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**HOUSE OF REPRESENTATIVES**  
COMMONWEALTH *of* PENNSYLVANIA

*House Democratic Policy Committee Hearing*

Putting More Money in Your Pocket

Monday, October 29, 2024 | 1:00 p.m.

Representative Eddie Day Pashinski

**OPENING REMARKS**

1:00p.m.

Rep. Eddie Day Pashinski, D-Luzerne

**PANEL ONE**

1:05 p.m.

Dr. Aditi Vasani, MD, MSHP, Research Scholar  
*Children's Hospital of Pennsylvania*

*Q & A with Legislators*

**PANEL TWO**

1:35 p.m.

Dan O'Brien, Policy Manager of Education and Family Stability  
*Children First PA*

*Q & A with Legislators*

**PANEL THREE**

2:05 p.m.

Laurel Kilgour, Research Manager  
*American Economic Liberties Project*

*Q & A with Legislators*



Testimony Prepared By:

**Aditi Vasan, MD, MSHP**

*Attending Physician, General Pediatrics, Children's Hospital of Philadelphia*

*Faculty Member and Researcher, PolicyLab at Children's Hospital of Philadelphia*

*Assistant Professor of Pediatrics, Perelman School of Medicine, University of Pennsylvania*

Good afternoon,

My name is Aditi Vasan, and I am a pediatrician at Children's Hospital of Philadelphia (CHOP), and a researcher with CHOP's PolicyLab and Center for Health Equity. My research focuses on understanding and addressing social determinants of child health to promote health equity.

I'd like to thank Representative Pashinski and the House Democratic Policy Committee for the opportunity to be here with you today to discuss how a state earned income tax credit (EITC) in Pennsylvania could benefit our state's working families and improve our children's health and well-being.

I'll start by sharing a story from a parent at one of our CHOP primary care clinics about how receiving a tax credit impacted her family. I will then review evidence from research studies highlighting the positive health impacts of tax credits, including two recent studies from my own team at PolicyLab. I'll end by outlining some recommendations for how a state earned income tax credit could be designed and structured to make sure it supports low-income families and promotes children's health.

***Understanding the Impact of Tax Credits on CHOP Families***

As a pediatrician at CHOP, I care for families every day who work incredibly hard to support and provide for their children but still struggle to make ends meet. We know that providing children with excellent medical care is important – but it's often not enough to make sure they can access the resources they need to stay healthy. That's why CHOP has developed a Medical Financial Partnership, a program that aims to support the financial health of our patients and caregivers by helping families prepare and file taxes, apply for government benefits, and access financial counseling services.<sup>1</sup> We regularly gather feedback from families who use our Medical Financial Partnership services, and when asked about tax credits, one parent told us:

“Being an employed mom, you think you'll be able to take care of the financial needs of your children. However, with the cost of living constantly rising, it becomes challenging to keep

sustaining such a life. The child tax credit helps with that sustainability. Last year, I was able to [use the payment] to buy clothes and shoes for my two sons – something that I am unable to do regularly due to having to choose between food, shelter, and clothing. The extra money helped to provide basic needs that my paycheck could not cover. Needs that my children shouldn't have to live without.”

This is just one example of how tax credits can have a positive impact on children and their families. And these anecdotal examples are backed up by rigorous research studies showing how tax credits can improve children's health and well-being.

### ***Research Supporting Benefits of Tax Credits for Children's Health***

As you all know, in 2021, as part of the American Rescue Plan Act, the federal government enacted an expanded child tax credit that increased the amount most families could receive from \$2,000 to \$3,600 for children under 6 and \$3000 for children ages 6 to 17. The expanded child tax credit, or eCTC, was also fully refundable, meaning families with very low incomes or without any earned income were able to receive this benefit. This policy helped support families during the COVID-19 pandemic and provided an opportunity for researchers to study how tax credits impact health and well-being.

Early evidence from the eCTC shows that – like the CHOP parent I quoted – most families spent their tax credit money on essentials, including food, utility bills, childcare, clothing, and school supplies.<sup>2-4</sup> And this spending can have real health benefits – a study I co-authored with a team at PolicyLab found that eCTC payments resulted in lower rates of food insufficiency among households with children, and another study found that these payments led to decreased rates of anxiety and depression among low-income adults.<sup>5-7</sup>

In another recent study, my team at PolicyLab used statewide Pennsylvania birth certificate data from 2019 through 2022 to look at how eCTC payments affected birth outcomes. We found that parents who received these tax credit payments during pregnancy had healthier babies – with significantly lower rates of preterm birth, low birthweight, and very low birthweight.<sup>8</sup> We saw this effect regardless of insurance status, meaning both Medicaid-insured and privately insured parents had healthier babies when they received the benefit, and regardless of median household income, meaning the payments improved birth outcomes for families in both higher income and lower income neighborhoods all over the state.

