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News, Research and Events

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Q&A: Will the \$1.9 trillion stimulus plan work?

Today's House of Representatives vote approving the \$1.9 trillion pandemic relief package clears the way for President Biden's signature. Does the measure do enough to help Americans through the pandemic? Public finance fellow [Jorge Barro](#) answers critical questions about the bill in the [Baker Institute Blog](#).

What are some pros and cons of the measure?

Several elements make sense, including health care expenditures that directly combat the pandemic and targeted fiscal aid to households. Most would agree that the best way to get the economy back on track is to end the pandemic. In that respect, funding to improve vaccination or to mitigate the risks of infection seem well-spent. Unemployment benefit extensions also make sense, but this requires proper implementation. Instead, the bill enhances unemployment benefits, which could lead to a prolonged labor market recovery.

How should we pay for the stimulus package?

It would be ideal to pay for the stimulus package through fiscal austerity after the economy has recovered, but we may actually pay for it sooner than expected. A large share of the new debt has been purchased by the Federal Reserve. In doing so, the Federal Reserve has increased the supply of money, which has already begun to generate a marked [resurgence in projected inflation](#).

Read Barro's full responses to these questions and more at the [Baker Institute Blog](#).

It is critical that, to the extent policy is going to take steps to make sure the energy system is cleaner and greener as we move forward, it addresses the people who are potentially left behind.

Kenneth B. Medlock III, Senior Director, Center for Energy Studies
to the [Houston Chronicle](#)



Houston Flooding 3.5 Years After Harvey

It's hard to believe that it's been over three years since Hurricane Harvey struck Houston. Harvey dropped 48 inches of rain over Harris County in four days, flooding hundreds of thousands of homes and displacing more than 30,000 people. Since then, what has the city of Houston done to prepare for flooding and other extreme weather events brought about by climate change?

Jim Blackburn, co-director of Rice's [SSPEED Center](#) and a Baker Institute Rice Faculty Scholar, answers this question in a new research paper that looks critically at the flood-prevention projects proposed by the U.S. Army Corps of Engineers and the failure of the Corps' methods to adequately consider climate change. In this paper, Blackburn addresses flooding both above and below the Addicks and Barker reservoirs on the west side of Houston, the difficulty of relieving flooding in the low-income areas of northeast Harris County, and the challenge of protecting the Houston Ship Channel from surge flooding in the event of a major hurricane. From a policy standpoint, writes Blackburn, there is an urgent need to develop and fund supplemental plans — like the Galveston Bay Park Plan, a proposed 25-foot flood levee along the Houston Ship Channel that would provide an extra level of protection against surge flooding from major storms. Now is the time to take meaningful action and implement such projects — the risks are far too great to ignore.

To learn more, [read the full research paper](#) in the Baker Institute's [online library](#).

Upcoming Events

Webinar — Green Hydrogen in Chile. Latin America is poised to play a key role in the energy transition. At this event, His Excellency [Juan Carlos Jobet](#) and Max Correa Achurra of the Chilean Ministry of Energy discuss Chile's plan to become the world's leading green hydrogen producer by 2050. **March 12 | 9:00 am CST**

Webinar — The Long-Term Macroeconomic Impact of the COVID-19 Pandemic. Public finance fellow [Jorge Barro](#) and University of Pennsylvania economist [Efraim Berkovich](#) examine the pandemic's long-term impact on the U.S. economy. **March 18 | 9:00 am CDT**

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