

August 19, 2021

Mr. Phillip Swagel  
Director  
Congressional Budget Office  
Ford House Office Building, Fourth Floor  
Second and D Street, SW  
Washington, D.C. 20515-6925

Dear Mr. Swagel:

Last September, the Congressional Budget Office issued a report entitled “*The Effects of Pandemic-Related Legislation on Output.*” The report analyzed the economic impact of the four spending bills Congress passed between March and April 2020, including the effect on gross domestic product (GDP), inflation, the debt and deficits. Since then, Congress has spent an additional \$900 billion in December 2020 and \$2 trillion in March 2021 in response to the global pandemic. Moreover, Democrats are on the cusp of spending an additional five trillion, some of which will be paid for through higher taxes, but mostly financed through additional debt.

This massive spending spree will have short and long-term implications for the economy, including on GDP and inflation. Current CBO fourth quarter projections suggest GDP will grow to 7.4 percent, inflation will hold at 2.8 percent, and unemployment will drop to 4.6 percent. Recent data suggests the economy is slowing as prices continue to rise. Moreover, there continues to be a significant disconnect between employers and workers. We are concerned that massive new spending will only exacerbate this negative trend.

To that end, we request that CBO update its September 2020 report to include the effects of the December and March spending. In addition, CBO should also include a projection of the impact the \$1.2 trillion *Infrastructure Investment and Jobs Act* and the \$3.5 trillion in new spending associated with reconciliation will have on the economy. The report should include the impact on consumer prices, employment, wages and overall economic conditions.

We appreciate your attention to this timely request. If you have any questions, please do not hesitate to contact Stephen Sandora at [Stephen.Sandora@mail.house.gov](mailto:Stephen.Sandora@mail.house.gov).

Sincerely,

A handwritten signature in blue ink that reads "Patrick McHenry". The signature is fluid and cursive, with the first name being more prominent.

Patrick McHenry

A handwritten signature in blue ink that reads "Tom Emmer". The signature is written in a cursive style with a distinct loop at the end of the last name.

Tom Emmer