For every \$1,000 a Medicaid-insured parent received, we saw about a 5% decline in rates of preterm birth – about 125 fewer preterm births across the state each year. We know that preterm birth is expensive – with an estimated lifetime cost of more than \$64,000 per preterm birth including medical costs, costs associated with education, and differences in labor market

productivity.<sup>9</sup> So reducing rates of preterm birth could lead to multi-sector cost savings. While this study was focused on the federal eCTC, we would expect that implementation of a state-level tax credit like an EITC could also show cross-sector savings for state governments like ours, who might see savings incurred by Medicaid and early childhood and school-based education services, as well as through higher earnings as these children grow up into healthier and more economically productive adults.

The potential cost savings from preventing preterm birth are likely only one component of the return on investment associated with tax credit programs targeting families with children. Previous studies of the federal Earned Income Tax Credit have shown that children whose families received this benefit as teenagers were also more likely to graduate from high school and college and had higher earnings as young adults.<sup>10</sup>

### ***Considerations for a Pennsylvania State EITC***

Through my clinical work and research, I have seen the many ways in which tax credits can have a positive impact on children's health and well-being, so I was excited to hear that the House Democratic Policy Committee is considering a state-level Earned Income Tax Credit (EITC) here in Pennsylvania. Across the country, 31 states have already implemented a state-wide Earned Income Tax Credit, including all of Pennsylvania's neighbors. With so many other states already taking advantage of this policy opportunity, Pennsylvania has a chance to catch up with the rest of the country in supporting the health and well-being of our state's children and families.

As you all know, Pennsylvania has a longstanding recognition of the need for tax relief for those experiencing poverty, through the state Tax Forgiveness Program created 50 years ago. However, current tax forgiveness income standards haven't been updated in 21 years, resulting in the bottom 20% of PA taxpayers paying roughly twice as much of their income in state and local taxes.<sup>11</sup> A state EITC is a chance to address this imbalance and provide these hard-working Pennsylvania families with the support they need.

Most states calculate EITC as a percentage of the federal credit, ranging from 4% in Wisconsin to 125% in South Carolina. In New Jersey, Maryland, and Ohio, the average percentage is 40%.<sup>12</sup> A state tax credit of at least 25 to 40% could have a large impact in helping to ensure Pennsylvania families can afford their basic needs.

Twenty-eight of these 31 states (90%) have chosen to make their state EITC refundable, meaning the lowest-income families can receive the full tax credit amount, even if it exceeds their income tax liability.<sup>12</sup> Making the state EITC refundable is likely to maximize its health impacts by ensuring these funds reach the lowest income families.

I also want to highlight that research has shown that tax credits are an easy way to provide families with concrete economic supports in a way that minimizes administrative burdens, both for families and for the state, and maximizes access to benefits. National survey data suggests that almost 90% of families who were eligible for the eCTC received these payments.<sup>13</sup> This is in contrast to government benefit programs with more complicated application processes, like WIC, which only reaches 50% of eligible families, and LIHEAP, which reaches only about 20%.<sup>14</sup>

Tax credit policies, particularly those targeting children and families, are also popular with the public. In a recent national survey of registered voters, two-thirds of respondents, including 83% of registered Democrats and 55% of registered Republicans, supported a federal refundable child tax credit when this policy was framed as a way to support hard-working families.<sup>15</sup>

### **Conclusions**

As a pediatrician, I do my best to provide my patients and their families with high quality care that meets their needs. When children come in with a bacterial infection, it's easy for me to prescribe them an antibiotic. But when I see kids who are admitted to the hospital for asthma exacerbated by unsafe or unstable housing, or for weight loss because their parents can't afford the food or formula they need to eat, the treatment is giving their families access to economic resources that they can invest in keeping their children healthy – through benefits like tax credits.

There are several important policy levers to consider in improving economic support for Pennsylvania children and families, including other policies discussed today like the childcare tax credit and policies that promote income stability for families with children, like paid family leave.<sup>16</sup> As part of this broad economic support policy agenda, a Pennsylvania state EITC is a golden opportunity to put money back into the pockets of hard-working families across our state and help alleviate the adverse consequences of poverty on children's health and well-being.

