Policy Impact Detail - Bush (W.) Administration (First Term) (2001–2005)

15 Important Policies / Decisions and their relevance to inequality

Query used to generate the 15-item list

What were the 15 most important decisions, policy changes, or legislation undertaken by the Bush (W.) Administration, First Term (2001-2005)?

1. Economic Growth and Tax Relief Reconciliation Act (EGTRRA, 2001) - broad tax-rate cuts and the start of an estate-tax phase-out.

2. USA PATRIOT Act (2001) - expanded federal surveillance and law-enforcement authority following the September 11 attacks.

3. No Child Left Behind Act (2002) - expanded federal standardized testing and school accountability requirements.

4. Department of Homeland Security Act (2002) - consolidated federal agencies into a new cabinet department.

5. Sarbanes-Oxley Act (2002) - corporate accounting and governance reform following the Enron and WorldCom collapses.

6. Section 201 steel tariffs (2002) - temporary tariffs on imported steel to protect domestic producers.

7. Trade Act of 2002 - renewed presidential Trade Promotion Authority ('fast track') for negotiating trade agreements.

8. Jobs and Growth Tax Relief Reconciliation Act (JGTRRA, 2003) - accelerated the 2001 tax cuts and reduced dividend and capital gains rates to 15%.

9. Medicare Prescription Drug, Improvement, and Modernization Act (2003) - created the Medicare Part D prescription drug benefit.

10. Invasion of Iraq (2003).

11. War in Afghanistan (2001).

12. 2001 recession and jobless recovery (2001-2003).

13. Enron and WorldCom corporate accounting scandals (2001-2002).

14. Help America Vote Act (2002) - federal standards for voting equipment and election administration.

15. Working Families Tax Relief Act of 2004 - extended several EGTRRA middle-class provisions ahead of schedule.

Relevance to Inequality (evaluation of the 15 Important Policies)

#	Policy / Decision	Meaningful impact?	Direction (Favorable To)	Impact
1	Economic Growth and Tax Relief Reconciliation Act (EGTRRA, 2001) - broad tax-rate cuts and the start of an estate-tax phase-out.	Yes	Wealthy (top-rate cuts and estate-tax phase-out concentrated at the top)	High
2	USA PATRIOT Act (2001) - expanded federal surveillance and law-enforcement authority following the September 11 attacks.	No		
3	No Child Left Behind Act (2002) - expanded federal standardized testing and school accountability requirements.	Yes	Mixed (aimed at closing achievement gaps; testing regime and funding effects debated)	Moderate

#	Policy / Decision	Meaningful impact?	Direction (Favorable To)	Impact
4	Department of Homeland Security Act (2002) - consolidated federal agencies into a new cabinet department.	No		
5	Sarbanes-Oxley Act (2002) - corporate accounting and governance reform following the Enron and WorldCom collapses.	Yes	Common Man (strengthened protections for retail investors and employee pensions)	Moderate
6	Section 201 steel tariffs (2002) - temporary tariffs on imported steel to protect domestic producers.	Yes	Mixed (protected steel jobs short-term; raised costs for steel-using manufacturers)	Low-Moderate
7	Trade Act of 2002 - renewed presidential Trade Promotion Authority ('fast track') for negotiating trade agreements.	Yes	Mixed / Indirect (enabled subsequent trade agreements)	Low
8	Jobs and Growth Tax Relief Reconciliation Act (JGTRRA, 2003) - accelerated the 2001 tax cuts and reduced dividend and capital gains rates to 15%.	Yes	Wealthy (dividend and capital gains cuts overwhelmingly benefit capital-income holders)	High
9	Medicare Prescription Drug, Improvement, and Modernization Act (2003) - created the Medicare Part D prescription drug benefit.	Yes	Mixed / Common Man (new senior drug benefit; no government price negotiation authority)	Moderate-High
10	Invasion of Iraq (2003).	No		
11	War in Afghanistan (2001).	No		
12	2001 recession and jobless recovery (2001-2003).	No		
13	Enron and WorldCom corporate accounting scandals (2001-2002).	No		
14	Help America Vote Act (2002) - federal standards for voting equipment and election administration.	No		
15	Working Families Tax Relief Act of 2004 - extended several EGTRRA middle-class provisions ahead of schedule.	Yes	Common Man (accelerated middle-class credits ahead of their scheduled phase-in)	Low-Moderate

Narrative Analysis - Items with Meaningful Inequality Impact

Only a subset is expanded here to keep this as a true companion report.

