the needs of Black, Indigenous and people of color (BIPOC)? And, will you work with the other members of CEA to keep Congress apprised, as appropriate, on the progress being made on these measures?

If confirmed, I would seek to continue the work of former CEA Chair Rouse to evaluate and understand the economic conditions of Black, Indigenous and people of color at CEA. This is an extension of work I have long done in my field, especially regarding the relationship between overall strong labor market conditions and outcomes for persons of color. I will work to keep Congress apprised, as appropriate, on the progress being made on those measures.

6. What is your plan for creating an inclusive working environment for employees within your office?

If confirmed, I would first seek to continue the efforts promoted by former CEA Chair Rouse to foster and maintain an inclusive working environment for all employees at CEA. If appropriate, I would also recommend changes to further promote inclusion based on further White House guidance or overall professional best practices.

Questions for Dr. Jared Bernstein, of Virginia, to be Chairman of the Council of Economic Advisers, Executive Office of the President, from Ranking Member Tim Scott:

1. Notwithstanding the fact that you and other members of the Biden Administration described high inflation as “transitory” on many occasions since 2021, inflation remains elevated.

a. Please explain what you meant by the use of the term “transitory.”

We used the term “transitory” to mean that inflation would accelerate in 2021 due to the once-in-century global disruption to both supply and demand brought on by the pandemic. As those pandemic-specific factors subsided, we expected inflation to gradually cool down over time.

b. Over what time period or timeframe did you expect inflation to rise and then fall?

Our economy has never experienced something like the COVID-19 pandemic, so it has been extremely difficult for economists to predict what the effects will be or how long they will last. We did not know how long it would take for the majority of Americans to become vaccinated, how many workers would return to the labor market and to spending at pre-pandemic levels, and we were unsure when global supply chains would adapt to new challenges. Of course, there were also unforeseen challenges – Russia’s unprovoked war in Ukraine certainly caused more strain on already-fragile global supply chains, prolonging the inflationary moment.

Two years later, inflation has largely behaved as we described. It rose to a peak of 9.1 percent on a yearly basis in June 2022 and has now slowed 9 months in a row to 5.0 percent in March.¹⁰

2. When, if ever, do you believe inflation will return to the Federal Reserve’s target level of two percent?

The March 2023 Summary of Economic Projections (SEP) released by the Federal Open Market Committee (FOMC) shows the median participant believed both headline and core Personal Consumption Expenditure (PCE) inflation will decline over the next two years and reach 2.1% in 2025 Q4-Q4. The April 2023 Blue Chip Consensus of private sector forecasters only runs through 2024, but over that time period is slightly more optimistic than the FOMC median, with headline PCE inflation already falling to 2.2% by 2024 Q4-Q4 and core PCE inflation at 2.3%. The Administration does not publish projections of the PCE price index, which is the basis of the Federal Reserve’s inflation target.

3. Should the government slow its pace of spending to get inflation under control? Please answer “yes” or “no” and then fully explain your answer.

¹⁰ <https://fred.stlouisfed.org/graph/?g=12Pii>

The pace of fiscal support has been slowing for two years now, putting downward pressure on inflation. Measures of fiscal impulse like the Brookings/Hutchins Fiscal Impact Measure show that fiscal policy has been a net drag on growth and inflation each quarter since 2021 Q2.¹¹

More broadly, the Biden Administration has enacted or proposed policies to help lower inflationary pressures, both through deficit reduction—such as the nearly \$3 trillion in deficit reduction proposed in the President's Budget—as well as through expanding the productive capacity of the economy, as done by the BIL, the IRA, and CHIPS.

4. Between 2017 and the present, have you ever advocated for fiscal stimulus even if the economy is at or very close to full employment. Please answer “yes” or “no.” If so, please describe all such instances.

I do not recall doing so. I have advocated for empirically-defensible combinations of monetary and fiscal policy with the goal of achieving full employment. But the fiscal policy I have advocated for in prior tight labor markets was investment in the long-term capacity of our economy, not stimulus.

a. Do you believe recent experience shows the inflationary dangers of excessive fiscal stimulus? Why or why not?

“Excessive fiscal stimulus” is not a well-defined term. Recent experience shows that substantial relief amidst a global pandemic was essential to distribute the vaccine and help families and businesses get through the crisis.

5. In April 2021 you wrote: “We think the likeliest outlook over the next several months is for inflation to rise modestly due to the three temporary factors we discuss above, and to fade back to a lower pace thereafter as actual inflation begins to run more in line with longer-run expectations. Such a transitory rise in inflation would be consistent with some prior episodes in American history coming out of a pandemic or when the labor market has quickly shifted, such as demobilization from wars.”

In June 2022 you were asked by CNBC’s Andrew Ross Sorkin: “But then the question is, what did the White House miss [on inflation]? And what is the lesson of that?” You responded: “I don’t think the White House missed much at all [on inflation]...”

a. How do you reconcile that, in April 2021, you wrote that inflation would rise modestly over several months due to temporary factors before fading back to a lower pace, and then over a year later, in June 2022, you claimed that you did not think that the White House missed much at all?¹²

Most forecasters did not foresee the exact path of inflation, as the COVID-19 pandemic was a once in a hundred-year event with many unknown consequences. Further, Russia’s invasion of

¹¹ <https://www.brookings.edu/interactives/hutchins-center-fiscal-impact-measure/>

¹² In the Questions for the Record that were submitted, these were listed separately as questions 5 and 6. For the purpose of this response, I am assuming this was a typographical error and this was intended as one question.

Ukraine in February 2022 worsened inflationary pressures, particularly for food and energy. In April 2021, that was not a “forecastable” event. Broadly speaking, I believe I was right that inflation would rise for a time and then would fall once the relevant shocks subsided.

6. In October 2022 you told Bill Hemmer of Fox News that “...the policies that we’re doing to help mitigate and ease price pressure are having effect.”

a. What specific policies were you referring to in the above statement?

The Biden administration’s Supply Chain Disruptions Task Force implemented extensive policies to unsnarl supply chains and thereby ease price pressures.

In addition, the Administration also worked with Congress on a number of policy steps to lower prices for American families. Through the Inflation Reduction Act (IRA), we capped insulin prices at \$35 per month for seniors on Medicare and locked in several other changes that will lower health care costs. Through the IRA, Americans can also receive tax credits for a range of clean energy products, lowering energy bills. The President has also advanced several proposals to reduce “junk fees” and lower medical debt, two other crucial cost-saving measures. Further proposals seek to lower costs on a range of other aspects of family budget, including housing, child care, and higher education.

b. What specific effect did these policies have?

Core goods inflation was responsive to these supply-chain interventions and has, in recent months, averaged about zero percent on a monthly basis.

As per our health-care-costs interventions, 3.3 million Medicare beneficiaries now have their insulin costs capped at \$35 per month, while 13 million Americans will save an average of \$800 per year on their health care premiums.

7. You have publicly written that the American Rescue Plan would have “little, if any, effect” on inflation and that Build Back Better would ease inflationary pressures.

a. Do you stand behind each of these statements? Please answer “yes” or “no.”

On numerous occasions, I argued that the ARP would generate economic growth and that this would create some price pressures. For example, from the *New York Times*:

“We got a lot more growth, we got less child poverty, we got better household balance sheets, we have the strongest labor market by some metrics I’ve ever seen,” Jared Bernstein, an economic adviser to President Biden, said in an interview. “Were all of those accomplishments accompanied by heat on the price side? Yes, but some degree of that heat showed up in every advanced economy, and we wouldn’t trade that back for the historic recovery we helped to generate.”¹³

¹³ *The New York Times*, 25 April 2022, <https://www.nytimes.com/2022/04/25/business/economy/us-global-inflation-response.html>

- i. If no, please explain why your view has changed.

