



Press Release

Is Congress Helping or Hurting Inflation?

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Director of Fiscal Policy Gordon Gray reviews the potential budgetary impact of the Inflation Reduction Act—a tweaked version of the Build Back Better Act—and the CHIPS and Science Act, and considers whether Congress is helping, or hurting, inflation in pursuing enactment of these bills.

Key points:

- The Inflation Reduction Act will be estimated by the Congressional Budget Office as reducing the deficit over the budget window; meanwhile, Congress is completing action on the CHIPS and Science Act, which would add on the order of \$270 billion to the deficit over the next decade.
- Combined, the two bills would modestly reduce the deficit over the next decade—essentially, the CHIPS and Science Act would absorb the majority of the deficit reduction from the Inflation Reduction Act.
- For four years, 2024–2027, the combined bills would increase the deficit by more than \$10 billion per year.
- It is worth noting that, combined, the bills would not begin to materially reduce the deficit until 2028, long after one would hope that the Federal Reserve would have brought inflation back to target.

[Read the analysis](#)