



A Positive Outlook First Aid for an Ailing Economy

COVID-19 continues to expand around the globe, and Nevada, like almost everywhere else, remains under virtual lock and key in an effort to limit the spread of the potentially deadly virus. Thankfully, the vast majority of Nevada residents and businesses have heeded Governor Sisolak's orders to limit nonessential trips over the past month, and one study of cell phone location data even ranked the Silver State among the nation's best, in terms of reducing movement throughout the community.

These extreme social distancing measures are working, and projected numbers of infections and deaths have continued to improve. Yet these positive outcomes are coming with significant economic costs. From Times Square to the Las Vegas Strip, the most iconic locations in the nation have become virtual ghost towns as business-as-usual ground to a halt.

Faced with an economic crisis swelling alongside an already crippling public health crisis, national leaders in Washington, D.C., have enacted a robust and wide-ranging federal stimulus package. In short order, the Coronavirus Aid, Relief and Economic Security (CARES) Act will inject \$2.2 trillion into the U.S. economy to help individuals, families, businesses, public institutions, the public safety net, and more.

I have a difficult time explaining to people how much money \$2.2 trillion actually is. First, it is probably worth noting that a trillion is a million millions, a value almost impossible for the human mind to conceptualize. Instead, imagine that you spent \$2.9 million, every day, since Jesus was born. You would have spent less than \$2.2 trillion.

Perhaps more important than what \$2.2 trillion is, is what it represents. U.S. gross domestic product, essentially the value of all goods and services produced nationwide, was \$21.4 trillion in 2019. The CARES Act essentially infuses a little over 10 percent of gross product into the economy. An unprecedented level of stimulus that basically allows the nation's economy to hit the pause button for about 60 days while we combat the immediate public health crisis.

I have been, and will remain, critical of the level of U.S. debt. That said, now is not the time for our country to save money, to build up reserves or to pay down its debts; now is the time to deploy resources in support of individuals, businesses and government service providers. To its credit, this is exactly what Congress did.

For individuals and families, the CARES Act includes \$1,200 economic impact payments for every taxpayer plus \$500 per child (subject to income limitations), a program that will bring an estimated \$2.7 billion into Nevada. For the unfortunate many who have lost their jobs, the aid package includes several programs to boost unemployment benefits, including an extra \$600 a week for every jobseeker through July, an additional 13 weeks of benefits beyond the 26-

week maximum, and new unemployment benefits for the self-employed, gig workers and others who typically aren't eligible for unemployment insurance. That additional influx of cash, at least an estimated \$2.0 billion for Nevadans, will help ease some of the financial stress for the unemployed during this already traumatic time.

Businesses of all sizes are eligible for various aid programs. For small businesses, \$350 billion is available through Small Business Administration loans via the new Economic Injury Disaster Loans and Paycheck Protection Program, which provides funding designed specifically to prevent layoffs and maintain payrolls. Nevada small businesses are expected to receive \$2.8 billion through these programs. Aid for larger businesses includes a \$500 billion loan program that sets aside more than \$50 billion in grants and loans for the airline industry.



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The CARES Act will also send \$1.25 billion to Nevada for state and local governments and millions more across dozens of programs that support the healthcare industry, cultural organizations, schools and universities, public safety net programs, public transit agencies and more.

The billions of dollars that flow into Nevada through the CARES Act and potential future legislation will not undo the economic pain we are feeling now, but it will help businesses keep people employed, workers pay bills and bridge our economy through the shutdown and into the recovery that awaits. Evaluating whether it will be enough is impossible because this cycle is not a matter of time, it is a matter of science. What is clear is that congressional leaders provided much needed economic first aid by way of the CARES Act and have signaled that they stand ready to do more if needed. I prefer not to imagine where Nevada would be, absent this unprecedented legislation.

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