Please see above response.

8. In a 2014 New York Times [piece](#) entitled “Dethrone ‘King Dollar,’” you argued that the U.S. government “needs to drop its commitment to maintaining the dollar’s reserve-currency status.” You concluded your argument in this piece by stating that, “The privilege of having the world’s reserve currency is one America can no longer afford.”

- a. Do you continue to stand behind your statement that that the U.S. “needs to drop its commitment to maintaining the dollar’s reserve-currency status”? Please answer “yes” or “no.”

- i. If no, please explain why your view has changed.

As I noted in the hearing, I fully support maintaining the dollar’s dominant reserve status. Since the benefits of that status are well-known and appreciated, the article was intended to also examine the costs incurred by that status. But I have consistently argued that the benefits outweigh the costs.

9. What economic downsides, if any, do you see to the dollar losing its reserve-currency status?

Such costs could include less effective sanctioning policies, potentially higher interest rates, and potentially less access to credit by U.S. households and businesses.

10. You have on several occasions expressed support for the idea that wealthy taxpayers be required to pay a minimum tax, not only on their income but also on gains in the total value of their tradable assets, such as stocks, bonds, and other securities. In other words, you have supported taxing people for their unrealized capital gains. That is, money that they’ve not yet received. In fact, as recently as [February 8, 2023](#), you defended your support for such taxes by referring to a wealth tax on unrealized gains as “a prepayment of withholding tax on future capital gains.”

- a. Do you stand behind that view? Please answer “yes” or “no.”

Yes.

- i. If no, what caused you to change your view in the past couple months?
- ii. If yes, please explain the rationale for taxing people for unrealized gains and how unrealized losses would be treated under this proposal.

I support the proposal in the President’s FY 2024 budget for the billionaire minimum income tax. This reflects the President’s commitment to making sure that the very rich pay their fair share, and an important part of that effort is making sure that high-income folks cannot, with the help of complicated tax evasion strategies, avoid paying the taxes they owe. This is why the President has signed into law the 15 percent minimum tax on corporations and increased funding to the IRS, and it is also why he – and I – support tax policies, like the billionaire’s minimum income tax, that require the pre-payment of taxes on capital gains. This is central to targeting one of the major tax avoidance strategies used by high-income individuals: to borrow against unrealized capital gains and hold-off on realization until death, avoiding ever paying taxes on those gains.

11. In December 2020 you wrote: “Borrowing to finance spending on virus control, productive public goods and inequality-reducing policies (as opposed to regressive tax cuts) is more than warranted. It’s essential... our main problem isn’t spending; it’s too little revenue.”

a. Do you still believe “our main problem” isn’t spending, but rather it is too little revenue? Please answer “yes” or “no.”

Based on CBO analysis I have cited in much of my work on this topic,¹⁴ it is clear that while both spending and revenues, as a share of GDP, have fallen relative to prior projections, revenues have fallen much more.

i. If no, what caused you to change your view?

Please see above response.

ii. If yes, how do you propose that the federal government raise additional revenue?

The President’s FY 2024 budget includes a range of revenue-raising provisions that more than pay for the many important investments and programs that the President is proposing, resulting in an almost 3 trillion dollar decrease in the deficit over ten years, all without increasing taxes on those making less than \$400,000.

These proposals include raising the corporate tax rate, reforming the international corporate tax system, implementing a billionaire minimum income tax, quadrupling the excise tax on stock buybacks, repealing changes made to the individual income tax system in 2017, and closing a range of loopholes the ultra-wealthy use to evade taxes.

12. To what extent do you believe that measures to raise additional revenue will dampen the economy?

¹⁴ For example: <https://jaredbernsteinblog.com/wp-content/uploads/2018/12/House-Fin-Serv-Rev-Problem.pdf>

The empirical record does not provide consistent support for the broad notion that “additional revenue will dampen the economy” as posed in the question.¹⁵ As I stressed at the hearing, the Tax Cuts and Jobs Act provides a strong, empirical example of the opposite of this claim: that tax cuts such as those in the TCJA do not promote investment or faster productivity growth and thereby fail to offset their static costs with higher revenues.

13. In September 2017 you wrote in The Washington Post that, “The goal of progressive tax reform is simple: reduce pretax inequality and raise ample revenue to meet the known challenges faced by the public sector, including our aging demographics, climate change, geopolitics, rising health costs and helping those left behind even at low unemployment... It means introducing a carbon tax and a small tax on financial transactions.” Do you maintain that a goal of tax policy should be to reduce inequality? Please answer “yes” or “no” and explain your view.

I agree with the statement above regarding pretax inequality and the “known challenges” we face. I believe these insights are reflected in the priorities expressed in the President’s FY24 budget: to raise revenue in a progressive fashion that builds the economy from the bottom up and the middle out. This means tax increases only on those Americans making over \$400,000, and using the revenue raised for deficit reduction, tax cuts for lower-income workers and parents to pull them out of poverty (the expanded child tax credit and earned income tax credit), as well as investments in the US economy that are needed to combat climate change, ensure our national security, and support Medicare and Social Security well into the future.

14. In a 2018 Washington Post [piece](#), you argued that “cheap oil means that the price of energy is too low given its negative environmental effects. It means the market cost is below the social cost.” Do you continue to stand behind that view? Please answer “yes” or “no.”

As I stressed in the hearing, I strongly support the Administration’s twofold approach of continuing to produce energy—at record amounts—from a variety of sources, including fossil fuels, while we build out a robust infrastructure to support renewable and clean energy for a sustainable future.

a. If no, please explain why your view has changed.

Please see above response.

15. Gas prices are over a dollar higher since President Biden took office. Are you satisfied that the price of energy is higher now given its “negative environmental effects,” or do you believe that the prices are not high enough given the “social cost”?

The Administration is committed to ensuring that the price of energy—including the price of gasoline—is affordable to all consumers, and our actions in this space support this. This includes

¹⁵ For example: <https://www.washingtonpost.com/posteverything/wp/2016/04/20/a-graphical-assault-on-supply-side-tax-cuts/>

actions the administration has taken such as a historic 180-million-barrel release from the SPR, which is estimated to have decreased gasoline prices by nearly 40 cents.¹⁶ The Administration’s climate policy does not include a carbon tax, but rather investments in clean energy industry to help provide American consumers with more affordable energy.

16. How high should gas prices be to take into account the “negative environmental effects” and “social costs” of oil?

The Administration is committed to ensuring that the price of energy—including the price of gasoline—is affordable to all consumers, and our actions in this space support this. The Administration’s climate policy does not include a carbon tax, but rather investments in clean energy industry to help provide American consumers with more affordable energy.

17. In this same 2018 Washington Post piece, you wrote: “So, what’s not to like about \$60-a-barrel oil? Well, there’s the fact that it’s melting the planet. That’s hyperbole meant to get your attention, but the fact is that cheap oil is totally inconsistent with sustainable growth. This creates both a potential crisis — one that is already playing out in the accelerated effects of global warming, including the increased frequency of intense storms — and a potential opportunity.”

- a. Do you continue to stand behind this view that \$60-a-barrel oil “is totally inconsistent with sustainable growth” and creates a potential climate crisis by accelerating the effects of global warming? Please answer “yes” or “no.”**

As stated above, the Administration is committed to a twofold approach when it comes to current energy demands and a sustainable future, including robust development of traditional *and* renewable sources. And our record shows this. As demonstrated in the table below, crude oil, natural gas, and renewable energy production have all been higher under President Biden than any President on record. Notably, this remains true even if we strip out the pandemic period, during which there were substantial disruptions in the production of fossil fuels.

