



The “Coronavirus Aid, Relief and Economic Security” (CARES) Act, the largest bailout in US history, was signed into law by President Trump on Friday afternoon (3/27/20). The stimulus package is estimated to include \$2.3 trillion of government spending directed at families, hospitals, states, plus businesses small (less than 500 workers) and large (at least 500 workers). Small businesses, representing 47% of American private sector workers, can turn the loans they receive into grants (which don’t have to be repaid) if they use the money for payroll and rent (source: CARES Act).

The \$454 billion that is earmarked for big businesses inside the \$2.3 trillion stimulus bill is designed to have the monetary impact of 10 times that amount. Here’s how that works: Congress sends \$454 billion to the Treasury, which in turns commits to the Fed that they will use the money to backstop loans made by the US central bank to distressed companies to as much as 10 times the \$454 billion, or \$4.5 trillion of new business loans. One caveat – the big businesses receiving the Fed loans are prevented from paying dividends or buying back their company’s shares for one year (source: CARES Act).

Coronavirus cases and deaths in the United States *doubled every 3 days* last week. From Monday to Thursday, cases in the USA jumped from 34,943 to 68,358 while deaths increased from 446 to 1,001. Then from last Thursday to yesterday (Sunday 3/29/20), those infected with the coronavirus increased from 68,358 to 121,960 and US deaths climbed from 1,001 to 2,042 (source: NBC News).

Notable Numbers for the Week:

1. **NO JOB** - First-time jobless claims for the week ending 2/01/20 were 201,000, its **lowest level since 11/15/69**. Just **7 weeks later**, jobless claims for the week ending 3/21/20 were **3.283 million**, a US record (source: Department of Labor).
2. **MORE THAN SIX FEET** - The New York Stock Exchange began **conducting its trading electronically** as of Monday 3/23/20, eliminating **floor trading** for the first time since **its founding in 1792**. The action taken is **temporary** as a result of the **COVID-19 virus** and floor trading is expected to be reinstalled in the future (source: NYSE).
3. **THE FIRST REPORT** - The World Health Organization (WHO) reported on Saturday 1/04/20 that a “**cluster of pneumonia cases of unknown cause**” had taken place in **Wuhan, China**. The **first death** caused by COVID-19 was reported on Saturday 1/11/20 (source: WHO).
4. **BEFORE CORONAVIRUS** - 44% of **hourly paid workers** in the US experienced a “**financial hardship**” during 2019, e.g., difficulty paying rent/mortgage, a medical bill or buying food (source: Urban Institute).

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