Again, I'd like to thank State Representative Pashinski for the invitation to testify and The House Democratic Policy Committee for holding a hearing on this important issue. I look forward to taking your questions.

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House Democratic Policy Committee  
October 28, 2024

Dan O'Brien  
Policy Manager, Education and Family Stability  
Children First

On behalf of Children First, thank you for inviting us to offer testimony in front of the committee today. I commend you for prioritizing to focus on issues facing Pennsylvania families.

Working families want just a few simple things in life. They want their children to be safe, go to a good school and know that their own hard work will pay off so they can buy a house in a good community and never have to worry about choosing between their own family's well-being and the financial stability of their household.

Well, I have some good news and some bad news on this front. First, let's start with the obvious bad news. The cost of ensuring kids and aging family members are cared for is making it harder for Pennsylvania working families to stay above water. Often, Pennsylvanians are losing significant income when they have to cut back hours or leave the workforce all together due to the lack of affordable child care or access to paid family and medical leave.

The good news is that the folks sitting in front of me today can help lead the way to give Pennsylvania's working families a fighting chance to not only "get by" but a chance for their kids and our communities across the Commonwealth to have every opportunity to prosper.

The General Assembly, along with Governor Shapiro, has already proven it can get things done for working families in a bipartisan manner when the House passed the expansion of the Child and Dependent Care Tax Credit last year with a 141-62 vote. That effort led by my state representative, Rep. Tina Davis, along with state Rep. Melissa Shusterman, gained the support of over two-thirds of the House and eventually led to it being implemented when the state code bills and budget were agreed upon.

The expansion of the Child and Dependent Care Tax Credit was a monumental step in the right direction to put actual dollars back into the hands of working families, which not only leads to more financial stability but benefits our local and state economies overall.

When that bill was being considered before the House Finance Committee, I testified that "addressing the demand/affordability side of child care is critical, however without simultaneously addressing the supply side, the staffing crisis in child care centers, this good-willed effort to provide critical well-earned support for working families could potentially fall short. Early learning centers continue to close classrooms due to the flight of early learning educators leaving the field caused mainly by low wages, lack of benefits, etc."

Unfortunately, over a year later, this is still the case. As members of Start Strong PA, we and our partners have proposed that the General Assembly can tackle this issue by investing new and





recurring state funding to establish a child care teacher recruitment and retention grant program. Investing in Pennsylvania's nearly 54,000 early learning educators, many of them parents themselves, is investing in their paychecks and would play a vital role in keeping more dollars in the bank accounts of working parents by making child care more accessible and affordable. Without state investments in the ECE workforce, providers will continue to lose educators, close classrooms and need to raise tuition to stay afloat while working parents will foot the already growing bill.

I urge you to also consider another critical measure that would put much needed income back into the pockets of families like 13 other states, including the majority of our neighbors (New York, New Jersey, Maryland and Delaware), have already done. Passing a statewide paid family and medical leave program in Pennsylvania would allow working families to not have to decide between the financial stability of their home and taking care of their families during critical times, such as following the birth of a child or helping a loved one or themselves battling cancer.

There's good news on this front. Luckily, for the 4 million workers in Pennsylvania who don't have access to paid family and medical leave, there is bipartisan legislation, the Family Care Act (HB181/SB580), that has passed through committee in both the House and Senate with strong bipartisan support and can be voted upon at any time by either chamber. The Family Care Act would provide much-needed income that Pennsylvania working families currently miss out on at a critical time due to the lack of paid leave.

For example, under the Family Care Act, the average worker in state Rep. Pashinski's or Chairman Bizzarro's districts would pay roughly only \$3-4 a week but could receive between \$9,000-11,000 of income during their leave. [A recent study by the Prenatal-to-3 Policy Impact Center](#) shows that if the Family Care Act was implemented, Pennsylvania's workers would receive two to four times more in paid family and medical leave benefits than they would pay throughout their entire time in the workforce. Even the lucky ones who may only take leave once would receive more in paid family and medical leave benefits than what they paid throughout their careers.

Without a statewide program, those same workers are now losing money in their paychecks or going into debt after losing or leaving their jobs altogether simply because they need to take care of themselves or a loved one in a critical time of need.