¹⁶ See <https://www.whitehouse.gov/briefing-room/statements-releases/2022/04/21/fact-sheet-biden-administration-responds-to-putins-price-hike-by-awarding-first-barrels-from-historic-strategic-petroleum-reserve-release-deploying-affordable-clean-energy>; see also <https://home.treasury.gov/news/featured-stories/the-price-impact-of-the-strategic-petroleum-reserve-release>.

Average Energy Production By President			
President	Weekly Crude Oil Production (million bpd)	Dry Natural Gas Production (billion cubic feet)	Renewable Energy Production (trillion btu)
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Trump	11.03	2,629	963
Trump: Feb 2017-Feb 2020	10.98	2,582	960
Biden	11.62	2,941	1,073

Source: EIA; CEA analysis

i. If no, please explain why your view has changed.

Please see above response.

18. In this same 2018 Washington Post piece, you wrote: “I’ve long argued on this page that we need a higher federal gas tax, which is, for the record, a carbon tax. ... The tax would be a smart way to pay for the infrastructure program that I believe House Democrats will soon introduce, and, if the current trend persists, what better time to phase it in than when oil and gas prices are low?” Do you continue to support a federal gas tax or carbon tax? Please answer “yes” or “no.”

As stated above, I support the Administration’s efforts to ensure that energy from both traditional and renewable sources is affordable to all Americans. The Administration’s climate policy does not include a carbon tax, but rather investments in clean energy industry to help provide American consumers with more affordable energy.

a. If no, please explain why your view has changed.

19. In a 2019 Vox [piece](#), you wrote that, “Given the increasing awareness of the urgency of climate change over the past 10 years, fossil fuel costs should be higher and they should be growing faster than overall prices, signaling their contribution to global warming.” Do you continue to stand behind the statement that fossil fuel costs “should be growing faster than overall prices, signaling their contribution to global warming”? Please answer “yes” or “no.”

As stated above, I support the Administration’s efforts to ensure that energy is affordable to all Americans. This includes actions the administration has taken such as a historic 180-million-

barrel release from the SPR,¹⁷ which is estimated to have decreased gasoline prices by nearly 40 cents.¹⁸ Our climate policy does not include a carbon tax, but rather investments in clean energy industry to help provide American consumers with more affordable energy.

a. If no, please explain why your view changed.

20. How much faster do you believe fossil fuel costs should be growing compared to overall prices to signal their contribution to global warming?

As stated above, the Administration policy – and my belief – is that we need to ensure energy production of various sources is sufficient to meet the demands of the economy and be affordable to all consumers. This includes historic production of crude oil, natural gas, and renewable energy under President Biden. Our climate policy does not include a carbon tax, but rather investments in clean energy industry to help provide American consumers with more affordable energy.

21. In a 2019 Vox [piece](#), you wrote that, “Good, socially minded economists, even Nobel laureates, have argued for pricing carbon more accurately, but thus far they’ve been ignored. Clearly, a different approach is necessary. Which is why we really should take the Green New Deal seriously.” Do you continue to support the Green New Deal? Please answer “yes” or “no.”

Climate change is one of the most serious threats the United States faces. That is why the President signed into law the historic Inflation Reduction Act, which will help supply American consumers with clean, affordable energy. I support the Administration’s existing policies regarding energy security and the energy transition.

a. If no, please explain why your view has changed.

22. What aspects of the Green New Deal do you not support?

I support the Administration’s existing policies regarding energy security and the energy transition.

23. In a 2011 post on your personal [blog](#), you indicated that you opposed the Keystone Pipeline because it would accelerate climate change. Specifically, you said that, “[t]he more convincing arguments [against the Keystone Pipeline] are those of climate scientists who warn that based on the magnitude of Canada’s tar sands deposits and the energy needed to extract oil from them, this stuff will dangerously accelerate global warming.” In this same post, you concluded your argument by stating that, “If [stopping Keystone] doesn’t occur soon, then oil from the tar sands will flow, and it will

¹⁷ <https://www.whitehouse.gov/briefing-room/statements-releases/2022/04/21/fact-sheet-biden-administration-responds-to-putins-price-hike-by-awarding-first-barrels-from-historic-strategic-petroleum-reserve-release-deploying-affordable-clean-energy/>

¹⁸ <https://home.treasury.gov/news/featured-stories/the-price-impact-of-the-strategic-petroleum-reserve-release>

keep flowing until we put a price on carbon or come to our senses, whichever comes first.”

- a. Do you continue to stand behind your statement opposing the Keystone Pipeline because it would accelerate climate change? Please answer “yes” or “no.”

I support the Administration’s decisions regarding the Keystone XL pipeline.

- i. If no, please explain why your view has changed.

Please see above response.

24. During your nomination hearing, in response to questioning from Senator Mike Rounds about your role in the Biden White House decision to cancel construction the Keystone XL Pipeline, you stated that “...as a member of the team, I was part of those conversations, but I don't have any particular readout or recollection that would answer that question in the fulsome manner you're requesting.” Did you advise President Biden or any White House leaders regarding the decision to cancel the Keystone Pipeline? Please answer “yes” or “no.”

I support the Administration’s decisions regarding the Keystone XL pipeline.

- a. If yes, please explain what you advised.

Please see above response.

25. Were you involved in any way in the decision by the Biden White House to cancel the Keystone Pipeline? Please answer “yes” or “no.”

I support the Administration’s decisions regarding the Keystone XL pipeline.

- a. If yes, please describe your involvement.

Please see above response.

26. In a 2019 *Washington Post* [piece](#) entitled “The real reason conservatives are suddenly freaking out about ‘socialism,’” you indicated that you wanted to push [the United States] closer toward the social democracies of Scandinavia in terms of economic policy. Specifically, you said that, “A way to quickly spot the vacuity of the socialism scaremongering [by conservatives] is to look at spending on safety-net protections (like public health care and retirement security) as a share of GDP across countries. OECD data show that at about 19 percent, the United States is below average, right in between Estonia and the Czech Republic, and far down the continuum from the social democracies of Scandinavia. There’s no question that Rep. Alexandria Ocasio-Cortez (D-N.Y.), Sen. Bernie Sanders (I-Vt.), Sen. Elizabeth Warren (D-Mass.) and many other

progressives want policies that push us up the continuum — and, to put my own cards on the table, I hope to help them.”

a. Do you continue to stand behind his statement? Please answer “yes” or “no.”

To be clear, I said in the piece that I support a market economy, which I do. Many of our peers, including but not limited to the social democracies of Scandinavia, provide more robust safety-net protections than the United States, and I support measures that would do so.

i. If no, please explain what caused your opinion to change.

Please see above response.

27. What specific policies are you hoping to advocate for that would “push us up the continuum” toward the social democracies of Scandinavia?

I support measures in the President’s Budget to provide more robust economic supports and lowering prices for American families. These include tax cuts for families with children, lowering health care costs and expanding access to quality health care, expanding access to affordable early child care, improving college affordability and expanding free community college, and protecting Social Security.

28. In your role as an economic advisor to President Biden, have you advocated for any policies that would “push us up the continuum” toward the social democracies of Scandinavia? If so, which ones?

I support the social safety-net policies from the President’s Budget, some of which are mentioned above.

29. Which specific economic policies of the social democracies of Scandinavia do you believe the U.S. should incorporate?

The President’s Budget lays out a policy package, which I detailed in the response to question 27, that would strengthen the economic safety-net for Americans in ways I believe would significantly increase the security of economically vulnerable Americans.

30. In a 2012 [blog post](#) for the Georgia Budget and Policy Institute, you indicated that you are neither for nor against capitalism or socialism. Do you continue to stand behind this view? Please answer “yes” or “no.”

