

Statement of Secretary Steven T. Mnuchin Before the U.S. House Select Subcommittee on the Coronavirus Crisis

September 1, 2020

Chairman Clyburn, Ranking Member Scalise, and members of the Subcommittee, I am pleased to join you today to discuss the Department of the Treasury's response to the COVID-19 pandemic. For the last five months, Treasury has been working hard to provide fast and direct economic assistance to American workers and their families. We remain committed to making sure that every American gets back to work as quickly as possible.

Effects of the CARES Act

The bipartisan CARES Act is the biggest economic relief package in American history. Economic relief, totaling nearly \$3 trillion, which is approximately 15% of GDP, is having a tremendous impact on the economy, leading to increases in jobs, retail sales, business activity and home sales. I also want to thank the Federal Reserve for its substantial work executing 13 unique 13(3) lending facilities.

For the third month in a row, the jobs report exceeded forecasts, with a gain of 1.8 million jobs in July. This brings our three-month total gain to more than 9 million jobs, meaning that over 41 percent of jobs lost due to the pandemic have been recovered. The Job Openings and Labor Turnover Survey suggest the job market has continued to strengthen, with the ratio of unemployed persons to job openings in the economy dropping by nearly one-fourth in June.

We also see signs of a strengthening economic recovery across industries. Retail sales increased in July for the third consecutive month, signaling that consumer spending on goods has recovered from the spring's economic shutdowns. The ISM Manufacturing survey indicated growth for the second consecutive month, and ISM's similar survey for service-sector firms also reported a growth of new orders, both signifying increased business activities. The housing market has nearly returned to pre-pandemic levels, fueled by strong housing starts and existing home sales in July. Leisure and hospitality firms, among the businesses hardest hit by the pandemic, hired 592,000 workers in July, indicating confidence in the economic re-opening.

Phase Four / Executive Orders

While we continue to see signs of a strong economic recovery, we are sensitive to the fact that there is more work to be done, and certain areas of the economy require additional relief. When it became clear that previous negotiations were not moving forward, the President took executive action to provide critical relief to Americans through lost wages assistance and other important items.

We will continue to try to work with the Senate and the House on a bipartisan Phase IV relief package. I believe a bipartisan agreement still should be reached and would provide substantial funds for schools, testing, vaccines, PPP for small businesses, continued enhanced unemployment benefits, child care, nutrition, agriculture, and the U.S. Postal Service, along with liability protection for universities, schools, and businesses.

Transparency

We have released a significant amount of information on our website Treasury.gov and are providing information on the government-wide reporting site USAspending.gov. We also have provided regular updates to Congress, with this marking my fifth appearance before Congress for a CARES Act hearing. Additionally, we are cooperating with various oversight bodies, including three inspectors general, the new Congressional Oversight Commission, and the Government Accountability Office (GAO).

Treasury and the Internal Revenue Service have made data and information regarding the millions of Economic Impact Payments available on their respective websites. The Department has disclosed all payroll support payments to airlines and other businesses on Treasury.gov.

Treasury has also posted extensive documentation related to Coronavirus Relief Fund payments to State, local, and tribal governments on its website. We also are pleased that the Federal Reserve has posted loan information on its website regarding its lending facilities.

We appreciate the Subcommittee's interest in these issues and have devoted significant resources to responding to each of its inquiries. We remain committed to working with you to accommodate Congress's legislative needs and to further our whole-of-government approach to defeating COVID-19.

Conclusion

I would like to thank the members of the Committee for working with us to provide vital economic relief to the American people. I would be pleased to answer any questions you may have.