



# WAYS AND MEANS

REPUBLICANS | KEVIN BRADY, REPUBLICAN LEADER

The Tax Cuts and Jobs Act, championed by President Trump and congressional Republicans, spurred a boom in economic growth that took Americans off the sidelines and got them back to work. Thanks to these reforms, our economy doesn't have to strain under a tax code from 1986, but will recover with a modern, dynamic tax code that promotes growth.

## MORE JOBS AND INVESTMENT

### What TCJA Did:

- Created a historic tax cut for Main Street businesses.
- Lowered tax rates for job creators of all sizes.
- Made it easier for companies to bring jobs and investments back to the U.S.

### How the Economy Responded:

- **Main Street Optimism Reached An All-Time High.** In the third quarter of 2018, small businesses recorded their highest level of optimism to date.
- **Opportunities For All Americans Flourished.** The unemployment rate reached a generational low, with record low unemployment for women, people of color, and workers without high school degrees.
- **Jobs Added to the Economy.** Since the enactment of TCJA, the economy gained nearly 5 million jobs before the pandemic.
- **TCJA Brought a Record Amount of Job Openings.** Under TCJA, job openings were at a record high of 7.5 million jobs.
- **Businesses Started to Reinvest Again.** Core investments in equipment and other business necessities reversed its Obama-era five-year downward trend and shot back up to near historic highs making businesses and workers more productive, while boosting workers' wages.
- **Business Applications At Record Levels.** TCJA encouraged business creation as the amount of business applications reached its highest level ever of over 880,000.

## FAIRER TAXES

### What TCJA Did:

- Simplified that tax filing process for millions of workers.
- Eliminated the Alternative Minimum Tax for most taxpayers.
- Expanded popular savings tools, like 529 accounts.

### How the Economy Responded:

- **Millions of Hours Saved.** Nearly nine out of 10 Americans took the standard deduction in 2019, no longer needing to go through the complicated process of itemizing.
- **Revenues Soared.** Breaking dire predictions from experts, federal revenues reached an all-time high, due to more Americans working, bigger paychecks, and businesses expanding.

## BIGGER PAYCHECKS

### What TCJA Did:

- Cut income tax rates across the board.
- Nearly doubled the standard deduction.
- Doubled the Child Tax Credit.

### How the Economy Responded:

- **Workers' net worth soared.** Low- and middle-class families saw the largest gains in wealth growth in 2018 and 2019, according to the Federal Reserve. Low-income families saw their net worth increase 37%. Middle-class families saw their net worth increase 40%.
- **Household Income Reached New Highs.** Real median U.S. household income in 2019 rose nearly 50% more than during the eight years of Barack Obama's Presidency. Median household incomes increased 7.1% for Hispanics, 7.9% for Blacks, 10.6% for Asian Americans and 8.5% for foreign-born workers.
- **Wages for Minorities Grew at a Faster Pace.** Compared to Obama's second term, wage growth, as a measure of median usual weekly earnings, grew 24% faster for Hispanics, 79% faster for Blacks, and 95% faster for Asian Americans.
- **Wages for Women Grew at a Faster Pace.** Compared to Obama's second term, wage growth, as a measure of median usual weekly earnings, grew 60% faster for women.
- **Wages for Youths (Ages 16-24) Grew at a Faster Pace.** Compared to Obama's second term, wage growth, as a measure of median usual weekly earnings, grew 70% faster for women.

- Wages for All Levels of Educational Attainment Grew at a Faster Pace.** Compared to Obama’s second term, wage growth, as a measure of median usual weekly earnings, more than doubled for those with less than a high school diploma and those with either some college or have an associate degree.