As I wrote in that piece, I believe I stand with the majority of Americans in caring more about the wellbeing of our kids, our schools, our health, our neighbors, and our communities than false dichotomies offered across our political discourse. I, along with the rest of the Biden-Harris Administration, support a policy package that delivers concrete benefits for all Americans: lowering healthcare and education costs for hardworking families, bringing down inflation, reviving American manufacturing, and tackling the climate crisis.

a. If no, please explain why your view has changed.

Please see above response.

31. Do you continue to believe that the vast majority of Americans are “neither wholly for nor against any of those dichotomous choices” like capitalism or socialism? Please answer “yes” or “no.”

I am confident the vast majority of Americans are more concerned with the federal government doing everything it can to make sure the economy works for them. President Biden’s proposed budget does just that – investing in American manufacturing and innovation, protecting and strengthening Social Security and Medicare, and lowering costs for families – all while cutting the deficit by \$3 trillion.

a. If no, please explain why your view has changed.

Please see above response.

32. In a 2017 [interview](#) with Capital & Main, you stated that you support a national \$15 minimum wage and government-guaranteed jobs in America. Specifically, you said that, “The \$15-an-hour minimum wage is a great policy. I would have a guaranteed jobs policy. I don’t really like this idea of guaranteeing basic income, but I like the idea of guaranteeing employment for people who want to be gainfully employed but can’t find a job.” You reiterated your support for a national \$15 minimum wage and government-guaranteed jobs in a September 2017 Washington Post [piece](#) and in an April 2017 [piece](#) in The American Prospect. Do you continue to support both of these measures? Please answer “yes” or “no.”

I support a \$15 minimum wage and full employment such that all job seekers have access to robust opportunities in the labor market.

a. If no, please explain why your view has changed.

Please see above response.

33. In an April 2017 piece in The American Prospect you advocated for the U.S. to adopt “a Medicare for All health-care system.” You wrote: “The sharp rise in inequality in both pre-tax income and wealth suggests that progressive tax increases – ones that ask the most from those with the greatest ability to pay – are the right place to start. We should not kid ourselves into thinking, however, that we can pay for Medicare for All and a jobs guarantee solely by taxing the rich.” Do you continue to advocate for Medicare for All or a similar program? Please answer “yes” or “no.”

I believe that expanding access to healthcare should be an important policy goal. That is why I have long supported the protection and expansion of the Affordable Care Act, as well as the

Biden Administration's work through the American Rescue Plan and the Inflation Reduction Act to reduce health insurance premiums for millions of Americans. Policy actions like these have contributed to the country's lowest uninsured rate on record during this Administration.

a. If no, please explain why your view has changed.

Please see above response.

34. How would you suggest programs such as Medicare for All and a guaranteed jobs program be paid for?

The Administration has not proposed these policies, so I cannot speak to how hypothetical policies should be paid for.

35. What types of work do you propose would be done by those working in government-guaranteed jobs?

As I outlined in a blog post,¹⁹ in periods of weak labor demand, I would support something like the TANF Emergency Fund subsidized jobs programs that were part of the American Recovery Act in 2009 and 2010. These programs subsidized all or part of wages for low-income individuals who were unable to find work. The program worked with a variety of public, private, and nonprofit employers, and there was not one specific type of work carried out by participants.

a. Would this work compete with the private sector?

I do not believe so. Evidence from the 2009-2010 program actually showed that these subsidies largely benefited the private sector and had an especially large impact on small businesses.

b. What are you proposing as the limits on the type, number, and availability of jobs provided by a federal government-guaranteed jobs program?

This policy has not been proposed by the Administration at this time, so I cannot comment on the specifics of a hypothetical program.

36. Do you have any concerns about the economic impact that government-guaranteed jobs might have on the country? Please answer "yes" or "no."

I do not. I have said repeatedly that I think this type of program would be important in helping all Americans have access to good jobs, especially those who have been historically disadvantaged in the labor market.

a. If yes, please describe any such concerns.

Please see above response.

¹⁹ <https://jaredbernsteinblog.com/the-four-noble-truths-of-full-employment/>

37. Do you have any concerns about the economic impact that universal health care might have on the country? Please answer “yes” or “no.”

I believe that increased access to health care is a good thing – access to health care is important for well-being, stable living standards, and productivity. The fact that uninsured rates have hit their lowest levels on record during the Biden Administration is a very positive development in this regard.

a. If yes, please describe any such concerns.

Please see above response.

38. In a 2012 *Salon* [piece](#), you state that “First, man, I gotta say: when it comes to federal taxation, there is just no case in the data to be made in any way, shape or form that we Americans are overtaxed. Not middle income, not high income—not the overall average.” Do you continue to stand behind this statement? Please answer “yes” or “no.”

a. If no, please explain why your view has changed.

The U.S. has a relatively low average tax burden compared to other advanced economies, as measured by revenues to GDP, even when state and local taxes are included. However, lower- and middle-income Americans need targeted relief, which is why I support the proposals in the President’s budget that support workers and parents through expanding the Child Tax Credit and the EITC.

39. What additional taxes do you support imposing on American individuals or businesses, if any?

I support the proposals in the President’s FY 2024 budget, which outlines a number of taxes on Americans making over \$400,000 that would reduce the deficit by almost \$3 trillion over ten years while supporting a range of important investments and programs. These proposals include raising the corporate tax rate, reforming the international corporate tax system, implementing a billionaire minimum income tax, quadrupling the excise tax on stock buybacks, and ensuring the IRS has the resources it requires to block tax evasion.

40. In October 2018 you wrote in the *Washington Post*: “...there’s no evidence that taxes necessarily lower growth.” Do you continue to stand by this statement? Please answer “yes” or “no.”

a. If no, please explain why your view has changed.

As I have argued previously, the empirical record does not provide consistent support for the broad notion that higher taxes “necessarily lower growth,” or that additional tax revenue will slow growth.²⁰

41. In a 2017 Capital & Main [interview](#), you said that “I don’t discount for a second the role of racism, xenophobia, nationalism, gender politics in Trump’s victory — that was all there, in levels that were extremely disturbing [and] bad for our country.” Do you continue to stand behind this statement? Please answer “yes” or “no.”

I believe these forces played a role in that outcome, among many others.

a. If no, please explain why your view has changed.

Please see above response.

42. Do you believe that many or most of the tens of millions of Americans who voted for Donald trump are racists, xenophobes, or sexists? Please answer “yes” or “no.”

No.

a. If no, please explain why your view has changed and why you said this.

I made no such statement.

43. What specific role do you believe that racism, xenophobia, nationalism, and/or gender politics played in Trump’s presidential victory?

I believe these factors, along with many others, played a role in Trump’s presidential victory.

44. In a June 2020 [policy brief](#) for the Center on Budget and Policy Priorities, you argued that, “The Fed should consider targeting not the overall unemployment rate, but the Black rate.” Do you continue to stand behind this policy position? Please answer “yes” or “no.”

a. If no, why did you write this?

A key theme of my past writings on this topic is that tight labor markets disproportionately benefit groups with structurally higher unemployment, including Black workers. That theme is also a paramount priority for the Biden Administration. At the same time, the Biden Administration is strongly committed to the independence of the Federal Reserve to pursue its dual mandate of maximum employment and stable prices, and as such neither recommends nor comments on monetary policy. Since joining the Administration I have vigorously endorsed and adhered to this commitment.

²⁰ https://www.brookings.edu/wp-content/uploads/2021/07/20210628_TPC_GaleHaldeman_TCJASupplySideEffectsReport_FINAL.pdf

45. Would you support the Federal Reserve solely targeting the unemployment rate of any other groups based on race, gender, or sexuality? Please answer “yes” or “no.”

a. If so, which ones?

The Biden Administration is strongly committed to the independence of the Federal Reserve to pursue its dual mandate of maximum employment and stable prices, and as such neither recommends nor comments on monetary policy.

