

Federal Government - Coronavirus Aid, Relief, and Economic Security (CARES) Act

As the Senate was passing [a "Phase 2" stimulus package](#) Wednesday to address the coronavirus, the White House and leaders on Capitol Hill were pushing ahead on a "Phase 3" deal that would pump an additional \$1 trillion into the economy.

Why it matters: In just a few weeks, the White House has gone from proposing a few billion dollars in quick aid to one of the largest and most expensive stimulus packages in modern history.

Here's a breakdown of the three economic measures the government has passed, or is in the midst of negotiating:

[Stimulus Phase 1](#)

In late February, President Trump [asked Congress to provide \\$2.5 billion](#) to fight the spread of the virus. But after negotiations with Congress, they settled on \$8.3 billion. The measure, [signed into law on March 6](#), provides:

- Extra funding for the Centers for Disease Control and Prevention (CDC), Food and Drug Administration (FDA), National Institutes of Health (NIH), the State Department, the Small Business Administration (SBA), and the United States Agency for International Development (USAID).

- It includes \$4 billion to make more coronavirus tests available, and \$1 billion in loan subsidies for small businesses.

[Stimulus Phase 2](#)

The package, negotiated by Treasury Secretary Steven Mnuchin and House Speaker Nancy Pelosi, was signed into law by Trump Wednesday night. It's unclear exactly how much the bill will cost. The Congressional Budget Office has not yet scored it, while the Joint Committee on Taxation estimated it will cost roughly \$100 billion.

The measure provides:

- Free coronavirus testing including for the uninsured.
- Two weeks of paid sick and family leave.
- Increased federal funds for Medicaid and food security programs, like SNAP.
- Increased unemployment insurance benefits.

[Stimulus Phase 3](#)

The Treasury Department [released a \\$1 trillion relief proposal](#) Wednesday that would include industry-specific bailouts and payments to individual taxpayers. The proposal would provide:

- Two rounds of direct payments to taxpayers, on April 6 and May 18, costing \$250 billion each. The amounts would be based on income level and family size.
- \$300 billion in small business loans. (Employers with 500 employees or fewer would be eligible.)
- A \$50 billion bailout for the airline industry.
- \$150 billion to other industries affected, including hotels, casinos, cruise line operators and shopping mall operators.

- Guaranteed money market mutual funds.

The big picture

It wasn't so long ago that the measures to address the 2008 financial crisis seemed like once-in-a-lifetime interventions.

- Back then, the government authorized \$900 billion in bailouts – \$700 billion initially toward helping big banks and auto companies, and later \$200 billion to rescue Fannie Mae and Freddie Mac, the giant mortgage enterprises.
- [But as Axios' Dan Primack and Jennifer Kingson](#) note, far less than the total \$900 billion was actually spent.
- By the time the programs were [declared](#) ended in 2014, the government had actually turned a profit on those bailouts.
- The 2009 stimulus package, the American Recovery and Reinvestment Act, [cost roughly \\$800 billion](#) and funneled money into aid to state and local governments, safety net programs, tax relief, and construction and investment projects.