

**Statement of Secretary Steven T. Mnuchin  
Department of the Treasury  
Before the Committee on  
Small Business and Entrepreneurship  
United States Senate  
June 10, 2020**

Chairman Rubio, Ranking Member Cardin, and members of the Committee, thank you for this opportunity to highlight the efforts of Treasury and the Small Business Administration (SBA) to provide relief to businesses and their workers through the Paycheck Protection Program (PPP). We are committed to working with you to ensure that every American gets back to work as quickly as possible.

**Economic Outlook**

America's economy has begun to rebound, and our recovery is underway. While estimates predicted nearly 8 million jobs lost in the month of May, the actual data released Friday showed 2.5 million jobs gained—the largest one-month jobs gain in recorded history.

Several other indicators show that we are well-positioned for a strong, phased reopening of our country. The U.S. Chamber of Commerce announced last week that 79 percent of small businesses are at least partially open, with half of the businesses that remain closed planning to reopen very soon. The personal savings rate for the month of April, released on May 29, was a record high 33 percent of disposable income, indicating that people have built up cash reserves during the pandemic and will be in a position to resume consumer activity as businesses open. Likewise, investors and businesses have increased cash positions, with data indicating that over \$1 trillion has flowed into money-market mutual funds since February. This data point, among others, shows the availability of private capital to re-invest into commercial operations.

This economic positioning is the direct result of the Trump Administration and Congress working together to pass bipartisan legislation to provide necessary liquidity to workers and markets. The PPP has kept tens of millions of employees connected to their jobs. The National Federation of Independent Business found that 73 percent of its members surveyed rehired or retained workers due to the PPP. Economic Impact Payments and enhanced unemployment insurance are providing relief to millions of families and workers experiencing distress. The announcement and implementation of Federal Reserve lending facilities are enhancing the flow of credit for industries across the economy.

We continue to monitor conditions closely, as certain industries are rebounding more quickly than others. For example, after losing nearly 1 million construction jobs in April, nearly half of those jobs returned in May. By contrast, retail lost over 2 million jobs in April and 16 percent of those positions returned in May. We remain confident that the overall economy will continue to improve dramatically in the third and fourth quarters.

**Paycheck Protection Program**

Turning to the PPP, the SBA and Treasury worked together to launch this unprecedented program in only 6 days. In less than two months, the PPP is supporting the employment of

approximately 50 million workers and more than 75 percent of the small business payroll in all 50 states. This is an extraordinary achievement.

As you might expect with a program of this magnitude executed on a national scale in record time, we initially experienced some complications. We resolved them quickly. To implement the program, our teams have worked with members of Congress on a bipartisan basis to issue a series of rules and guidance to provide clarity to members of the public, as well as borrowers and lenders. By standing up the program quickly, we were able to support tens of millions of workers who may have otherwise been laid off or furloughed.

Aside from the Administration's implementation efforts, we have worked closely with members of Congress in both parties to pass two subsequent pieces of critical legislation. We reached agreements on a second round funding for over \$300 billion and on providing businesses with more time and flexibility to keep their employees on the payroll, and ensure their continued operations, as we safely reopen. Thank you, Mr. Chairman, and the other members of this Committee for your work in building this program that is helping workers and families throughout our nation.

### **Other CARES Act Programs**

I would note that while the PPP is a very important program, it is only one part of the CARES Act—the single largest economic relief effort in history. Treasury has been hard at work:

- **Economic Impact Payments:** We have distributed nearly 160 million payments worth more than \$260 billion in record time.
- **Programs to Support Aviation and other Eligible Businesses:** We have approved the disbursement of over \$27 billion to more than 500 airlines and other businesses to preserve hundreds of thousands of jobs.
- **Coronavirus Relief Fund:** We have disbursed nearly all of the \$150 billion appropriated for state, local, and tribal governments. In doing so, we have provided recipients with as much flexibility as possible under the statute.
- **Federal Reserve Facilities:** We have committed approximately \$200 billion in credit support for Federal Reserve lending facilities under the CARES Act, money that is going to promote the flow of credit to businesses, households, and state and local governments, as well as to restore liquidity and funding to credit markets. The Federal Reserve, in consultation with Treasury, has modified the terms of the lending programs since they were announced in order to ensure broad access to credit and liquidity for American businesses. We have over \$250 billion remaining to create or expand programs as needed.

### **Conclusion**

I am proud of the work we have done with all of you. We will overcome the unprecedented challenges before us together, and make sure that every American gets back to work as quickly as possible. I look forward to your questions.