

What's the Status of COVID Relief Money?

June 2020

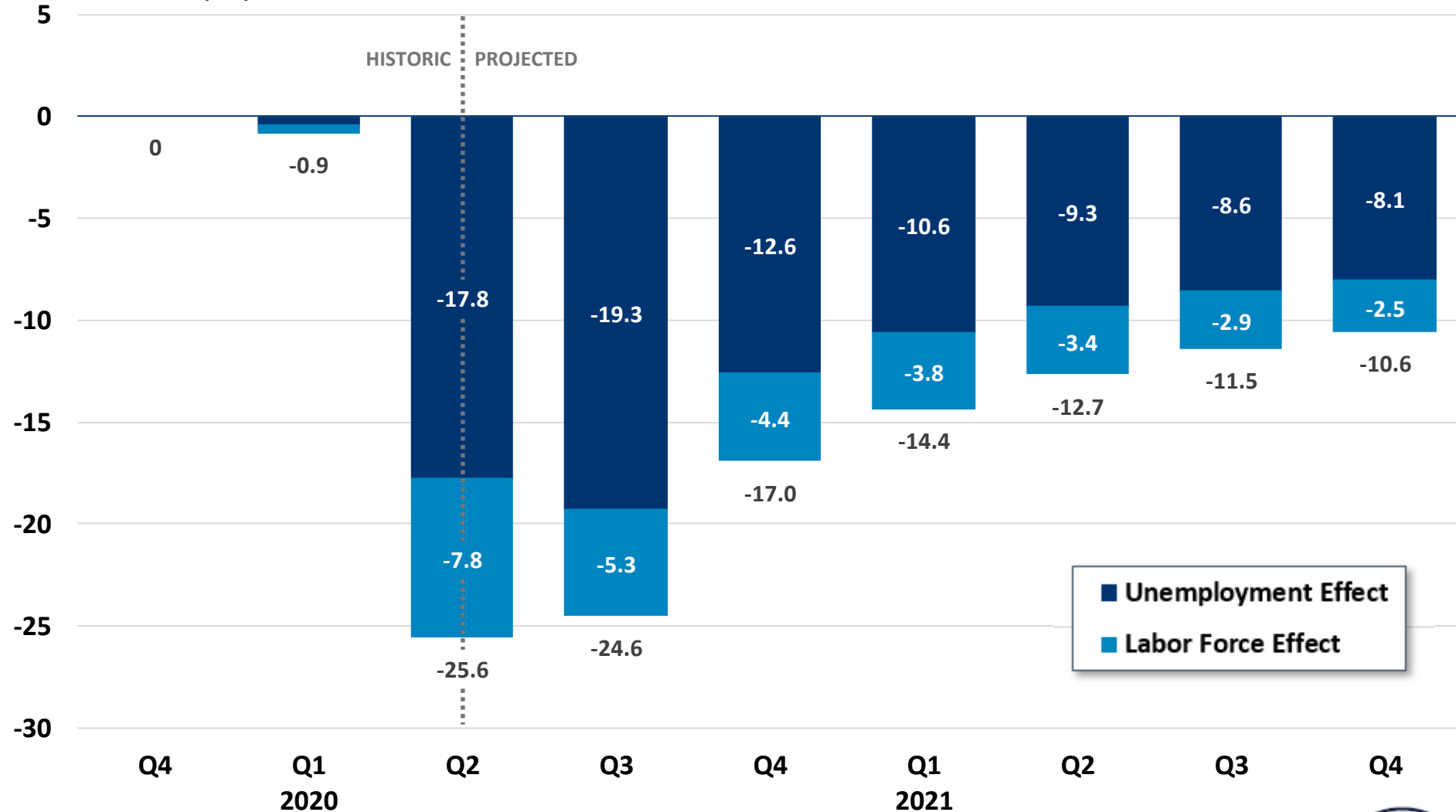


**COMMITTEE FOR A
RESPONSIBLE FEDERAL BUDGET**

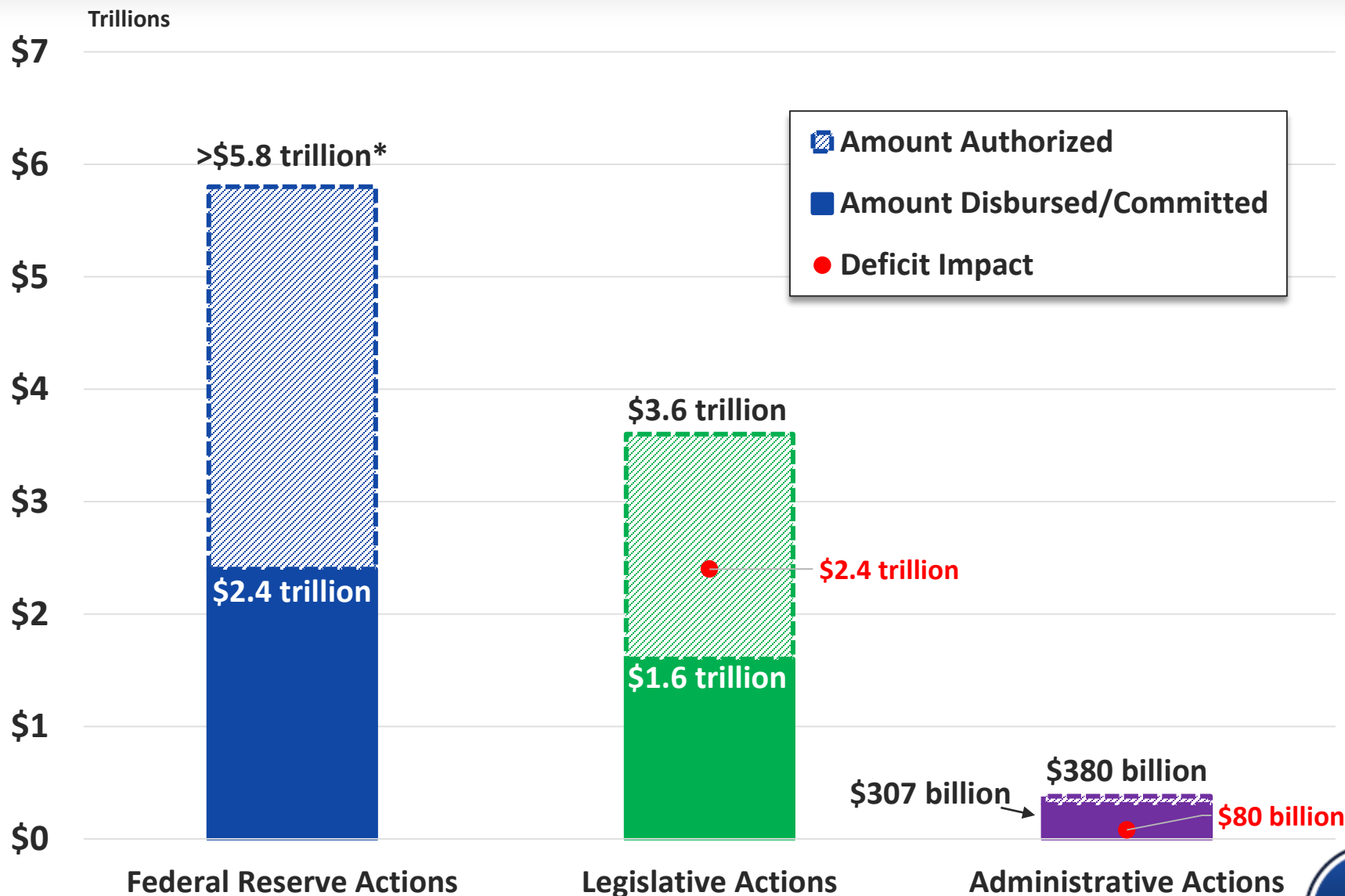
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The Economy Faces Unprecedented Damage

Millions of people out of work, relative to Q4 of 2019



Policymakers Have Committed Trillions to Save It



*Some Fed facilities and programs have no announced cap or maximum, in which case, we assume the max as the largest amount disbursed or committed since the crisis began.



Through Multiple Laws, Orders, and Facilities

Response	Allowed	Disbursed/Committed	Deficit Impact
Legislative Actions	\$3.6 trillion	\$1.6 trillion	\$2.4 trillion
Coronavirus Preparedness & Response Supplemental Appropriations Act	\$8 billion	>\$2 billion	\$8 billion
Families First Coronavirus Response Act	\$192 billion	~\$48 billion	\$192 billion
CARES Act	\$2.7 trillion	\$1.4 trillion	\$1.7 trillion
Paycheck Protection Program and Health Care Enhancement Act	\$733 billion	\$203 billion	\$483 billion
Administrative Actions	~\$380 billion	~\$307 billion	~\$80 billion
Declare national emergency	~\$50 billion	Unknown	~\$50 billion
Delay tax filing deadline to July 15	~\$300 billion	~\$300 billion	\$0
Other executive actions	~\$30 billion	\$7 billion	~\$30 billion
Federal Reserve Actions	>\$5.8 trillion	\$2.4 trillion	N/A
Interest rate changes	N/A	N/A	N/A
Asset purchases	\$1.9 trillion**	\$1.8 trillion	N/A
Liquidity measures	>\$1.9 trillion	\$473 billion	N/A
Emergency lending programs and facilities	>\$2.1 trillion	\$130 billion	N/A

Deficit impact is from 2020-2030

**Represents amount disbursed plus the amount scheduled to be purchased through the following week, currently \$31 billion for Treasuries and \$27 billion for mortgage-backed securities.



A Project of the Committee for a Responsible Federal Budget



**But How Much Has Been Disbursed?
Where Is It Going? And Is It Working?**

C\$VID Money Tracker

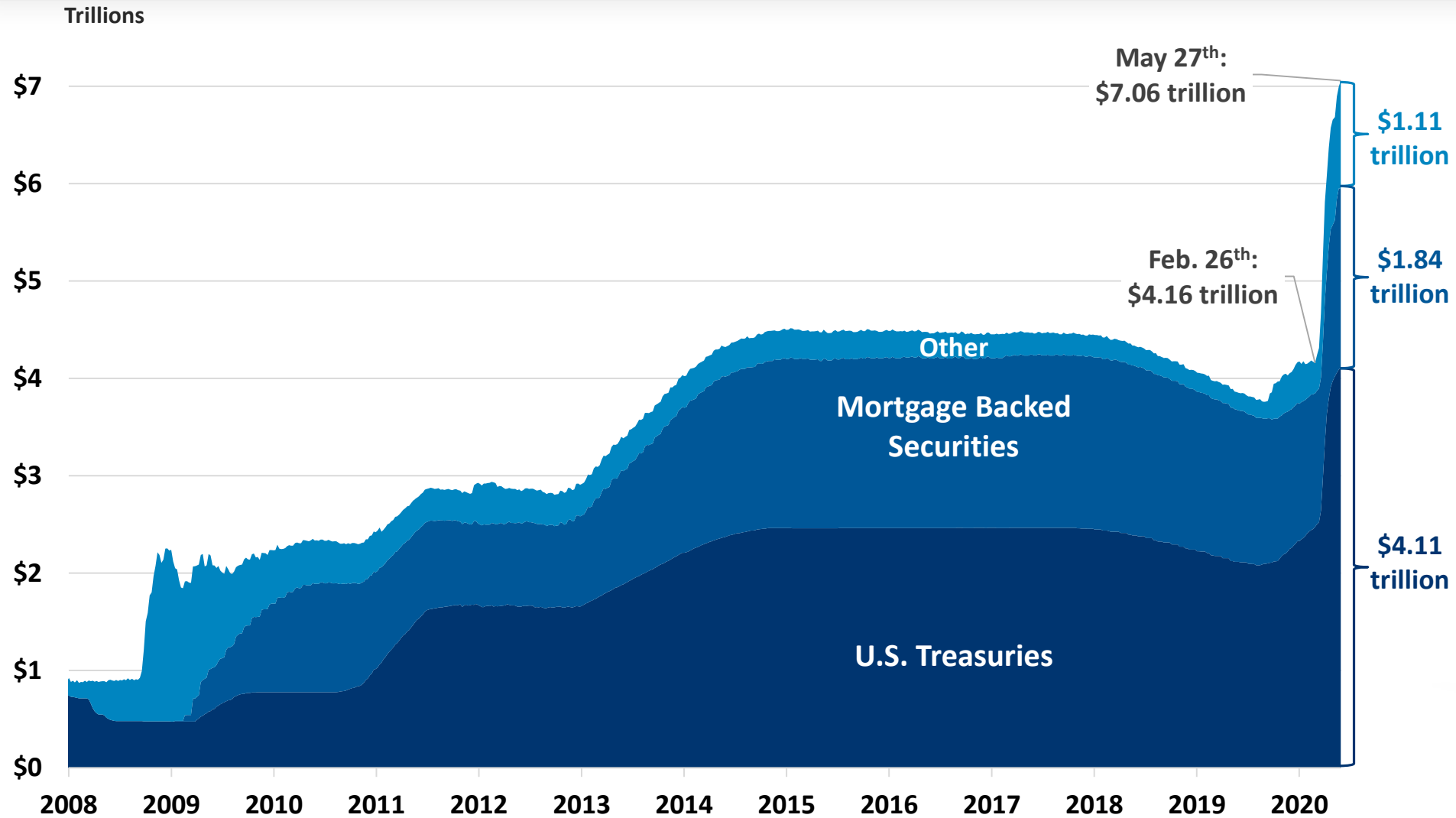
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www.COVIDMoneyTracker.org

The Fed Provided Fast Liquidity

Response	Announced	Allowed	Disbursed
Cut federal funds rate by 0.5% to 1-1.25%	March 3	N/A	N/A
Cut federal funds rate by 1% to near-zero	March 15	N/A	N/A
Subtotal, Interest Rate Changes		N/A	N/A
Increase long-term Treasury security holdings	March 12-23	\$1.35 trillion**	\$1.32 trillion^
Increase mortgage-backed security holdings	March 12-23	\$503 billion**	\$476 billion^
Subtotal, Asset Purchases		\$1.85 trillion**	\$1.79 trillion^
Increase overnight repo operations	March 9-16	\$500 billion	
Increase one-month term repo operations	March 11-16	\$500 billion	\$25 billion*
Increase three-month term repo operations	March 12-16	\$500 billion	
Increase central bank dollar swap line arrangements	March 15	N/A	\$449 billion
Establish FIMA Repo Facility	March 31	N/A	\$0 billion
Subtotal, Liquidity Measures		>\$1.95 trillion	\$473 billion

