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2021 Poverty Projections: Assessing Four American Rescue Plan Policies

The Policies Are Projected to Reduce the US Poverty Rate by One-Third

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Key elements of the American Rescue Plan Act would reduce the projected poverty rate for 2021 by more than one-third. In an earlier analysis, we projected that without this legislation or other new supports, but with the relief policies passed in December, the 2021 annual poverty rate would be 13.7 percent. We project that four elements of the American Rescue Plan would reduce that annual poverty rate to 8.7 percent.[1] Other key findings regarding the American Rescue Plan are as follows:

- The legislation would reduce the projected number of people in poverty in 2021 by about 16 million, from over 44 million to 28 million.
- The projected 2021 poverty rate for children would be cut by more than half.
- We project that the poverty rate for individuals in households that experienced a job loss because of the pandemic recession would decline by more than half, while the poverty rate for households that did not experience job loss would decline by almost one-third.
- Poverty would fall 42 percent for Black, non-Hispanic people and 39 percent for Hispanic people compared with 34 percent for white, non-Hispanic people, thus reducing the disparities in poverty rates for Black, non-Hispanic people and Hispanic people relative to white, non-Hispanic people.[2]
- The combined policies would reduce the share of people experiencing deep poverty (i.e., those with resources of less than half of the poverty threshold) by one-third. The share of the population with low family income (i.e., income below twice the poverty threshold) would fall from 45 to 38 percent.

Our estimates include the effects of the American Rescue Plan Act's (1) extension of pandemic-related unemployment insurance benefits, (2) extension of higher Supplemental Nutrition Assistance

Program benefits, (3) $1,400 recovery rebate payments, and (4) advance portion of the increased child tax credit. We assess the impacts of these provisions on families' economic well-being using the Supplemental Poverty Measure.

American Rescue Plan Act Policies Included in the Estimates

The American Rescue Plan Act includes multiple provisions aimed at reducing economic hardship and stimulating the economy.[3] For this analysis, we focus on four key pieces of the legislation that each have direct impacts on families' economic resources.

- **Unemployment insurance (UI) benefits:** The UI elements of the American Rescue Plan build on and extend the legislation passed in December 2020.[4] Before the passage of the December bill, many unemployed people were set to exhaust their benefits at the end of the year. The December legislation provided 11 additional weeks of benefits and added $300 a week to regular state benefit amounts through the middle of March 2021. This new legislation adds another 25 weeks of benefits (almost six months), including the additional $300 a week, from mid-March through September 6, 2021.[5] The new legislation would also extend the special pandemic UI program for people who do not usually qualify for UI (self-employed and gig workers) from its previous expiration date in March to September 6. As in our previous analysis, we assume that not all unemployed people receive UI even if they appear eligible for it, and we assume a lower rate of receipt among self-employed people than among wage earners.[6]
- **Supplemental Nutrition Assistance Program (SNAP or "food stamps") benefits:** The SNAP aspects of the American Rescue Plan also build on the legislation passed in December 2020, which increased the maximum monthly SNAP benefit 15 percent through June 30, 2021. The American Rescue Plan extends the period for increased SNAP benefits by three months, to September 30, 2021.[7]
- **Recovery Rebate payments:** The legislation provides a one-time payment of $1,400 ($2,800 for married couples), with an additional $1,400 for each dependent. Unlike previous legislation, this legislation allows dependents of any age to be eligible for the rebate, not only children under age 17. The payments begin to phase out at income levels of $75,000 for single filers, $112,500 for head-of-household filers (such as single parents with children), and $150,000 for married couples. We assume that most people eligible for the payments receive them.[8]
- **Child tax credit:** The legislation makes several changes to the child tax credit for tax year 2021. It makes the credit fully refundable, increases the amount to $3,600 per child under age 6 and $3,000 per child age 6 and older, allows the credit to be taken on behalf of a 17-year-old (the prior maximum age was 16), and provides for monthly advance payments of the credit beginning in July. The increased amount of the credit (the additional $1,000 or $1,600 per child above the current-law amount of $2,000) begins to phase out at income levels of $75,000 for single filers, $112,500 for head-of-household filers, and $150,000 for married couples. Half of the credit

would be issued in advance payments beginning in July 2021; the remaining credit would be delivered in 2022. For this analysis, we model only the amount that would be paid in 2021. We assume that most people eligible for the increased child tax credit receive it.[9]

