



The Macroeconomic Implications of the COVID Relief Fiscal Packages

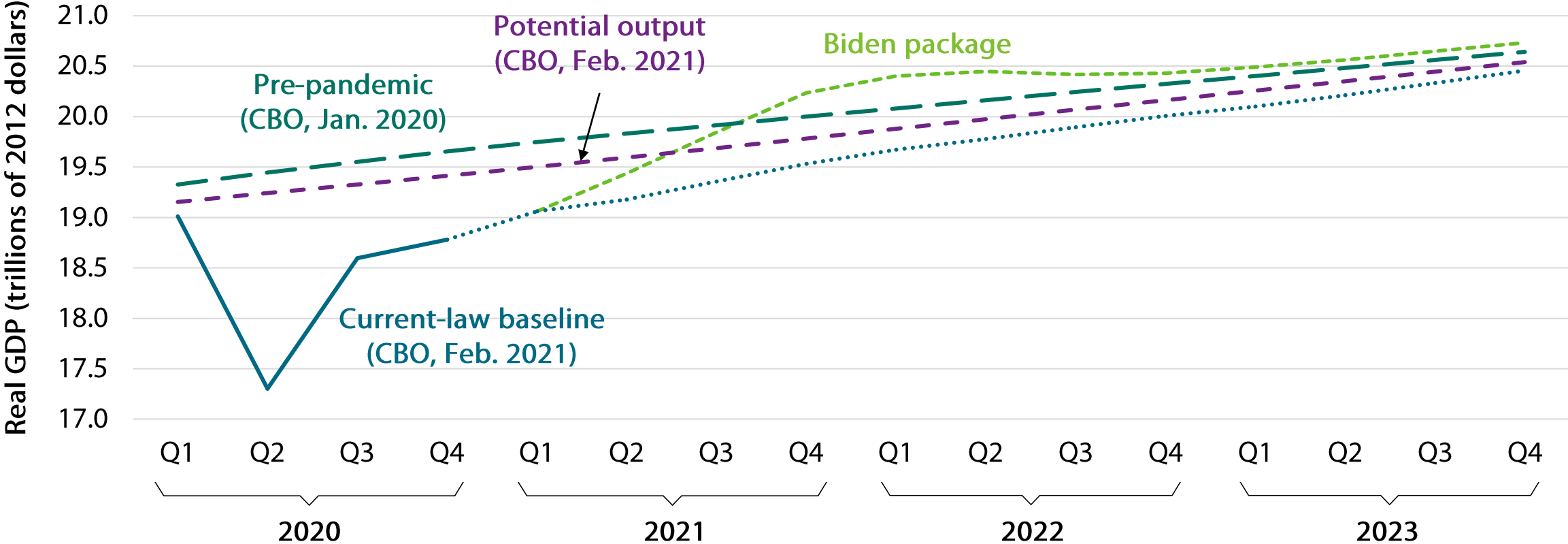
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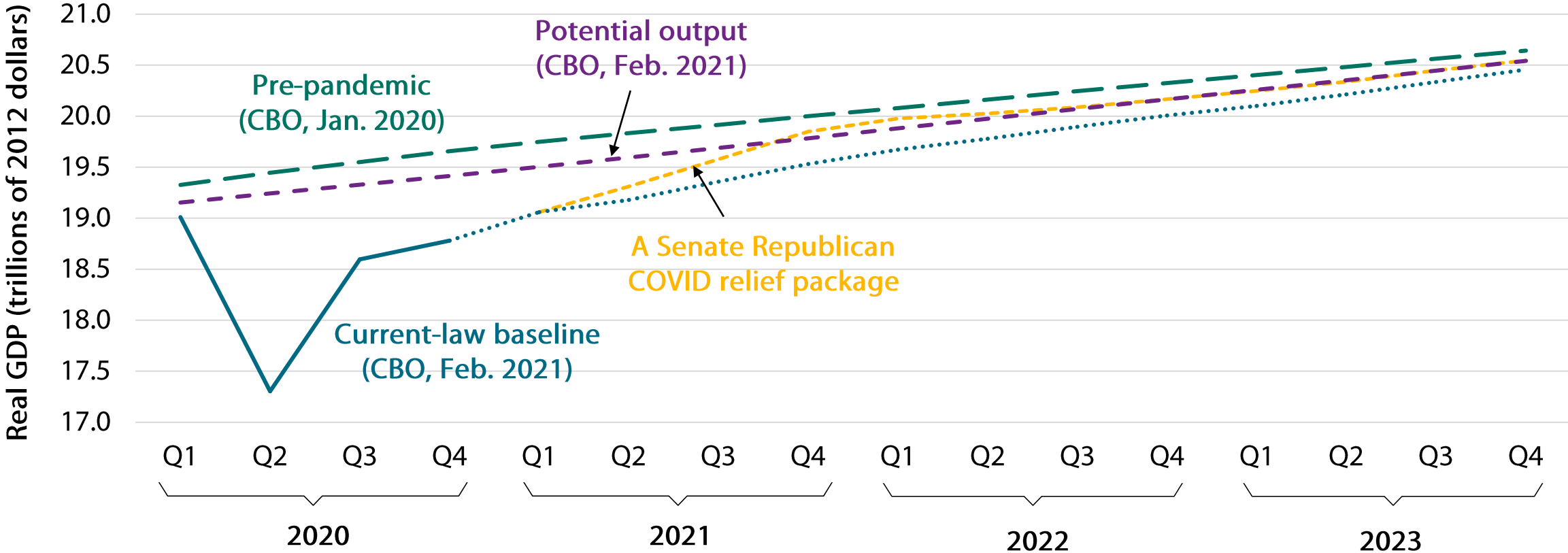
February 17, 2021