As we have seen with the creation or expansion of other statewide paid family and medical leave programs, child tax credits, and refundable earned income tax credits, policies that directly put money back into the pockets of parents and working families create financial stability, decrease debt and a reliance on other state programs, and boost local and state economies.

These policies have strong bipartisan support. We urge you as House leaders to tap into that bipartisan support to bring more direct benefits for working families in Wilkes-Barre, Erie, Johnstown and across the rest of Pennsylvania. Thank you again for allowing me to provide testimony on these critical issues impacting families in Pennsylvania.

**Hearing: Combatting Inflation with the Stop Price Fixing Act  
October 28, 2024**

**Written Testimony of the American Economic Liberties Project before the  
House Democratic Policy Committee**

Chair Bizzarro, Rep. Pashinski, and Committee Members:

On behalf of the American Economic Liberties Project, we submit this comment regarding the Stop Price Fixing Act, H.B. 2641, introduced by Rep. Nick Pisciotto, Rep. Hohenstein, Rep. Sanchez, Rep. Hill-Evans, Rep. Benham, Rep. D. Williams, Rep. Briggs, Rep. Madden, Rep. Schlossberg, Rep. Dellosa, Rep. Millard, Rep. Parker, Rep. Bizzarro, Rep. Snyder, and Rep. Ciresi, on June 6, 2022.<sup>1</sup> By way of introduction, the American Economic Liberties Project is a nonprofit research and advocacy organization dedicated to understanding and addressing the problem of concentrated economic power in the United States.

**1. Inflation is harming Pennsylvanians, and voters are demanding accountability.**

The House Democratic Policy Committee is by now well-versed on the issue of inflation in Pennsylvania, including its causes and impact on working Pennsylvanians. Not long after H.B. 2641 was introduced, this Committee held a hearing during which Marc Stier of the Pennsylvania Budget & Policy Center noted that while Pennsylvania residents are paying high prices, dominant corporations

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<sup>1</sup> Pennsylvania General Assembly, Bill Information Page, H.B. 2641:  
[https://www.legis.state.pa.us/cfdocs/billinfo/bill\\_history.cfm?year=2021&ind=0&body=H&type=B&bn=2641](https://www.legis.state.pa.us/cfdocs/billinfo/bill_history.cfm?year=2021&ind=0&body=H&type=B&bn=2641)

are earning extraordinary profits. In 2022, price inflation as measured by the Consumer Price Index hit 8.6% - the highest rate in more than 40 years.<sup>2</sup>

Thankfully, inflation has come down to around 2.5% since then.<sup>3</sup> However, this understates how people experience price hikes in their daily lives. People are understandably concerned that many prices remain well above 2019 levels, even if the rate of increase is slowing. Moreover, the consumer price index excludes food and energy. Yet food prices, for example, are up 30% since 2019.<sup>4</sup> And even as oil companies have earned record profits, farmers and others living in rural areas are paying thousands of dollars more per year for gas.<sup>5</sup> An index of just food and energy prices reveals that the 2022 price shocks were the second worst on record in those categories, second only to the 1970s.<sup>6</sup>

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<sup>2</sup> Christopher Rugaber, "US inflation at new 40-year high as price increases spread," AP, June 10, 2022, <https://apnews.com/article/key-inflation-report-highest-level-in-four-decades-c0248c5b5705cd1523d3dab3771983b4>

<sup>3</sup> Scott Horsley, "Inflation falls to its lowest level in more than 3 years. Here's what that means," NPR, Sept. 11, 2024, <https://www.npr.org/2024/09/11/nx-s1-5108607/inflation-consumer-prices-economy-interest-rates>  
<https://www.npr.org/2024/09/11/nx-s1-5108607/inflation-consumer-prices-economy-interest-rates>