The Fed Provided Fast Liquidity

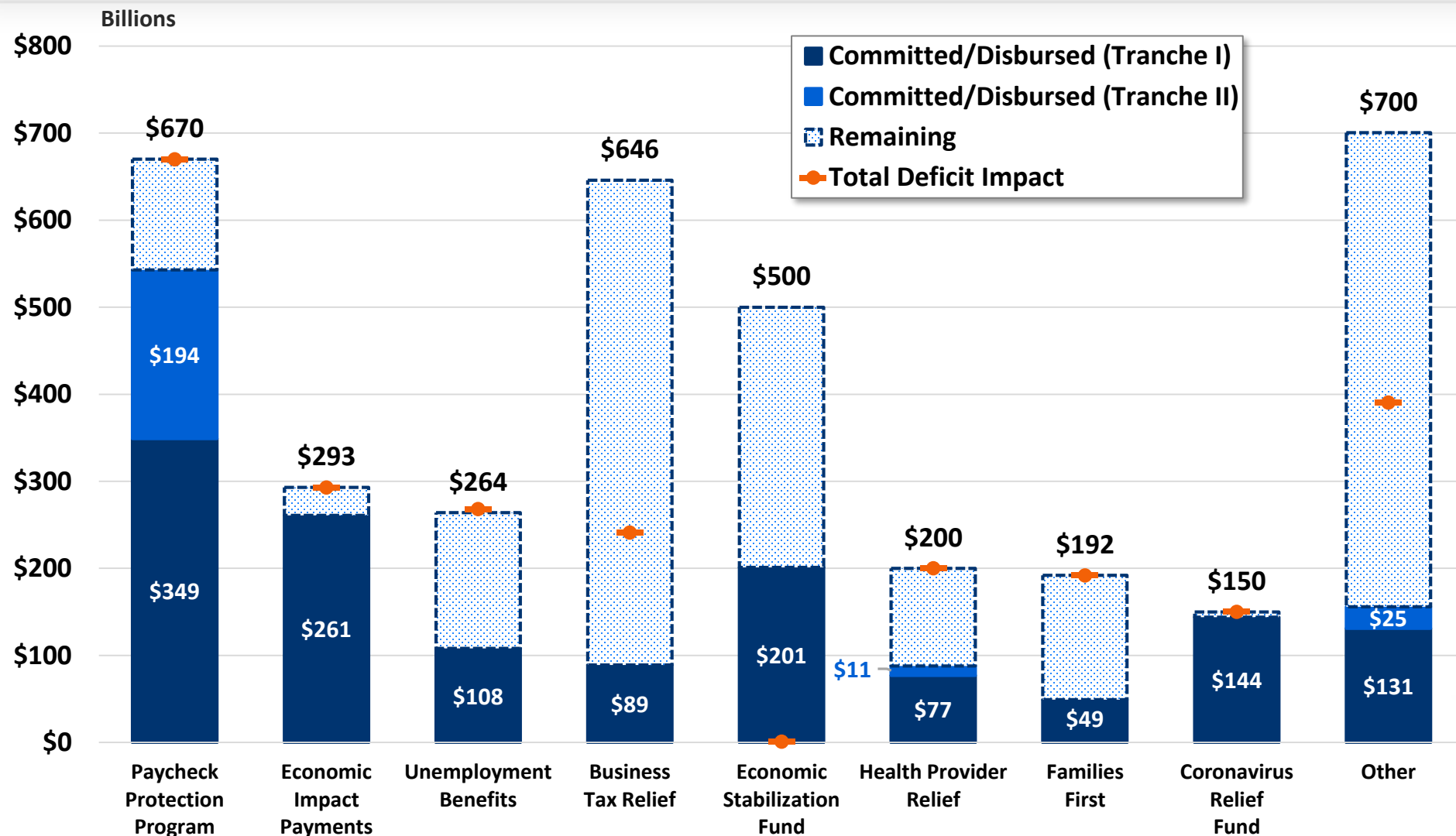


And is Beginning Targeted Lending Programs

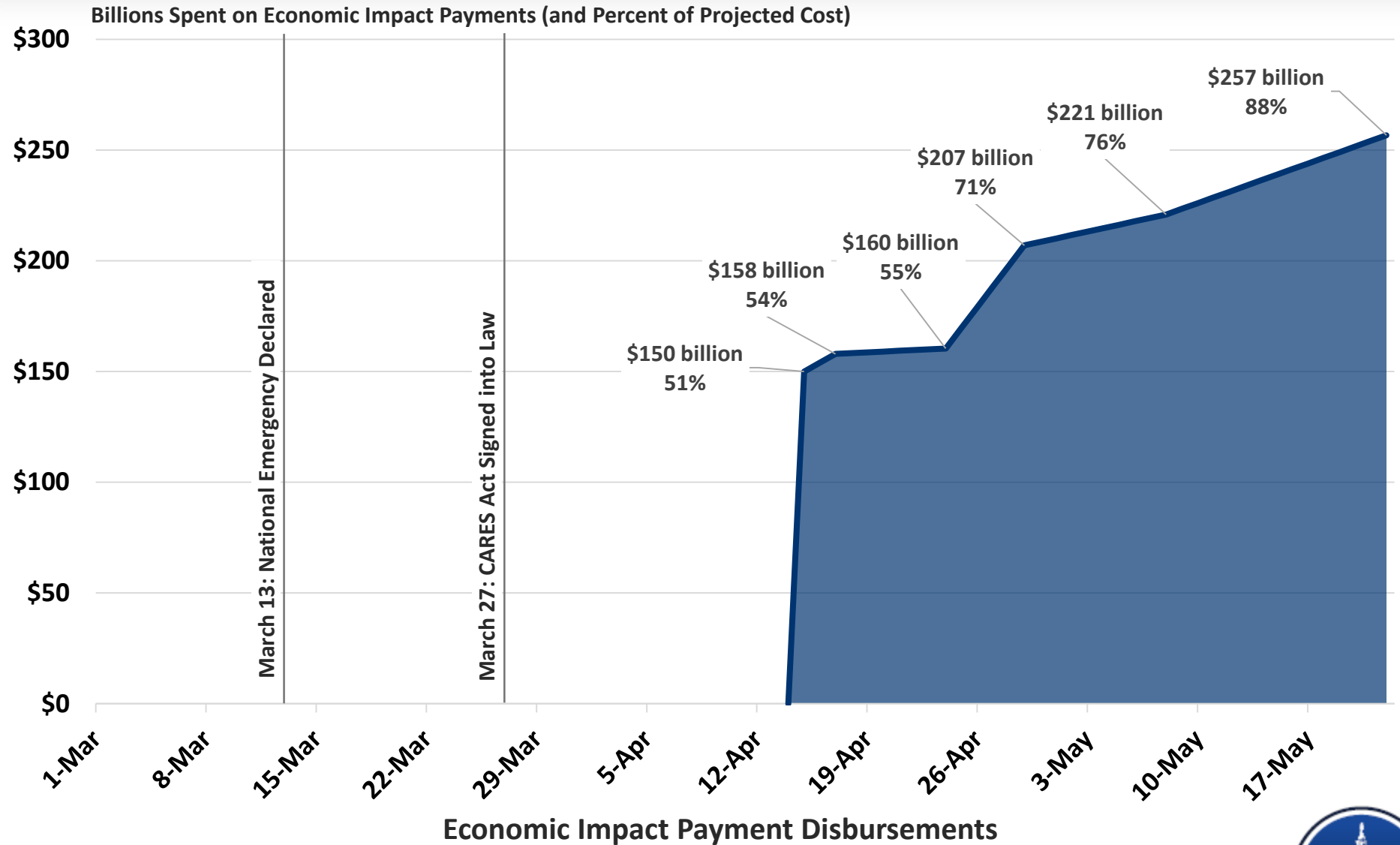
Response	Date	Amount Allowed	Amount Disbursed
Re-institute Primary Dealer Credit Facility	March 20 (<i>est. March 17</i>)	N/A	\$7 billion
Re-institute Money Market Mutual Fund Liquidity Facility	March 23 (<i>est. March 23</i>)	N/A	\$34 billion
Re-institute Commercial Paper Funding Facility	April 14 (<i>est. March 17</i>)	N/A	\$12 billion
Establish Paycheck Protection Program Loan Facility	April 16 (<i>est. April 6</i>)	N/A	\$0
Establish Secondary Market Corporate Credit Facility	May 12 (<i>est. March 23</i>)	\$250 billion	\$30 billion
Establish Primary Market Corporate Credit Facility	Late May (<i>est. March 23</i>)	\$500 billion	
Establish Main Street Business Lending Program^^	Early June (<i>est. April 6</i>)	\$600 billion	\$0
Re-institute Term Asset-Backed Securities Loan Facility	June 17 (<i>est. March 23</i>)	\$100 billion	\$0
Establish Municipal Liquidity Facility^^	TBD (<i>est. April 9</i>)	\$500 billion	\$0
Subtotal, Emergency Lending		>\$2.05 trillion	\$130 billion
Total		>\$5.8 trillion	\$2.4 trillion

<i>Memo: Total Federal Reserve Balance Sheet</i>	<i>\$7.1 trillion</i>
<i>Memo: Increase in Balance Sheet Since February 26</i>	<i>\$3.0 trillion</i>

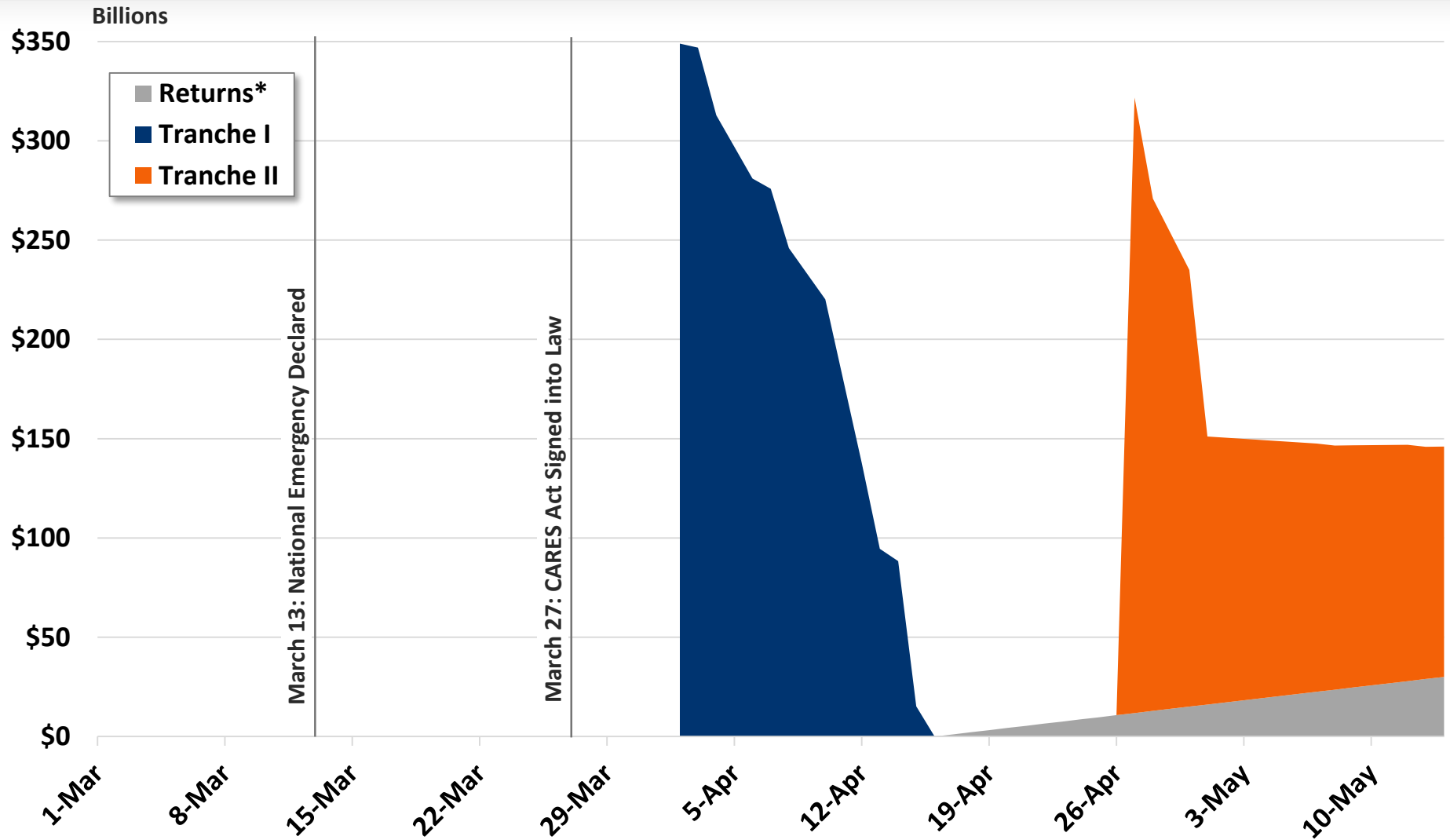
Almost Half of the Fiscal Support is Out the Door



Including 88% of Economic Impact Payments



And Over \$500 Billion of Paycheck Protection Loans



*CRFB calculations based on SBA data releases. An estimated \$30 billion in loans have either been cancelled, were duplicative or not closed, or paid off.

