

LATIN POST

New Stimulus Bill Must Be Passed, Economists Say!

Neil P.

September 21, 2020

Well-known economists in the country urged Congress to pass the new stimulus bill before the month ends. Passing a new relief bill will help the economy to recover.

Well-known economists in the country are worried about Congress's failure to act on the new stimulus bill immediately. They firmly believed that the best way to help the country regain its economy back to normality is to provide relief aids like stimulus checks and PPP loans for businesses.

This also supports the previous statement of Pres. Trump, asking the Republican lawmakers to embrace the larger amount of stimulus that a Bipartisan group proposed in the Congress. Pres. Trump said that after all, the money goes back to the country.

What Pres. Trump was trying to convey that when you give relief aids to the people, they will use these aids to buy food, and PPP Loans will help businesses stay open. Through this, the economy will work, and this will boost both the local and national economy.

Mark Zandi, the chief economist of Moody's Analytics, said that Congress is taking a huge risk if they will not approve or take action on a new stimulus package. He asserted, "The odds are better than even the economy backslides." Zandi emphasized the importance of another round of stimulus package.

Meanwhile, an economist with the libertarian Cato Institute, Chris Edwards, has his opposing view on the new stimulus. He said, "The economy will strengthen and continue to get better. The further deficit-financed stimulus comes at the expense of higher debt and thus higher taxes and a lower standard of living down the road."

While Edwards's statement is not the same as Zandi, both of them supported the economic statements of Pres. Trump. In the past few weeks, the President said that the country's economy is slowly gaining back to normal amid the pandemic.

Moreover, Congress has few weeks left to act on new stimuli before leaving Washington and focusing on their campaign. However, House Representatives, specifically the Democrats, do not want to return home empty-handed or without a stimulus bill.

Subsequently, most economists believed that the country emerged from recession in May and has since regained about half of the 22 million lost jobs in the early spring. This is after some of the businesses reopened through PPP loans that allowed them to operate.

The Paycheck Protection Program has helped thousands of businesses across the country put their employees back to work and have them back also in the payroll. This also helped the employees to earn while the country continues to combat the pandemic.

Additionally, some economists predicted that there would be economic growth of 30 percent in the July-September period. However, they also warned that it would still leave the economy short if the new stimulus bill that will allow businesses to operate will fall short.

Many economists also said that Congress might reach the deal of roughly \$2 trillion, which is proposed by a bipartisan group in Congress.