



# Stimulus payments must be bigger, lasting, and cover low-income people

The McConnell stimulus proposal released on Mar. 19 includes cash payments to individuals, but these payments need to be big enough to stave off household economic collapse, and need to last long enough to keep the American economy going. Congress must ensure a big enough stimulus now that lasts until the crisis is over so that Members will not have to come back to do more in a couple of weeks.

**New analysis from the [Institute on Taxation and Economic Policy \(ITEP\)](#) finds the McConnell plan leaves millions of children behind and provides much less help to American families.**

- ITEP estimates that the individual payments total only \$215 billion out of a \$1 trillion bill that chiefly benefits businesses. Right now, people in the bottom income quintile would receive *less than half* of the average American's payment, and nearly one in five of them are excluded *entirely*. Eliminating the income requirement and simply giving every adult under the income phase-outs \$1,200 would cost just \$60 billion more.
- The Senate Democratic plan offered by Sens. Bennet, Brown, and Booker would cover 98% of American households, including all households below about \$120,000 in income. The Senate Republican plan would cover only 85% of Americans.
- McConnell's plan leaves out 1 in 5 children in the poorest fifth of households--2.75 million children in families that are already running out of money would get nothing under the McConnell plan. The Democratic plan would cover every child in families earning up to \$260,000.
- Senate Democrats' plan would replace 23% of income for people in the bottom 3/5 of Americans, compared to 3% for the McConnell plan. For the lowest-income American hit hardest by the crisis, the Senate Dem plan would replace half their income and the Republican plan would replace only 5% of their income.
- The average American who gets a payment would get \$1500 under the McConnell plan, while the Bennet/Brown/Booker plan would give them \$8,700.

**Cash payments need to be big enough to stave off household economic collapse. Right now they comprise only 20% of the total bill.**

**⇒ There must be payments of at least \$1,200 to all low- and middle-income people.**

- Treasury Secretary Mnuchin [warned](#) that unemployment is on the verge of skyrocketing to 20 percent, and unemployment claims have increased by 1300% in some states. Sending one-time checks as low as \$600 is not enough.
- The Business Roundtable [told Congress](#) on March 18, "direct payments will be the quickest and most effective way to stimulate the economy," and they need to be "significant."
- Conservative economists agree that substantial direct cash payments are the best way to help American families at this time, including Greg Mankiw, Douglas Holtz-Eakin, Aparna Mathur, and Michael R. Strain.
- It makes no sense to give needy people *less* money than those with more resources. Past recessions have shown that spending by low- and middle-income people is one of the best drivers of economic recovery. Everyone under the income cap should be eligible for at least \$1,200 in payments, with an additional \$500 per child. In the current proposal, lower-income

people get less and the poorest get nothing, even if they have children. Sens. [Romney](#) and [Hawley](#) have also called for treating low-income people equally.

**We need to make this relief last long enough for the economy and voters to recover.**

**⇒ There must be at least three quarterly payments to last families through the end of the year.**

- Democrats (Sens. Bennet, Brown, Booker and Reps. Ryan, Khanna, Dean, Beyer, and Waters) and Republicans (Sens. Romney and Hawley) have proposed monthly or quarterly payments, and even Pres. Trump has proposed multiple payments.
- The ongoing turmoil in the stock market will only be calmed once investors believe that this Administration has a plan to save the economy, and the best way to save the economy is to restore mutual confidence between consumers and producers. Sending money for as long as it's necessary will restore confidence, calm investors, and get us through this crisis.
- If members of Congress defer multiple payments on the theory that they will authorize more payments if needed, they will likely be back in the Capitol in a few short weeks, risking their health and the health of their staff.