

# United States Senate

WASHINGTON, DC 20510

June 16, 2020

President Donald J. Trump  
The White House  
1600 Pennsylvania Avenue NW  
Washington, DC 20500

Dear President Trump:

We write to express our concerns about the growing wealth gap in the United States, which is being made worse by the ongoing COVID-19 pandemic. About 30 percent of Americans have lost a job or taken a pay cut because of the pandemic.<sup>1</sup> We urge you to end your dismantling of public programs on which millions of people rely and to take all necessary actions to ensure that low-income Americans have access to food, housing, health care and other basic necessities. Instead of advancing proposals that would jeopardize eligibility for critical federal programs, we should fully support all families in need and develop a comprehensive approach to accurately measure economic insecurity in the United States.

As the COVID-19 pandemic continues to impact our lives, we must lift up those who are hurting the most. As of this writing, more than 116,000 people have died of COVID-19 in the United States,<sup>2</sup> but there has been a disproportionate impact on low-income people and on people of color in particular.<sup>3</sup> Systemic racism, grounded in policies, such as redlining, and chronic underfunding of public institutions that serve communities of color, have laid the foundation for – and are deepening – the health and economic disparities we see today.<sup>4</sup>

The pandemic's ravaging of low-income communities and communities of color is due to a myriad of factors and is only exacerbated by a lack of leadership and coordination. For example, many essential workers, who are disproportionately people of color, are not able to work from home, do not have adequate personal protective equipment (PPE) while at work, live in multi-generational homes, cannot afford childcare and/or have underlying medical conditions that increase the risk of becoming seriously ill from COVID-19.<sup>5</sup>

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<sup>1</sup> Ruth Igielnik, *Pew Research Center*, "Majority of Americans who lost a job or wages due to COVID-19 concerned states will reopen too quickly" (May 15, 2020), <https://www.pewresearch.org/fact-tank/2020/05/15/majority-of-americans-who-lost-a-job-or-wages-due-to-covid-19-concerned-states-will-reopen-too-quickly/>

<sup>2</sup> *The New York Times*, "Coronavirus in the U.S.: Latest Map and Case Count" (accessed June 15, 2020), <https://www.nytimes.com/interactive/2020/us/coronavirus-us-cases.html>

<sup>3</sup> Dan Vergano, Kadia Goba, *Buzzfeed News*, "Why the Coronavirus is Killing Black Americans at Outside Rates across the US" (April 10, 2020), <https://www.buzzfeednews.com/article/danvergano/coronavirus-black-americans-covid19>

<sup>4</sup> Emily Stewart, *Vox*, "George Floyd and the Cascade of Crises in Black America" (June 1, 2020), <https://www.vox.com/covid-19-coronavirus-economy-recession-stock-market/2020/6/1/21276909/george-floyd-police-coronavirus-crisis-minnesota-unemployment-protests>

<sup>5</sup> Anna North, *Vox*, "Every Aspect of the Coronavirus Pandemic Exposes America's Devastating Inequalities" (April 10, 2020), <https://www.vox.com/2020/4/10/21207520/coronavirus-deaths-economy-layoffs-inequality-covid-pandemic>

Long before COVID-19, millions of Americans were living paycheck-to-paycheck. Almost 40 percent of Americans have said they did not have enough cash to cover an unexpected \$400 expense, and three in ten adults struggled or were unable to cover their monthly bills.<sup>6</sup> Further, two-thirds did not have paid sick leave.<sup>7</sup> In 2018, 38.1 million Americans lived below the poverty line (for that year) of \$25,701 per year for a family of four, and the rate of Black Americans who lived in poverty was more than double the rate of White Americans.<sup>8</sup> According to the Pew Research Center, the wealth gap between upper-income and low-income households nearly tripled over 33 years,<sup>9</sup> and the Government Accountability Office (GAO) reports that the richer people are more likely to live longer than poorer people.<sup>10</sup>

This public health crisis has laid bare the inequities that have long plagued our country, including the gap between rich and poor.<sup>11</sup> We should right these wrongs, but your administration has pursued every opportunity to gut programs that ensure Americans can put food on their tables and access health care for their families, such as the Supplemental Nutrition Assistance Program (SNAP) and Medicaid.<sup>12</sup> On top of that, you advocated for and signed a \$1.5 trillion tax cut that led to billionaires paying a lower rate in taxes than working families.<sup>13</sup> Over 40 million people have lost their jobs altogether, meaning that millions of Americans have lost their health insurance and are experiencing increased financial hardship.<sup>14</sup> At a time when we need to expand coverage to high-quality, affordable care, your support of a lawsuit to destroy the Patient Protection and Affordable Care Act (ACA) will rip away coverage and protections for tens of millions of people, including people with pre-existing conditions.