Our estimates focus only on these four provisions of the American Rescue Plan Act. Additional antipoverty effects would likely arise from other provisions aimed at addressing economic hardship, including increasing funding for rental assistance; the Low-Income Home Energy Assistance Program; and the Special Supplemental Nutrition Program for Women, Infants, and Children, as well as exempting a portion of UI income received in 2020 from federal income taxation. We do not estimate the effects of increases to the earned income tax credit and to the child and dependent care tax credit, because these benefits would not be delivered in advance and so are unlikely to affect poverty levels in 2021.[10]

Methods for Creating the Estimates

We developed our projections using the Urban Institute's Analysis of Transfers, Taxes, and Income Security (ATTIS) model, which takes into account expected levels of employment and income in 2021 as well as anticipated 2021 benefits and taxes. We assess poverty using the Supplemental Poverty Measure (SPM), an expanded poverty measure that considers not only a family's cash income but also their tax payments, tax credits, in-kind benefits such as nutrition assistance, and the rebate checks (Fox, Glassman, and Pacas 2020). We follow the US Census Bureau's approach to calculating the SPM but use the income and resource amounts developed by ATTIS (Pyati 2020).

The "baseline" poverty projections in this brief—the poverty rates absent the American Rescue Plan Act legislation—are based on our 2021 annual poverty projections (Giannarelli, Wheaton, and Shantz 2021). We projected these baseline poverty rates using 2018 American Community Survey (ACS) data that we modified to represent expected circumstances in 2021.[11] As an initial step, we adjusted the sampling weights to reflect shifts in the composition of the population between 2018 and 2021. We also adjusted income amounts to reflect expected changes. To capture the recession, we adjusted employment statuses to reflect the shares of people working full time and part time in October 2020 (the most recent data available at the time we began developing the projections), in total and by key demographic characteristics.[12] With the modified data, we simulated each family's benefits, taxes, and tax credits using the rules expected to be in place in 2021, including the SNAP and UI policies enacted in December 2020, and computed SPM poverty using the expected 2021 resources. Based on the February 2021 Congressional Budget Office forecast, our data may somewhat overstate unemployment and poverty rates.[13]

Starting from the foundation of the earlier work, we used the ATTIS model to simulate the UI, SNAP, recovery rebate, and child tax credit proposals in the American Rescue Plan Act. Both the baseline simulations and the simulations of the American Rescue Plan policies capture the appropriate interactions between UI benefits and means-tested programs, including the fact that the supplemental weekly benefits are disregarded when calculating eligibility and benefits in some means-tested programs.[14]

In the aggregate, the four policies are projected to provide US families with an additional $502 billion in net resources, or an average of about $3,700 per family.[15] For families projected to have 2021 resources below the SPM poverty level absent this legislation, aggregate net resources increase by $87 billion, an average of about $3,850 per family. We examine the change in SPM poverty produced by each of the policy changes individually and then look at the impact of the four policies combined.

Our analysis does not include the macroeconomic effects of the policy changes, which could include higher employment as a result of increased spending; employment could also decline because the extended unemployment benefits exceed potential earnings for some individuals.[16] In other words, both our baseline poverty estimates and the estimates of the American Rescue Plan policies assume the same levels of employment and earnings.

Projected Changes in Poverty Rates

Absent the new legislation in the American Rescue Plan Act, the projected poverty rate for 2021 is 13.7 percent. The four policies in the act that are included in this analysis are projected to reduce poverty by more than one-third, to 8.7 percent. The projected number of people in poverty would fall by about 16 million, from over 44 million to 28 million.

Taken individually, each of the policies would reduce the projected poverty rate by varying amounts (figure 1).

