

U.S. Sen. Baldwin: Call for direct cash assistance to help Americans weather economic fallout of coronavirus outbreak

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WASHINGTON, D.C. – As the economic fallout of the novel Coronavirus Disease 2019 (COVID-19) outbreak escalates, U.S. Senator Tammy Baldwin (D-WI) and her Senate colleagues sent a letter to Senate Majority Leader Mitch McConnell and Senate Democratic Leader Chuck Schumer outlining a bold new proposal to provide Americans with direct cash payments.

“Over the course of just one week, most of America went from business-as-usual to a virtual shutdown. Workers have seen their hours cut or eliminated entirely, and millions of American families are assessing how they will weather a potentially long-lasting economic paralysis,” wrote the Senators in the letter. “We must provide direct cash support to the American workers and families who need it most – to help them purchase essentials; pay the rent, mortgage, and bills; and otherwise weather the coming weeks and months.”

In the letter, the Senators outline a proposal to provide a \$2,000 immediate cash payment to every adult, child (or non-child dependent), and recipient of Social Security, Veterans Affairs (VA) benefits, and Supplemental Security Income (SSI). The proposal calls for additional cash payments should the public health crisis extend, or if the unemployment rate increases. The payments would phase-out for higher-income taxpayers.

This new proposal would build on Senate Democrats’ plan to provide comprehensive economic relief to Americans and businesses during this unprecedented

public health and economic crisis. Ensuring that families have cash to meet their expenses will also help businesses hurting from lack of demand. The proposal includes:

Immediate Payment:

- \$2,000 payment for every:
 - Adult, including those who receive Social Security, VA, or SSI benefits
 - Child and non-child dependent
- Eligibility:
 - Workers who filed for Tax Year 2019
 - Non-filers who file an Individual Income Tax Return (1040) separately
 - Does not include higher-income taxpayers, with a phase-out rate of 5% of the aggregate credit amount starting at higher incomes

Second Payment:

- \$1,500 payment if:
 - The public health emergency continues into July, as certified by the Secretary of Health and Human Services, and the Secretary of the Treasury makes an Economic Turmoil Designation
 - OR the unemployment in June is at least 1 percentage point higher than the three-month moving average from December 2019 to February 2020
- Half payment of \$750 per person if the June unemployment rate is 0.5 percentage point above the December 2019 – February 2020 average

Additional Quarterly Payments:

- \$1,000 per quarter if:
 - The Treasury Secretary makes an Economic Turmoil Designation and the unemployment rate in the last month of the previous quarter is up at least 1 percentage point compared to the December-February average
- Half payment of \$500 if the unemployment rate remains at least 0.5

percentage points above December 2019 – February 2020

- Payments continue quarterly until unemployment falls to within 0.5 percentage points of levels from December 2019 – February 2020.

The letter was led by Senators Michael Bennet (D-CO), Sherrod Brown (D-OH), Cory Booker (D-NJ), Chris Murphy (D-CT), Brian Schatz (D-HI), and Angus S. King, Jr. (I-ME). The letter was also signed by Senators Richard Blumenthal (D-CT), Jeanne Shaheen (D-NH), Tom Udall (D-NM), Maggie Hassan (D-NH), Bob Menendez (D-NJ), Dick Durbin (D-IL), Kirsten Gillibrand (D-NY), Kamala Harris (D-CA), Tim Kaine (D-VA), Bob Casey (D-PA), and Gary Peters (D-MI).

The text of the letter is available [here](#) and below. An online version of this release is available [here](#).

Dear Leader McConnell and Leader Schumer:

In addition to presenting a massive public health challenge, the Coronavirus will cause a severe economic shock, the immediacy and magnitude of which we may never have seen. Over the course of just one week, most of America went from business-as-usual to a virtual shutdown. Workers have seen their hours cut or eliminated entirely, and millions of American families are assessing how they will weather a potentially long-lasting economic paralysis.

We must provide direct cash support to the American workers and families who need it most – to help them purchase essentials; pay the rent, mortgage, and bills; and otherwise weather the coming weeks and months.

We believe it is essential to provide assistance directly and quickly. Regardless of how fast Congress acts, there will be a lag between action and support arriving to workers and businesses, and every day we delay action will be a delay in support arriving. Now is not the time for a “wait-and-see” mentality.

We propose sending payments quarterly and directly to American families. The first payment would be \$2,000 per American to account for the immediacy of the shock, with subsequent payments stepping down over time and the duration of payments tied to subsequent economic triggers. Payments will only completely shut off after unemployment drops to less than 0.5 percentage points above the levels that prevailed before the Coronavirus-induced economic damage. Attached to this letter

is a more detailed outline of our proposal.

This moment demands bold action. The Families First Coronavirus Response Act is a vital first step to delivering immediate assistance to workers and families, providing testing, paid sick leave, support for state unemployment divisions, food assistance, and health care support for states through Medicaid. In addition to passing this critical legislation, we must provide additional support to the hardest-hit individuals, small businesses, as well as state and local governments. We fully support the plans being developed by Democratic Leadership to strengthen critical programs, including an expansion of unemployment benefits with increased federal financing, as well as broadened eligibility to include gig workers, contractors, tipped workers, and others who are currently left out. All of the changes being developed by the Democratic Leadership are necessary. These economic support payments are intended to supplement that plan.

During a crisis of this magnitude, it is imperative we put forward a response commensurate with the challenge we face. We urge you to consider this proposal and look forward to working with you to pass it as soon as possible.

Please do not hesitate to reach out to us if we can be of assistance.

Sincerely,