

## Democrats Are Working to Fight Inflation, Lower Costs and Address Supply Shortages

The latest inflation data showed signs of progress, with monthly and year-over-year inflation dropping. While Americans continue to feel the burden of higher prices, Democrats in Congress and the Biden administration are working to bring down costs for families now and in the long term.

Higher inflation underscores the importance of making investments to lower costs for workers and families, ensure households can make ends meet now and get the goods they need and build overall economic resilience. President Biden and Democrats in Congress are using every tool at their disposal to help lower these costs.

To help households navigate higher prices and get needed goods, Democrats are deploying a wide range of tools.

### **To Fight Inflation Head On, the Biden Administration and Congressional Democrats Are:**

#### ***Working to increase oil supply and decrease prices at the pump***

- **Increasing the oil supply:** The Biden administration coordinated the largest-ever releases of both domestic and international oil reserves to aggressively expand oil supply and temper gas price increases. President Biden [announced](#) that the U.S. would release one million barrels a day from the Strategic Petroleum Reserve for six months.

The U.S. also coordinated with other countries to collectively release a total of 240 million barrels of oil, an unprecedented total that includes the largest release from the United States and the largest release from other International Energy Agency countries in history.

This follows action by President Biden in November 2021 to [release](#) 50 million barrels of oil from the Strategic Petroleum Reserve to help correct the mismatch between supply and demand. These actions will increase oil supply in the immediate term and help bring down gas prices for American consumers.

- **Combatting and investigating corporate profiteering by the oil industry:** House Democrats recently passed the Consumer Fuel Price Gouging Prevention Act, which would make it illegal to sell consumer fuels at an excessive or exploitative price during an energy emergency and give the Federal Trade Commission additional enforcement power to investigate wholesalers and retailers for price gouging. The Senate is considering companion legislation.

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President Biden also [directed](#) the Federal Trade Commission to investigate whether oil and gas companies are participating in illegal conduct to push up gas prices.

- **Making affordable fuel more accessible:** The Biden administration [issued](#) an emergency waiver for higher-ethanol gasoline and will allow it to be sold during the summer. This blend of gasoline (E15) is about 10 cents per gallon cheaper on average than other blends.

### *Taking action to lower food prices*

- **Boosting food production:** The Biden administration [announced](#) a series of actions to lower costs for farmers, maximize yields to boost production and increase food affordability and availability for U.S. workers and families. These actions include expanding access to insurance for double cropping, providing assistance to farmers for more efficient nutrient management and doubling funding for fertilizer production in the U.S. to \$500 million—all of which will enable farmers to grow more crops and lower their costs.
- **Expanding meat processing capacity:** The Biden administration has dedicated \$1 billion from the American Rescue Plan to [expand](#) independent meat processor capacity to increase competition in the highly concentrated meatpacking industry. The Biden administration is also working to strengthen financing options for independent processors.

### *Working to solve supply-chain disruptions that have been a major driver of higher prices*

- **Clearing supply-chain backlogs:** The Biden administration has made tremendous progress in working with ports—particularly two of the largest U.S. ports in Los Angeles and Long Beach—to [clear](#) container backlogs and ease supply-chain disruptions in order to get goods to consumers faster.
- **Improving supply-chain resilience:** The Bipartisan Infrastructure Law [invests](#) \$550 billion to help reverse years of inadequate federal investment in critical infrastructure such as roads, bridges, rail, broadband, airports, ports and water pipelines to create jobs, enhance productivity and improve supply-chain resilience.
- **Bolstering domestic manufacturing:** The bipartisan innovation bills—the America COMPETES Act passed by the House and the United States Innovation and Competition Act (USICA) passed by the Senate—would make critical investments in innovation, research and manufacturing. The innovation bills would also encourage domestic production of and [invest](#) in supply chains for critical technologies such as semi-conductors with over \$52 billion dedicated to domestic chip manufacturing. This will make the U.S. less reliant on semi-conductor chips from abroad, which will lower prices for things like new cars and electronics.

*Ensuring that the institution best positioned to fight inflation—the Federal Reserve Board—is fully staffed*

- **Confirming Fed nominees:** The Biden administration and Democrats in Congress have worked together to confirm a slate of highly qualified Federal Reserve Board nominees, who are critical to advancing the Fed’s mission including efforts to fight inflation. Despite obstruction efforts by the Republicans, the Senate has confirmed Chair Jerome Powell for a second term, as well as three of the remaining four nominees, to restore the Fed’s full strength.

**To Help Lower Household Costs and Keep Money in People’s Pockets, the Biden Administration and Congressional Democrats Are:**

*Taking action to lower housing costs*

- **Preventing evictions and foreclosures:** Congress and the Biden administration have helped families in need avoid eviction or foreclosure in the near term by funding for Emergency Rental Assistance (ERA) and creating a new Homeowner Assistance Fund through the American Rescue Plan. The ERA program [provided](#) nearly \$22 billion to states and local governments to assist renters who cannot afford rent or utility payments, and over 4 million renters received ERA payments in 2021. The Homeowner Assistance Fund [provided](#) nearly \$10 billion to states and territories to help homeowners avoid mortgage delinquencies and defaults, foreclosures, utility shutoffs and displacement.
- **Improving housing affordability:** President Biden [announced](#) a Housing Supply Action Plan to help close America’s housing supply shortfall in five years and lower housing costs for families who own or rent their homes. The plan includes incentivizing local jurisdictions to make land use and zoning reforms, expanding existing federal financing for housing, setting up new financing mechanisms and ensuring that new housing goes to residential owners rather than investors.