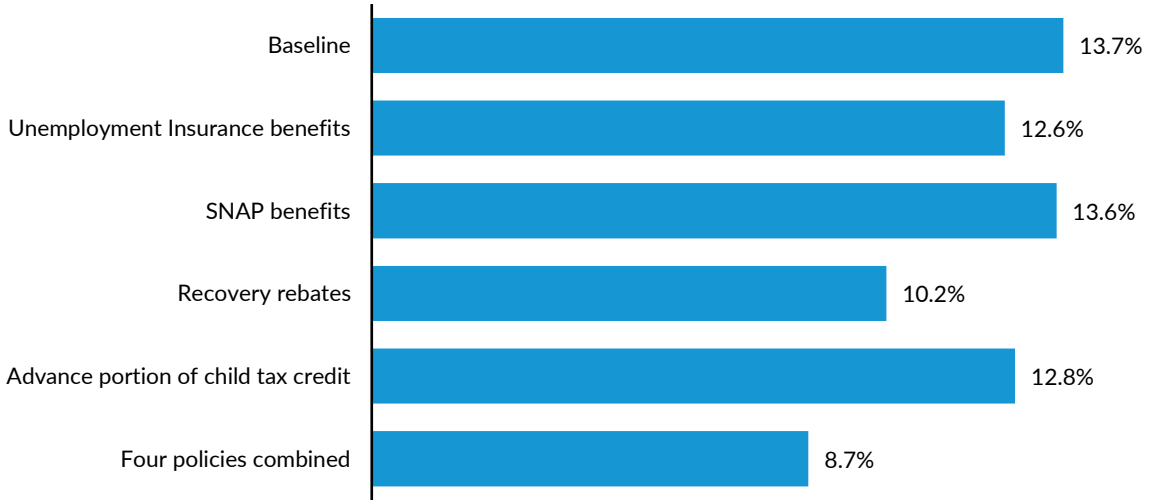
- **UI benefits:** We project that the American Rescue Plan's UI policy would reduce the poverty rate from 13.7 to 12.6 percent. The UI policy would allow up to 25 additional weeks of benefits for eligible people, with each week's benefit including an additional $300 (totaling $7,500 for someone receiving UI for the full additional 25 weeks) on top of a person's regular state benefit (averaging $300 a week). However, not all unemployed people have been able to receive UI, and only a subset of UI recipients would receive that support for the full 25 weeks.
- **SNAP benefits:** The three-month extension in higher SNAP benefits would have the smallest projected antipoverty effect of the policies examined, reducing the projected poverty rate from 13.7 to 13.6 percent. The antipoverty impact of higher SNAP benefits through June 2021 (as authorized by the December legislation) is already incorporated in our baseline poverty projection, so the effects of the new policy reflect only an additional three months of higher benefits.
- **Recovery rebate payments:** The recovery rebates would produce the largest projected poverty reduction of the four policies, reducing the projected poverty rate to 10.2 percent. The rebates would substantially increase resources for families with and without children. For example, a family of three with income below the phase-out range would receive a rebate of $4,200.
- **Child tax credit:** The projected antipoverty effect of the advance portion of the expanded child tax credit is similar to that of the UI benefit expansion: it would lower the projected

poverty rate by nearly a percentage point, to 12.8 percent. This policy would substantially boost the income of families with children. For example, a family with two young children who would be newly eligible for the child tax credit if the credit became fully refundable would receive $3,600 in advance payments in 2021.

The four policies together produce a greater reduction in projected poverty than any of the policies individually. In some cases, a combination of policies would be needed to raise a family's resources above the poverty level. For example, the increased SNAP benefits might help move a family with below-poverty resources closer to the poverty level but not move them above it. Combining the SNAP benefits with the recovery rebate, however, could push them over it. Moreover, a combined package of policies can work to reach different individuals. For example, the advance portion of a refundable child tax credit would benefit families with children regardless of whether the parents are working or not in the labor force, while the UI benefits would aid families with or without children in which someone lost a job because of the pandemic-related recession.

