

**Thank God It's Friday!**

**January 30, 2009**



This weekend we'll have twice the fun: The Super Bowl and The Stimulus Package. On Sunday, after hours of food & drink, we'll wait until the third quarter of the game -when Arizona is ahead by 2 touchdowns - to begin chatting about the Stimulus package that Congress is kicking around.

Think of it this way: Just as the TARP (Troubled Asset Relief Program) bailed-out banks and insurance companies, the STIM is aimed at taxpayers and small businesses. The TARP has yet to trickle down through the economy but that is to be expected. You cannot go from zero to 60 in a nano second when you are driving an unwieldy economy as large and complex as ours. Effects of the TARP are promising but not yet visible. Wait.

On the other hand, the STIMULUS package seeks instant gratification. Money has to travel with speed and size to get our economy moving forward again. Jobs are job # 1 but taking care of the jobless is the initial step. The STIM addresses this two ways: extends Medicare privileges to unemployed Americans and extends some unemployment terms.

To restore confidence in the future of the US economy, and to jump-start the economy, the STIM package aims to create new jobs and save others because an alarming number of jobs were lost in 2008: 2.6 million jobs to be precise. Tax cuts are nice but they are too slow to do the job without some heat-seeking-missiles like a stimulus package aimed at working Americans.

We expect the final Stimulus package to include \$275 billion in tax relief to encourage new spending. The tax cut calls for a \$500 break for single workers and \$1,000 for couples. There are also tax breaks for businesses making investments in equipment and renewable energy.

When the Senate slices and dices the Bill to resend to the House for a final vote before February 13th, we expect it to look something like this:

- \$180 billion for jobless benefits, \$87 billion in spending on Medicaid
- \$360 billion of spending on energy, transportation, and education
- \$275 billion in tax relief \$70 billion to exempt millions of middle income from the alternative minimum tax

We wish you a stimulating Super Bowl Sunday!

By: Jude Bedell