*Helping households afford their utility bills*

- **Providing relief for energy bills:** Congress and the Biden administration are [providing](#) home energy and utility relief to low-income families through the Low Income Home Energy Assistance Program (LIHEAP) and the Emergency Rental Assistance (ERA) programs. The Biden administration will provide more than \$8.3 billion in LIHEAP assistance—the most in any year since the program’s inception in 1981—to reduce heating and cooling costs in 2022.
- **Expanding access to affordable clean water:** Congress and the Biden administration [expanded](#) the Low Income Household Water Assistance Program to assist low-income households with water bills.
- **Improving household energy efficiency:** The Bipartisan Infrastructure Law [included](#) \$3.5 billion for weatherization assistance to reduce energy costs for low-income households.

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- **Expanding affordable broadband:** Congress and the Biden administration [expanded](#) broadband access and made it more affordable for millions through the Bipartisan Infrastructure Law's Affordable Connectivity Program. Under the program, which currently serves over 10 million households, low-income families can receive as much as \$30 per month toward the cost of internet.

### *Reducing out-of-pockets costs for health care*

- **Lowering health insurance premiums:** Congress and the Biden administration have [lowered](#) monthly premiums and out-of-pocket health care costs via the enhanced premium tax credits in the American Rescue Plan. Many of the record 14.5 million families who got their health insurance through the Affordable Care Act marketplaces during the 2022 open enrollment period are now spending less on health care. Monthly premiums are estimated to [decrease](#), on average, by \$50 per person, and four out of five Affordable Care Act (ACA) enrollees can find a plan for \$10 or less per month after premium tax credits.

### *Extending the student loan pause*

- **Pausing student loan repayment:** The Biden administration [paused](#) federal student loan repayment until September 2022, providing relief to 41 million borrowers—many of whom are still recovering from the economic disruption caused by the pandemic. Federal Reserve analysis [suggests](#) that millions of student loan borrowers would face significant economic hardship if repayment resumed, and delinquencies and defaults could threaten their financial stability.

## ***The Biden Administration and Congressional Democrats Have a Plan to Help Families Keep More of Their Hard-Earned Dollars in the Long Term:***

### *Investing in child care and pre-k programs*

- **Making child care more affordable for families:** Fully covering child care costs for the most low-income families and capping these expenses at a certain percentage of income for middle-income families will save families thousands of dollars each year and enable parents to participate more fully in the labor force.
- **Expanding pre-k to three- and four-year olds:** Providing universal pre-k to all three- and four-year olds at no cost to families will improve lifelong educational attainment for millions of children and increase labor force participation among parents.

### *Reducing health care costs by allowing Medicare to negotiate drug prices and by capping monthly costs for insulin*

- **Allowing Medicare to negotiate drug prices:** Democrats support allowing the federal government to negotiate prices for prescription drugs covered by Medicare, lowering costs for millions of seniors and disabled Americans.

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- **Capping the price of insulin:** Democrats in the House [passed](#) a measure with unanimous support to cap the cost of insulin at \$35 a month. The cap would provide a substantial benefit to many of the nearly 30 million Americans with diabetes. An estimated one in five Americans with private insurance who take insulin would [save](#) money with this cap.

### *Reducing the cost of health insurance*

- **Expanding access to affordable health insurance:** Delivering health insurance coverage by extending enhanced premium tax credits and closing the Medicaid coverage gap will reduce premiums for millions of Americans, with many qualifying for a \$0 premium.

### *Making housing more affordable by increasing supply and lowering costs*

- **Increasing housing supply and lowering housing costs:** Investing in housing construction and supply while also lowering the costs homeowners pay through tax credits, grants and loans will increase the availability and affordability of homes amid a national housing shortage.

### *Instituting a national paid leave policy to better support workers*

- **Providing paid leave for workers:** Extending paid medical and sick leave to millions of private-sector workers will enable them to balance family responsibilities and medical needs while remaining in the labor force.

### *Investing in workforce development and skills training to build a more productive workforce*

- **Expanding access to apprenticeships and skills training:** Expanding registered apprenticeships and skills training for high growth jobs in sectors like manufacturing, health care and transportation will create opportunities for workers to move into better jobs with better pay while also increasing overall productivity and economic growth.

### *Addressing climate change to reduce the effect of international crises and extreme weather events on energy prices*

- **Combating climate change and accelerating the transition to clean energy:** Investing in clean energy infrastructure will create good-paying jobs, electrifying and weatherizing homes will improve energy efficiency and reduce energy costs, funding climate resilience programs will reduce the damage from storms and floods and increasing international climate financing will accelerate the U.S. and global energy transition. Clean energy investments will also [reduce](#) dependence on foreign oil, which has been one of the primary drivers of increased inflation.

### *Republicans have no plan to fight inflation or help families manage expenses*

Republicans have not provided *any* policy solutions to fight inflation and have repeatedly blocked or voted against measures, such as the Consumer Fuel Price Gouging Prevention Act, American Rescue Plan and Build Back Better Act, that would help families weather the impact of increased prices or that would lower inflationary pressure long term.