FIGURE 1

Projected 2021 SPM Poverty Rates, at Baseline and Under Selected American Rescue Plan Act Policies



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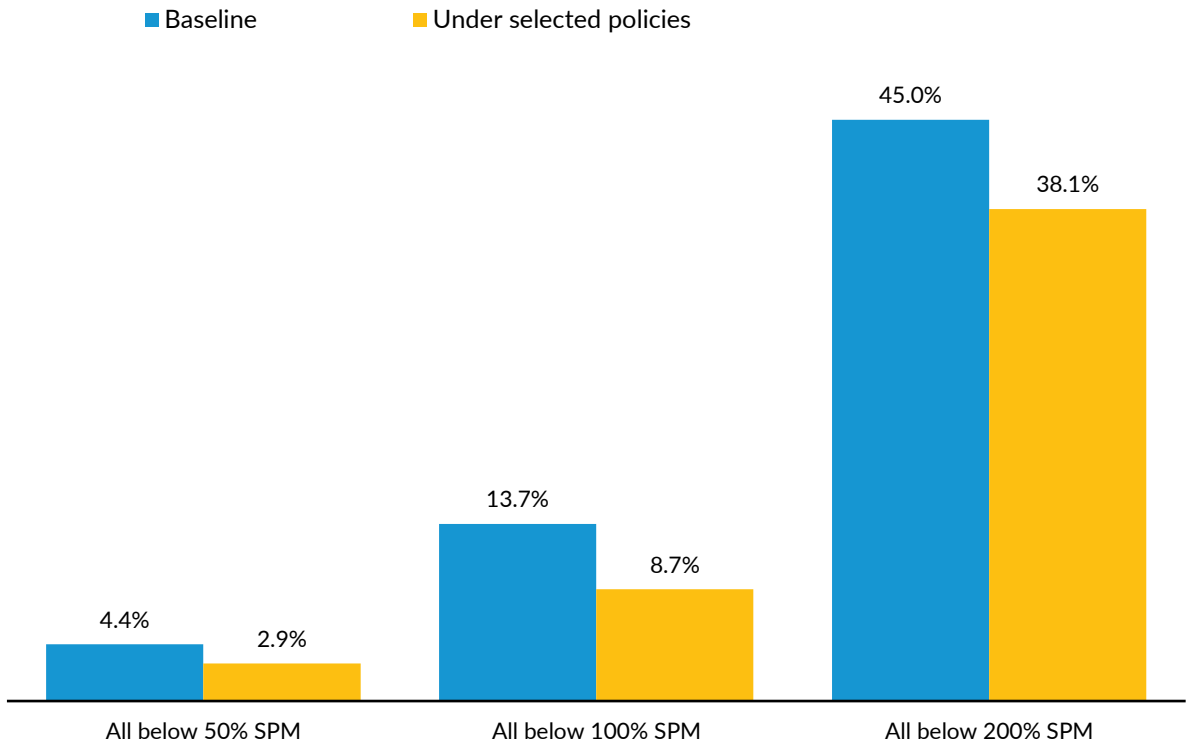
Source: Urban Institute projections as of March 2021, using the Analysis of Transfers, Taxes, and Income Security (ATTIS) model.
Note: Poverty is measured with the Supplemental Poverty Measure (SPM); we generally follow US Census Bureau methods for applying the SPM to American Community Survey data but use benefits and taxes simulated by ATTIS. The baseline reflects expected 2021 policies as of January 2021, including the additional unemployment insurance benefits and SNAP policies enacted in December 2020.

The combined policies would also substantially reduce the share of people experiencing deep poverty (i.e., those with resources below 50 percent of the poverty level) or who have low income (with resources below 200 percent of the poverty level). The combined policies are projected to reduce the percentage of people experiencing deep poverty by one-third, to less than 3 percent. The combined policies are projected to reduce the share of the population with low incomes from 45 percent to 38 percent (figure 2).

FIGURE 2

Projected Share of People Experiencing Deep Poverty, Poverty, and Low Income in 2021, at Baseline and under Selected American Rescue Plan Act Policies



