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U.S. could slip into double-dip recession if Congress doesn't pass new stimulus, some economists say

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The U.S. economy is at a crossroads, with some analysts saying a failure by Congress to pass another stimulus package, even as the COVID-19 pandemic continues to spread, would tip the nation back into recession.

Lawmakers remain deadlocked over a measure to provide another round of \$1,200 checks to most households and more aid to struggling small businesses and unemployed Americans. Most saw the money they received from Congress's \$2.2 trillion CARES Act run dry over the summer.

"If they don't" approve another stimulus, "they're taking a huge risk, says Mark Zandi chief economist of Moody's Analytics. "The odds are better than even the economy backslides."

Some other economists believe the nation would dodge another downturn even without more assistance, which would further swell the staggering \$26 trillion national debt.

"The economy will strengthen and continue to get better," says Chris Edwards, economist with the libertarian Cato Institute. "Further deficit-financed stimulus comes at the expense of higher debt and thus higher taxes and a lower standard of living down the road."

Congress has just a few weeks remaining in its scheduled session adjourning ahead of the November elections. Goldman Sachs recently reckoned there's just a slightly better than 50% chance lawmakers will approve new relief by the end of September.

In March, the economy sank into its deepest recession since the Great Depression as states ordered nonessential businesses such as restaurants and movie theaters to shut down and consumers avoided traveling and public gathering spots to contain the outbreak.

States are gradually allowing businesses to reopen and most are reporting declining rates of new cases. But several states recently have reached new case records, the U.S. death toll is approaching 200,000 and the possibility of a virus flare-up looms this fall.

Economists believe the U.S. emerged from recession in May and has since recouped about half the 22 million jobs lost in the early spring as businesses have reopened. But experts say recovering the rest will be tougher. Many restaurants are running at partial capacity and sectors such as airlines, hotels and large entertainment venues remain depressed amid contagion fears. Some temporary layoffs are becoming permanent.

After contracting at a record 31.7% annual rate in the second quarter, some economists predict 30% growth in the July-September period, but that would still leave the economy short of its pre-pandemic output level.