Economic Growth and Tax Relief Reconciliation Act of 2001 - inequality impact

EGTRRA reduced marginal income tax rates across the board, created a new 10% bracket, increased the Child Tax Credit, provided marriage-penalty relief, and began a phased repeal of the federal estate tax culminating in full repeal for 2010. It was the centerpiece of the administration's first-year legislative agenda.

Multiple independent analyses, including the Congressional Budget Office, the Tax Policy Center, and the Center on Budget and Policy Priorities, find that the largest dollar and percentage benefits went to the highest-income households: the top 1% saw average tax rates fall roughly 4.1 percentage points, more than double the reduction for other income groups. The estate-tax phase-out in particular concentrated its benefit almost entirely among the wealthiest households, since only a small share of estates were subject to the tax even before the changes. The Child Tax Credit increase provided a genuine, if smaller, benefit to middle-income families.

Impact rating: High. A large tax-cut package with a well-documented top-heavy distributional design, particularly through the estate-tax and top-rate provisions.

Medicare Prescription Drug, Improvement, and Modernization Act (2003) - inequality impact

This law created Medicare Part D, the program's first outpatient prescription drug benefit, addressing a longstanding coverage gap that had left many seniors paying the full cost of medications out of pocket. It represented the largest expansion of Medicare since the program's creation in 1965.

The inequality relevance is genuinely mixed. On one hand, the benefit meaningfully reduced out-of-pocket drug costs for lower- and middle-income seniors, a population with limited ability to absorb rising healthcare costs from other income. On the other, the law explicitly prohibited the federal government from negotiating drug prices directly with manufacturers, a provision widely criticized as benefiting the pharmaceutical industry at the expense of program cost efficiency, and the private insurance-plan structure of the benefit added administrative complexity that some seniors found difficult to navigate.

Impact rating: Moderate-High. A substantial and genuinely valuable coverage expansion for lower- and middle-income seniors, with a financing design that also carried meaningful benefits for the pharmaceutical industry.

Jobs and Growth Tax Relief Reconciliation Act of 2003 - inequality impact

JGTRRA accelerated the EGTRRA rate cuts that were originally scheduled to phase in through 2006, and separately cut the maximum tax rate on qualified dividends and long-term capital gains to 15%, a substantial reduction from prior rates. Because capital income of this kind is concentrated overwhelmingly among higher-income households, the distributional design is among the more top-heavy tax actions examined in this treatise.

Research by Brookings Institution economists William Gale and Peter Orszag, examining EGTRRA and JGTRRA together, found the combined tax cuts' benefits rose sharply within the top quintile itself, with the top 1% gaining substantially more than the remainder of the top 20%. The Congressional Budget Office later estimated the two laws added roughly $1.5 trillion to the federal debt over the following decade, financing tax reductions concentrated at the top through borrowing rather than offsetting revenue elsewhere.

Impact rating: High. A capital-income tax cut whose structural design and documented distributional outcome are among the most top-concentrated of the entire period.

Sarbanes-Oxley Act of 2002 - inequality impact

Passed rapidly following the Enron and WorldCom accounting scandals, this law imposed new financial reporting, internal-control, and auditor-independence requirements on public companies, along with expanded criminal penalties for corporate fraud. It aimed to restore investor confidence after scandals that had wiped out substantial retirement savings for employees and shareholders.

The inequality relevance runs through investor and worker protection rather than direct redistribution: the Enron and WorldCom collapses had disproportionately harmed employees whose retirement savings were concentrated in company stock, a vulnerability with limited protection at the time. By tightening corporate accounting oversight and disclosure requirements, the law aimed to reduce the likelihood of similar losses falling on retail investors and rank-and-file employees in the future, though compliance costs also fell on businesses broadly.

Impact rating: Moderate. A protective regulatory response whose primary beneficiaries were retail investors and employees exposed to concentrated company-stock holdings.

Sources

- Congress.gov - Economic Growth and Tax Relief Reconciliation Act of 2001 summary
- Congress.gov - Jobs and Growth Tax Relief Reconciliation Act of 2003 summary
- Congress.gov - Medicare Prescription Drug, Improvement, and Modernization Act of 2003 summary
- Congress.gov - Sarbanes-Oxley Act of 2002 summary
- Center on Budget and Policy Priorities - The Legacy of the 2001 and 2003 Bush Tax Cuts
- Economic Policy Institute - Tenth Anniversary of the Bush-era Tax Cuts
- Gale & Orszag (Brookings Institution) - distributional analysis of EGTRRA/JGTRRA
- Congressional Budget Office - historical unemployment and income data, 2001-2005