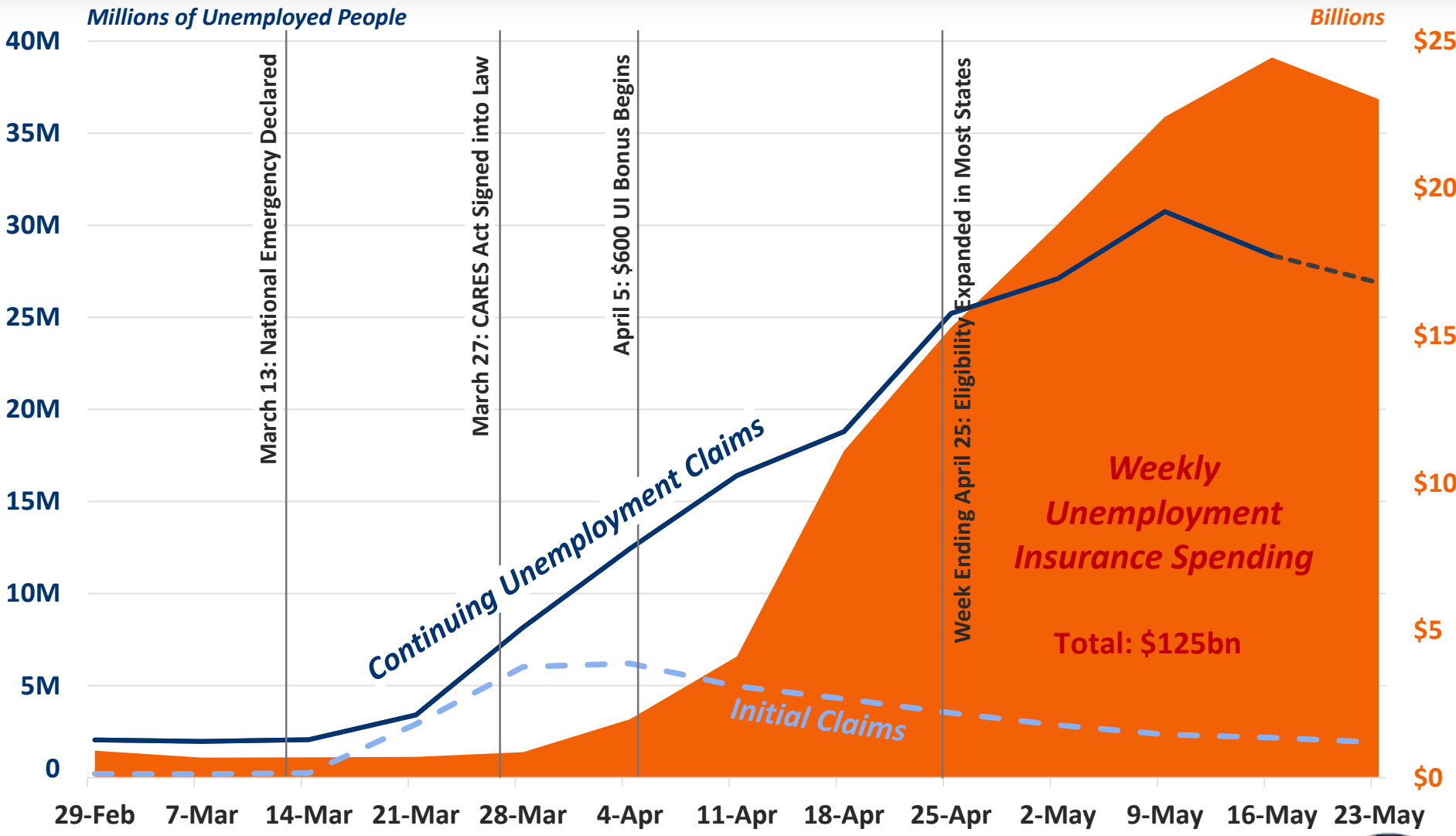
Source: Small Business Administration, Media Reports

Along with Support from Other Programs

Airline	Grant	Loan	Total
American Airlines	\$4.1 billion	\$1.7 billion	\$5.8 billion
Delta Airlines	\$3.8 billion	\$1.6 billion	\$5.4 billion
United Airlines	\$3.5 billion	\$1.5 billion	\$5.0 billion
Southwest Airlines	\$2.3 billion	\$1.0 billion	\$3.3 billion
Alaska Airlines	\$725 million	\$267 million	\$992 million
JetBlue Airways	\$685.1 million	\$250.7 million	\$935.8 million
SkyWest Airlines	\$336.6 million	\$101.4 million	\$438 million
Spirit Airways	\$264.3 million	\$70.4 million	\$334.7 million
Hawaiian Airlines	\$233 million	\$57 million	\$290 million
Allegiant Air	\$86 million	\$85.9 million	\$171.9 million
Mesa Airlines	\$92.5 million	N/A*	\$92.5 million
Total Disclosed	\$16.1 billion	\$6.6 billion	\$22.8 billion

Source: Federal Reserve Board of Governors

Over 25 Million People Are Collecting Unemployment Benefits

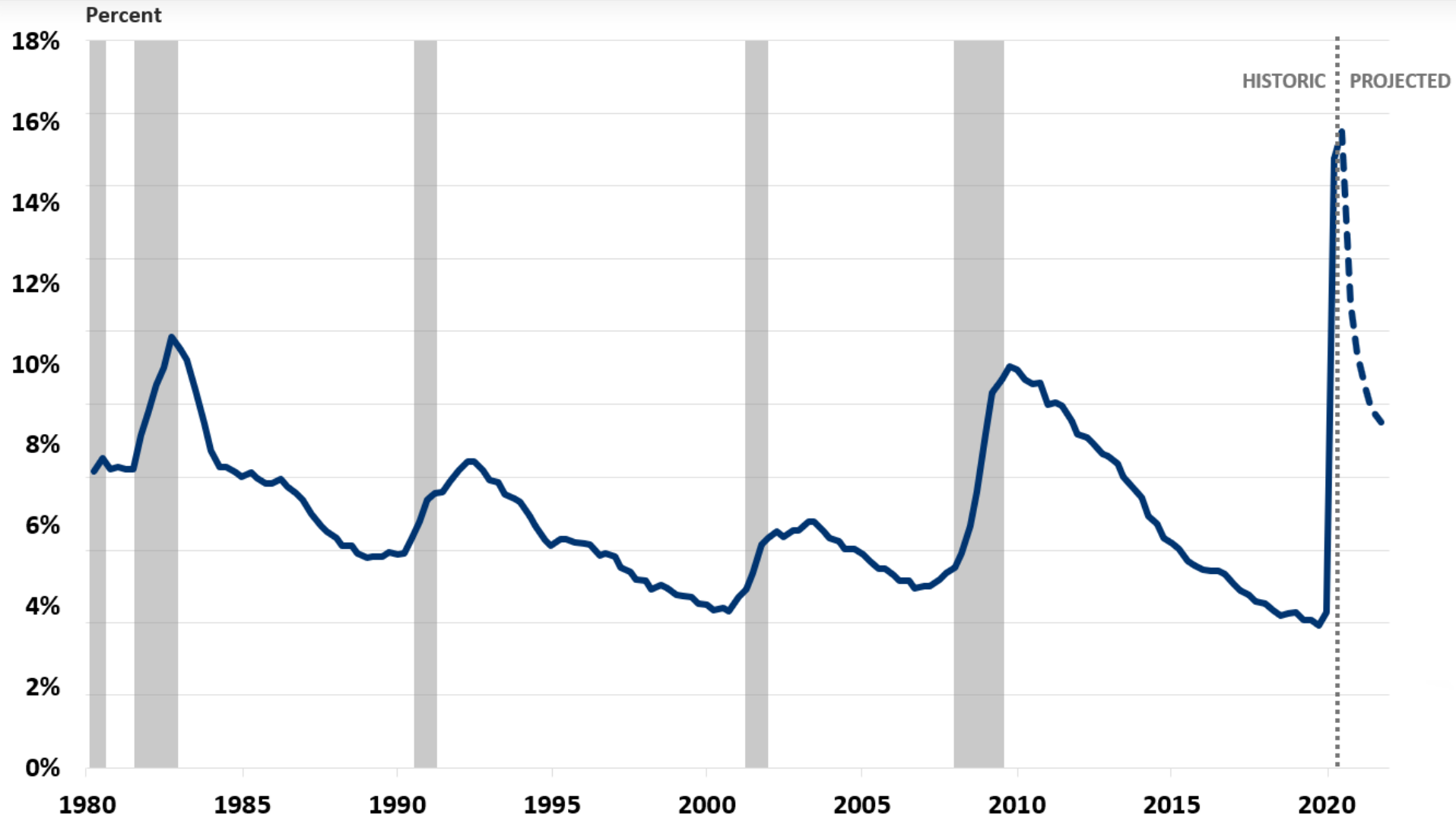


Note: Continuing claims includes Regular State, Pandemic Unemployment Assistance (PUA), and Pandemic Emergency Unemployment Compensation (PEUC). Week ending May 23 is estimated. Initial claims are not seasonally adjusted

Source: Department of Labor, U.S. Treasury, CRFB estimates.

Is It Working?

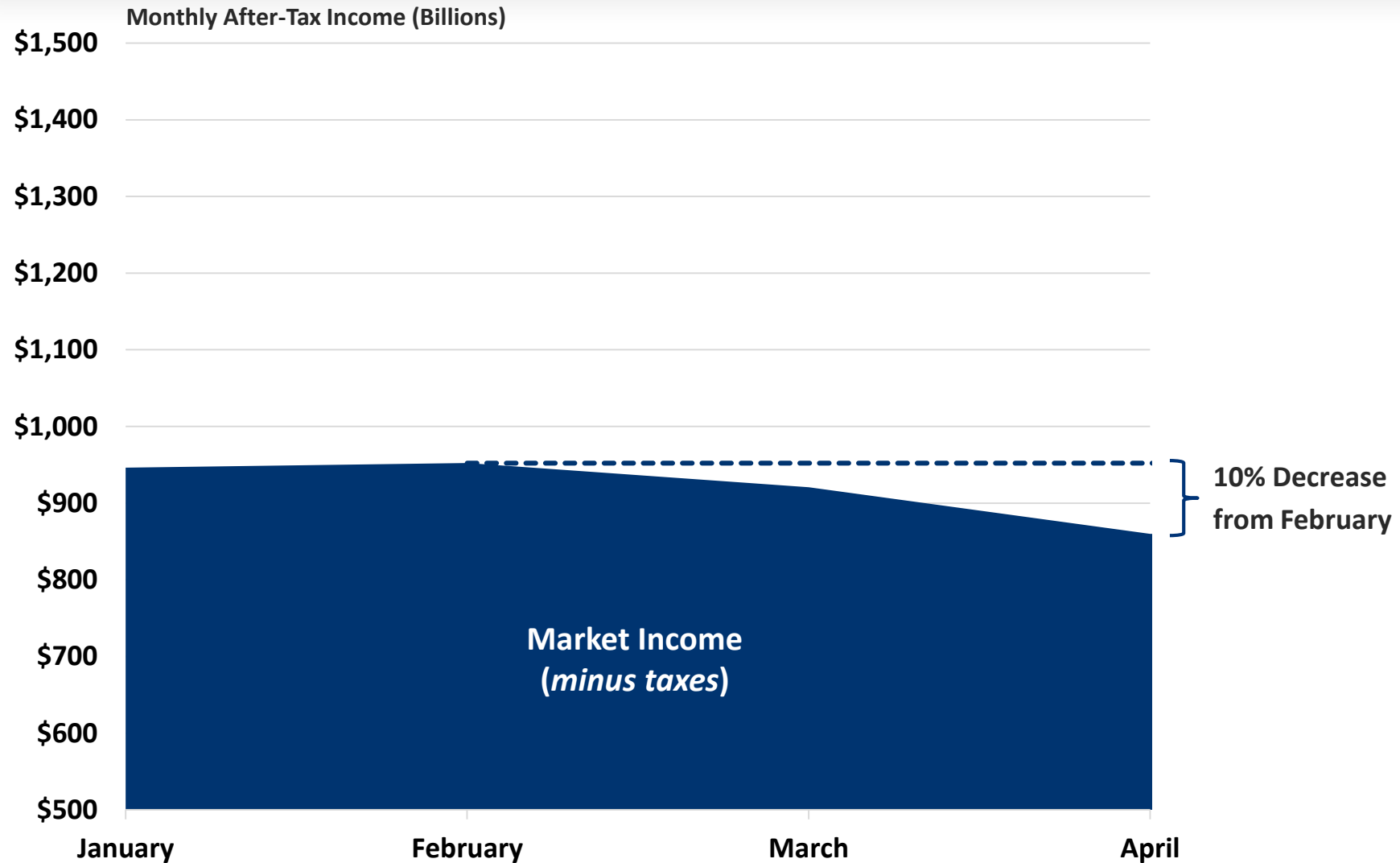
Job Losses Continue to Mount



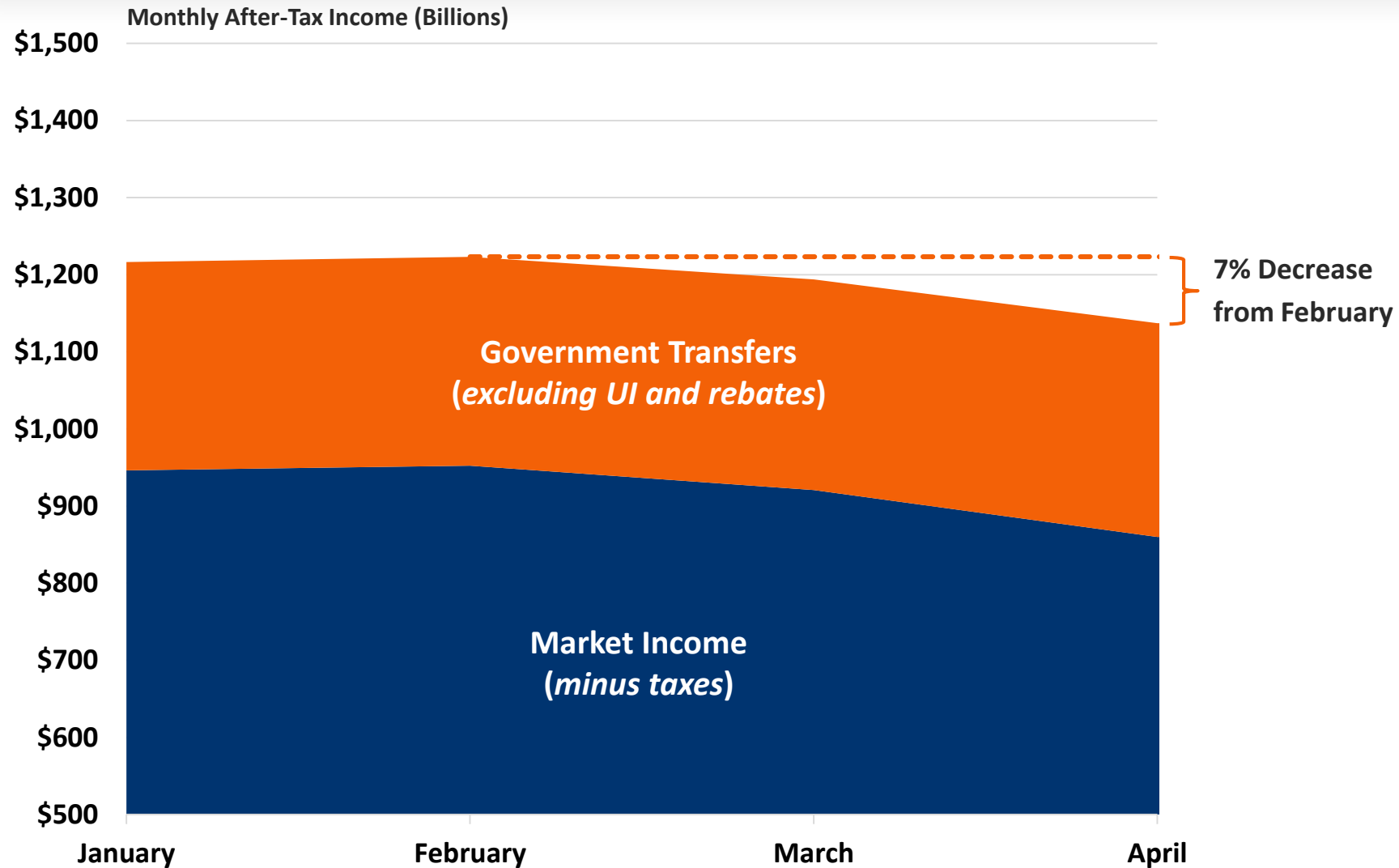
Note: Shaded grey bars indicate recessions