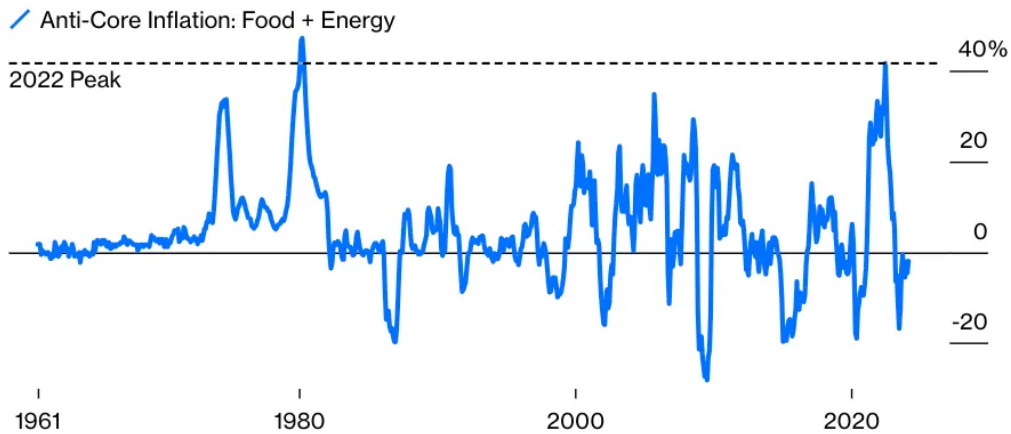
<sup>4</sup> Errol Schweizer, "Why A Price Gouging Ban Isn't So Crazy After All," Forbes, Sept. 4, 2024, <https://www.forbes.com/sites/errolschweizer/2024/09/04/why-a-price-gouging-ban-isnt-so-crazy-after-all/>

<sup>5</sup> Ben Abrams, "Inflation is crushing rural America and may even drive people to the cities," NPR, July 25, 2022, <https://www.npr.org/2022/07/25/1112915507/inflation-rural-america-gas-prices-economy>

<sup>6</sup> Adam Tooze, "Chartbook 327 From "anti-core" to "felt inflation": Or how I calmed my populist demons & resolved my cognitive dissonance on inflation, and how the Fed could do more to help." Chartbook, Oct. 16, 2024, <https://adamtooze.substack.com/p/chartbook-327-from-anti-core-to-felt>; John Authers, "Markets Return to a Trump Tipping Point," Bloomberg, Oct. 14, 2024, <https://www.bloomberg.com/opinion/articles/2024-10-14/markets-return-to-a-trump-tipping-point>

## Insult Inflation

The 2022 shock to food and fuel prices was the second-worst on record



Source: Bloomberg

Consistent with national trends,<sup>7</sup> 18.5% of retirement-age Pennsylvanians— nearly one in five— are working.<sup>8</sup> Price hikes are leading some retirees to rejoin the workforce because they cannot afford to make ends meet.

Accordingly, it's no surprise that inflation is a major concern for Pennsylvanians. Earlier this month, an Emerson College poll found that 52% of likely voters in Pennsylvania ranked the economy as a top issue— more than in any other swing state,<sup>9</sup> and despite rising wages.<sup>10</sup>

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<sup>7</sup> Beca Life, "Senior Workforce Surges to Pre-Pandemic Heights," Pennsylvania Magazine, Oct. 24, 2024, <https://www.pennsylvania-magazine.com/news/story/512401/senior-workforce-surges-to-prepandemic-heights-1-in-5-now-working-as-candidates-clash-on-social-security.html>

<sup>8</sup> Longview News-Journal, "18.5% of Retirement-Age Residents in Pennsylvania Are Still Working," Sept. 6, 2024, [https://www.news-journal.com/18-5-of-retirement-age-residents-in-pennsylvania-are-still-working/article\\_24705496-e7e0-5715-90fe-852c05665b0b.html](https://www.news-journal.com/18-5-of-retirement-age-residents-in-pennsylvania-are-still-working/article_24705496-e7e0-5715-90fe-852c05665b0b.html)

<sup>9</sup> Emerson College Polling, "September 2024 Swing State Polls: Trump and Harris Locked in Tight Presidential Race," Sept. 19, 2024, <https://emersoncollegepolling.com/september-2024-swing-state-polls-trump-and-harris-locked-in-tight-presidential-race/>

<sup>10</sup> Mark Kreidler, "Will Pennsylvania's economic rebound help deliver the crucial swing state to Kamala Harris?," The Philadelphia Inquirer, Oct. 24, 2024, <https://www.inquirer.com/politics/election/kamala-harris-pennsylvania-swing-state-economy-20241024.html>; William A. Galston, "In the presidential election's most important state, the race is a dead heat." Brookings, Oct. 1, 2024, <https://www.brookings.edu/articles/in-the-presidential-elections-most-important-state-the-race-is-a-dead-heat/>

