



Fight coronavirus — and speed economic recovery — with this direct aid to businesses

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March 24, 2020

We are in exceptional times and that calls for exceptional actions and solutions. Government must put plans and people over petty politics.

Our government at the federal and state levels has declared war on an enemy invader, COVID-19, which attacks silently in ways we were unprepared for.

To aid in our battle, various government entities have forced businesses to close. In some cases, directly, and in some cases, indirectly. While this seems like a prudent step in our battle, we are taking it without the appropriate funding.

The government must provide direct funding and stimulus for business and workers immediately if we hope to not only win the war but also do so without devastating our economy and country.

If the government is going to shut down businesses as part of its war plan, providing those businesses bridge capital is not a bailout. Scott Lincicome of the Cato Institute compared it to compensation required by enacting eminent domain. And since only some businesses and workers are affected, those are the ones who should be compensated.

quickly: the federal government should provide money directly to any impacted business specifically to cover ongoing payroll and any basic operating expenses they need to remain in business.

Helping businesses to cover payroll is a superior tactic to granting direct checks.

First, it prevents individuals from going on unemployment. Second, it ensures that the business can remain in business, so the entrepreneur still has a company and those workers have a job to go back to. The short-term costs, particularly above what will otherwise be rung up in unemployment and offset by taxes still being paid, etc., are far outweighed by the long-term benefits.

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This tactic also keeps money out of the hands of people who don't need it. There are many who will not find their jobs or businesses impacted. Some of the largest U.S. employers, Walmart and Amazon, are increasing their staff, so there's no need to provide stimulus there.

And yes, this plan should include "gig" and other independent workers, looking at their earnings as their "payroll."

This measure should also allow any business to rehire those they had to let go in the last few weeks because of COVID-19 and provide payroll coverage.

For small businesses, 99 percent of all business in this country, this should not be done as a loan. Most small businesses don't make enough to service debt without revenue coming in for several months and would not be able to pay it back. Plus, loans require paperwork and time and we do not have the luxury of time here.

For larger businesses in relevant impacted industries that do have debt capacity, this should be a loan. Given that the Fed has taken interest rates to zero, providing those loans don't really cost us much of anything, right? For those that can't service debt, an equity stake is appropriate and putting parameters and limits on future uses of capital like limiting share buybacks, until the taxpayers' money is made whole or until a certain number of years has passed, is entirely appropriate.

We don't have time to enact means testing up front — we need to use the honor system for applying due to the urgent nature of this — but the parameters can be adjusted via 2020 tax payments (aka, next year). If you didn't keep your payroll intact, for example, and used the money elsewhere, that will be adjusted on next year's taxes. Proof can be provided by submitting payroll reports as backup.

The federal government can argue with the states later on how the bill is split, perhaps by the federal government holding back some of the typical funding it provides the states over the

course of the year. But again, that can't be our concern today. If this is not done and done soon, businesses will close and there won't be jobs to go back to. Every day and every week that goes by without getting money to businesses and their workers further jeopardizes our recovery timeline.

We have authorized spending on all kinds of wars. Today, we have one that is on our shores and directly impacting every American. By authorizing immediate spending as outlined above, it will create an economic bridge to allow a return to normalcy once the rest of the battle against COVID-19 makes progress. If we do not act and act fast on economic relief during this war, who knows how long recovery could take.