Source: Congressional Budget Office

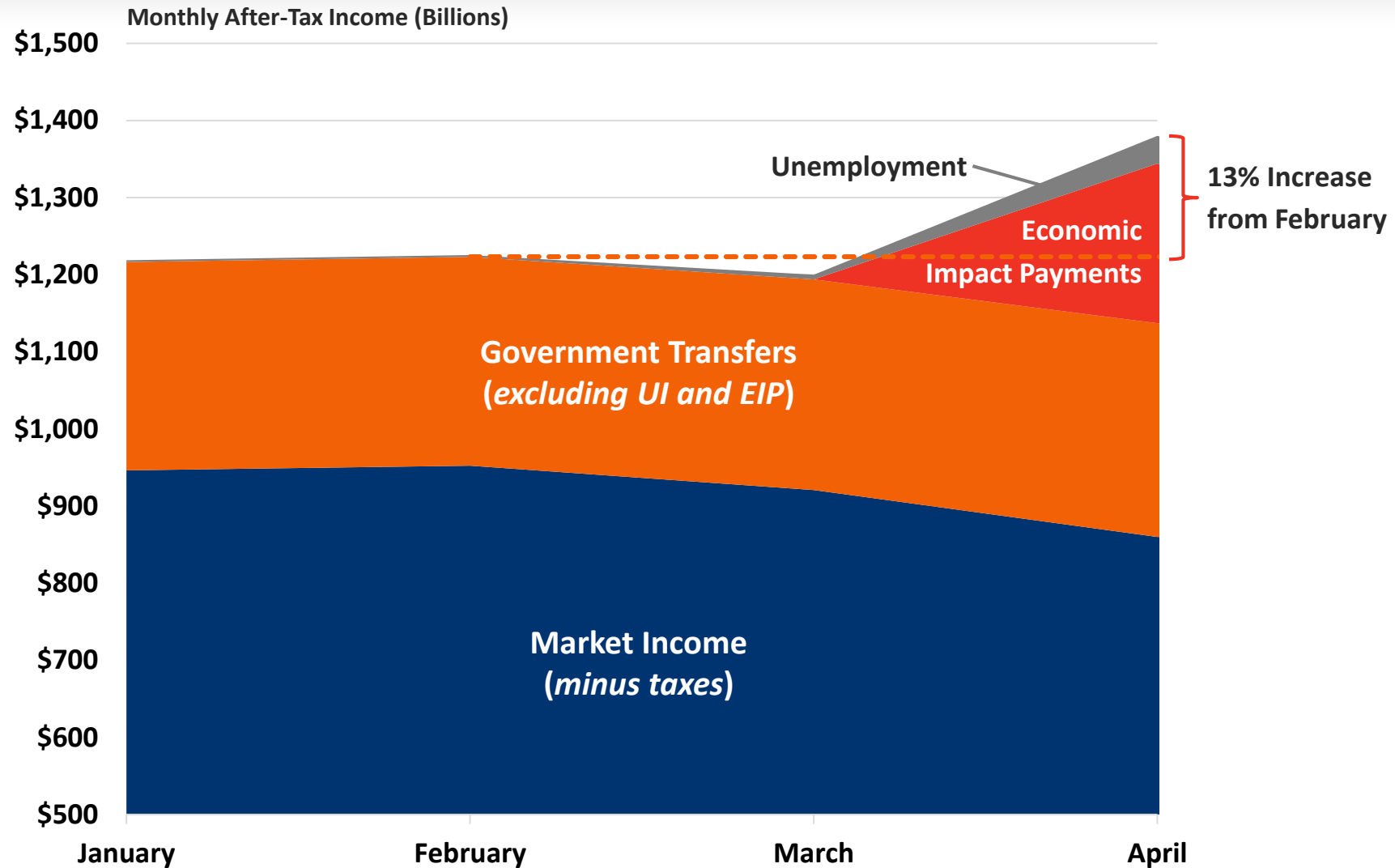
And Market Income is Falling



And Market Income is Falling

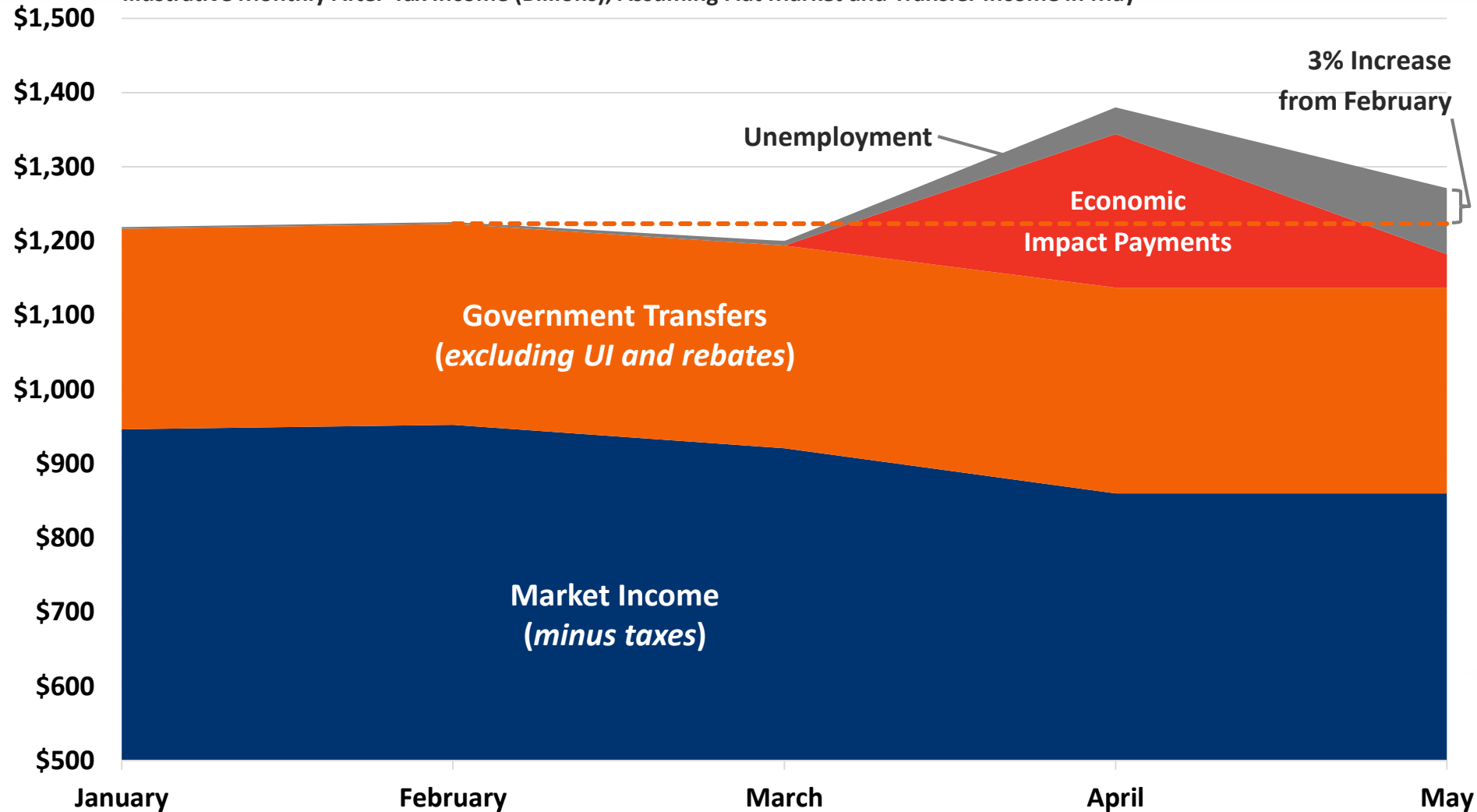


But Total Income is Rising



But Total Income is Rising

Illustrative Monthly After-Tax Income (Billions), Assuming Flat Market and Transfer Income in May



May is a rough CRFB projection, assuming no net change in market and transfer income

