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How Policies Enacted by Congressional Democrats and President Biden Are Benefitting CA-10 Residents

Rep. Josh Harder

In the 117th Congress, Congressional Democrats and President Biden have enacted a number of laws and policies—including the American Rescue Plan, Infrastructure Investment and Jobs Act, Inflation Reduction Act, CHIPS and Science Act and student loan relief—that will lower costs for residents in CA-10, support businesses and promote economic growth. This fact sheet provides district- and state-level data on the effects of these policies.[1]

Spurring job growth

- As of August 2022, **29,800 jobs** have been created in CA-10 since President Biden came into office and **1,628,300 jobs** have been created statewide.
- The United States has regained more than all the jobs that were lost during the pandemic recession thanks to policies like the American Rescue Plan, which jumpstarted the economic recovery and laid the groundwork for this expansion.
- Investments from the Infrastructure Investment and Jobs Act, Inflation Reduction Act and CHIPS and Science Act will support continued job growth in clean and secure energy, construction and manufacturing, among other sectors.

Growing manufacturing jobs and improving supply chains

- As of August 2022, **1,400 manufacturing jobs** have been created in CA-10 since President Biden came into office and **55,600** have been created statewide. The strong economic recovery, thanks to the American Rescue Plan and other legislation, has helped manufacturing recover more than all the jobs lost nationwide during the pandemic recession.
- The CHIPS and Science Act made a historic investment in American manufacturing, innovation and supply chains. In particular, the Semiconductor Industry Association projects that investments in domestic semiconductor manufacturing will create around **1.1 million jobs** nationwide as new semiconductor plants are built, including about **247,200 manufacturing jobs**. These investments are projected to create **280,000 permanent jobs**.

[1] JEC estimates have been rounded.

- By boosting domestic manufacturing, especially of essential goods such as semiconductors, the CHIPS and Science Act reduces California businesses' reliance on fragile global supply chains. The Infrastructure Investment and Jobs Act further strengthens supply chains over the long term, boosting the California economy and the U.S. economy overall.

Boosting clean energy jobs

- In 2021, **39,000 workers** in CA-10 were employed in clean energy and emerging sectors of the economy, and an **additional 40,000** worked in occupations that will be increasingly in demand as the United States transitions to cleaner, more secure energy.
- The Inflation Reduction Act will support more clean energy jobs and expand workforce training for these industries in CA-10 and around the country.

Supporting business growth

- In total, **6,700 applications** to start a new business were filed in CA-10 in 2021, up from an average of 3,600 per year pre-pandemic. There were **518,000 business applications** filed in California up from an average of 334,500 per year before the pandemic.
- Policies included in the American Rescue Plan and other legislation have helped the California economy—and the U.S. economy as whole—recover from the depths of the pandemic recession and laid the groundwork for an expansion that continues to support workers and businesses alike.

Lowering health care costs by extending insurance subsidies

- Estimates from the Joint Economic Committee show that Representative Josh Harder's support for the Inflation Reduction Act is helping **24,000 people** in CA-10 access affordable health care coverage. Without this law, these individuals would have seen their health insurance premiums rise or lost coverage altogether at the end of the year. This is especially important to communities of color, who are more likely to be uninsured than white Americans.
- In California, Democrats helped a total of, **1,644,000 people** get and keep free or low-cost health insurance plans through the Affordable Care Act (ACA) marketplaces by passing the American Rescue Plan and the Inflation Reduction Act. This brought down annual national ACA premiums by an average of **$804**.
- The Inflation Reduction Act builds on the success of the American Rescue Plan, which expanded more generous subsidies to millions of low- and middle-income Americans who buy their insurance on the ACA marketplaces. The American Rescue Plan's health provisions brought the national uninsured rate down to a record low of **8%** in early 2022.

Lowering prescription drug costs

- Thanks to the Inflation Reduction Act, many of the **100,000 seniors** in CA-10 with Medicare prescription drug coverage, and the **5,253,000 seniors** across California with these plans, will soon pay less for their medications.
- Among other provisions that will help California seniors, the Inflation Reduction Act puts an annual **$2,000 cap** on seniors' out-of-pocket drug costs and ensures that Medicare beneficiaries do not pay more than **$35 per month** for insulin. Additionally, the law lets Medicare negotiate with drug companies to keep down prices on some of the most expensive prescription drugs and forces pharmaceutical companies to pay a penalty when the prices they charge Medicare rise faster than inflation.

Providing relief to student borrowers

- The Biden administration is providing up to **$20,000** in debt cancellation to Pell Grant recipients and up to **$10,000** for all other student loan borrowers with incomes below $125,000 ($250,000 for married couples). Based on data from the Department of Education, **3,549,300 borrowers** in California will be eligible for immediate student loan relief, with **2,340,600, or 66%,** of these borrowers qualifying for $20,000 in relief because they received Pell Grants when they were students.
- Many borrowers will also pay less going forward thanks to the administration's changes to income-based repayment plans, which will cap monthly payments for many low- to middle-income borrowers and increase the number of people who will pay $0 per month. This relief will benefit many CA-10 residents with student loan debt, including those who did not complete their degree.
- Using data from the Jain Family Institute (JFI), the Joint Economic Committee estimates that a typical young borrower who lives in CA-10 and participates in President Biden's student loan relief program would pay **$105 per month** for their student loans, instead of the **$230 per month** they would pay without the relief program.[2] Their participation in the program would save them **approximately $11,000** over the life of the loan as a result of lower monthly payments alone. These estimates are based on JFI data showing that the median student loan balance held by a young borrower in the district was $13,620 in 2019 and Census data showing that the 2021 median income in the district was $38,817. Thanks to the targeted debt cancellation and changes to income-based repayment plan rules, most borrowers earning below the median income would pay even less than $105 per month, saving more over their lifetimes.
- This relief will also help narrow the racial wealth gap nationwide. People of color, especially Black Americans, hold disproportionately more debt than their white peers. Black and Indigenous borrowers also have the highest monthly payments of any racial group, and so will especially benefit from lower monthly payments.

[2]Typical young borrower refers to borrowers ages 18-35.