46. According to Washington Post [reporting](#) in June 2020, your idea of having the Federal Reserve target the Black unemployment rate rather than the overall unemployment rate “is gaining traction in progressive circles and has been shared with Biden’s policy team, several economists said.” Was your idea shared with Biden’s policy team in 2020? Please answer “yes” or “no.”

The Biden Administration is strongly committed to the independence of the Federal Reserve to pursue its dual mandate of maximum employment and stable prices, and as such neither recommends nor comments on monetary policy.

47. Has the Biden White House or transition team ever pressured the Federal Reserve to target the Black unemployment rate rather than the overall unemployment rate? Please answer “yes” or “no.”

No. The Biden Administration is strongly committed to the independence of the Federal Reserve to pursue its dual mandate of maximum employment and stable prices, and as such neither recommends nor comments on monetary policy.

48. Is the Biden White House currently considering whether the Federal Reserve should target the Black unemployment rate rather than the overall unemployment rate? Please answer “yes” or “no.”

No. The Biden Administration is strongly committed to the independence of the Federal Reserve to pursue its dual mandate of maximum employment and stable prices, and as such neither recommends nor comments on monetary policy.

49. Has anyone at the Biden White House or transition team ever asked, encouraged, or suggested to a Federal Reserve Governor that the Federal Reserve should target the Black unemployment rate rather than the overall unemployment rate? Please answer “yes” or “no.”

a. If yes, please describe every such instance.

No. The Biden Administration is strongly committed to the independence of the Federal Reserve to pursue its dual mandate of maximum employment and stable prices, and as such neither recommends nor comments on monetary policy.

50. In a 2017 [piece](#) in The American Prospect, you stated that “while we elected our first black president in 2008, and while today's Congress, though still overwhelmingly white, is more diverse than it’s ever been, racism persists in all our institutions.” Do you continue to stand behind this statement? Please answer “yes” or “no.”

I continue to believe that inequality pervades many aspects of American life and that inequality impedes economic opportunity for too many families and communities of color.

a. If no, please explain why your view has changed.

Please see above response.

51. Do you believe that racism persists in the institution of policing or police departments in America? Please answer “yes” or “no.”

As an economic adviser to the President, I avoid commenting on areas that are outside my area of expertise. I support racial diversity, equity, and inclusion in all institutions, including police departments.

a. If yes, please explain your rationale.

Please see above response.

b. If no, please explain why you said that racism persists in all of our institutions.

Please see above response.

52. Do you believe that racism persists throughout our court system in America? Please answer “yes” or “no.”

As an economic adviser to the President, I avoid commenting on areas that are outside my area of expertise. I am not a lawyer or a legal scholar, but I support diversity, equity, and inclusion in all parts of the Federal Government, including the courts.

a. If yes, please explain your rationale.

Please see above response.

b. If no, please explain why you said that racism persists in all of our institutions.

Please see above response.

53. Do you believe that racism persists throughout our banks and financial institutions in America? Please answer “yes” or “no.”

There continue to be disparities in access to bank accounts, mortgages, loans, and other consumer banking instruments within the American financial system. I support efforts to improve access to the financial system for Americans of all races.

a. If yes, please explain your rationale.

Please see above response.

b. If no, please explain why you said that racism persists in all of our institutions.

Please see above response.

54. Do you believe that racism persists throughout the U.S. executive branch? Please answer “yes” or “no.”

At CEA, as with the rest of the U.S. executive branch, we are committed to attracting, hiring, and promoting diverse job candidates. If confirmed, I plan to focus on diverse hiring goals, including the open Member slot at CEA.

a. If yes, please explain your rationale.

Please see above response.

b. If no, please explain why you said that racism persists in all of our institutions.

Please see above response.

55. Do you believe that racism persists throughout the U.S. Congress? Please answer “yes” or “no.”

As an economic adviser to the President, I avoid commenting on areas that are outside my area of expertise. I do not work in the U.S. Congress, but I support diversity, equity, and inclusion in all parts of the Federal Government, including the U.S. Congress.

a. If yes, please explain your rationale.

Please see above response.

b. If no, please explain why you said that racism persists in all of our institutions.

Please see above response.

56. Do you believe that racism persists throughout the U.S. military? Please answer “yes” or “no.”

As an economic adviser to the President, I avoid commenting on areas that are outside my area of expertise. I support racial diversity, equity, and inclusion in all parts of the Federal Government, including the military.

a. If yes, please explain your rationale.

Please see above response.

b. If no, please explain why you said that racism persists in all of our institutions.

Please see above response.

57. Do you believe that racism persists throughout the U.S. medical system? Please answer “yes” or “no.”

There have been historic imbalances in healthcare access and health outcomes by race. For example, empirical evidence shows that not all Americans today have equal access to high quality health insurance or medical care.²¹

a. If yes, please explain your rationale.

Please see above response.

b. If no, please explain why you said that racism persists in all of our institutions.

Please see above response.

58. Do you believe that racism persists throughout the U.S. public education system? Please answer “yes” or “no.”

There have been historic imbalances in educational opportunity and outcomes by race; empirical evidence shows that it is not the case that all students have equal access to high quality education.

a. If yes, please explain your rationale.

Please see above response.

²¹ <https://www.kff.org/racial-equity-and-health-policy/issue-brief/disparities-in-health-and-health-care-5-key-question-and-answers/>

b. If no, please explain why you said that racism persists in all of our institutions.

Please see above response.

59. If by saying that “racism persists in all of our institutions” in America you did not mean that racism persists in “all of our institutions,” then in which specific American institutions does racism persist today, if any?

I continue to believe that inequality pervades many aspects of American life and that inequality impedes economic opportunity for too many families and communities of color.

60. You also wrote in this same piece in *The American Prospect*: “A multitude of structural barriers block pathways to economic opportunity across generations of black families, imperil many black Americans’ physical safety, and diminish investment in black communities and businesses... Our criminal justice system, including policing practices, disproportionately oppresses black Americans.” Do you maintain that our criminal justice system is oppressive? Please answer “yes” or “no.”

Black Americans are disproportionately likely to be incarcerated in the United States. Of the roughly 1.4 million people who were incarcerated in Federal or State prisons at the end of 2019 with a sentence of more than one year, about one-third were Black.²² Black men are about six times as likely to be incarcerated as white men.²³

a. If no, why did your view change?

Please see above response.

61. In December 2020 you wrote: “...when people criticize the field of economics for its failures around issues of race, the most common critique is the extent to which Whites dominate the profession. It’s an important point and surely one reason economics has done far too little to address racial gaps. But there’s something foundational in the structure of economics that is too accepting about embedded racial injustice: the assumption that markets, left alone, settle into optimal conditions.” How and to what extent is the field of economics racist?

As the statement avers, minorities are significantly underrepresented in economics. I continue to believe that the economics profession would benefit tremendously from a diversity of viewpoints, particularly viewpoints that come from marginalized groups.

62. In a 2016 [piece](#) in *The Washington Post*, you expressed support for racial reparations. Specifically, you said that Democrats should advance an agenda that “repair[s] and update[es] the mechanisms that re-balance economic power,” which you note “means

²² <https://bjs.ojp.gov/content/pub/pdf/p19.pdf>

²³ <https://www.whitehouse.gov/cea/written-materials/2022/05/09/expanding-economic-opportunity-for-formerly-incarcerated-persons/>

considering bold policy ideas offered by groups that have been especially held back by inequality and discrimination, which include ... reparations.” Similarly, you expressed your support for racial reparations in a 2017 [piece](#) in *The American Prospect*, in which you praise Ta-Nehisi Coates for making “a forceful case for considering reparations—that is, some form of direct compensation to black Americans for past injustices that reverberate across centuries and remain embedded in the many institutions noted above.”

