



To: Members of Congress and Interested Parties
Fr: Justice Democrats and New Deal Strategies
Re: Message guidance and analysis on COVID aid package
Dt: December 17, 2020

Summary

As recently as [two days ago](#), Congressional negotiators were ready to settle for an aid package of just \$748 billion, a fraction of the \$3 trillion [economists say is needed](#), with no direct payment checks and no aid to state and local governments. Direct payment checks were off the table, while state/local aid was relegated to a sidecar that was doomed to fail. But a last-minute pressure campaign [by progressives](#) forced the inclusion of direct payment checks, ensuring that working Americans will get more money in their pockets than they would have otherwise. Without the last-minute campaign by progressives for direct payments, they would not have been included in the final bill, which would have likely been unacceptable.

The good news is that progressives' campaign for direct payments shows that pressure works. The bad news is that it raises serious questions about how much more aid the deal could have delivered if Democrats had spent the past few months driving an aggressive pressure campaign against McConnell with a clear economic message -- rather than spending those months spinning their wheels and repeatedly signaling their eagerness to back off popular policies critical to the economic survival of working families. With the White House on record endorsing a [much more generous package](#) that included direct payments, it is hard to argue that a better deal was not possible.

The direct payments included in this bill are not enough to keep many Americans above water and another round of aid -- including more generous direct payments -- will be necessary. Democrats must demand another round of negotiations early next year and start driving an aggressive economic message now. They also owe it to the working Americans who will still suffer to ask themselves tough questions about why, with the White House on record endorsing a significantly larger aid package, they were unable to secure a better deal in this round.

Message guidance

- With corporations reaping record profits while working people suffer through no fault of their own, McConnell is defending corporations while Democrats want to give aid directly to working people.
- As working families continue to suffer, we will need another round of economic relief first thing next year, including more generous direct payments.
- An [analysis](#) by the *Washington Post* found that “45 of the 50 biggest U.S. companies turned a profit since March. The majority of firms cut staff and gave the bulk of profits to shareholders.”
- Throughout this pandemic, corporations have been [reaping record profits](#), even as they deny workers basic protections.
- While John H. Tyson of Tyson Foods watched his wealth increase by over \$600 million since the beginning of the pandemic, an estimated 11,000 Tyson workers have been infected with Covid-19.
- While Jeff Bezos watched his wealth increase by over \$70 billion, an estimated 20,000 Amazon workers have been infected with Covid-19.
- Three Waltons - Rob, Jim and Alice - have seen their combined wealth increase by over \$48.2 billion, while Walmart denies its workers hazard pay.

Even with this bill, working Americans still face harsh economic realities. Another round of aid will be necessary first thing next year under President-elect Biden.

- The failure to deliver more aid is likely to increase food insecurity over the holidays and into next year. According to [the](#) Center on Budget and Policy Priorities, “Nearly 26 million adults — 12 percent of all adults in the country — reported that their household sometimes or often didn’t have enough to eat in the last seven days... This was far above the pre-pandemic rate: a recent survey released by the Agriculture Department found that 3.4 percent of adults reported that their household had ‘not enough to eat’ at some point over the full 12 months of 2019 When asked why, 81 percent said they ‘couldn’t afford to buy more food.’”
- Inadequate funding for state and municipal governments will likely force additional layoffs of government employees on top of the roughly [1.2 million](#) who have already occurred this year. From [fewer teachers](#) and larger class sizes to laid off firefighters and

[slower 911 responses](#), the impact of these budget deficits will be dire and stretch beyond just those laid off.

- Economists [widely agree](#) that the lack of state and local funding would likely worsen and lengthen an economic downturn.
- Cities and states need more funding [for vaccine distribution](#). If Congress fails to provide it now, vaccinations could be delayed and more Americans will die.

ANALYSIS: Members of Congress must be clear-eyed about the fact that a better deal was possible. In the future, to produce better outcomes for working Americans, Democrats must take a tougher approach to Mitch McConnell and drive a more aggressive economic message.

As we move forward, members of Congress owe it to those working Americans who will continue to suffer due to insufficient aid to ask themselves hard questions about why Democrats failed to strike a better deal.

By settling around \$900 billion, the tale of the tape is that Democrats started at \$3.4 trillion while McConnell started around \$500 billion. In the end, Democrats came down nearly three trillion dollars while McConnell came up a fraction of that amount.

Rather than driving an economic message to pressure Republicans, Democratic leaders did the opposite, repeatedly and publicly signaling a willingness to back off key demands. When the House passed the first HEROES Act, Democratic leadership signaled to the press that it was not a serious bill, undermining Democrats' own starting position. Over the ensuing months, Leader Hoyer publicly declared that Democrats would climb down from central demands, first on the unemployment plus-up and then on state and local aid; both times, Hoyer offered these concessions while demanding nothing in return. More recently, Democratic leaders rushed to embrace the bipartisan framework of \$908B, sending a clear signal to McConnell that he could come in even lower, which he promptly proceeded to do. When the bipartisan proposal was announced, Democratic leaders should have said: add direct payments and you have a deal. Instead, they endorsed the framework that excluded direct payments, making it easy for McConnell to force the devil's bargain between state/local aid and direct payments.

The bottom line is that McConnell is the problem, and should be the focus of Democrats' messaging efforts. Democrats have to force McConnell and the Republican party to defend their choice of abandoning working families. After this bill is signed into law, Democrats can not stop to congratulate themselves on this deal and instead take every opportunity to talk about why it is not enough.