

Why Are Conservative Populists Pushing \$2,000 Checks as ‘Pro-Worker’?

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In a 2018 *Wall Street Journal* interview, Oren Cass, a former Mitt Romney adviser and now executive director of the think tank American Compass, made his case for a supposedly pro-labor conservatism. Economic anxiety was real, he said. But that didn’t mean low-income Americans wanted to be patronized for their struggles to find dignified work by having money thrown at them. He suggested that such ideas were the naïve preference of those at “the top of the income distribution.”

For years, the self-styled populists and “national conservatives” who see themselves as the heirs to Trump have claimed that this kind of economic approach is central to their project. Fast forward to mid-December 2020, however, and national conservative poster boy Missouri Sen. Josh Hawley has teamed up with progressive Sen. Bernie Sanders to prioritize \$2,000 checks to most Americans for COVID relief. Buoyed by President Trump’s endorsement, Hawley now wants a vote in the Senate on the proposal, which passed the House 275-134. This push for widespread support is the latest example of how the substance of a national conservative economic agenda time and again fails to live up to the rhetoric of its proponents.

Consider Hawley’s own COVID-19 journey. Back in April 2020, he proposed a massive federal program to “protect every single job in the country.” He wanted the federal government to cover 80 percent of wages for any job up to the national median wage right through the pandemic. The feds, according to this plan, would have offered a rehiring bonus too, designed to get the headline unemployment rate back down quickly and to keep workers attached to their existing firms for a swift rebound when the pandemic was over.

There were clear problems with this plan: it would have hindered America’s adaptiveness to the crisis, for example, and led to a host of zombie jobs. But there was at least a pro-worker logic to it. Companies are a unique bundle of relationships that are carefully developed and easily lost. Joblessness can have scarring effects on workers beyond the lost income, which can at least be mitigated by unemployment insurance. Seeking to bridge those roles into the recovery, like many European governments did, was a gamble. But with a vaccine now around the corner, the case for that type of support, rather than income support, is now somewhat stronger still.

But Hawley soon moved on from this job-targeted plan. He now regularly emphasizes that “working” Americans “deserve \$2000 in COVID relief” because they have “borne the brunt of this pandemic.” His push for checks is part of a shift to what Hawley has characterized as a “worker-focused approach” to policymaking. But what dignity for workers is there in the federal government delivering unearned income? And what specifically is “pro-worker” about the checks, other than that people who work are among those who will get them?

In economic terms, a drop of \$2,000 checks will do little or nothing to eliminate joblessness, raise wages, or improve working conditions. It won't encourage people to re-enter the labor force, or greatly reduce the number of Americans who have been unemployed for more than six months, or help businesses adjust their premises to operate safely, which in turn provides workers with new opportunities.

The crudest Keynesians might argue direct checks will stimulate demand in the economy, saving jobs indirectly. But while the last stimulus checks did increase spending among *low-income* households, research shows "little of this increased spending flowed to businesses most affected by the Covid-19 shock, dampening its impacts on employment." Consumer spending remains somewhat depressed among the middle class because consumers are either unable or unwilling to go to restaurants, travel, or splash out on entertainment, not because they lack the incomes to do so.

Given the uneven way in which the pandemic has hit different industries and types of worker, there is a much stronger case for targeted support—which the new relief bill contains in the form of elevated unemployment insurance, more PPP funding, and industry-specific funds. Yet Hawley dismisses these funds for the unemployed and payroll as evidence of workers being put at the back of the line, while railing against "corporate bailouts."

A genuinely pro-worker brand of conservatism should draw a sharp distinction between those who really do need the government's help and those who have been able to work safely from home and whose incomes have been largely unaffected by social distancing. Instead, Hawley, as well as Sen. Marco Rubio, President Trump and others, find themselves pushing for the federal government to provide money to people who do not need it. These self-defined champions of the working class would dish out \$5,500 of taxpayer funds to a family earning \$200,000 per year with two kids. A married couple with five kids would still obtain a \$4,000 check, even if the family had a \$350,000 annual household income.

To illustrate just how untargeted this measure is in helping the poorest working families, the *Wall Street Journal's* Greg Ip calculated that returning the bottom 50 percent of the entire population to their February level of income would cost \$16 billion per month. Even if the pandemic kept household income subdued for two years, in other words, the federal government could afford to maintain incomes for the bottom half of households for the same cost to taxpayers as the House-approved checks (\$435 billion).

Instead of tweaking their plans to fit with a more coherent, conservative argument for targeted support, the national conservatives continue undeterred in pursuit of short-term political rewards from more than tripling the amount of government support to most American households. But national conservatives should beware the superficial appeal of such a move. Indeed, as Cass himself has said, "the further down the income ladder you go, generally speaking the less enthusiasm there is for redistribution as a solution. People will tell you they want to work."

As Cass appears to realize, Republicans won't win in a spending arms race with the left. Nor is that what working-class Americans necessarily want to see. And yet, time and again, when given the opportunity to set out distinctly conservative pro-work policies, national conservatives fail to come up with anything meaningfully different from the government largesse that defines left-wing answers to these problems. The stimulus checks are an especially clear example of that,

with Hawley and Sanders on exactly the same page. Economic populists in the Republican party should ask themselves whether accepting the logic of the far-left will pay off in the long run.

Searching for an argument for generous checks in keeping with the tenets of right-wing economic populism, *National Review*'s Michael Brendan Dougherty wonders whether they “might simply be necessary for national morale and the esteem of the government in the eyes of the people.” It's a valiant effort, but you hardly need to be a free-market fundamentalist to wonder whether cash transfers as pro-state propaganda are a sustainable, sensible way to govern.

After Trump's defeat in November, Republicans took some heart from the signs that a multiracial working-class coalition was within their reach. They were right to do so, but instead of focusing on the ways in which Republican economic policies have delivered for low-income Americans, the party's most prominent national conservatives find themselves teaming up with Bernie Sanders to push for expensive, unsustainable middle-class handouts at the same time many of them are undermining American democracy to indulge the president's stolen-election fantasy.

A movement that started with a call to restore the dignity of work and emphasized the importance of American institutions has already been reduced to peddling the kind of “patronizing” handouts and constitutional vandalism they once attacked the left for. Is this really the best the national conservatives have to offer?

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