Pennsylvanians have clear opinions about the root causes of their economic pains. For example, an August 2024 poll conducted by GQR of 1,700 likely voters in seven battleground states— including, of course, Pennsylvania— found that voters are “more likely to blame corporate greed and price gouging (61 percent) than high costs (51 percent) for inflation and rising costs.”<sup>11</sup> A more recent poll by the Center for Working-Class Politics of 1000 eligible Pennsylvania voters found that economically focused messages that identify culprits— such as “big corporations” and the “politicians in Washington who serve them”— were the most successful messages for all voters, and especially for blue-collar and service workers.<sup>12</sup>

Committee Chair Bizarro has made the case publicly: “A lot of this inflation is manufactured inflation. You don’t get to cry inflation when you have oil companies making \$3 billion a month in profits. It simply doesn’t add up.” Voters overwhelmingly agree. Supermajorities of over 80% believe that “big corporations and businesses are becoming too powerful”<sup>13</sup> and want the government to investigate big oil companies for price gouging on gasoline.<sup>14</sup> They are right to be concerned. This year, a government investigation revealed that American oil company executives colluded with OPEC— costing Americans thousands of dollars

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<sup>11</sup> GQR, “GQR/More Perfect Union Poll: Battleground State Voters Show Demand for Action on Corporate Power,” Sept. 5, 2024, <https://www.gqrr.com/news/gqr-more-perfect-union-poll-battleground-state-voters-show-demand-for-action-on-corporate-power/>

<sup>12</sup> Dustin Guastella, “To win, Harris should talk more about working-class needs and less about Trump,” The Guardian, Oct. 22, 2024, <https://www.theguardian.com/commentisfree/2024/oct/22/harris-working-class-voters-poll-election>

<sup>13</sup> *Id.*

<sup>14</sup> Jordan Zakarin, “New Poll: Government Must Take On Corporate Power, Americans Say,” More Perfect Union, Aug. 27, 2024, <https://substack.perfectunion.us/p/new-poll-government-must-take-on>

per year, and perhaps 27% of all inflation in 2021.<sup>15</sup> Meanwhile, in the grocery sector, Kroger executives admitted in a recent district court hearing that they hiked the price of eggs and milk above the costs they incurred from inflation— and then kept those prices hiked long after their costs decreased.<sup>16</sup>

Pennsylvanians also have clear opinions about solutions. A mid-October poll by Lake Research Partners of 600 likely voters in eight swing states (again, including Pennsylvania) found that 67% believe “one of the biggest problems facing the country today is corporate power and a lack of government pushback,” 66% favor private class action lawsuits against corporate monopolies, 65% favor government lawsuits against corporate monopolies, and a “solid majority — 58% — had a favorable opinion of government enforcement of the antitrust laws” more broadly.<sup>17</sup>

## **2. The Stop Price Fixing Act would provide immediate relief to Pennsylvania residents – and puts corporate executives on notice.**

It’s in this context that the House Democratic Policy Committee is considering legislation which would provide an immediate, tangible response to corporate price hikes that are exacerbating the inflation crisis. Inflation is a broad-

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<sup>15</sup> Matt Stoller, “An Oil Price-Fixing Conspiracy Caused 27% of All Inflation Increases in 2021,” BIG, May 3, 2024, <https://www.thebignewsletter.com/p/an-oil-price-fixing-conspiracy-caused>

<sup>16</sup> Jake Johnson, “During Antitrust Trial, Exec Admits Kroger Jacked Up Milk and Egg Prices Above Inflation,” Common Dreams, Aug. 28, 2024, <https://www.commondreams.org/news/kroger-egg-prices>

<sup>17</sup> Leah Nylen, “It’s the Antitrust Era for 2024 Voters Suspicious of Big Companies,” Bloomberg, Oct. 21, 2024, <https://www.bloomberg.com/news/newsletters/2024-10-21/it-s-the-antitrust-era-for-2024-voters-suspicious-of-big-companies>; Mike Lux, “MEMO: Economic Populism Is Ascendant with Battleground State Voters,” Oct. 22, 2024, <https://www.mikeluxmedia.com/single-post/memo-economic-populism-is-ascendant-with-battleground-state-voters>

based concern that transcends parties, and we commend Rep. Pisciotano for introducing the Stop Price Fixing Act with bipartisan support.<sup>18</sup>

By way of background, price fixing occurs when sellers of the same product or service agree to set actual prices, establish limits on prices or discounts, or fix price-related terms of sale. Price fixing tends to occur in industries that have already seen a lot of consolidation, which makes practical sense inasmuch as it is easier to collude among a smaller number of actors. It also means less risk that another actor will go against the grain. Unfortunately, that consolidation has occurred across markets. According to a White House fact sheet on the 2021 Executive Order on Promoting Competition in the American Economy, “[i]n over 75% of U.S. industries, a smaller number of large companies now control more of the business than they did twenty years ago.”<sup>19</sup> When that consolidation is paired with weak laws and under-enforcement, price fixing occurs in plain sight.

