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## Consumers putting stimulus checks to work

We are almost to March, which the Biden administration has targeted for the release of a \$1.9 trillion stimulus package. The need for the aid has bipartisan support in Congress, but the amount continues to be debated. Whatever the number, it should require the Treasury Department to issue more Treasury bills to fund it. Coming as it would on the heels of the \$900 billion government relief passed in December, that issuance could offset the front-end supply squeeze the markets have feared could push short-term interest rates lower.

The fiscal package would provide aid to state and local governments, which would be a boon—perhaps even enough to cover most revenue losses in 2020. Another goal is to support the labor market, which continues to struggle (witness the bump in initial weekly jobless claims reported last week). Yet another is to put money in people’s hands, with the hope that gooses consumer spending. It seems to have worked with those December checks, based on the large jump in January retail sales. It might even help to prolong the strong performance of the housing market, which had been hampered by tight supply. Home builders confidence is rising, as are permits.