Projection of Real GDP under Biden Package and under Various CBO Paths



Source: Bureau of Economic Analysis; Congressional Budget Office; authors' calculations.
 Note: For details on the underlying methodology, please refer to the technical appendix. The "Biden Package" results are layered over CBO's current law GDP projection. Our previous analysis of the Biden package, published in The Macroeconomic Implications of Biden's \$1.9 Trillion Fiscal Package in January 2021, used a slightly different projection of real GDP that similarly assumed no additional fiscal support. The results presented here are little changed from those previously published.

Projection of Real GDP under Senate Republican Package and under Various CBO Paths



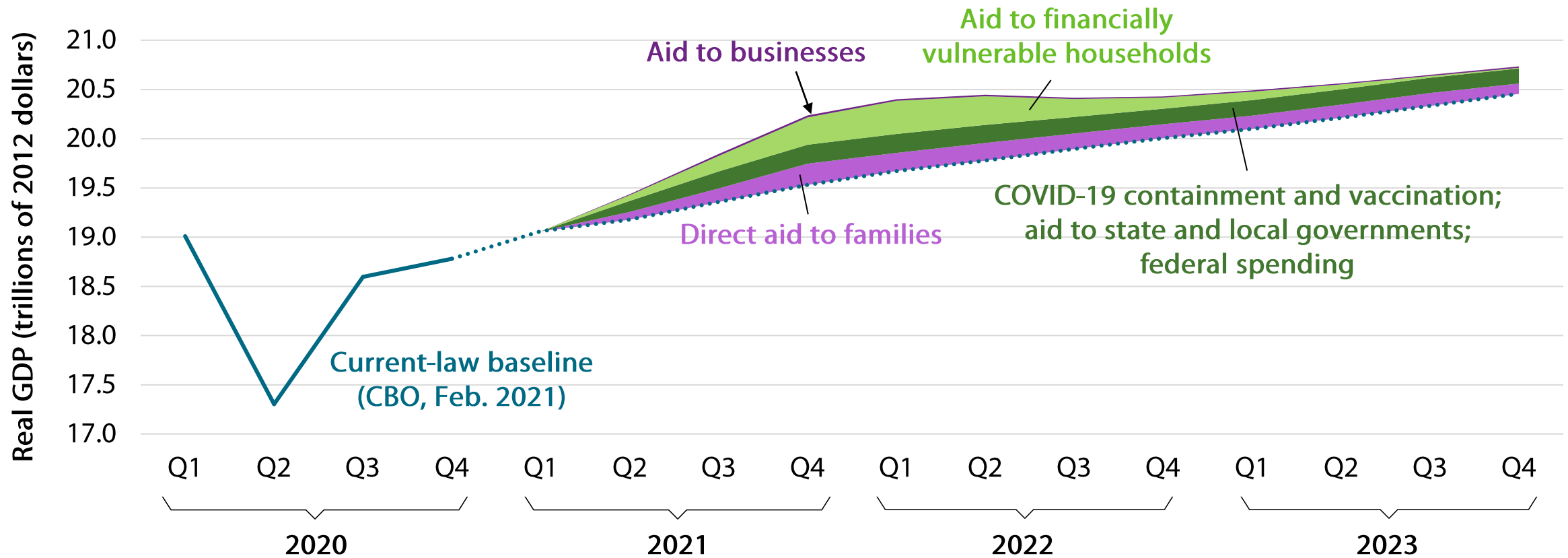
Source: Bureau of Economic Analysis; Congressional Budget Office; authors' calculations.
 Note: For details on the underlying methodology, please refer to the technical appendix.