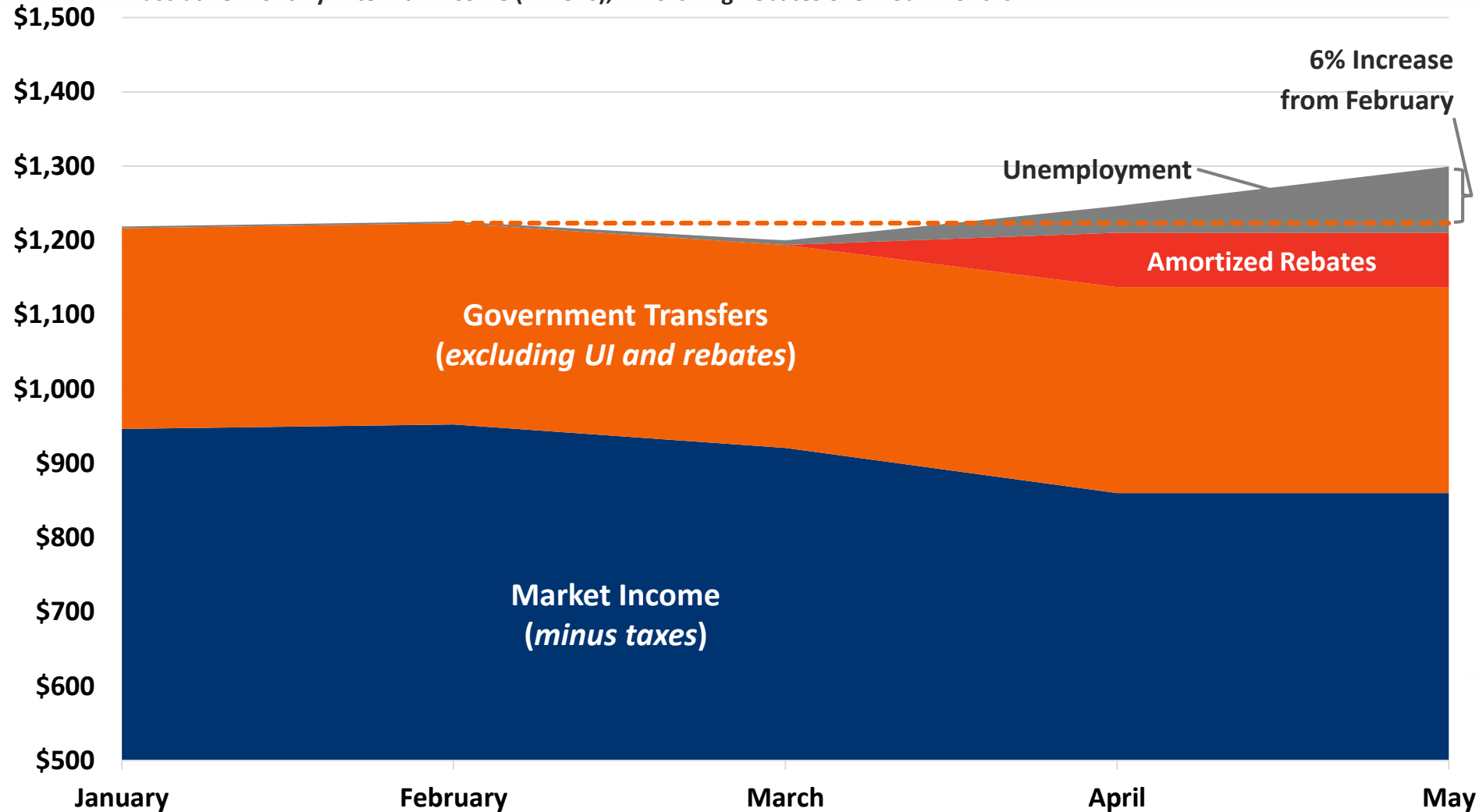
Source: Bureau of Economic Analysis

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But Total Income is Rising

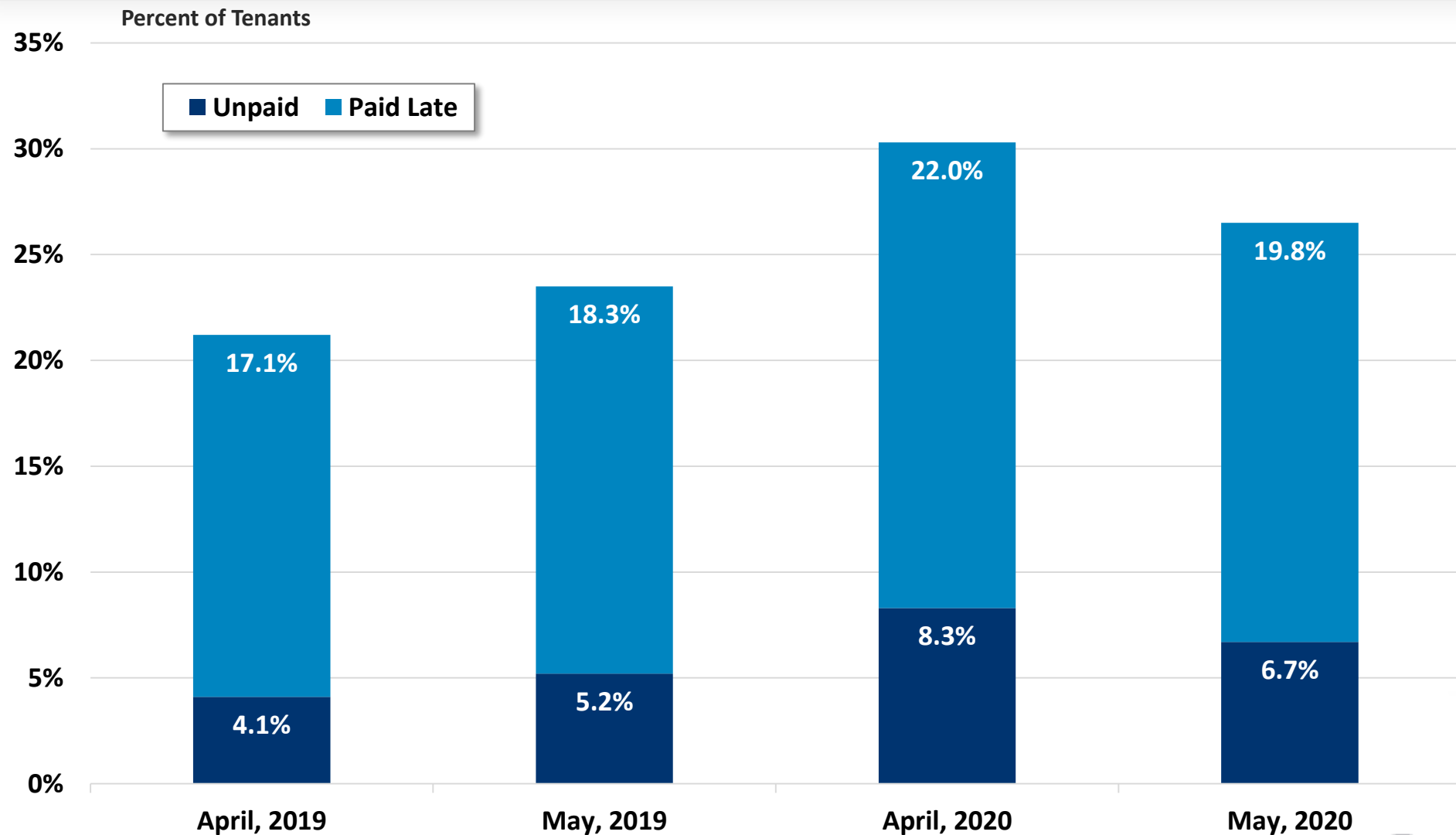
Illustrative Monthly After-Tax Income (Billions), Amortizing Rebates over Four Months



May is a rough CRFB projection, assuming no net change in market and transfer income. Refunds amortized over four months.

Source: Bureau of Economic Analysis

People Are Using That Money to Pay Rent

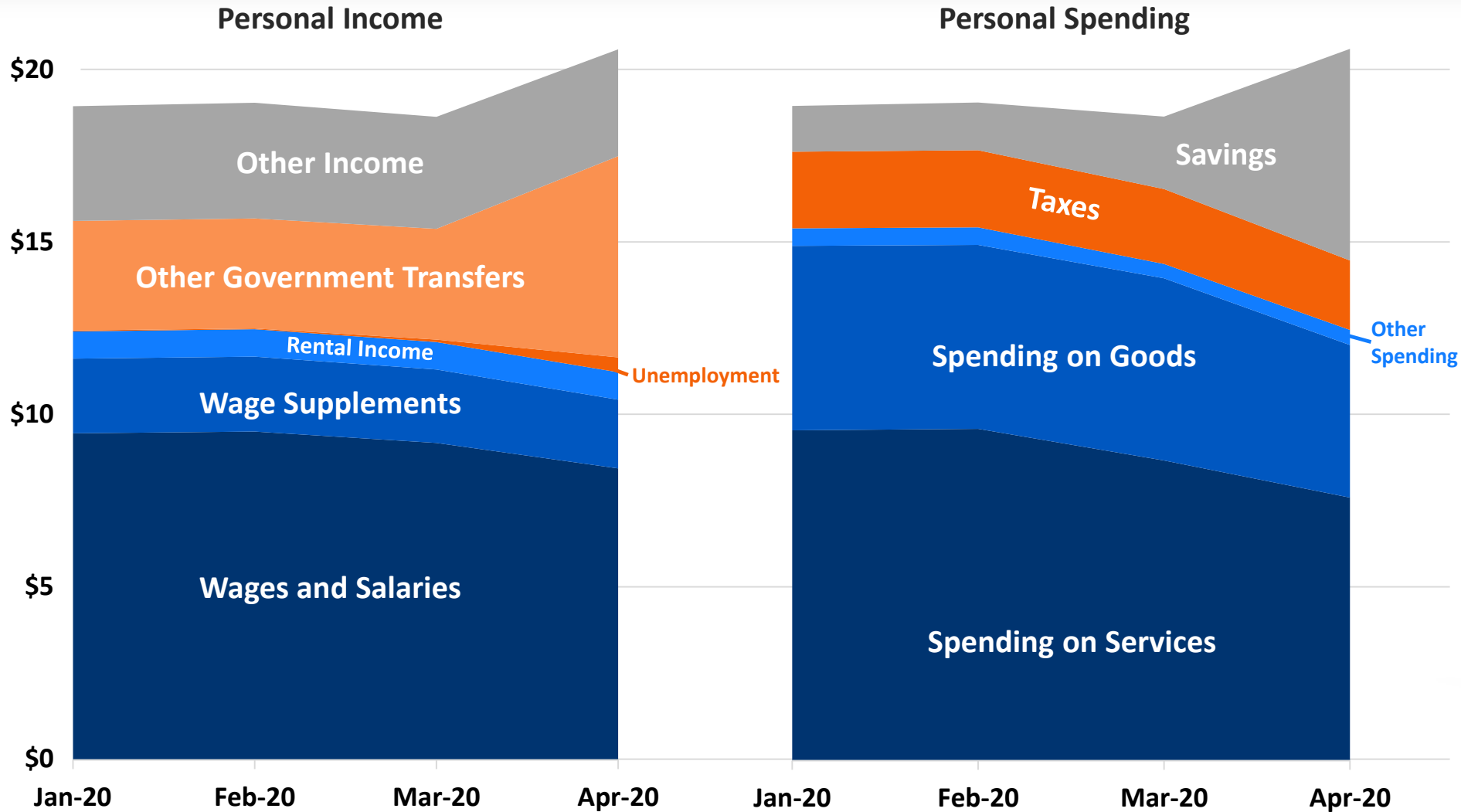


Unpaid = not paid as of the 27th of the month. Paid Late = not paid as of the 6th of the month.

Source: National Multifamily Housing Council

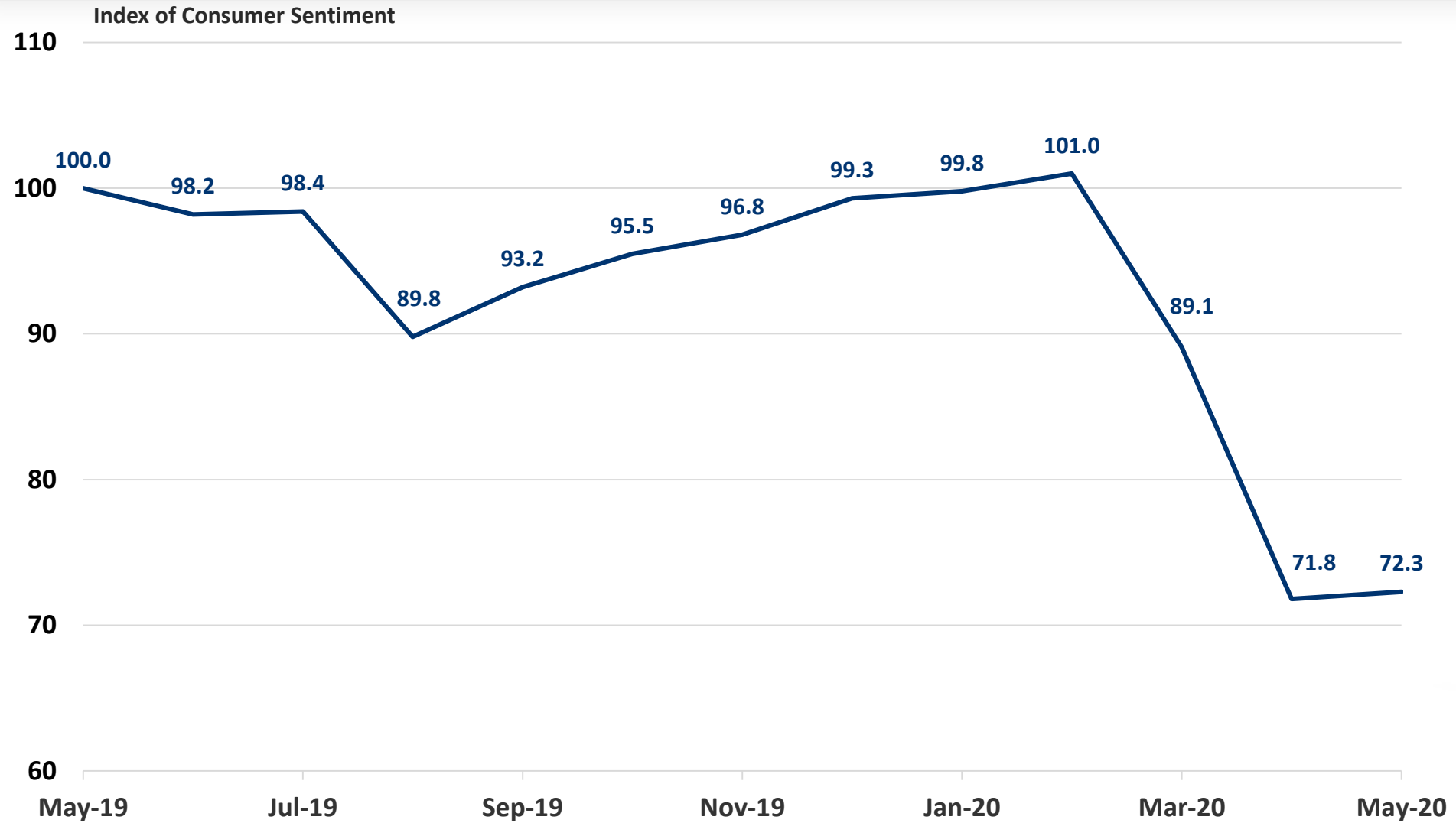


But for the Most Part, They are Saving It

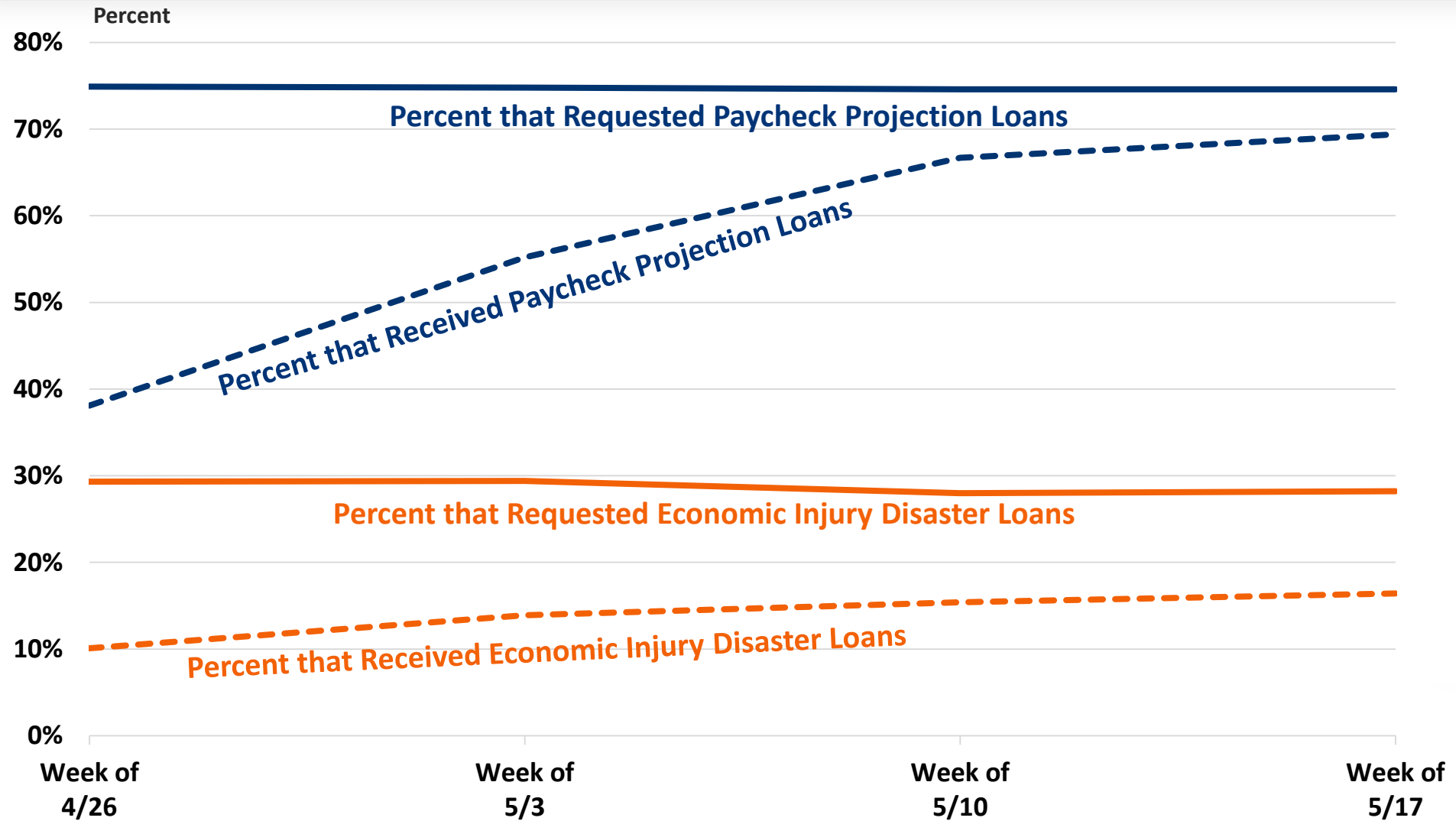


Source: Bureau of Economic Analysis, Wall Street Journal.

