

Why more coronavirus stimulus checks are still possible

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May 28, 2021 3 min read

This story originally appeared on ValueWalk

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Q1 2021 hedge fund letters, conferences and more

Coronavirus stimulus checks are still possible?

The first reason is the growing support for another coronavirus stimulus check among Democrats. There are reports that at least 80 Democrats in Congress support sending more stimulus checks. More importantly, this number includes 21 Senate Democrats and Vice President Kamala Harris, who as a senator sponsored a bill to provide recurring payments.

Also, seven members of the influential House Ways and Means Committee have recently come up in support of another stimulus

check. These members, in a letter, urged President Biden to approve more direct payments.

With rising support, it is possible that Biden approves another stimulus payment and makes it a part of his upcoming infrastructure legislation. Also, if all Democrats were to support another stimulus check, it would become relatively easy to approve another round of stimulus checks.

They can use the process called reconciliation in the Senate, to pass the legislation without any support from Republicans. Democrats used the same process to get approval for the American Rescue Plan Act.

Another reason why more stimulus checks are possible is that the general public also wants it. Like Democrats, support for more stimulus checks is also growing among the public. A change.org petition calling on Congress to provide monthly recurring checks until the pandemic ends, has already gotten more than 2.2 million signatures.

This petition asks Congress “to support families with a \$2,000 payment for adults and a \$1,000 payment for kids immediately, and continuing regular checks for the duration of the crisis.”

Uncertainty also supports more stimulus payments

Apart from the above two reasons, there is one more very important reason why stimulus checks are possible, and it is the coronavirus itself. Even though we now have vaccines for COVID-19, it is a fact that scientists still don't know everything about it.

New variants of the virus continue to evolve quickly. The vaccines so far have proven to be effective against all the variants, but there is always the uncertainty of whether any new variant could be vaccine resistant. Also, though the

number of Americans getting vaccinated is growing, the country is still far from herd immunity.

Thus, if the pandemic again gains strength, it could quickly derail the economic progress made over the past year. In such a scenario, resorting to another stimulus check would be the only way to boost the demand and economy.

We all hope that such a situation never arises, but it is always better to be prepared. So, if Congress approves recurring stimulus checks, people will feel protected by being taken care of in a time of need.

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