Federal Outlays of Major Categories of Policies in Biden Package

	Total outlays (in billions)	Policies included in each category
All five categories together	\$1900	
COVID-19 containment and vaccination; aid to state and local governments; federal spending	\$750	Aid to tribal, state, and local governments; child care block grant; COVID-19 containment and vaccination; federal IT; public transit; reopening schools; VA and mental health
Direct aid to families	\$600	Child care; child tax credit; EITC; rebate checks; tuition aid
Aid to financially vulnerable households	\$400	Health insurance subsidies; housing assistance; SNAP; TANF; Unemployment Insurance; WIC
Aid to businesses	\$150	Child care providers; grants to small businesses; loans to businesses; paid sick leave

Source: Authors' calculations.

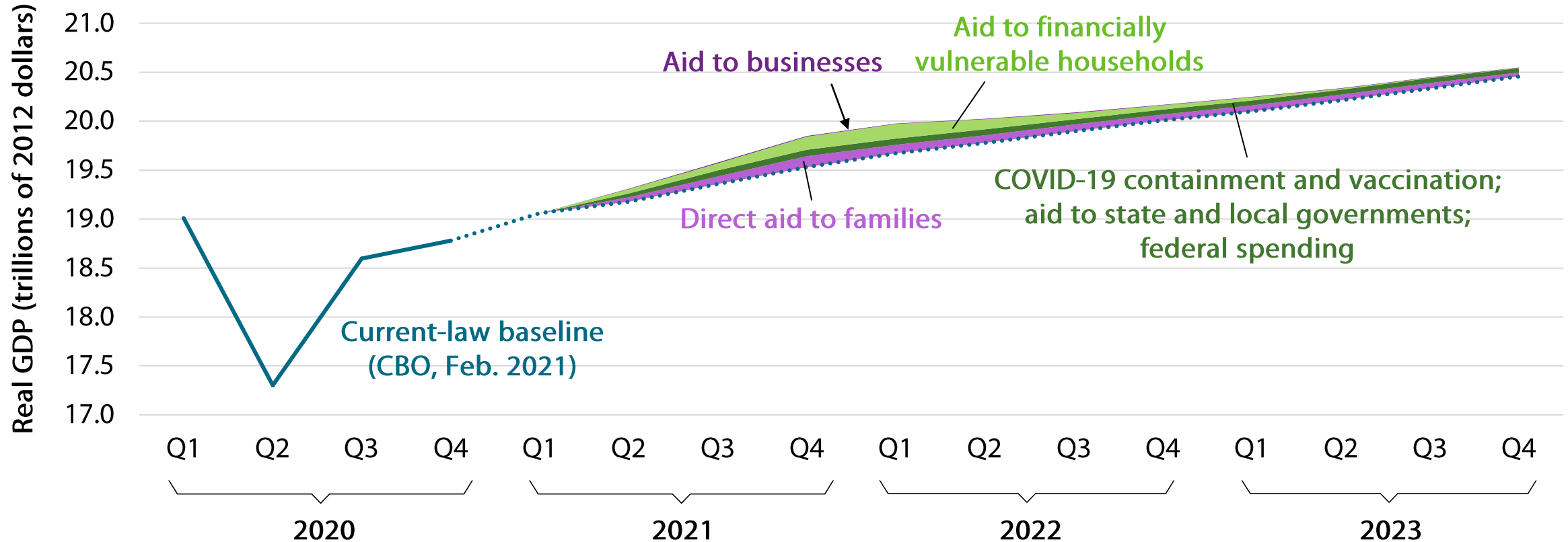
Effects of Components of Biden Package on Real GDP