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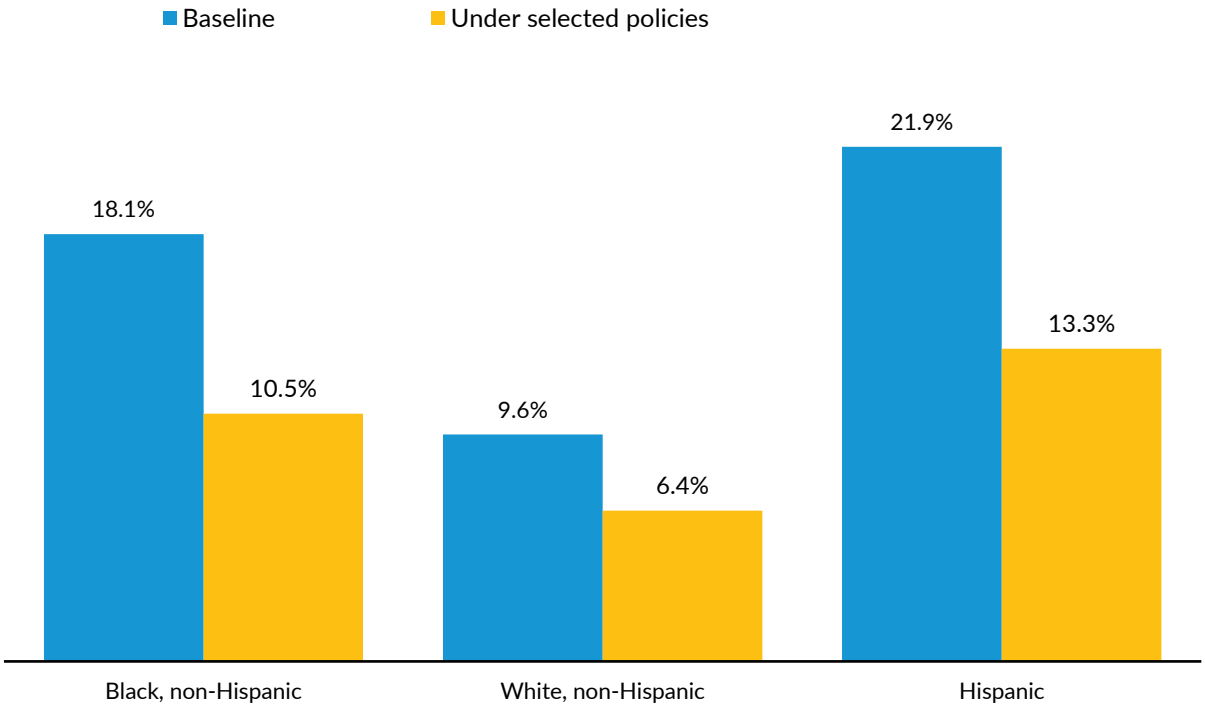
Source: Urban Institute projections as of March 2021, using the Analysis of Transfers, Taxes, and Income Security (ATTIS) model.
Note: Poverty is measured with the Supplemental Poverty Measure (SPM); we generally follow US Census Bureau methods for applying the SPM to American Community Survey data but use benefits and taxes simulated by ATTIS.

Projected Changes in Poverty Rates by Race and Ethnicity

The combined policies would reduce disparities in poverty rates for Black, non-Hispanic people and Hispanic people relative to white, non-Hispanic people.[17] The projected poverty rate for Black, non-Hispanic people would fall 42 percent, dropping from 18.1 percent to 10.5 percent (figure 3). The projected poverty rate for Hispanic people would fall 39 percent, from 21.9 percent to 13.3 percent. Finally, the projected poverty rate for white, non-Hispanic people would fall from 9.6 percent to 6.4 percent, a reduction of 34 percent.

FIGURE 3

Projected 2021 SPM Poverty Rates by Race and Ethnicity, at Baseline and under Selected American Rescue Plan Act Policies