Do you continue to support racial reparations? Please answer “yes” or “no.”

As I said in the 2016 piece, I believe that it is our responsibility to listen to the groups that have been most harmed by institutional racism, not to offer prescriptive solutions. I believe that there have been a series of racial injustices in our country that have caused economic harm for Black Americans. I support both policies that address specific economic injustices towards Black Americans, such as the funding for HBCUs provided in the American Rescue Plan, and policies that decrease economic inequality across the board, such as running tight labor markets and investing in social safety net programs.

a. If yes, which specific reparations proposals do you support, and why?

Please see above response.

b. If no, why did you make the above statements? Did your view change in the past few years?

Please see above response.

63. From an economic perspective, what are the pros and cons of adopting the racial reparations proposals you support and refer to in your 2016 *Washington Post* piece and your 2017 piece in *The American Spectator* described above?

Increasing funding for HBCUs, as was included in the American Rescue Plan, increases the likelihood that Black Americans can acquire the skills they need to fully realize their inherent potential and fully participate in the U.S. economy. Running a tight labor market helps to ensure that all Americans, including Black Americans, have access to a job and that wages, especially at the bottom of the income distribution, are high enough to support the needs of American families. Further investment in social safety net programs not only bolsters these efforts, but also gives Americans of all races the baseline level of economic security needed to take advantage of new and better educational and job opportunities.

64. Last year you [argued](#) that the overturning of *Roe v. Wade* would be bad for the economy, claiming that it would be “like losing a job...being evicted...or losing health insurance” in terms of its financial impact. Do you continue to stand behind this statement? Please answer “yes” or “no.”

There is a substantial body of high-quality, empirical research showing the economic costs to women, particularly low-income women, of diminished access to reproductive health care.

a. If no, please explain why your view has changed.

Please see above response.

b. If yes, please fully explain your view and provide a best estimate for the annual negative financial impact to the economy that you believe will occur as a result of the overturning of Roe v. Wade.

My prior remarks fully explain my view. At this time, I do not have an estimate for the aggregate negative financial impact to the economy of the overturning of Roe v. Wade.

65. Do you see any economic or other policy benefits with respect to the overturning of Roe v. Wade?

No.

66. In July 2018, you tweeted this in response to a tweet from President Trump: “Debt coming due??!!’ You put a \$2 trillion regressive-ass tax cut that we didn’t need (based on our aging population alone, we’ll need more revenues, not less) on the credit card, and now you’re complaining about debt coming due?!?” Do you stand behind your statement that the 2017 tax reform bill is a “regressive-ass tax cut”? Please answer “yes” or “no.”

a. If no, please explain why your view has changed.

The Tax Cuts and Jobs Act included historically large, regressive tax cuts that continue to exacerbate our fiscal debt. The richest Americans received a much larger tax cut than lower-income or middle-class Americans. According to the Tax Policy Center, over 25 percent of the benefit of the tax cut in 2025 is projected to go to the top 1 percent of the population in terms of income, equal to an average tax cut of over \$61,000, while the bottom quintile of the income distribution only receives 1.3 percent, equal to an average tax cut of \$70. After the expiration of the individual income tax provisions in 2025, taxes will actually increase for American’s making less than \$93,000 (in 2018 dollars), while the top 1 percent will benefit from the permanent corporate tax provisions and still receive a tax cut of over \$20,000

67. In a 2020 Washington Post [piece](#), you wrote that, “...anyone who voted for the [Trump tax cuts] has zero creditability on deficits and should summarily be ignored, if not ridiculed.”

a. Do you believe that every Member of Congress who voted for the Tax Cuts and Jobs Act should be ignored? Please answer “yes” or “no.”

b. Should they be ridiculed? Please answer “yes” or “no.”

In context, the point of that piece is that those who voted for the TCJA have contributed significantly to growing deficits and debt and that to the extent they currently call for austere budget proposals, those past fiscal actions must be considered. Broadly speaking, I do not think anyone should be ridiculed and I am committed to engaging with any member, from any party, who seeks a serious and good faith conversation about our fiscal priorities.

68. As Chairman of the Council of Economic Advisors, which Members of Congress would you choose to ignore or seek to ridicule?

Should I be confirmed, I will enthusiastically welcome conversations with members of both parties on issues of economic policy that they deem important. My record of working across the aisle on ideas with common purpose, such as with Kevin Hassett on opportunity zones, demonstrates this. This is why nearly every living Republican former CEA Chair signed a letter to this Committee on April 12, 2023, supporting my nomination to Chair the CEA. .

69. In your testimony before the Committee you stated: “...one of the – the points that I was making was that if you look at the main factor that’s been driving up both deficits and debt, it is clearly diminished revenues. And the Tax Cuts and Jobs Act definitely played a role in diminishing revenues flowing to the Treasury.”

a. Why do you claim that it is “diminished revenues” that drives up both deficits and debt, rather than excessive spending?

It’s primarily been lower revenues, not higher spending, that have driven the increase in expected deficits since 2000. For example, Congressional Budget Office (CBO) projections of non-interest spending and revenue in 2030 have changed between Oct 2000 and the CBO’s latest projections from February 2023.²⁴ Spending as a share of GDP has actually *declined* by 0.2 percent of GDP. By contrast, after several rounds of tax cuts since 2000, CBO now sees revenues 1.9 percent of GDP lower in 2030 than they did back in 2000. In fact, CBO’s latest projections may even understate the revenue decline. CBO assumes that many of the 2017 tax cuts expire in 2025, as they are slated to under current law. If these tax cuts were extended without being paid for, 2030 revenues would be lower by another 1.1 percent of GDP.

70. In a 2018 Washington Post [piece](#), you insinuated that Senator Marco Rubio is bought and paid for by the oil lobby, and said that Senator Rubio’s claim that taking action on climate change would hurt the economy is disinformation spread by fossil fuel interests. Do you continue to believe that the claim that taking action on climate change would hurt the economy is “disinformation” spread by fossil fuel interests? Please answer “yes” or “no.”

I did not make any specific insinuations against Senator Marco Rubio in the article you are citing. The point of the article—that taking action against climate change can be consistent with investment and growth—is valid and empirically defensible.

²⁴ <https://twitter.com/WhiteHouseCEA/status/1648447145928957952>

a. If no, why did your view change?

Please see above response.

71. Do you continue to believe that Senator Rubio is bought and paid for by the oil lobby? Please answer “yes” or “no.”

The article cited does not make that claim.

a. If no, why did your view change?

Please see above response.

72. In a 2017 Capital & Main [interview](#), you claimed that the strong job and economic growth during the Trump Administration was due to Obama Administration policies, which the Trump Administration and a “dysfunctional” Republican Congress were unable to “screw up.” Do you continue to stand behind this statement? Please answer “yes” or “no.”

I do believe that job growth in 2017 was ongoing when the Trump Administration took office and was not related to new policies from that Administration.

a. If no, why did your view change?

Please see above response.

73. Do you believe that the Republican Congress in 2017 was “dysfunctional”? Please answer “yes” or “no.”

a. If yes, please explain your view.

That view was largely based on the fact that the 2017 Congress spent much time and took dozens of failed votes in an attempt to repeal the Affordable Care Act, a law that significantly increased access to affordable health care.

b. If no, why did you choose to make this public statement? Did your view change?

Please see above response.

74. In a 2017 Washington Post [piece](#), you stated that Republicans are “good at getting elected, lousy at governance.” Do you continue to stand behind this statement? Please answer “yes” or “no.”