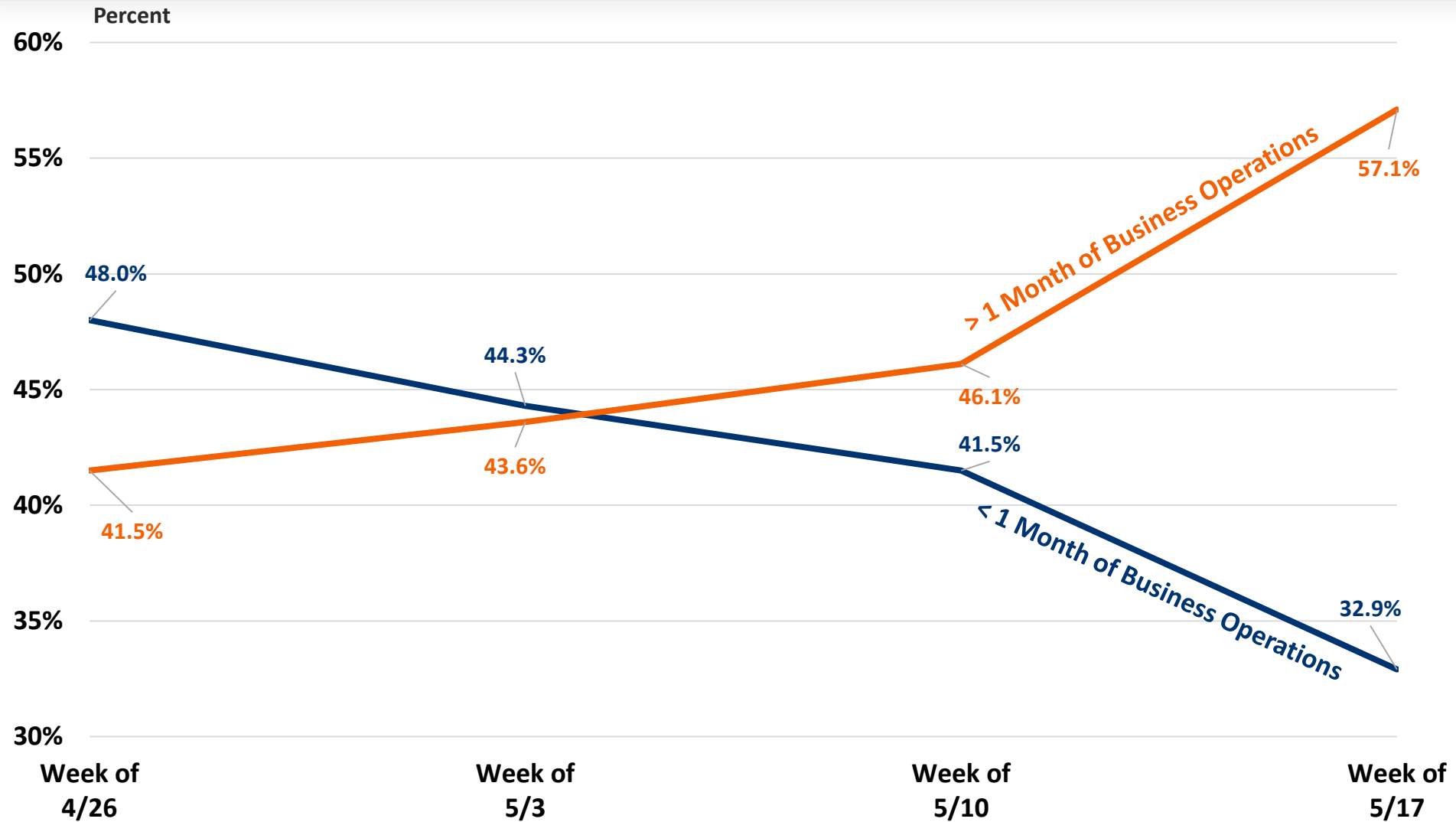
And Consumer Confidence Remains Low



Business Are Getting Their Loans



And Now Have More Cash on Hand

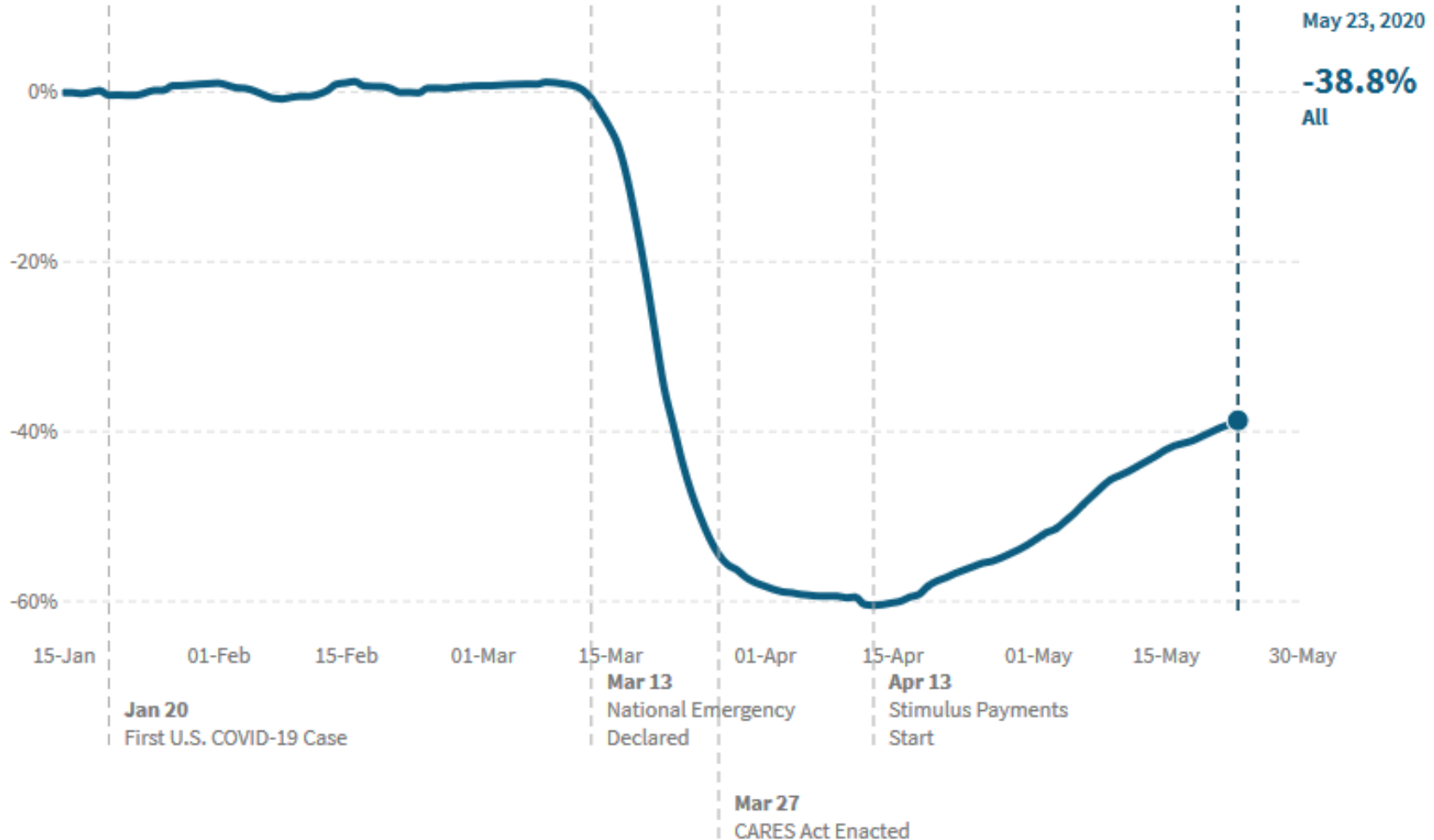


Note: Excludes "Don't Know" responses.

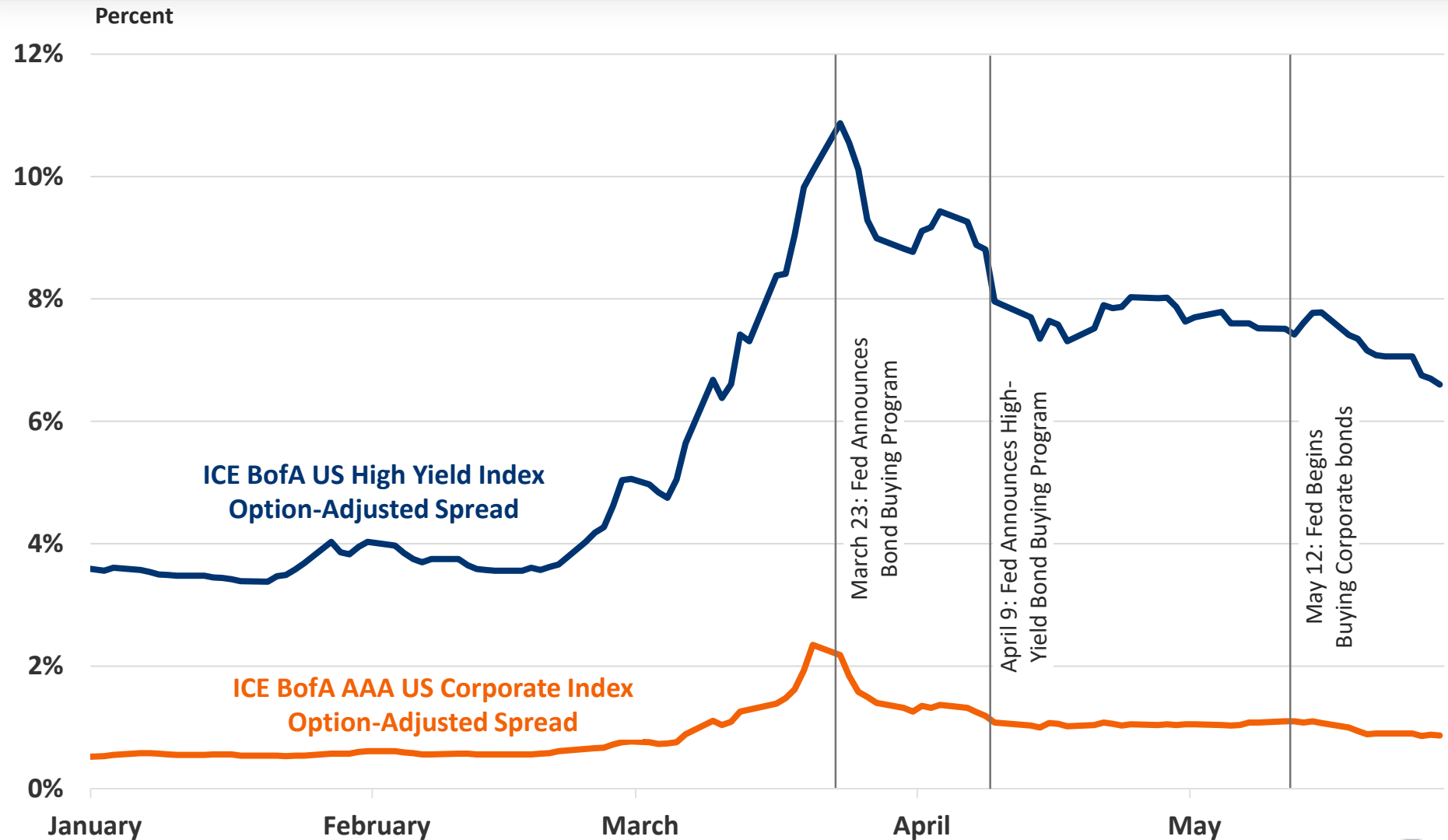
Source: U.S. Census Bureau.

But Are Not Bringing Back Most of Their Workers

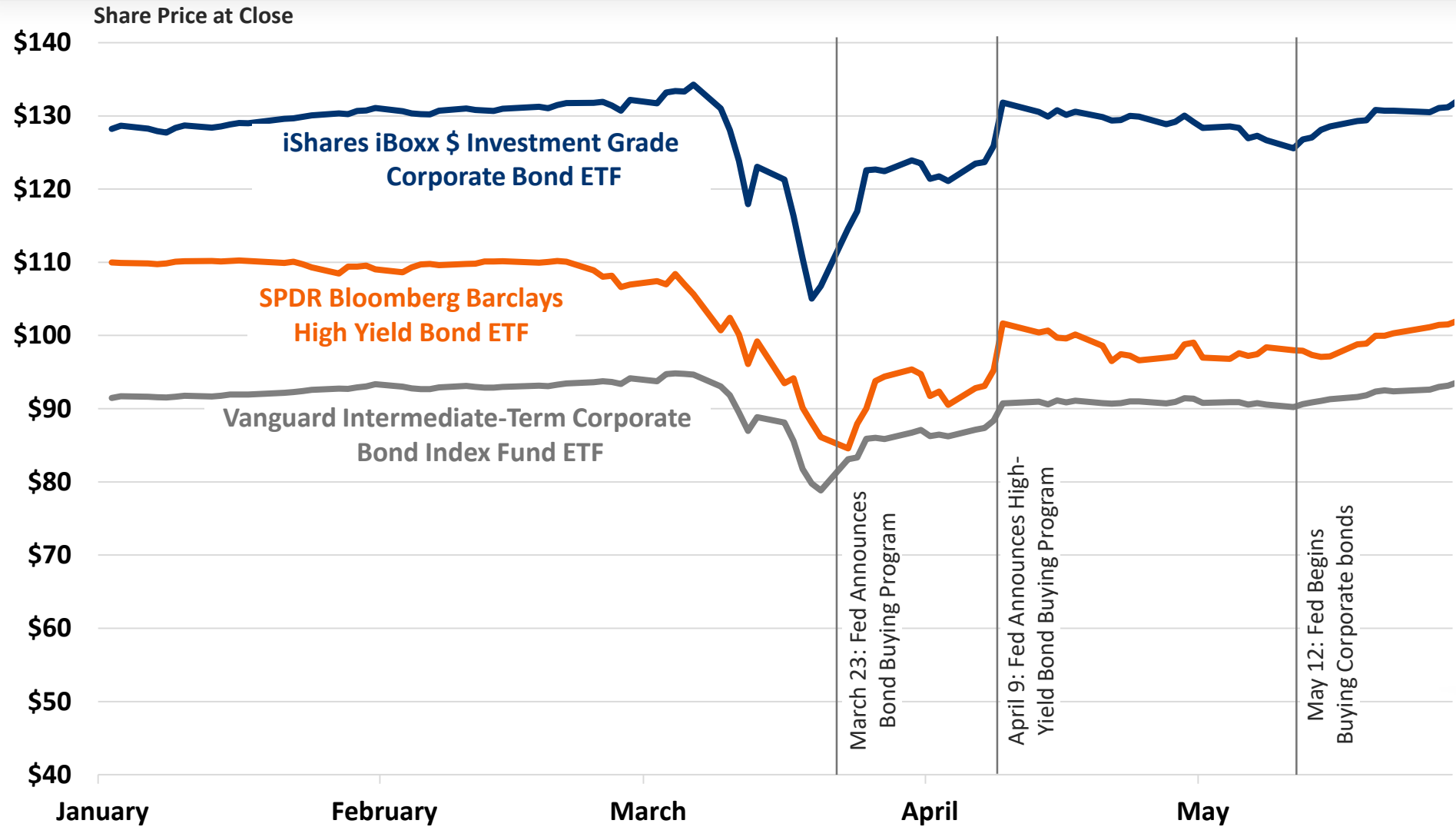
In the United States, as of May 23, 2020, the number of hours worked in small businesses decreased by **38.8%** compared to early January 2020.



