

The COVID-19 Stimulus Package

Late Wednesday, March 18, 2020, President Trump signed into law “Phase 2” of the growing stimulus package designed to help alleviate the economic fallout from the effects of COVID-19. As of this writing, leaders of both the Republican and Democratic parties are pushing ahead on “Phase 3” of the stimulus package, which, if passed, would inject an estimated \$1 trillion into the economy. Below is an overview of each Phase of the stimulus package:

Phase 1

When: Signed into law on March 6, 2020

Details: \$8.3 billion package provides

- Extra funding for the Centers for Disease Control and Prevention (CDC), Food and Drug Administration (FDA), National Institutes of Health (NIH), the State Department, the Small Business Administration (SBA), and the United States Agency for International Development (USAID).
- Includes \$4 billion in funding to make more COVID-19 tests available and \$1 billion in loan subsidies for small businesses.

Phase 2

When: Signed into law March 18, 2020

Details: Phase 2 of the stimulus provides:

- See summary provided for Emergency Paid Sick and Emergency Paid Family Medical Leave.
- Free COVID-19 testing, including testing for those without insurance.
- Increased unemployment insurance benefits.
- Increased funding for Medicaid and food and nutrition assistance programs, such as the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) and the Supplemental Nutrition Assistance Program (SNAP).

Phase 3

When: The Treasury Department released a proposal on Wednesday, March 18, 2020 that would include \$1 trillion in relief payments to individual taxpayers, along with industry-specific bailouts

Details: The proposal would provide:

- A \$50 bailout of the airline industry through secured lending.
- \$150 billion in secured lending to assist other sectors of the economy experiencing severe financial distress due to the COVID-19 outbreak.
- Two rounds of “economic impact payments” to individual taxpayers. The amount of payment to individuals would depend on income level and family size.
- \$300 billion in small business loans. Under this proposal, employers with 500 employees or less would be eligible.
- Temporarily permit the use of the Exchange Stabilization Fund to guarantee money market mutual funds.