The Stop Price Fixing Act grows out of decades of bad judicial decisions that have rendered existing laws almost entirely unenforceable, and dominant corporations unaccountable to working people, families, and people on fixed incomes. These cases have put the burden on the victims of price fixing to plead exceptionally detailed facts about conspiracies between oligopolistic corporations, before they’ve had an opportunity to discover that detailed information.

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<sup>18</sup> As of the time of submission of this comment, H.B. 2641 lists 36 sponsors:

[https://www.legis.state.pa.us/cfdocs/billinfo/bill\\_history.cfm?year=2021&ind=0&body=H&type=B&bn=2641](https://www.legis.state.pa.us/cfdocs/billinfo/bill_history.cfm?year=2021&ind=0&body=H&type=B&bn=2641)

<sup>19</sup> The White House, “Fact Sheet: Executive Order on Promoting Competition in the American Economy,” July 9, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/07/09/fact-sheet-executive-order-on-promoting-competition-in-the-american-economy/>

Even when the appearance of price fixing is crystal clear, when plaintiffs allege very detailed circumstantial evidence of collusion, courts have dismissed cases, granted motions for summary judgment, and prevented meritorious price-fixing cases from advancing to trial.<sup>20</sup> This heightened standard has been used to shield large corporations, deter law enforcement, and leave victims of price fixing without redress.

By shifting the burden of proof to large corporate actors and creating an “inference of collusion,” the Stop Pricing Fixing Act gives victims of price fixing a fighting chance. This burden shifting makes sense: not only are those massive corporations typically involved in price fixing conspiracies better resourced to defend themselves, they are also custodian of the records showing whether they have or have not engaged in such price fixing.

In addition to giving the victims of price fixing a viable path to relief, the Stop Price Fixing Act would also:

- Confirm the power of courts to bar people who violate price fixing laws from returning to the industries in which they committed their violations;
- Prohibit plaintiffs from being forced to pursue relief through arbitration, rather than through litigation; and

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<sup>20</sup> See, e.g., *Monsanto Co. v. Spray-Rite Serv. Corp.*, 465 U.S. 752, 761 (1984); *Brooke Grp. Ltd. v. Brown & Williamson Tobacco Corp.*, 509 U.S. 209, 227 (1993); *In re Baby Food Antitrust Litig.*, 166 F.3d 112 (3d Cir. 1999); *In re Chocolate Confectionary Antitrust Litig.*, 801 F.3d 383 (3d Cir. 2015); *Valspar Corp. v. E.I. DuPont De Nemours and Co.*, 873 F.3d 185 (3d Cir. 2017); *Kleen Prods. LLC v. Georgia-Pacific LLC*, 910 F.3d 927 (7th Cir. 2018); *In re Dynamic Random Access Memory (DRAM) Indirect Purchaser Antitrust Litig.*, No. 21-15125, 2022 WL 665236 (9th Cir. Mar. 7, 2022).



- Establish a whistleblower bounty program, as well as protections for whistleblowers against retaliation by employers, buyers, and sellers.

Such enhanced remedies are designed to encourage compliance with laws against price fixing. Giving plaintiffs their day in court improves the likelihood that enforcement cases will be brought, instead of being decided in arbitration settings that are too often tilted against complainants. And the whistleblower protections are designed to provide a safe avenue for people with intimate knowledge of price fixing to come forward without fear of retaliation.

### **3. Conclusion**

When considering new policy, we strive to ensure that laws present clear, bright-line rules so that businesses subject to regulation know *how* to comply—thereby cutting down on legal expenses to understand the law— and we simultaneously want to create real avenues to enforcement, to encourage that compliance in the first place. The Stop Price Fixing Act accomplishes exactly that, without re-inventing the wheel. It addresses a problem that has attracted universal acknowledgment, and gives teeth to existing laws that were designed to address that problem but instead have been eroded over the decades.

By strengthening price fixing laws, the Stop Price Fixing Act puts large corporate actors on notice, and makes executives at large corporations think twice before conspiring to raise prices. In this moment, that relief cannot come soon enough for Pennsylvania residents.