The Fed Has Stabilized the Bond Market...For Now



The Fed Has Stabilized the Bond Market...For Now



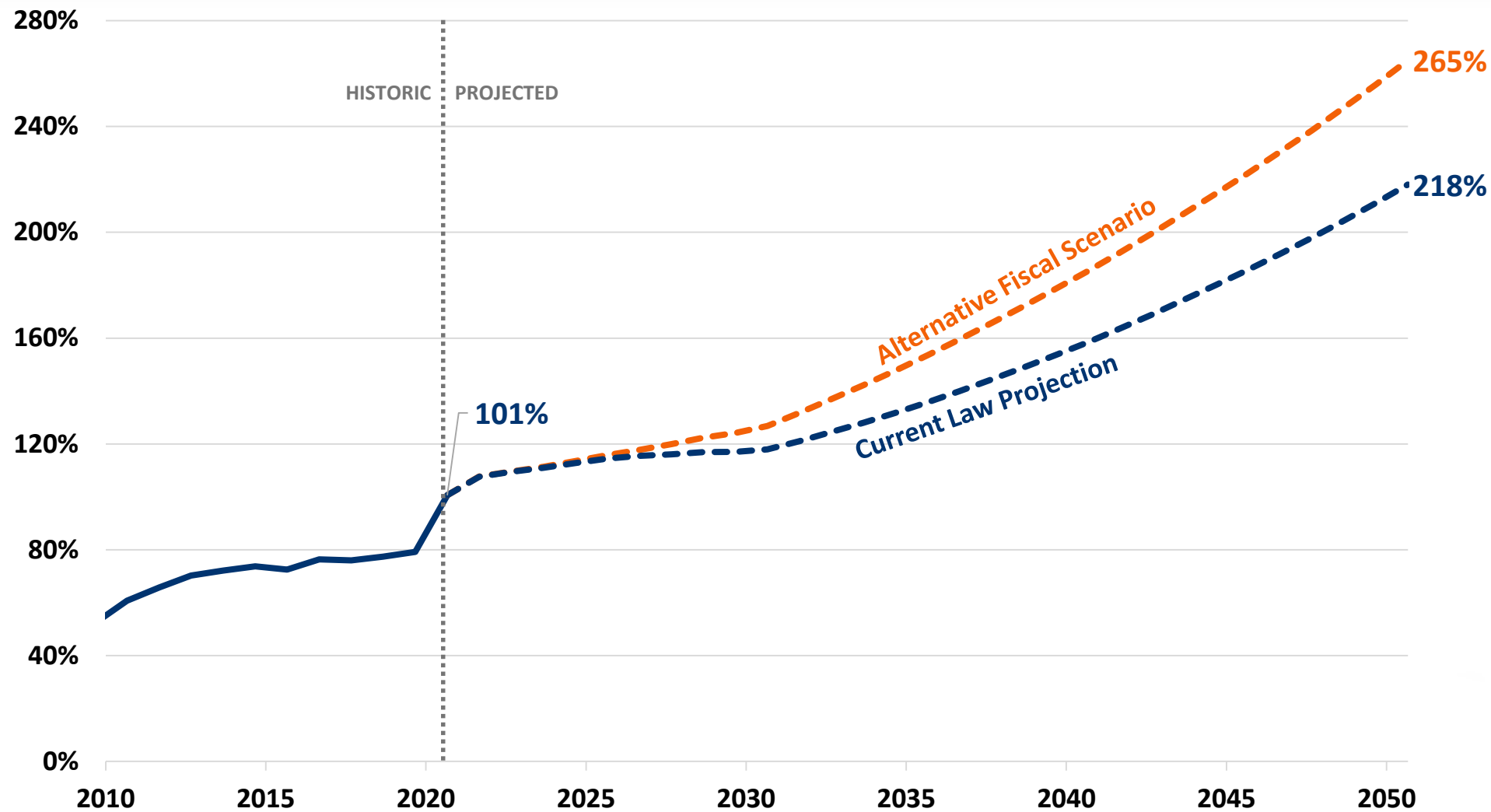
More Support Will Likely Be Needed...

- State and local governments face hundreds of billions in lost revenue
- The Paycheck Protection Program provides only 8 weeks of funding
- Expanded unemployment benefits expire at the end of July
- Social Distancing will likely continue through at least the end of 2020

The House Passed a \$3 Trillion Package

Policy	Ten-Year Cost/Savings (-)
Provide Aid to State and Local Governments	\$1.07 to \$1.09 trillion
Increase Safety Net Spending	>\$350 to >\$500 billion
Provide Additional Rebates	\$435 billion
Support Small Businesses and Employee Retention	\$311 billion
Increase Health Care-Related Spending	>\$292 billion
Reduce Individual Taxes	\$291 billion
Provide Student Loan Relief and Funding for Higher Education	\$250 billion
Increase Housing-Related Spending	\$202 billion
Establish Hazard Pay Fund for Essential Workers	\$200 billion
Increase Communications-Related Spending	\$41 billion
Provide Pension Relief	>\$18 billion
Increase Agriculture Spending	>\$17 billion
Limit Business Loss Deductibility	-\$254 billion
HEROES Act (Passed House May 15, 2020)	~\$3 trillion

But At Some Point, the Bill Will Come Due



Source: CBO, CRFB Calculations

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Extra Slides



**COMMITTEE FOR A
RESPONSIBLE FEDERAL BUDGET**

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Legislative Responses to COVID-19 in Early March

Response	Allowed	Disbursed/Committed	Deficit Impact
Fund R&D for vaccines, testing, and other treatments	\$3 billion	<\$1 billion	\$3 billion
Increase funding for Centers for Disease Control	\$2 billion	\$1 billion	\$2 billion
Increase funding for preparedness and supplies, and for Community Health Centers	\$1 billion	<\$1 billion	\$1 billion
Fund the State Department health response overseas	\$1 billion	\$1 billion	\$1 billion
Waive restrictions for Medicare telehealth and other spending	\$1 billion	<\$1 billion	\$1 billion
Coronavirus Preparedness & Response Supplemental Appropriations Act (March 4, 2020)	\$8 billion	>\$2 billion	\$8 billion
Mandate and subsidize emergency paid leave	\$105 billion	~\$30 billion	\$105 billion
Increase Medicaid matching funds to states	\$50 billion	~\$16 billion	\$50 billion
Allow states to increase SNAP benefits, waive work requirements	\$21 billion	\$2 billion	\$21 billion
Require and partially fund free COVID-19 testing	\$10 billion	Unknown	\$10 billion
Fund extended unemployment benefits past 26 weeks	\$5 billion	<\$1 billion	\$5 billion
Increase funding for nutrition programs	\$1 billion	<\$1 billion	\$1 billion
Families First Coronavirus Response Act (March 18, 2020)	\$192 billion	~\$48 billion	\$192 billion

The CARES Act

Response	Allowed	Disbursed/Committed	Deficit Impact
Expand Unemployment Benefits - expand eligibility, increase benefits by \$600/week, extend 13 weeks, and other changes	\$268 billion	~\$110 billion	\$268 billion
Provide tax rebates of \$1,200/adult and \$500/child	\$293 billion	\$261 billion	\$293 billion
Support \$4.5 trillion of Federal Reserve loans	\$454 billion	\$185 billion*	\$0 billion
Provide forgivable small business loans (Paycheck Protection Program)	\$349 billion	\$349 billion	\$349 billion
Subsidize loan payments for existing SBA loans for 6 months	\$17 billion	Unknown	\$17 billion
Provide aid to states for pandemic-related costs	\$150 billion	\$144 billion	\$150 billion
Provide payments to hospitals (Provider Relief Fund)	\$100 billion	\$77 billion	\$100 billion
Loosen TCJA-imposed caps on interest deductibility & operating losses	\$239 billion^	Minimal	\$174 billion
Offer payroll tax credits for some businesses who retain workers at a loss	\$57 billion	~\$19 billion	\$57 billion
Delay employer payroll tax payments for some businesses	\$352 billion^	~\$70 billion	\$12 billion
Provide loans to airlines and firms vital to national security	\$46 billion	\$16 billion	\$1 billion
Expand FEMA Disaster Assistance Fund	\$45 billion	\$5 billion	\$44 billion
Increase preparedness and health agency funding	\$37 billion	<\$1 billion	\$37 billion
Provide grants to airlines to avoid furloughs & pay cuts	\$32 billion	\$23 billion	\$24 billion
Establish Education Stabilization Fund for states	\$31 billion	\$27 billion	\$31 billion
Defer student loan payments for 6 months and preserve student aid	\$30 billion	Unknown	\$9 billion
Increase Medicare payments and repeal sequester, expand telehealth & home services, fund community health centers	\$28 billion	\$5 billion	-\$1 billion

The CARES Act

Response	Allowed	Disbursed/Committed	Deficit Impact
Issue infrastructure grants to transit providers, including state & local governments	\$25 billion	\$25 billion	\$25 billion
Increase SNAP & child nutrition funding	\$25 billion	Unknown	\$25 billion
Increase funding toward veterans & defense health	\$20 billion	Unknown	\$19 billion
Boost housing support	\$12 billion	\$5 billion	\$12 billion
Provide emergency grants (EIDL) for small businesses	\$11 billion	\$11 billion	\$11 billion
Provide grants to publicly-owned commercial airports	\$10 billion	\$10 billion	\$10 billion
Provide loans to postal service	\$10 billion	\$0	\$10 billion
Allow use of health savings accounts for over-the-counter medication and menstrual products	\$9 billion	Unknown	\$9 billion
Allow emergency retirement account withdrawals	\$8 billion	Unknown	\$8 billion
Increase child & family services funding	\$5 billion	\$4 billion	\$5 billion
Suspend aviation taxes	\$4 billion	Unknown	\$4 billion
Let nonitemizers deduct up to \$300 of charitable donations and loosen caps on charitable deduction	\$3 billion	\$0	\$3 billion
Other policies	\$18 billion	Unknown	\$18 billion
CARES Act (March 27, 2020)	\$2.7 trillion	\$1.4 trillion	\$1.7 trillion
Total, Legislation	\$2.9 trillion	>\$840 billion	\$2.0 trillion

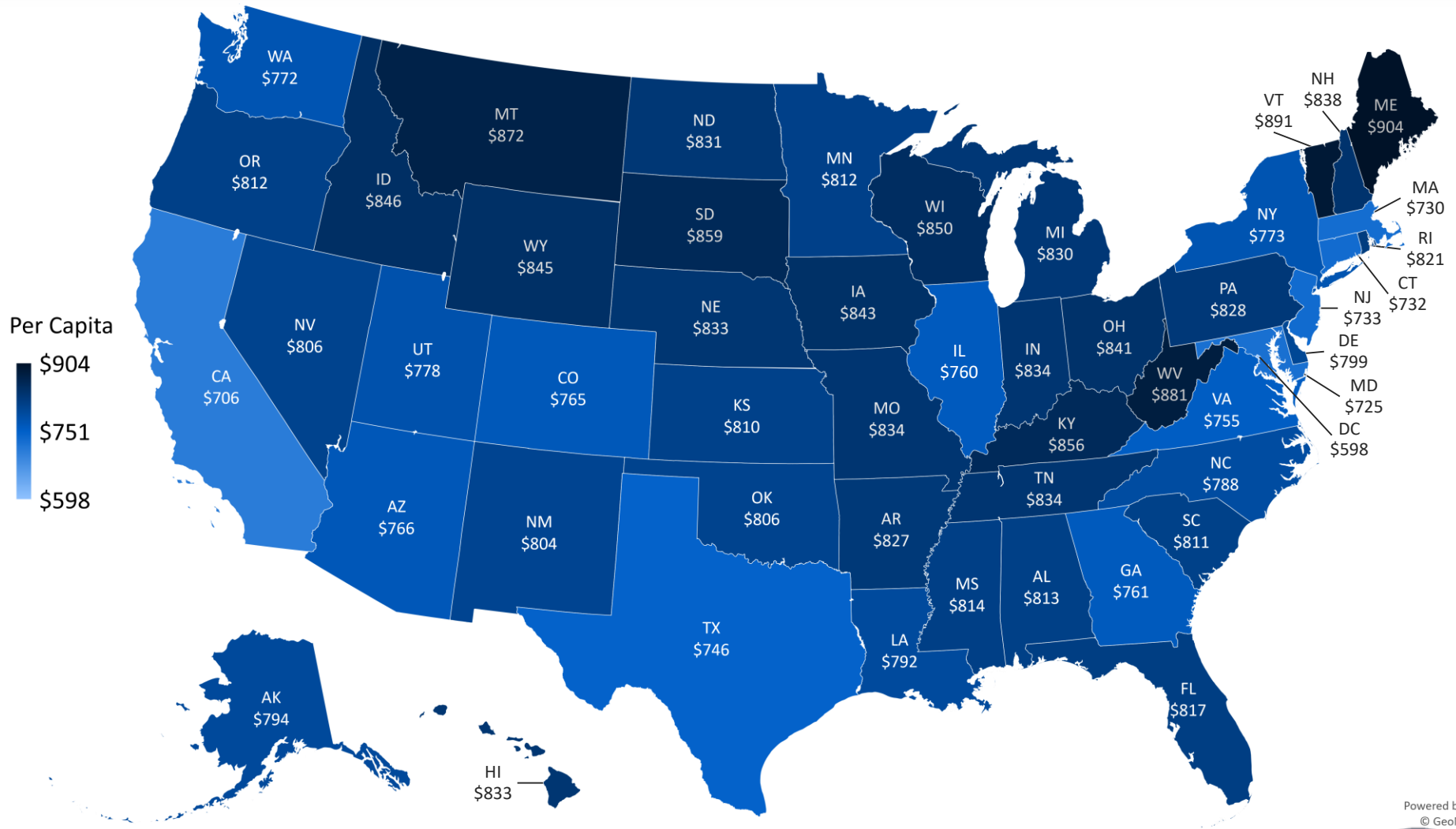
The Paycheck Protection Program and Health Care Enhancement Act

