

April 20, 2023

The Honorable Charles Schumer Majority Leader, U.S. Senate 322 Hart Senate Office Building Washington, D.C. 20515

The Honorable Mitch McConnell Minority Leader, U.S. Senate 317 Russell Senate Office Washington, D.C. 20515 The Honorable Kevin McCarthy Speaker, U.S. House of Representatives 2468 Rayburn House Office Building Washington, D.C. 20515

The Honorable Hakeem Jeffries Minority Leader, U.S. House of Representatives 2433 Rayburn House Office Building Washington, D.C. 20515

Dear Majority Leader Schumer, Minority Leader McConnell, Speaker McCarthy, and Minority Leader Jeffries:

As some extreme members of Congress threaten a default on the national debt, our message could not be more clear: refusing to raise the debt ceiling would obliterate years of painstaking work to rebuild our communities following the COVID-19 pandemic.

We are state and local elected officials from red states, blue states, big cities, small towns, and everywhere in between. For the past three years, we've worked tirelessly to not only protect our residents during the COVID-19 pandemic, but also rebuild our economies in its aftermath.

In the first few months of 2020, we feared the worst. A horrible virus swept across the nation and, despite our best efforts, we watched as countless residents mourned the loss of loved ones. To add to the tragic loss of life, many businesses struggled to keep their doors open, and some were forced to shut down for good.

National unemployment levels skyrocketed to <u>13 percent</u> that spring, and many of our communities saw it climb even higher.

Yet through the heartache and fear, our communities banded together. With the help of federal programs like the <u>American Rescue Plan</u> and Bipartisan Infrastructure Law, we set out to rebuild. We rejoiced as family owned restaurants received much-needed grants to help pay staff while their doors were temporarily shut. We implemented plans to increase access to safe, accessible, and affordable childcare, housing, and more.

We've clawed and scraped our way through a once-in-a-century crisis. We are under no illusion about the challenges that remain. But we are looking forward with hope and optimism. Nationwide, unemployment has plummeted to historic lows, with more than <u>12 million jobs</u> created in the last two years. Record numbers of Americans are applying to <u>open small</u> <u>businesses</u>. And states and localities are making long-term investments in areas such as infrastructure, housing, access to broadband, and climate change.

We know that not everything is perfect. Yet all in all, we are significantly better off than we were three years ago.

However, this hard-fought progress could all be wiped out in an instant if extremists in Congress force us to default on the national debt.

A default "would be a catastrophic blow to the already fragile economy," Mark Zandi, Moody's chief economist, <u>warned</u> a Senate subcommittee in early March as he described the loss of jobs and retirement savings that would impact millions of Americans.

To us, these are more than abstract numbers or data points. We're talking about real people in every state and district in the country. A default might mean a local hardware store owner in Beaverton, Oregon, who barely made it through the pandemic, would be forced to shutter her business forever. Or a single father in Boston – who finally landed a good-paying job – would once again find himself unemployed.

A default would not be a temporary blip, but would cause <u>"irreparable harm"</u> to the economy.

At the local level, the short- and long-term impact would hurt those who can least afford it. According to the <u>Center for Budget and Policy Priorities</u>, a default would mean that the federal government could delay or even stop grants to state and local governments for programs like Medicaid, child care, Title I education, foster care, unemployment insurance, housing assistance, and Supplemental Security Income.

As elected officials, we understand political disagreements about fiscal policies. In a robust democracy, there is an orderly way to examine the nation's taxing and spending priorities. But the debt limit is not about future spending or tax policies. It is about paying the bills racked up over the past several decades approved by both Republicans and Democrats. Congress should do what it has always done in the past: Come together to raise the debt ceiling.

Defaulting on the national debt would be a self-inflicted wound. The victims would be teachers, firefighters, construction workers, veterans, small business owners, retirees, and other residents

in our towns, cities, and communities. And it would happen just as we are beginning to get back on our feet.

The last thing we need is reckless members of Congress pulling the rug out from under us.

Sincerely,

Kate Gallego Mayor, Phoenix, AZ

Josh Boschee House Minority Leader, Fargo, ND

Matt Wilhelm House Minority Leader, Manchester, NH

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