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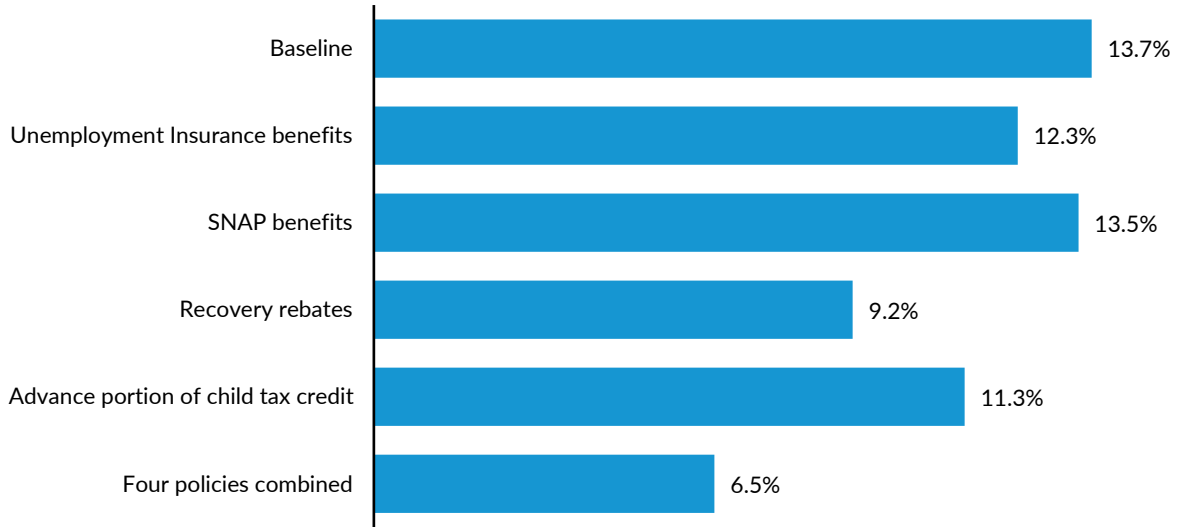
Source: Urban Institute projections as of March 2021, using the Analysis of Transfers, Taxes, and Income Security (ATTIS) model.
Note: Poverty is measured with the Supplemental Poverty Measure (SPM); we generally follow US Census Bureau methods for applying the SPM to American Community Survey data but use benefits and taxes simulated by ATTIS. Non-Hispanic people who do not identify as either white or Black or who identify with multiple races are not shown in this figure.

Projected Changes in Poverty Rates by Age

The policies in the American Rescue Plan are projected to reduce poverty across all age groups, with the largest reductions for children. The projected child poverty rate would be cut by more than half under the combined policies (figure 4). The greater impact on children is in large part because of the advance portion of the child tax credit and the recovery rebates. Poverty is projected to decline by about one-third for adults ages 18 to 64 (from 13.7 percent to 9.1 percent) and by about one-quarter for people age 65 and over (from 13.7 percent to 10.0 percent; figure 5). People age 65 and over are less likely than younger adults to be living in a family with children and are less likely to benefit from the UI expansion (because their low income is less likely to be caused by unemployment).

FIGURE 4

Projected 2021 SPM Poverty Rates for Children Under Age 18, at Baseline and under Selected American Rescue Plan Act Policies



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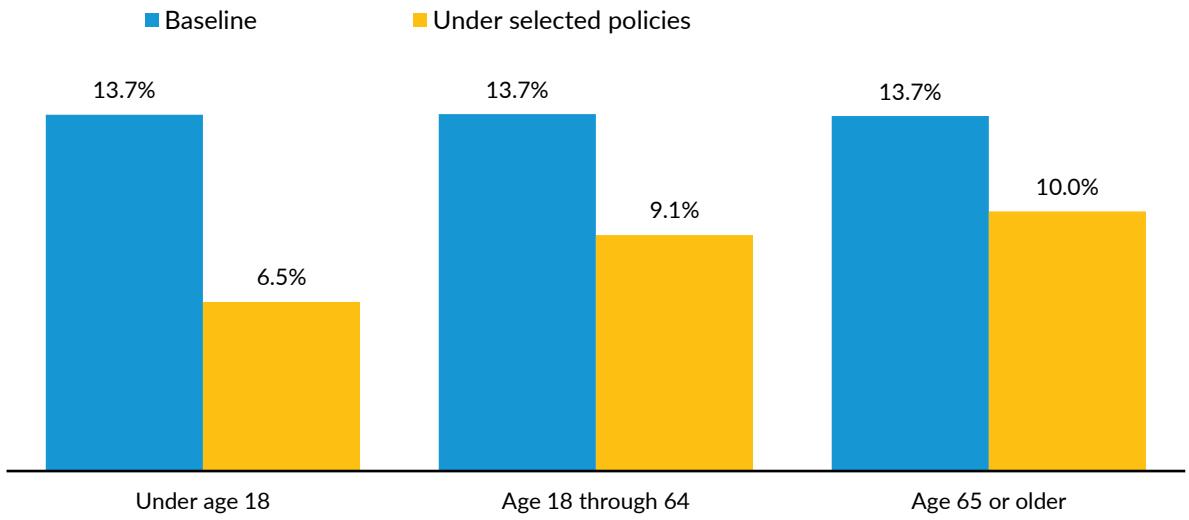
Source: Urban Institute projections as of March 2021, using the Analysis of Transfers, Taxes, and Income Security (ATTIS) model.
Note: Poverty is measured with the Supplemental Poverty Measure (SPM); we generally follow US Census Bureau methods for applying the SPM to American Community Survey data but use benefits and taxes simulated by ATTIS. The baseline reflects expected 2021 policies as of January 2021, including the additional unemployment insurance benefits and SNAP policies enacted in December 2020.