Response	Allowed	Disbursed/Committed	Deficit Impact
Increase funding for forgivable small business loans (Paycheck Protection Program)	\$321 billion	\$194 billion	\$321 billion
Expand health provider emergency grant fund program for COVID-19 preparedness and expenses	\$75 billion	\$11 billion	\$75 billion
Provide emergency grant fund program for COVID-19 testing	\$25 billion		\$25 billion
Increase small business emergency loan (EIDL) authorization	\$300 billion^	\$25 billion	\$50 billion
Increase funding for small business emergency grants (EIDL)	\$10 billion	Unknown	\$10 billion
Increase funding for Small Business Administration	\$2 billion	Unknown	\$2 billion
The Paycheck Protection Program and Health Care Enhancement Act (April 24, 2020)	\$733 billion	\$230 billion	\$483 billion
Total, Legislation	\$3.6 trillion	\$1.6 trillion	\$2.4 trillion

Administrative Actions

Response	Allowed	Disbursed/Committed	Deficit Impact
Declare national emergency (March 13, 2020)	~\$50 billion*	Unknown	~\$50 billion
Allow high-deductible plans to pay for COVID-19 testing and treatment (March 11, 2020)	Unknown	N/A	Unknown
Delay tax filing deadline to July 15 (March 17, 2020)	\$300 billion	~\$300 billion	\$0 billion
Institute 60-day moratorium on federal student loan interest (March 20, 2020)	~\$10 billion	N/A	~\$10 billion
Institute 60-day moratorium on evictions and foreclosures for FHA-backed mortgages (March 18, 2020)	\$0 billion	\$0 billion	\$0 billion
Begin Coronavirus Food Assistance Program (April 17, 2020)	\$19 billion	\$7 billion	\$19 billion**
Institute 60-day suspension on certain immigrants entering the country (April 22, 2020)	Unknown	N/A	Unknown
Relax residency requirements to allow U.S. nationals living abroad to qualify for foreign earned income exclusion (May 11, 2020)	Unknown	\$0	Unknown
Allow employees to make mid-year changes to flexible spending accounts and spend them through the end of 2020 (May 12, 2020)	<\$1 billion	\$0	<\$1 billion
Total, Administrative Actions	>\$380 billion	Unknown	~\$80 billion

Economic Impact Payments, By States



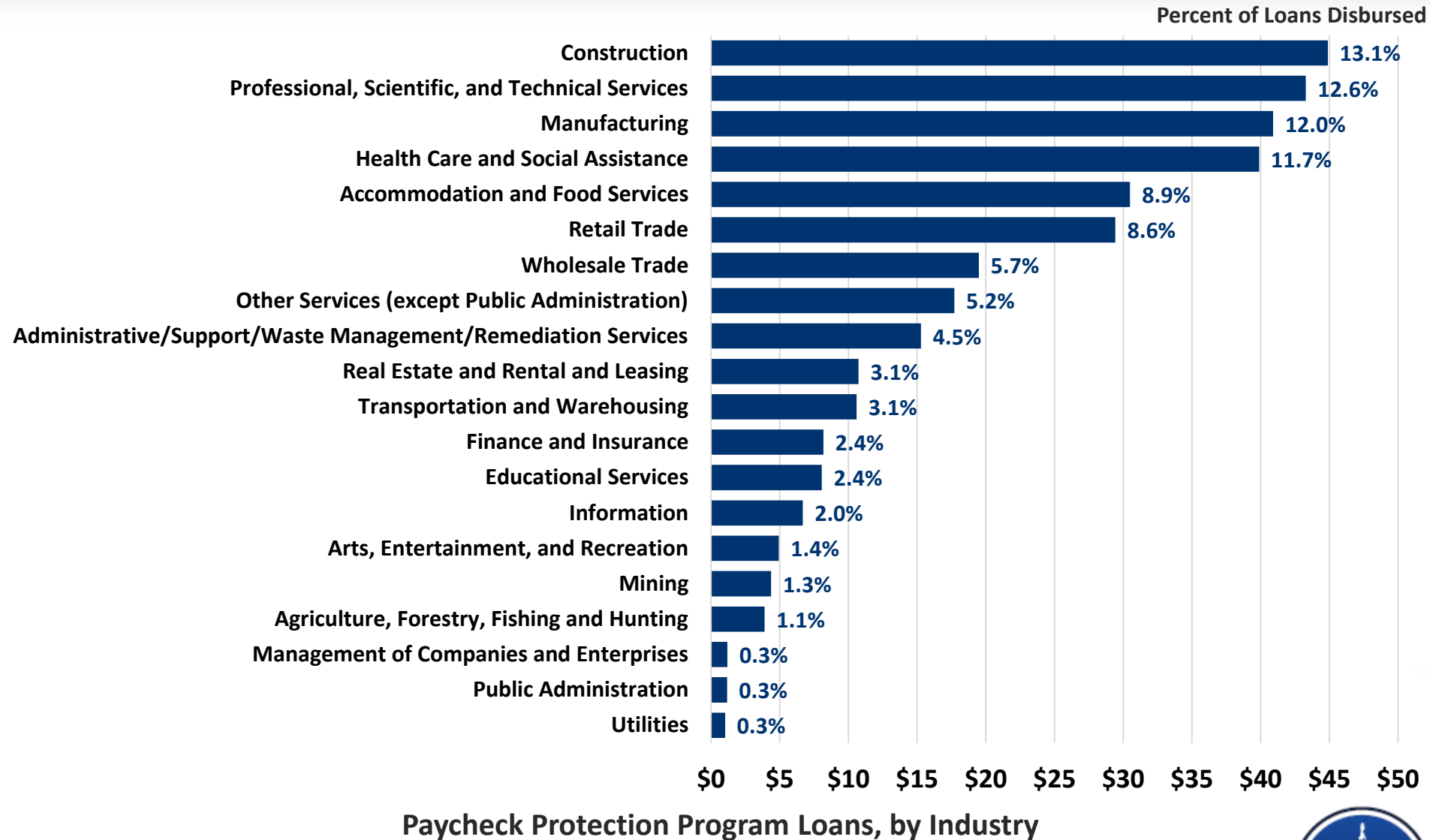
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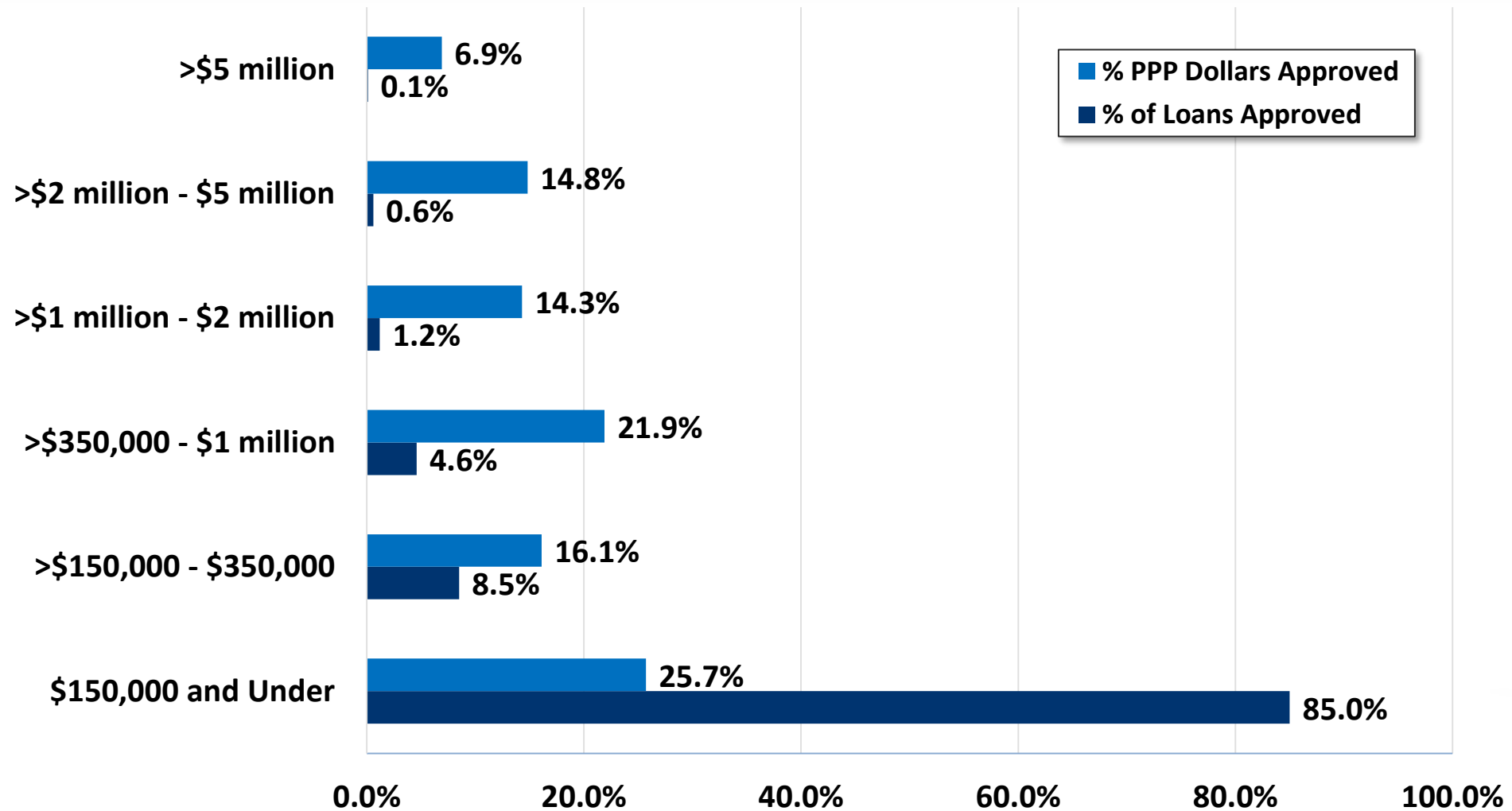


Note: Chart shows data from May 22th (latest available)
Source: Internal Revenue Service, Census Bureau

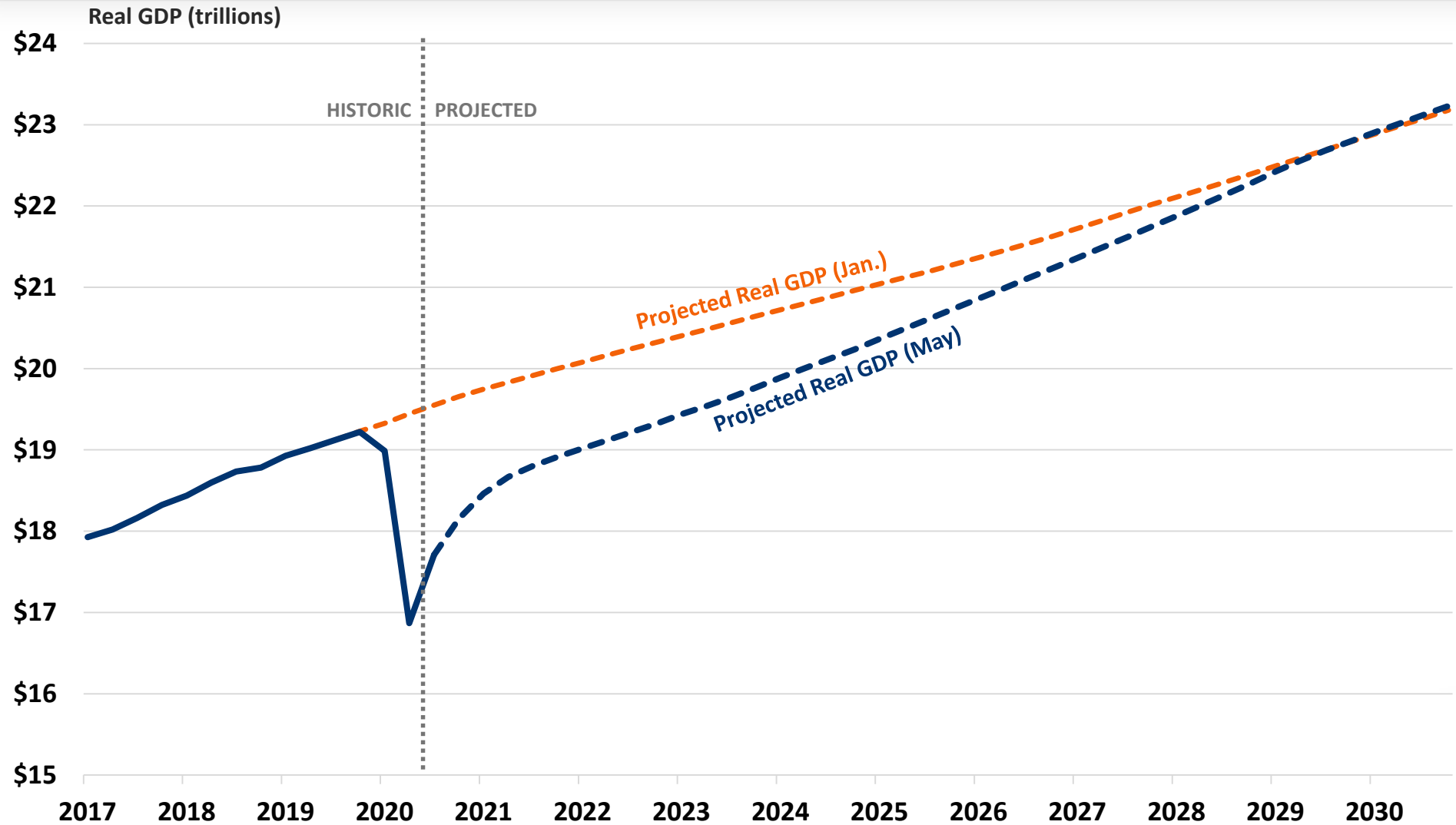
PPP Funding, By Industry



PPP Loans by Size



Projected Real GDP



Source: Congressional Budget Office

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