Source: Bureau of Economic Analysis; Congressional Budget Office; authors' calculations.

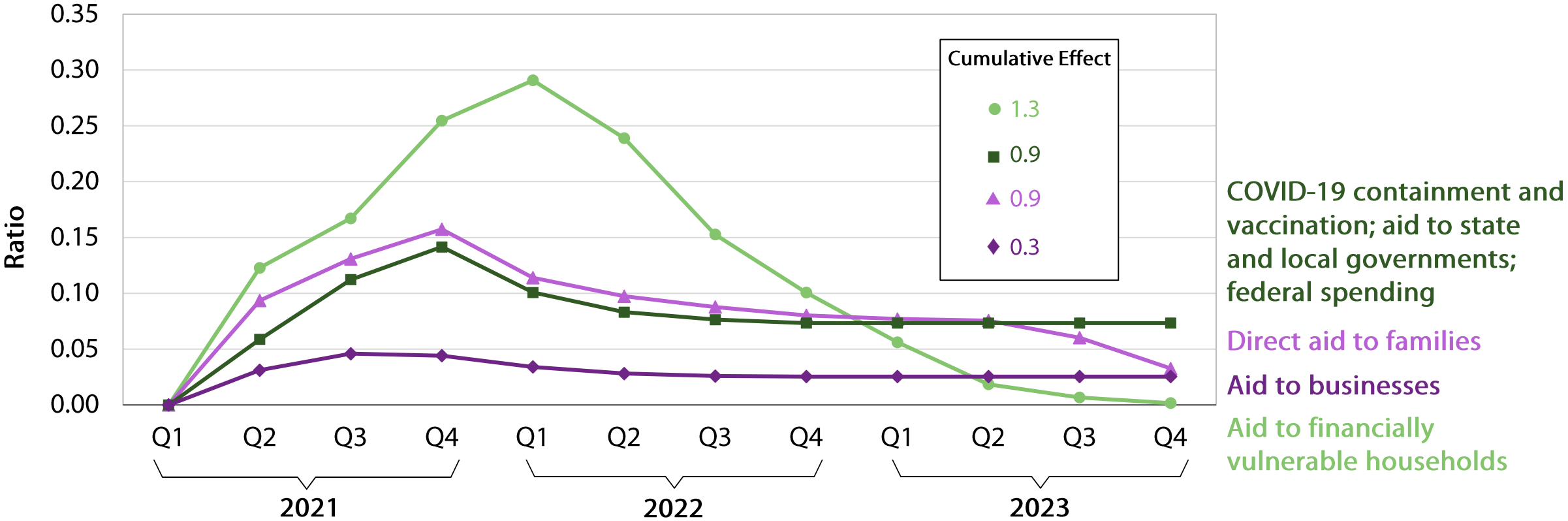
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Effects of Components of a Senate Republican Package on Real GDP



Source: Bureau of Economic Analysis; Congressional Budget Office; authors' calculations.
 Note: For details on the underlying methodology, please refer to the technical appendix.

GDP Effect Per Dollar of Fiscal Outlay in Biden Package, by Category



Source: Authors' calculations.
 Note: For details on the underlying methodology, please refer to the technical appendix.



Additional Resources

- To read the full analysis “The Macroeconomic Implications of Biden’s \$1.9 Trillion Fiscal Package” click [here](#).
 - To read the technical appendix click [here](#).
- To read the full analysis “A Macroeconomic Analysis of a Senate Republican COVID Relief Package” click [here](#).



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