

On the Third Anniversary of President Biden’s American Rescue Plan, Treasury Releases New Data on How State and Local Aid Fueled National Economic Recovery

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New analysis demonstrates that state and local aid fueled national economic recovery from the COVID-19 crisis

WASHINGTON – Today, to mark the third anniversary of President Biden’s American Rescue Plan (ARP) Act, the U.S Department of the Treasury is releasing new data illustrating that this historic legislation supported both immediate pandemic recovery and long-term economic growth. By stabilizing our economy and tackling longstanding challenges, the ARP catalyzed investments in community development that will extend well beyond the deployment of federal resources, and laid the foundation for other historic investments in our nation’s economic future, such as the Bipartisan Infrastructure Law, CHIPS and Science Act, and Inflation Reduction Act.

“When President Biden’s American Rescue Plan passed three years ago, our country was in the depths of a pandemic, with millions of Americans out of work,” said Secretary of the Treasury Janet L. Yellen. “Our decisive action contributed to an economic recovery that has been historically fast and inclusive. Today, communities nationwide continue to use resources unlocked by President Biden’s legislation to support American workers and families. The American Rescue Plan also laid the foundation for our long-term economic agenda, which will fuel growth and expand opportunity for years to come.”


Following enactment of the ARP in March 2021, the Treasury Department oversaw a historic and unprecedented provision of federal assistance to struggling Americans, including delivering more than 150 million Economic Impact Payments within the first few weeks following the American Rescue Plan’s passage; providing emergency rental assistance to prevent evictions across the country; issuing the first ever monthly payments of the Child Tax Credit which supported tens of millions of families; and rapidly distributing assistance from the State and Local Fiscal Recovery Funds (SLFRF) program directly to communities to help local leaders avoid service reductions including job cuts, address local needs, and support a **rapid, resilient, and equitable recovery**. Today, GDP growth is strong, inflation has declined significantly, there

are four million more jobs than before the pandemic, unemployment is near historic lows, wages are up, and wage gains have been broadly shared.

Alongside new data illustrating the status and impact of various ARP programs and initiatives, the Treasury Department is releasing a new analysis demonstrating why strong state and local economies are vital for a strong national economy. For instance, state and local governments provide most of the nation's public services, including schools, public safety, and local transit; contribute almost 15% to the national GDP; and employ 13% of the total U.S. workforce. The analysis found that, in the years following the Great Financial Crisis of 2007-2009, declining state and local economies were a drag on the national economy and contributed to years of underinvestment which affected communities across the nation. In contrast, by providing financial support during and following the COVID-19 crisis, the Biden-Harris Administration prevented state and local government collapse and continues to put state and local governments in a robust position going forward, strengthening our national economy.

IN THREE YEARS, THE AMERICAN RESCUE PLAN:

Delivered direct and flexible aid to over 30,000 state, local, Tribal, and territorial governments

- Governments have [used](#)  SLFRF award funds not only to prevent cuts in government services and respond to the immediate health and economic consequences of the pandemic, but also to make much-needed investments to strengthen their economies and their communities over the long-run.
- To date, communities across the country have budgeted more than \$12 billion for more than 6,300 projects addressing public health needs; \$18.5 billion for nearly 3,000 projects to meet housing needs, including \$7 billion committed to affordable housing development and preservation; nearly \$13 billion for more than 4,300 projects to support workers; \$5 billion for over 1,500 small business assistance projects; and \$32.8 billion for over 13,000 critical infrastructure projects in broadband, water, and sewer.
- Over 99.9% of the \$350 billion in SLFRF funds has been delivered into the hands of nearly every state, local, Tribal, and territorial government in the country, and states and the largest cities and counties have reported budgeting 88% of their total SLFRF funds to specific projects.

