

What's in Biden's proposed "infrastructure" package?

The <u>American Jobs Plan</u>, if passed, would be one of the largest spending sprees in American history. So would the <u>American Families Plan</u>. Put together, under the guise of an "infrastructure" package, the two proposals would cost \$4.5 trillion total, the largest government intrusion into the lives of Americans since the New Deal. It is nothing short of socialism. All of this spending would be financed by massive tax hikes on both businesses – which are <u>paid</u> for by workers in the form of lower wages and consumers in the form of higher prices - and individuals.

Let's start with the American Jobs Plan, which would cost \$2.7 trillion. The Biden administration is promoting this plan as "infrastructure" in the sense that most people think – roads, bridges, and airports. However, only 20% of the plan (\$441 billion) would go towards transportation infrastructure, and less than 5% (\$90 billion) would go towards traditional highway and bridge projects. More than twice that amount – \$190 billion – is funneled to mass transit and rail projects, both of which already receive wasteful amounts of federal spending.

So what does the rest of the money go towards? The plan includes \$877 billion in bailouts for green energy industries in the form of tax credits for renewable energy and electric vehicle subsidies. The most expensive portion of the plan is a \$400 billion expansion of Medicaid to expand long-term in-home care – that's more than four times as much money as this "infrastructure" plan spends on roads and bridges. The rest of the money is spread among a smattering of liberal priorities, like failed job training programs and ineffective housing programs. That's not what most Americans consider infrastructure.

The second part of the package is the American Families Plan, a \$1.8 trillion liberal wishlist of social and welfare spending that puts progressive politicians and government bureaucrats at the helm of micromanaging the options of America's families. The plan earmarks several hundred billion dollars towards education spending, including \$200 billion for universal pre-school and \$109 billion for free community college. An additional \$40 billion is provided to prop up the Affordable Care Act's floundering exchanges via direct subsidies. The plan would also make permanent changes to welfare policy that Democrats forced through as part of their so-called "COVID relief" bill, the American Rescue Plan, which expanded unemployment benefits, removed work requirements and created a new marriage penalty for refundable tax credits to low-income Americans. Essentially, the

plan would provide cash transfers of taxpayer money to those who are unwilling to work while punishing working families and small businesses struggling to find employees. At a price tag of nearly \$80 billion, it would represent the second-largest expansion of the welfare state in U.S. history.

Why do Democrats keep calling all of this spending "infrastructure"?

Almost none of the spending included in these plans fits any accepted definition of the term infrastructure. But Democrats know that Americans broadly support infrastructure spending, and so they use the term "infrastructure" to describe these plans as a way to make the American people think that they are moderate and non-controversial. Simply put, when the Biden Administration uses the term infrastructure to describe these plans, they're lying to you.

What's the goal of these proposals?

The Biden Administration's goal is to finally fulfill the promises of the radical far Left to fundamentally remodel the American economy into a centrally planned, government-run enterprise that controls every aspect of your life. As the Heritage Foundation notes:

This Administration believes that innovation, economic growth, and prosperity stem first and foremost from government spending. The private sector—the American people, businesses, institutions, and civil society—are incapable of knowing what is good for them, or of making correct decisions about their own resources. Only the elites and government experts make wise and worthwhile investments. Quite simply, the plan is a rejection of the American system of free enterprise and basic economics.

This is a rejection of the idea that Americans can and should make decisions about what's best for them and for their families. Instead of allowing Americans to choose what works best for them, the Biden Administration believes that the federal government should take more of Americans' incomes and redistribute them in the form of benefits and services that the far Left thinks individuals need. Essentially, President Biden is telling you that he doesn't trust you to make decisions for yourself.

How will these plans impact your life?

The Biden plans seek to influence decisions you make in every aspect of your life. Think about your average day. One of the first things many Americans do is commute to work.

The Biden Administration wants you to commute via electric vehicle or public transit, which is why their plans propose to tax your wages and subsidize those industries.

They aren't stopping with your commute, however. They want to control how you raise your children and how and whether you work. The Biden Administration believes that young kids in government-funded childcare, regardless of whether your family would prefer to have one parent stay at home and raise them. They oppose single-earner households, so they want to take more of your money, fund public daycare and preschool, and force both parents to work. How you raise your children and structure your family should be your choice, not the government's.

Importantly, the Left only wants to fund government-run schools, *not public education* – they aren't interested in funding any education options that would challenge or rival the status quo. The Left has total dominance over the public school system, and nearly complete control over the curriculum taught to America's rising generation (see the Left's successful nationwide push to teach <u>critical race theory</u>). And so, as many public schools continue to fail, the Left rejects any efforts to fund better alternatives, in the fear that they could lose their stranglehold over children's minds.

Every worker has different preferences and needs for benefits and workplace flexibility, but the Biden Administration believes that the government knows better. So they've proposed plans to force employers to pay for government-run paid family leave and government-funded health insurance programs via higher taxes regardless of whether those programs fit the needs of the American worker. This will result in lower wages for workers.

The list of intrusions into your daily life goes on. These plans would tell you which jobs the government thinks you should work in by subsidizing your job training, but only if you work in climate change-related industries. And to make sure that you're paying your "fair share" of taxes, the plans call for huge increases in the number of bureaucrats at the IRS that would be able to view your banking activity on-demand and show up at your house to demand an audit.

How will these plans impact the economy?

Aside from telling you how to live your life, these plans would be disastrous for the economy. By funneling corporate welfare to preferred industries like electric vehicles, green energy, and AMTRAK, the Biden Administration seeks to implement an economy run by the federal government. However, this is a recipe for disaster, as the Heritage Foundation <a href="https://doi.org/10.1007/japa-10.2

Top-down central planning does not work, no matter where it is tried. No one person, or even group of people, can effectively dictate outcomes and take into account the unseen and second-order consequences. In reality, it is the decentralization of economic decision-making that "leads to more information being taken into account," leading to better outcomes. Economic freedom is the key to human progress. Higher levels of economic freedom lead to more prosperity, higher levels of health and education, and more upward mobility and social progress.

We're already starting to <u>see the effects</u> of the Biden Administration's attempts to run the economy, as employers from across the country struggle to compete with increased federal unemployment benefits to hire workers. Thanks to the extension of these expanded benefits in Biden's "American Rescue Plan," it's more lucrative for people to sit at home and receive a government check than it is for them to go to work. Many small businesses can't afford to raise wages to lure these people off of unemployment without raising prices on their products, which will only exacerbate <u>rising inflation</u> that is concurrently being fueled by runaway government spending in other parts of the "American Rescue Plan."

Of course, Democrats refuse to see this data and admit that excess government involvement in the economy is causing these problems because it undermines their entire agenda. If Biden's \$1.9 trillion "American Rescue Plan" is blowing massive holes in the labor market and causing elevated inflation, then imagine what an additional \$4.5 trillion in government spending will do to the economy.