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<sup>6</sup> *United States Federal Reserve*, “Report on the Economic Well-Being of U.S. Households in 2019, Featuring Supplemental Data from April 2020” (May 2020), <https://www.federalreserve.gov/publications/files/2019-report-economic-well-being-us-households-202005.pdf>

<sup>7</sup> Jacob Passy, *MarketWatch*, “Millions of Americans are Just One Paycheck Away from ‘Financial Disaster’” (May 20, 2020), <https://www.marketwatch.com/story/half-of-americans-are-just-one-paycheck-away-from-financial-disaster-2019-05-16>

<sup>8</sup> *United States Census Bureau*, “Income and Poverty in the United States: 2018” (September 10, 2019), <https://www.census.gov/library/publications/2019/demo/p60-266.html>

<sup>9</sup> Juliana Menasce Horowitz, Ruth Igielnik, Rakesh Kochhar, *Pew Research Center*, “Most Americans Say there is Too Much Economic Inequality in the U.S., but Fewer than Half Call it a Top Priority” (January 20, 2020), <https://www.pewsocialtrends.org/2020/01/09/trends-in-income-and-wealth-inequality/>

<sup>10</sup> Government Accountability Office, “Retirement Security: Income and Wealth Disparities Continue through Old Age” (August 2019), <https://www.gao.gov/assets/710/700836.pdf>

<sup>11</sup> Wharton School, University of Pennsylvania, *Knowledge@Wharton*, “How the Pandemic could Affect Income Inequality” (April 2, 2020), <https://knowledge.wharton.upenn.edu/article/income-inequality-will-the-pandemic-reshape-the-u-s-economy/>; Abby Vesoulis, *TIME*, “Coronavirus may Disproportionately Hurt the Poor—And That’s Bad for Everyone” (March 11, 2020), <https://time.com/5800930/how-coronavirus-will-hurt-the-poor/>

<sup>12</sup> *Center on Budget and Policy Priorities*, “Trump Administration’s Harmful Changes to Medicaid” (accessed May 28, 2020), <https://www.cbpp.org/research/health/trump-administrations-harmful-changes-to-medicaid>; Robert Greenstein, *Center on Budget and Policy Priorities*, “New SNAP Rule would Cost Many of Nation’s Poorest Their Food Aid” (December 4, 2019), <https://www.cbpp.org/press/statements/new-snap-rule-would-cost-many-of-nations-poorest-their-food-aid>

<sup>13</sup> David Leonhardt, *The New York Times*, “The Rich Really Do Pay Lower Taxes than You” (October 6, 2019), <https://www.nytimes.com/interactive/2019/10/06/opinion/income-tax-rate-wealthy.html>

<sup>14</sup> Tony Romm, *The Washington Post*, “Americans have Filed More than 40 Million Jobless Claims in Past 10 Weeks, as Another 2.1 Million Filed for Benefits Last Week” (May 28, 2020), <https://www.washingtonpost.com/business/2020/05/28/unemployment-claims-coronavirus/>

Further, the Office of Management and Budget (OMB) has proposed to define away the nation's poor with a stroke of a pen.<sup>15</sup> Instead of following decades of precedent and continuing to use the Consumer Price Index for All Urban Consumers (CPI-U) to account for inflation when developing the Official Poverty Measure (OPM), the administration proposed using the Chained Consumer Price Index for All Urban Consumers (C-CPI-U or 'chained CPI'). However, chained CPI rises at a slower rate than CPI-U, meaning that over time, fewer Americans would be counted as living in poverty.