FUNDED PROJECTS THAT WILL CONNECT OVER 2 MILLION FAMILIES AND BUSINESSES TO AFFORDABLE, HIGH-SPEED INTERNET AND HELP CLOSE THE DIGITAL DIVIDE

- Through ARP's Capital Projects Fund (CPF), Treasury has awarded more than \$9.2 billion for broadband, digital technology, and multi-purpose community center projects in all states and the District of Columbia, which these states estimate will reach over two million locations with improved internet access. In addition, hundreds of thousands of individuals will be served annually by multi-purpose community facilities and digital technology programs. An additional \$78 million in CPF awards have gone to 440 Tribal governments.
- In addition to the \$10 billion provided by the CPF program, many governments are putting a portion of their SLFRF awards toward meeting the Biden-Harris Administration's goal of connecting every American household to affordable, reliable high-speed internet. Through September 2023, SLFRF recipients budgeted more than \$8 billion in SLFRF funds.

Made over 12.3 million payments to help families avoid eviction and helped over 450,000 families avoid foreclosure

- The Emergency Rental Assistance (ERA) program – expanded and extended by the ARP – has made over 12.3 million payments to families at risk of eviction. Research from the U.S. General Services Administration has found that ERA funds were more likely to reach those with the lowest incomes, and especially those who were most likely to otherwise be at risk of eviction. Based on reported data, more than 60% of these funds have gone to communities of color, and more than 66% have gone to female-headed households.
- More than 450,000 homeowners at risk of losing their homes received assistance through the Homeowner Assistance Fund (HAF) program. In total, \$5.9 billion, more than half of all funds available through the HAF recipients' programs, have now been spent.
- The data also show HAF recipients continue to reach a higher proportion of economically vulnerable and traditionally underserved homeowners than previous federal mortgage assistance efforts. Through September 2023, 55% of HAF assistance was delivered to very low-income homeowners, 40% of homeowners assisted self-identified as Black, 20% self-identified as Latino, and 63% self-identified as female.

Launched small business assistance programs that will aid up to 100,000

small businesses

- The ARP reauthorized and funded the State Small Business Credit Initiative (SSBCI), providing nearly \$10 billion to state, Tribal, and territorial governments to expand access to capital and invest in job-creating opportunities, with a focus on underserved communities.
- The Treasury Department has announced the approval of state, territory, and Tribal government plans corresponding to more than \$8.4 billion in funding under the SSBCI Capital Program to support small business and entrepreneurship and expand access to capital. These resources are designed to catalyze up to \$10 of private investment for every \$1 of SSBCI capital funding, and are expected to support tens of billions of dollars in new small business financing and up to 100,000 small businesses over the next decade.
- In addition to the SSBCI Capital Program, the Treasury Department has announced more than \$108 million of awards through the SSBCI Technical Assistance Grant Program, which will provide vital aid to help small businesses become “capital ready” by preparing them to take on loans or investment and steward capital for small business success. And in 2023, the Treasury announced a new \$75 million competitive grant program, the Investing in America Small Business Opportunity Program, under SSBCI to support technical assistance for very small and underserved businesses.
- The Treasury Department also transferred \$125 million in SSBCI funding to the Minority Business Development Agency to support the Capital Readiness Program to help minority and other underserved entrepreneurs grow and scale their businesses.
- Programs like SSBCI are key to the Biden-Harris Administration’s strategy to strengthen the small business creation seen since the start of this Administration by expanding access to capital and customers, and by providing entrepreneurs the resources they need to succeed. The Department’s work has also helped these funds reach traditionally underserved entrepreneurs and small businesses that will ensure the small business boom grows the economy in communities that were disproportionately harmed by the pandemic. The United States is on track to have the three strongest years in history for new small business applications, and Black business ownership has grown at the fastest pace in 30 years.

Delivered the largest single infusion of federal funding support to Tribal nations in U.S. history for pandemic recovery and economic development

- The ARP included over \$30 billion for Tribal governments, including \$20 billion from the SLFRF program – the largest single infusion of federal funding into Indian Country in U.S. history. To date, Tribes have used funds for over 4,700 projects and services with public health, housing, and infrastructure-related investments representing the biggest categories.
- At the White House Tribal Nations Summit in December, the Treasury Department released a [report](#) detailing how SLFRF, HAF, and ERA1 programs helped homeowners and renters in Tribal communities avoid foreclosure and eviction, stabilized housing markets in Indian Country and surrounding regions, and strengthened local and national economies.

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