While I should have chosen my words more carefully, this comment was specifically referring to the fact that Republicans have continuously tried to repeal the Affordable Care Act without suggesting a viable alternative. I would argue that repealing a major, complex health care law that has provided insurance to millions of Americans with no plan for an alternative is not good governance.

a. If yes, please explain why you believe Republicans are “lousy at governance.”

I still believe that repealing major social safety net programs without a viable alternative is not good governance.

b. If no, why did you make this public statement?

Please see above response.

75. In a 2014 *Washington Post* [piece](#), you indicated that conservatives’ efforts to defund the IRS in the aftermath of the IRS targeting conservatives was really about Republicans wanting to accommodate tax evasion. Do you continue to stand behind this statement? Please answer “yes” or “no.”

As I said in the 2014 *Washington Post* piece cited above, an amply funded IRS is necessary to collect taxes, support tax payers with timely service, and enforce the nation’s tax laws. The claim made in the CBPP paper by Chuck Marr and Joel Friedman that I discussed in that article holds up; that “...significant cuts that have occurred in IRS funding, which remains well below its 2010 level.... have weakened the IRS’s ability to enforce the nation’s tax laws and serve taxpayers efficiently.”

a. If yes, please provide your basis for ascribing ill motives to the Americans you are criticizing in this *Washington Post* piece.

Please see above response.

b. If not, why did you make this public statement?

Please see above response.

76. In October 2015, you wrote: “...if it really came to default, I’d mint the [platinum] coin in a New York minute. Yes, the opposition would take legal action, but believe me, the White House is plenty lawyered up.” Do you maintain that minting a “platinum coin” is a legal, viable and workable option to avoid a default? If no, please explain why your view has changed.

I would refer you to Secretary Yellen who, back in January, called the idea of minting a platinum coin a “gimmick”. Moreover, there should be no need for the idea in the first place. Congress, as it did three times without condition in the last Administration, must address the debt limit

without delay and without strings, removing the threat of default and with it the severe economic risks to families and businesses.

77. On several occasions, you have dismissed the importance of small businesses in your writings. For example, in a 2011 *New York Times* [piece](#) entitled “Small Isn’t Always Beautiful,” you stated that, “The next time a politician tells you how he or she is for small business, be mindful that to the extent that size matters at all for job growth, it’s really about new companies that will start small and, if they survive, perhaps grow large. Everything else is largely noise — and too often, noise that has little to do with what this economy really needs.” You made similar arguments dismissive of the importance of small businesses in a 2012 [piece](#) in *Salon* entitled, “Small businesses are not our economic backbone.” Do you continue to stand behind these statements? Please answer “yes” or “no.”

I stand behind my statement that business age, rather than business size, is the more important characteristic in determining the degree of job creation from a given firm. Of course, firm age and size are closely related, and virtually all large businesses start out as small businesses, but as research has shown, once you control for firm age, there is no relationship between the size of a firm and its growth. In this context, the relatively fast expansion in the number of new businesses forming during the first two years of the Biden Administration is heartening, as it speaks to the strength of the American economy.

a. If no, please explain why your view has changed.

Please see above response.

78. If not small businesses, which types of businesses do you believe are the most important from an economic perspective?

Business age, rather than business size, is the more important characteristic in determining the degree of job creation from a given firm. Of course, firm age and size are closely related, but as research has shown, once you control for firm age, there is no relationship between the size of a firm and its growth. In this context, the rise in the number of new businesses forming during the first two years of the Biden Administration is heartening, as it speaks to the strength of the American economy.

79. In May 2020, you [tweeted](#) in support of an economic analysis claiming that, “The *dollar amount* of the federal debt has little or no economic significance” and that “There’s no magic number at which a debt ratio becomes dangerous. Historically low interest rate are moderating the impact of higher debt.” Specifically, with respect to the above analysis about the federal debt, you said that, “This, to me, is 1 of the definitive analyses of why this isn’t the time to worry about the debt, by 2 veterans of many fiscal debates.” Do you continue to stand behind this statement? Please answer “yes” or “no.”

a. If no, please explain why your view has changed.

I stand behind the statements above, as the nominal size of debt is far less meaningful if it is not placed in the context of the size of our economy (e.g., GDP) and the level of interest rates.

80. We have a large national debt today (\$31.6 trillion), and the highest debt/GDP ratio since World War II. At what point would the size of our national debt be concerning to you?

I believe that the nominal size of debt should be placed in the context of the size of our economy and the level of interest rates. In this regard, I believe that the best measure of the burden of debt is debt service as a share of GDP adjusted for inflation (or real net interest to GDP). Under the FY 2024 budget, this measure stays close to historic norms over the 10-year budget window.

81. What, if anything, should be done to address the national debt and our annual deficits?

I support the proposals in the President's budget that cut the deficit by almost \$3 trillion dollars over the next decade, all the while supporting additional investments in the American economy and not raising taxes on anyone making less than \$400,000. Should I be confirmed, I would look forward to bipartisan conversations focused on sustainable fiscal policy amidst strong growth.

82. Should any Federal programs be cut to address the national debt and our annual deficits? Please answer "yes" or "no."

Several cuts are envisioned in the President's FY 2024 budget, which I support. These include, for example, eliminating fossil fuel tax subsidies, lowering prescription drug costs paid by the government, and repealing the deferral of gains from like-kind exchanges, which lets real estate investors defer taxes indefinitely.

83. In your testimony before the Committee, you stated the following to Senator Hagerty: "One thing we could really do to help both the dollar maintain its reserve currency status, but also to protect the value of the dollar would be to raise the debt ceiling."

The President, and members of the administration such as the Treasury Secretary, have been unwilling to have conversations and negotiations with Congressional Republicans about how to resolve what appears to be a debt limit impasse. This is in stark contrast to precedent. For example, during the previous administration, when then-Speaker Pelosi made demands before she was willing to work to get a debt limit increase in place, then-Treasury Secretary Mnuchin came to Congress, sat down, and talked with Speaker Pelosi, and compromised and negotiated. Unfortunately, it appears that Secretary Yellen has not chosen to or been allowed to similarly communicate with Congress.

- a. Would you recommend to the President that he or someone he delegates have discussions with Congressional Republicans about how to resolve the debt limit impasse? Please answer "yes" or "no."**

President Biden believes that the full faith and credit of the United States should never be threatened or questioned by politicizing the debt ceiling. Therefore, Congress should raise or

suspend the debt ceiling as they did three times, with no conditions, under the prior administration. The President has repeatedly stated that once this threat is off the table, he looks forward to fulsome negotiations with both parties to find common ground on our fiscal priorities.

84. In response to civil unrest in Portland, Oregon, in the summer of 2020, you [tweeted](#) in July of that year: “The goal is clearly to get people to shoot back, starting small-scale wars (in places run by Ds), and then run as establishing law and order. This is an old Trump play: create chaos then claim to solve it, but a particularly vicious one.” Do you maintain that by sending federal law enforcement officers to Portland that President Trump’s goal was to start “small-scale wars”? Please answer “yes” or “no.”

a. If no, please explain why your view has changed.

Violent crime then and now is incredibly damaging to all American communities. That’s why I support the measures in the President’s Budget to invest more money in funding effective and accountable community policing.

85. Do you believe that President Trump created chaos in these environments that saw widespread rioting in the summer of 2020? Please answer “yes” or “no.”

As an economic adviser to the President, I avoid commenting on areas that are outside my area of expertise. As I stated above, violent crime is incredibly damaging to all American communities, and all public servants at all levels of government should take steps to address and prevent it.

86. In response to a reporter’s question last year regarding whether the Biden Administration is putting the U.S. in a precarious situation by draining the Strategic Petroleum Reserve to its lowest level since 1984, with replenishment not likely to occur until after fiscal year 2023, you [stated](#): “I don’t think so. I think this is actually one of the real success stories against that part of inflation.” Do you continue to stand behind this statement? Please answer “yes” or “no.”