FIGURE 5

Projected 2021 SPM Poverty Rates by Age Group, at Baseline and under Selected American Rescue Plan Act Policies



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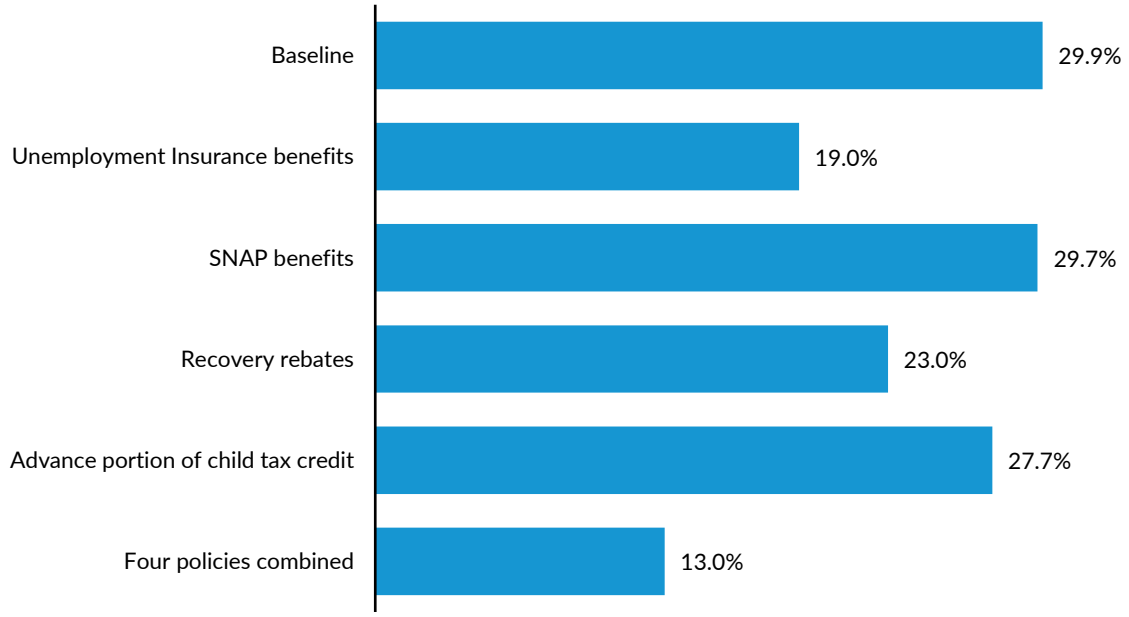
Source: Urban Institute projections as of March 2021, using the Analysis of Transfers, Taxes, and Income Security (ATTIS) model.
Note: Poverty is measured with the Supplemental Poverty Measure (SPM); we generally follow US Census Bureau methods for applying the SPM to American Community Survey data but use benefits and taxes simulated by ATTIS.

