

August 2, 2022

The Honorable Charles Schumer  
Majority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Mitch McConnell  
Minority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Senate Majority Leader Schumer, Senate Minority Leader McConnell, Speaker Pelosi, and House Minority Leader McCarthy,

We write to strongly urge you and your colleagues in Congress to swiftly pass the Inflation Reduction Act of 2022. This historic legislation makes crucial investments in energy, health care, and in shoring up the nation's tax system. These investments will fight inflation and lower costs for American families while setting the stage for strong, stable, and broadly-shared long-term economic growth.

This legislation represents the single biggest step to date in tackling the climate crisis. It makes key investments to incentivize the transition to cleaner energy sources and greater efficiency. It also invests in the current energy distribution system to make it more resilient, lowers energy costs for families, and helps protect U.S. family budgets against future shocks.

This legislation will quickly and noticeably bring down health care costs for families. It allows Medicare to negotiate lower prices with pharmaceutical companies, reduces Medicare out-of-pocket costs for drugs, and reduces insurance costs for 13 million Americans by building on provisions in the Affordable Care Act.

These investments would be more than fully paid for. The revenue raised to finance them would come exclusively from wealthy individuals and corporations. Further, the revenue stems from enhanced tax enforcement and closing some of the most distortionary loopholes in the tax code.

This proposal addresses some of the country's biggest challenges at a significant scale. And because it is deficit-reducing, it does so while putting downward pressure on inflation. We strongly recommend Congress act decisively to build a stronger economy by passing the Inflation Reduction Act as soon as possible.

Sincerely,

Joseph Stiglitz, Columbia University  
Robert Solow, Massachusetts Institute of Technology  
Peter Diamond, Massachusetts Institute of Technology  
Oliver Hart, Harvard University  
Eric Maskin, Harvard University  
Edmund Phelps, Columbia University  
Robert Rubin, Council on Foreign Relations  
Jacob Lew, Columbia University

Jason Furman, Harvard University  
Martin Neil Baily, Brookings Institution  
Doug Elmendorf, Harvard Kennedy School  
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Heidi Shierholz, Economic Policy Institute  
Betsey Stevenson, University of Michigan  
Dean Baker, Center for Economic and Policy Research  
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Eva Paus, Mount Holyoke College