

Paycheck Recovery Act -- Talking Points

Call script

- I urge Rep. ___ to cosponsor H.R. 6918 the Paycheck Recovery Act and fight to include it in the next coronavirus relief package.
- With more than 17 states shutting back down and Dr. Fauci warning of 100,000 new cases per day, we've seen what happens when we rush reopening without a plan to support workers and businesses.
- Other countries didn't face mass layoffs or the pressure to open too soon because they made sure it was safe for workers to stay home with a paycheck guarantee.
- Under the Paycheck Recovery Act, the government would cover 100% of workers' paychecks (up to \$90,000 per worker). That would put money in the pockets of working families, keep workers connected to jobs and health benefits, and prevent businesses from permanently shuttering.
- Please contact Rep. Jayapal's office today to cosponsor the Paycheck Recovery Act.

TALKING POINTS

Mass unemployment

- Neither workers nor businesses are to blame for this economic devastation, but both are suffering terribly.
- After rushing to reopen, more than 17 states are already shutting down and coronavirus cases are spiking across the country. We need to make sure people can stay home without risking economic devastation or losing their health insurance.
- Over 45 million people have filed for unemployment — and extended unemployment benefits are set to disappear at the end of July. We need bold action now to stave off disaster.
- set to disappear at the end
- Since March, over 45 million people have filed for unemployment. The unemployment rate is now at [a staggering 11%](#) high — higher than any point in the Great Recession. And as cases rise, the unemployment rate is [likely to spike again](#). Because of mass layoffs, at least 27 million people have lost employer-provided healthcare during a pandemic. That has to end.
- Unemployment offices are overwhelmed. For every ten people who successfully made a claim for unemployment insurance in March and April, there are [three or four more](#) who've just given up.
- As this crisis drags on, some businesses are permanently closing their doors and more businesses are at risk every day, especially if businesses who were just getting back on their feet need to shut down again as a second wave hits.
- We need a solution that not only puts money in people's pockets today but also keeps them connected with jobs to accelerate our future recovery.

Design of Paycheck Recovery Act

- Congresswoman Pramila Jayapal's Paycheck Recovery Act is a simple system that would allow struggling employers to continue making payroll and covering operational expenses like rent and utilities - even if workers need to stay home to stay safe.
- Under the Paycheck Recovery Act, the federal government would cover up to 100% of workers' paychecks (up to \$90,000 per worker) for businesses facing revenue losses during the COVID-19 pandemic. Workers would keep their jobs and their benefits, like health care.
 - Businesses would also receive support for rent, utilities, and other fixed costs.
 - All small businesses would be eligible -- no more banks picking winners and losers.
 - Any company that receives a paycheck guarantee would have to maintain payroll and rehire workers laid off during the pandemic.
- In the middle of the worst crisis in our lifetimes, we all want the dignity and security of having a job — and no one should be losing their health insurance.
- A paycheck recovery would help reconnect the 30 million people who've been furloughed or laid off with their jobs.
- Workers would not only get cash in their pockets. They would be ready to return to work as soon as it's safe. And they stay connected with health care and other employer-provided benefits.
- The program will continue until unemployment comes down. And it will ensure workers and businesses can wait to reopen until it's safe, ultimately accelerating our full recovery.
- The Paycheck Recovery Act also includes a "rehiring bonus" to make sure that low-wage workers are made whole relative to staying on unemployment, and to incentivize people to return to work when it's safe.

Facilitating a Safe, Swift Economic Recovery

- Economic and political pressure pushed states into reopening without a plan to contain the pandemic. Now more than 17 states are shutting down again and coronavirus infections are surging. We are facing a second round of shelter in place orders and mass layoffs if we don't act now.
- Workers need to be able to stay home until it's safe without risking financial devastation and businesses need support without lots of red tape. A Paycheck Recovery Act keeps our economy afloat even if we need to stay at home or face multiple rounds of temporary closures. It will allow us to reopen safely instead of rushing in and then dealing our economy another devastating blow.
- Many businesses will face steep revenue losses even as they begin to re-open, as customers continue to physically distance and the crisis destroys families' financial security. Without the Paycheck Recovery Act, businesses won't rehire laid off workers and they may shutter permanently, slowing down the recovery and dragging out the economic pain.
- States that begin to reopen may have to swiftly close down if new infections rise or if there's a second wave of COVID-19. The Paycheck Recovery Act would help keep workers and businesses financially stable during unpredictable future shutdowns.

- We don't know how long we'll have to weather this crisis or if we face future waves of shut downs. The Paycheck Recovery Act is structured to last for the duration of this crisis so we don't have to keep scrambling for last minute bandaids.

A Proven Solution Internationally

- We know the Paycheck Recovery Act can work because we've seen it work in other economies.
- Canada, Australia, Germany, Denmark, the U.K., France, and many other countries quickly provided a paycheck guarantee when the pandemic began.
- With a paycheck guarantee in place, the unemployment rate in Europe is far below the spike that the U.S. experienced.
- It's not too late but we've got to act fast. We can stop further layoffs and reconnect workers with their jobs by providing a payroll guarantee.

Why the Paycheck Recovery Act is Better Than the Paycheck Protection Program

- The Paycheck Protection Program has the right goal, but it's not working because it has the wrong structure and an inadequate scale.
- About two-thirds of businesses receiving PPP money said they were at risk of [running out of the loans](#) by the end of June. Small businesses need a long term solution.
- Minority-owned businesses and many small businesses were essentially shut out of the program.
- Meanwhile, the banks involved in making PPP loans have already earned \$10 billion in fees.
- In contrast, the Paycheck Recovery Act provides aid directly to businesses without going through private banks or burdening small businesses with lots of red tape. Instead, it gets businesses and workers immediate relief and makes sure that businesses can't just pocket the money without helping their employees.

Cost

- This program is a smart investment. It prevents people from losing their jobs and being forced to turn to Medicaid, unemployment insurance and nutrition assistance.
- It also makes sure businesses can get back to work as soon as it is safe, without having to rebuild their workforce from scratch and keeps workers from losing professional certifications because they lost their jobs.
- By facilitating a swift recovery, a paycheck guarantee can help stop the next Great Depression — saving us money in the long-run.

Support

- [68% of voters](#) supported the Paycheck Recovery Act in a recent poll.
- The Paycheck Recovery Act has strong support from over 100 economists and 100 grassroots, labor, and small business organizations.
- More than 100 Members of Congress have cosponsored the bill, and Speaker Nancy Pelosi has signaled support for the idea in recent days.

- A similar proposal has been introduced in the Senate. Even a few congressional Republicans have expressed support for some form of paycheck guarantee.