The annual poverty guidelines, issued by the Department of Health and Human Services (HHS), are based on the OPM. Lowering the OPM would therefore lead to far fewer Americans being eligible for vital programs, such as Medicaid, the Children's Health Insurance Program (CHIP), SNAP, the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), Head Start, services provided by community health centers, Medicare prescription drug assistance and more.<sup>16</sup> To highlight just a few of the many cruel impacts of such a change, according to a 2019 analysis, more than 150,000 low-income seniors and people with disabilities could lose premium assistance and be required to pay over \$1,600 in annual Medicare Part B premiums. More than 300,000 children and pregnant women could lose coverage through Medicaid and CHIP, and more than 100,000 children could lose eligibility for their free or reduced school meals.<sup>17</sup>

Rather than artificially lowering the OPM, we should have a full and open discussion about how to more accurately calculate poverty. For example, other measures, such as the Supplemental Poverty Measure (SPM), which takes into account spending on food, clothing, shelter and utilities, could be helpful in painting a more accurate picture of poverty in America.<sup>18</sup> Last June, 43 Democratic Senators sent you a letter urging a robust, transparent discussion about improving our measurement of poverty.<sup>19</sup> In addition to our letter, the OMB received over 50,000 comments from a range of stakeholders about your destructive proposal,<sup>20</sup> but the administration has thus far failed to provide an adequate, informative response to these comments.

The COVID-19 pandemic will likely decrease socioeconomic mobility and hinder the ability of individuals and families to make and save enough money to protect against future crises.<sup>21</sup> We

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<sup>15</sup> Office of Management and Budget, *Federal Register*, "Request for Comment on the Consumer Inflation Measures Produced by Federal Statistical Agencies" (May 7, 2019), <https://www.federalregister.gov/documents/2019/05/07/2019-09106/request-for-comment-on-the-consumer-inflation-measures-produced-by-federal-statistical-agencies>

<sup>16</sup> Office of the Assistant Secretary for Planning and Evaluation, Department of Health and Human Services, "Frequently Asked Questions Related to the Poverty Guidelines and Poverty" (accessed May 28, 2020), <https://aspe.hhs.gov/frequently-asked-questions-related-poverty-guidelines-and-poverty#programs>

<sup>17</sup> *Center on Budget and Policy Priorities*, "Administration's Poverty Line Proposal would Cut Health, Food Assistance for Millions Over Time" (accessed May 29, 2020), <https://www.cbpp.org/research/poverty-and-inequality/poverty-line-proposal-would-cut-medicaid-medicare-and-premium-tax>

<sup>18</sup> *University of Wisconsin Madison, Institute for Research on Poverty*, "How is Poverty Measured" (accessed May 28, 2020), <https://www.irp.wisc.edu/resources/how-is-poverty-measured/>

<sup>19</sup> Democratic Senators' Letter to President Trump on the Official Poverty Measure (June 11, 2019), <https://www.chn.org/wp-content/uploads/2019/06/Casey-Letter-to-Trump-letter-on-poverty-thresholds.pdf>

<sup>20</sup> Kyle Hayes, *Center on Budget and Policy Priorities*, "Trump Proposal to Lower Poverty Line Draws Broad Opposition" (November 22, 2019), <https://www.cbpp.org/blog/trump-proposal-to-lower-poverty-line-draws-broad-opposition>

<sup>21</sup> Max Fisher, Emma Bubola, *The New York Times*, "As Coronavirus Deepens Inequality, Inequality Worsens Its Spread" (March 16, 2020), <https://www.nytimes.com/2020/03/15/world/europe/coronavirus-inequality.html>

should take this opportunity to better prepare for the next crisis by advancing policies that lift up people in need and build economic security for all Americans.

Sincerely,

/s/

Robert P. Casey, Jr.  
United States Senator

/s/

Tammy Baldwin  
United States Senator

/s/

Elizabeth Warren  
United States Senator

/s/

Chris Van Hollen  
United States Senator

/s/

Robert Menendez  
United States Senator

/s/

Mazie Hirono  
United States Senator

/s/

Jeffrey A. Merkley  
United States Senator

/s/

Tina Smith  
United States Senator

/s/

Benjamin L. Cardin  
United States Senator

/s/

Thomas R. Carper  
United States Senator

/s/

Margaret Wood Hassan  
United States Senator

/s/

Ron Wyden  
United States Senator

/s/

Edward J. Markey  
United States Senator

/s/

Sherrod Brown  
United States Senator

/s/

Patrick Leahy  
United States Senator

/s/

/s/

Amy Klobuchar  
United States Senator

Kamala D. Harris  
United States Senator

/s/

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Richard Blumenthal  
United States Senator

Cory A. Booker  
United States Senator

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Michael F. Bennet  
United States Senator

Sheldon Whitehouse  
United States Senator

/s/

/s/

Tim Kaine  
United States Senator

Bernard Sanders  
United States Senator

/s/

Jack Reed  
United States Senator

Cc: Russell Vought, Acting Director, Office of Management and Budget; Alex Azar,  
Secretary of Health and Human Services