

11 Ways the Build Back Better Act Would Reduce Inflationary Pressure and Bring Down Costs for Families

1. **The Build Back Better Act is fully paid for, which actively reduces any risks of overheating the economy.**
2. **The Build Back Better Act would improve productivity by investing in the U.S. workforce, infrastructure, research and innovation, which, taken together, grow the economy for the long term and reduce inflationary pressure.**
3. **The Build Back Better Act would [increase](#) participation in the workforce by helping families to navigate care responsibilities and stay employed.** Growing the workforce grows the economy without spurring inflation, particularly when better care allows experienced workers with more advanced career skills to stay in the labor force, raising overall productivity.
4. **The Build Back Better Act would invest in development and skills building—including investments in [child care](#), universal pre-k, workforce development, and higher education—to contribute to a more productive workforce and advance long-term economic growth, which together help control inflation.** With improved skills, workers are able to produce more while doing the same amount of work, thereby lowering overall costs. For example, improved efficiency enabled the average American to produce and earn nearly four times as much in 2019 as in 1950.
5. **The Build Back Better Act would create savings and cut taxes by [\\$7,400](#) for an average couple with two children.** Not only would that make up for any cost increases from pandemic-induced price spikes, which are expected to fade over 2022, but by lowering out-of-pocket costs for families, it would also create long-term demand. This would support private-sector investment in the economy, which boosts employment, spurs innovation, improves productivity, raises living standards and further reduces households' costs.
6. **The Build Back Better Act would reduce healthcare costs by allowing Medicare to negotiate drug prices directly and capping monthly insulin costs at just \$35.** Rising health care costs, especially for seniors, has been one of the most significant drivers of long-term inflation for a generation.

7. **The Build Back Better Act would reduce the cost of [health insurance](#) for millions of people.** Since 1980, the cost of health care has grown twice as fast as inflation, rendering healthcare unaffordable for many. Reducing health care costs would mechanically lower inflation overall and would dramatically lower the cost of living for workers and families for years to come.
8. **The Build Back Better Act would make a historic investment in housing, creating new affordable housing and lowering housing costs.** With more choices about where to live, workers can seek out jobs that better fit their skills and needs, which leads to higher productivity and lowers costs across the economy, not just in a booming housing sector.
9. **The Build Back Better Act would invest in renewable energy and widespread electrification, which would reduce reliance on fossil fuels and shield U.S. consumers from gas price spikes and heating cost volatility.** Reliance on fossil fuels exposes households to global fluctuations in energy prices, and as extreme weather events and geopolitical pressures have pushed up energy prices worldwide, U.S. households have felt the strain.
10. **The Build Back Better Act would invest in addressing climate change, which would reduce the extreme weather events that affect global energy and food production.** Extreme weather has been a major driver of food and energy price inflation this year, and the [economic and social costs](#) of climate change will continue to compound, harming working families through reduced wages, higher costs, property loss and worse health outcomes.
11. **The Build Back Better Act would spread new investment over the next decade to address inflation in the long term, as the Federal Reserve takes action to combat it in the short term.** The Federal Reserve is best positioned to address short-term inflation and has begun taking steps toward bringing it down; the Fed projects it will decline to 2.6% in 2022. Reducing long-term inflation requires legislation to drive investments that create long-term growth, which is exactly what the Build Back Better Act would do.