



# ***Harry's Take***

April 6, 2021

## **Total COVID Fiscal Stimulus Now \$5.3T, or 25% of GDP, and There's Much More To Come!**

At the bottom of the Great Depression in late 1932, the U.S. had an 89% stock crash and 25% unemployment, and the government ran a 6% deficit.

Those were the good old days.

Let me total all of the numbers here, both past and coming just ahead, to give you the full picture for today's crisis:

Rising QE/Monetary Stimulus Since Late 2019 (rising \$120B/month)	\$ 4.0T	19.1% of GDP
Fiscal Stimulus, Including Recent Bill	\$ 5.3T	25.4%
New Infrastructure Bill Proposed	\$ 2.2T	10.5%
Total	\$11.5T	55.0%

That adds up to total fiscal stimulus of \$7.5T and total monetary goosing to date of \$4.0T, rising \$120B per month indefinitely into the future. The stimulus passed, fiscal or printed, to date amounts to \$9.3T, which is 44.5% of GDP, or 55% if we include the proposed, new \$2.2 infrastructure bill.

Does this sound a bit high to keep our struggling 1.65% per year recovery (since 2009) going?

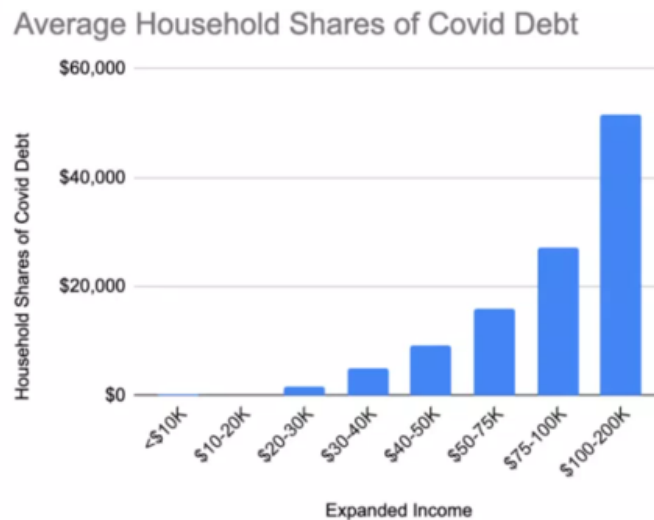
**This is outright insanity and screams desperation beyond belief!**

Let's just have a recession and get it over with. What's the next plan? Another few trillion dollars in monetary injections? Is it going to take 100% of GDP in the end here to keep this feeble economy going?

Our economy already died, but no one announced the funeral.

This chart puts **just** the fiscal bills passed up until now, \$5.3T, in the context of what it allocates to households in this country. Since affluent households pay much higher taxes, the cost goes up exponentially for them.

### Costs of Short-Term COVID Stimulus Substantial as Household Share



Source: <https://news.yahoo.com/much-covid-19-stimulus-cost-103013941.html>

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For households with annual income of \$30k–\$40k, it comes to about \$5,000—but go up to \$50k–\$75k and it's \$16k. The share for the typical household, with annual income of \$88k, falls into the \$75k–\$100k range, at \$27k. But the share for those making \$100k–\$250k on average per year gets serious, at \$51k. Not shown on this chart is the share for those making \$500k–\$1M, a whopping \$304k. A lot of people I know fall into that category.

These impacts more than double if you include the total stimulus of \$11.5T and rising, as discussed above.

So, is it worth it? NO WAY IN HELL!

This will go down in history as the most Pollyanna and naïve government stimulus program in all of history.

Can you do anything about it right now? Not really! All you can do is sell your financial assets before they are devalued by this unprecedented folly.

Harry

*Got a question or comment? You can reach us at [info@hsdent.com](mailto:info@hsdent.com).*