

Nation

Congress passes expanded small-business loan funding

TNS

WASHINGTON D.C. — With unemployment claims topping 26 million in the last five weeks because of the coronavirus pandemic, the House voted Thursday to approve another half-trillion dollars in federal relief to replenish a depleted small-business loan program and provide money for hospitals and testing.

The bill includes \$310 billion for the Paycheck Protection Program, which offers forgivable loans to small businesses that keep workers on the payroll during the economic shutdown caused by the pandemic.

The program exhausted its original \$349 billion last week, but efforts to immediately boost funding stalled as Democrats and Republicans bickered over what else to include. An agreement was reached early Tuesday and the Senate passed it by voice vote that day.

With approval by the House by a vote of 388-5, with one member voting present, the measure now heads to the president, who has vowed to sign it. “This bill helps small businesses keep millions of workers on the payroll,” Trump said.

With the latest bill, Congress will have approved more than \$2.5 trillion to assist Americans, shuttered businesses, hospitals, vaccine researchers and others fighting the pandemic. And discussions are already underway about what more needs to be done. The House

and Senate are currently scheduled to return May 4.

Thursday’s bill included \$75 billion in emergency funding for hospitals and \$25 billion to increase testing and contact tracing. It also requires the Trump administration to create a national testing plan, a move medical experts insist will be necessary before state governments can allow businesses to resume activity. It orders states and the federal government to collect demographic data on those who have fallen ill.

House Speaker Nancy Pelosi, D-Calif., said Thursday the government needs the scientific data to combat the health crisis. “We must make our decisions in that way,” she said.

The bill also sets aside \$60 billion in the Paycheck Protection Program to be lent by smaller banking institutions, such as credit unions, in an attempt to increase the number of loans going to very small businesses or businesses without an existing relationship with a bank.

Following widespread criticism that large, publicly traded companies received tens of millions of dollars in loans in the first tranche of Paycheck Protection Program funding, the Treasury Department on Thursday updated its guidance on who should use the program.

It warned that companies that received money should be prepared to certify that the govern-

ment loan was necessary to continue operations. Otherwise those companies should return the money by May 7 or face penalties, the department said.

“It is unlikely that a public company with substantial market value and access to capital markets will be able to make the required certification in good faith,” the guidance now states.

“If there is anybody out there that misuses this program, that takes advantage of a situation (in which we were trying to release money quickly) and it was not intended for you, we will find you. Give the money back,” House Minority Leader Kevin McCarthy,

R-Calif., said in a news conference Wednesday.

For the first major House floor activity in weeks, dozens of members wore face masks Thursday. Gloves, hand sanitizer and extra masks were available outside the chamber. Members voted in eight groups of 60, divided in alphabetical order, with the scheduled 10-minute vote lasting over an hour.

Representatives also voted to create a new oversight committee to monitor how the administration spends the money Congress has provided to address the pandemic.

Congress will soon turn its attention to what is already a deeply partisan fight over what is

expected to be a fifth bill to address the economic effects of the coronavirus.

Democrats want to make funding for state and local governments a priority in the bill, pointing to the huge financial hit local governments have taken in responding to the virus and meeting the surge in demand for other state benefits, such as unemployment. The nation’s governors say they will need about \$500 billion.

But Republicans want to hit the brakes on the congressional spending spree.

It is “time to begin to think about the amount of debt we’re adding to our country and the future impact of that,”

Senate Majority Leader Mitch McConnell, R-Ky., said in the Capitol earlier this week. “Until we can begin to open up the economy, we can’t spend enough money to solve the problem.”

He also pushed back on the idea of providing a “bailout” to states, saying that many are cash-strapped because of heavy pension burdens, not necessarily the coronavirus. In an email to reporters, his team dubbed them “blue state bailouts.”

“We all have governors, regardless of party, who would love to have free money,” McConnell said, suggesting that laws be changed to permit states to apply for bankruptcy, if they need.

Fifth week of labor rout brings 4.43 million new jobless claims

TNS

More than 4 million Americans applied for unemployment benefits last week, bringing the five-week total during the coronavirus pandemic to 26.5 million in the steepest downturn for the U.S. labor market since the Great Depression.

Initial jobless claims of 4.43 million in the week ended April 18 followed a slightly downwardly revised 5.24 million in the prior week, according to Labor Department figures Thursday. The median estimate of economists was for 4.5 million claims.

Assuming all who filed for benefits are counted as unemployed, the latest figures suggest an April unemployment rate of potentially around 20%, given that Thursday’s data reflect the reference week for the monthly jobs report. That’s double the 10% peak reached in the wake of the last recession in 2009.

Most states continued to see initial claims decline on an unadjusted basis — a sign that layoffs could be slowing a bit. While several states reported declines in layoffs for the prior week, it’s unclear to what extent the figures reflect Americans still losing their jobs by the millions

each week, or if people are getting through on jammed websites and phone lines to apply for benefits after weeks of attempts.

U.S. stock futures edged higher after the report, while 10-year Treasury yields were little changed.

Continuing claims, or the total number of Americans receiving unemployment benefits, rose by 4.1 million to an all-time high of 16 million in the week ended April 11. That pushed the insured unemployment rate to 11% — the highest on record.

Those figures are reported with a one-week lag. States typically take several weeks to process applications and issue payments and may also be facing additional delays now due to unusually high volumes. Some states have taken steps such as staggering applications by alphabetical order of last name or the last digit of one’s social security number on certain days of the week.

The massive government stimulus law also provides an extra \$600 per week in unemployment benefits, but several states have seen delays in providing the additional aid due to processing issues.



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COVID-19 and Small business



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We are here to help in these difficult times

What is ACDC already doing to help:

1. Our Economic Development Disaster Recovery and Resiliency efforts include assisting business owners and employees with access to state Unemployment information. The self-employed, independent contractors and laid off part-time employees who weren't able to apply for benefits until the state can process federal CARES Act.
2. Business retention efforts aim to prevent permanent closures, including helping business owners complete applications for:
 - Working Washington Small Business Emergency Grant
 - Federal SBA Economic Injury Disaster Loan/Loan Advance
 - Federal SBA Payroll protection Program 75% must be used for payroll
 - Assistance accessing lender support regarding mortgage payments, existing business loans and balances due on credit lines
 - Fraud and Scam alerts
 - Referrals to Small Business Development Center counselors
 - Moral support

If you are an Adams County business with 10 employees or less

Contact Janis Rountree

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