Yes. Empirical analysis showed that the impacts of the SPR release lowered gasoline prices which helped to lower inflation.

a. If no, please explain why your view has changed.

Please see above response.

87. As you know, the Biden Administration tapped the strategic petroleum reserve to try to address rising gas prices, and this strategic reserve is now at the lowest level since 1984. Are you concerned at all by the current level of these reserves? Please answer “yes” or “no.”

The SPR remains robust and stands ready to respond to future supply disruptions.

88. At what point would you be concerned by the level of petroleum in the strategic reserve?

As stated above, the SPR is available to respond to any potential future supply disruptions.

89. Is there a level at which you would not recommend further drawing down the reserve to ease Americans' pain at the pump?

I do not have any additional releases to preview.

90. What role did you play in formulating the President's Budget?

CEA leads the interagency process (the "Troika" process) for formulating the Budget's economic forecast, in partnership with the Office of Management and Budget (OMB) and the U.S. Department of the Treasury. The economic assumptions underpinning the Budget inform agency funding requests and our fiscal projections. As the member of the CEA covering the macroeconomy, I served as a deputy in that process.

91. Did you advise that any specific policies or provisions should be included in the Budget? If so, which one(s)?

Along with leading the Troika projection process, as described in the previous question, members and staff of CEA participate in teams that discuss a broad range of fiscal policies, some of which end up in the budget

92. Are there any policies or provisions in the Budget with which you disagree? Please answer "yes" or "no."

a. If yes, which one(s)?

I support the President's Budget, which strengthens families through paid leave and child care, lowers costs for prescription drugs and energy, extends the life of Medicare, and lowers deficits by nearly \$3 trillion.

93. Has the Administration made any economic policy decisions that you disagree with to date? Please answer "yes" or "no."

a. If yes, which ones?

I stand behind the Biden Administration's record. Thanks in part to the policies of this Administration—including the American Rescue Plan, the BIL, the IRA, and CHIPS—the American economy is in an extraordinary position. Jobs have grown by more than 12 million—more in the first two years of this Administration than any other four-year presidential term.

94. Please provide your philosophy on how you will approach and respond to Congressional information requests (both for documentary information and oral testimony), if you are confirmed.

I recognize that Congress plays an important oversight role regarding executive branch activities, and I pledge to thoughtfully consider and respond to Congressional information requests, recognizing the importance of transparency in government. If confirmed, I pledge to follow the accommodations process consistent with the constitutional and statutory obligations of the executive branch.

95. If confirmed, do you intend to respond to information requests differently depending on who is making the Congressional information request (whether it's the chair of the Congressional committee, the ranking member, or another member of Congress)? Please answer "yes" or "no."

I recognize that Congress plays an important oversight role regarding executive branch activities, and I pledge to thoughtfully consider and respond to Congressional information requests, recognizing the importance of transparency in government. If confirmed, I pledge to follow the accommodations process consistent with the constitutional and statutory obligations of the executive branch.

96. Will you commit that, if confirmed, you will timely respond to and fully comply with all information requests from me? Please answer "yes" or "no." If no, please explain.

Yes, to the extent that such requests pertain to matters within the purview of CEA, and consistent with the constitutional and statutory obligations of the executive branch.

97. Will you commit that, if confirmed, you will make yourself and any other CEA employee expeditiously available to provide oral testimony (including but not limited to briefings, hearings, and transcribed interviews) to the Committee on any matter within its jurisdiction, upon the request of either the Chairman or Ranking Member? Please answer "yes" or "no." If no, please explain.

If confirmed, I will make myself and CEA members, as appropriate, available to discuss matters that fall under our purview. In terms of testimony, hearings, and other official interactions, I will follow past practices in coordination with the Executive Office of the President and Office of Management and Budget.

Questions for Dr. Jared Bernstein, of Virginia, to be Chairman of the Council of Economic Advisers, Executive Office of the President, from Senator Catherine Cortez Masto:

1. What policy lessons did you learn from the 2008 Global Financial Crisis, and how did those lessons inform your recommendations to President Biden for approaching the COVID-19 Pandemic?

One lesson from the financial crisis is that we need to prioritize growth and minimizing pain in a crisis over fiscal austerity. While the American Recovery Act of 2009 was an important step, many of its provisions were phased out too quickly, leading to a sluggish job recovery. When President Biden took office in January 2021, we saw measures of material hardship rising and a stalling jobs recovery. The financial crisis in 2008 and 2009 taught us that we needed to act quickly and decisively in order to prevent prolonged pain for millions of Americans, which sparked the American Rescue Plan (ARP). By quickly and efficiently getting shots in arms and checks in pockets, the ARP helped avert a greater crisis and contributed to the fastest jobs recovery in decades.

2. What are your priorities for leading the Council of Economic Advisors?

My priorities are to continue providing careful analysis of the dataflow on behalf of the President and senior staff, producing our annual Economic Report of the President, participating in administration-wide policy processes, and providing top-level advice to the President on economic policy. If confirmed, I also look forward to continuing CEA's efforts to ensure the diversity and excellence of our staff.

Questions for Dr. Jared Bernstein, of Virginia, to be Chairman of the Council of Economic Advisers, Executive Office of the President, from Senator Raphael Warnock:

Evidence suggests inflation is cooling without causing significant disturbances to employment, wages, and the overall economic prosperity of working-class Georgians.²⁵ Overall, Georgians are working more and earning higher wages than even before the pandemic.²⁶ While we are not out of the woods yet, and we would certainly like to see lower levels of inflation, I do worry that in pursuit of an arbitrary number, we risk putting workers and the economy at risk. In the interest of reaching the last mile of this pursuit, the Biden administration should evaluate whether the benefits of implementing policies that could cause significant disruptions to our labor market and other essential economic sectors outweigh the potential costs, especially in the case of a marginal reduction of inflation from, for instance, 2.5% to 2%.

1. How should the Executive Branch balance addressing inflation with the potential risks that the actions taken to fight inflation may bring to our broader economic system?

This is an extremely important question, one that all of us in the Administration are thinking about on a daily basis. We are acutely aware of the strain inflation is putting on everyday families and want to do everything we can to fight those pressures, but we also want to maintain the historic gains we have made in the labor market, especially for those who have historically been excluded.

2. How do you plan to advise the President to safely reduce prices for working families without causing harm to families that the administration is seeking to help?

While Federal Reserve interest rate policies are designed to slow growth and thus have the potential to increase unemployment, we fully support their independence. The policies that the Administration has been taking, such as investing in good jobs, lowering prescription drug costs, increasing competition in concentrated industries, and reducing junk fees, should be beneficial to American families.

3. Would you please discuss some policies or ideas that you endorse or oppose to achieve this goal?

The Biden Administration has taken to lower costs for families and maintain our historically strong job market. Through the Inflation Reduction Act (IRA), we capped insulin prices at \$35 for seniors on Medicare and locked in several other changes that will lower health care costs. Through the IRA, Americans can also receive tax credits for a range of clean energy products, lowering energy bills. The IRA also supports deep, domestic investment in the production of clean energy. Relatedly, the CHIPS Act is actively promoting extensive, new infrastructure to facilitate the domestic production of semiconductors, a source of good jobs for years to come.

²⁵ <https://fred.stlouisfed.org/graph/?g=JIWz>

²⁶ <https://dol.georgia.gov/press-releases/2023-03-23/georgia-maintains-low-unemployment-rate-seventh-consecutive-month>

The President has also advanced several proposals to reduce “junk fees” and lower medical debt burdens, two other crucial cost-saving measures. Further proposals seek to lower costs on a range of other aspects of family budget, including housing, child care, and higher education.