Projected Changes in Poverty Rates by Job Loss Status

Finally, we consider how the policies would impact families affected by job loss during the pandemic.[18] Among individuals in households with at least one person simulated to lose their job because of the pandemic, the combined policies are projected to reduce the poverty rate by more than half (from 29.9 to 13.0 percent), with the expanded UI benefits and recovery rebates having the greatest individual impacts (figure 6). Individuals in households that did not experience recession-related job loss would also experience a reduction in poverty but to a lesser degree. Their projected poverty rate would drop by about one-third, from 12.3 percent to 8.3 percent (see table A.3 in the appendix), with the greatest single impact from the recovery rebates. These households may have experienced reduced earnings during the pandemic (for example, someone moving from full-time to part-time work).[19]

FIGURE 6

Projected 2021 SPM Poverty Rates for People in Households with Job Loss, at Baseline and under Selected American Rescue Plan Act Policies



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Source: Urban Institute projections as of March 2021, using the Analysis of Transfers, Taxes, and Income Security (ATTIS) model.
Note: Poverty is measured with the Supplemental Poverty Measure (SPM); we generally follow US Census Bureau methods for applying the SPM to American Community Survey data but use benefits and taxes simulated by ATTIS. The baseline reflects expected 2021 policies as of January 2021, including the additional unemployment insurance benefits and SNAP policies enacted in December 2020.

Conclusion

Although the American Rescue Plan Act is not explicitly focused on poverty reduction (e.g., expanded UI benefits would aid unemployed people at any income level, and families well above poverty would

receive rebate checks), the legislation would produce a substantial reduction in the poverty rate. Each of the key policies we examine from the act would reduce poverty, deep poverty, and the number of people with low incomes, with the largest reductions coming from the recovery rebates. Individually, the policies are projected to reduce poverty anywhere from 1 to 26 percent. As a package, however, the policies are projected to reduce poverty by more than one-third, lowering the poverty rate (as measured by the Supplemental Poverty Measure) from 13.7 to 8.7 percent. The combined policies would reduce poverty by more than half for children and for people in households experiencing job loss. Poverty would fall about 42 percent for Black, non-Hispanic people, 39 percent for Hispanic people, and 34 percent for white, non-Hispanic people, reducing the disparities in poverty rates for Black, non-Hispanic people and Hispanic people relative to white, non-Hispanic people. In total, the four policies are projected to result in 16 million fewer people living in poverty in 2021.

Appendix: Detailed Result Tables

TABLE A.1

Projected 2021 Annual SPM Poverty Rates by Race and Ethnicity

Percentages

	Before new policies (baseline)	Unemployment Insurance benefits	SNAP benefits	Recovery rebates	Advance portion of child tax credit	Four policies combined
All people						
All below 50% SPM	4.4	4.1	4.4	3.2	4.0	2.9
All below 100% SPM	13.7	12.6	13.6	10.2	12.8	8.7
All below 200% SPM	45.0	43.9	45.0	40.5	44.3	38.1
Black, non-Hispanic						
All below 50% SPM	5.1	4.8	5.0	3.6	4.6	3.2
All below 100% SPM	18.1	16.0	17.9	12.9	16.5	10.5
All below 200% SPM	61.1	59.4	61.0	56.1	60.3	52.7
White, non-Hispanic						
All below 50% SPM	3.6	3.4	3.5	2.7	3.4	2.5
All below 100% SPM	9.6	9.0	9.6	7.2	9.2	6.4
All below 200% SPM	34.9	33.9	34.8	30.4	34.2	28.5
Hispanic						
All below 50% SPM	5.6	5.1	5.5	3.8	4.8	3.2
All below 100% SPM	21.9	20.2	21.6	16.2	19.8	13.3
All below 200% SPM	65.5	64.2	65.5	60.5	64.6	57.6

Source: Urban Institute projections as of March 2021, using the Analysis of Transfers, Taxes, and Income Security (ATTIS) model.
Note: Poverty is measured with the Supplemental Poverty Measure (SPM); we generally follow US Census Bureau methods for applying the SPM to American Community Survey data but use benefits and taxes simulated by ATTIS. Non-Hispanic people who do not identify as either white or Black or who identify with multiple races are included in the total but not shown separately in this table. The baseline reflects expected 2021 policies as of January 2021, including the additional unemployment insurance benefits and SNAP policies enacted in December 2020.

TABLE A.2

Projected 2021 Annual SPM Poverty Rates by Age

Percentages

	Before new policies (baseline)	Unemployment Insurance benefits	SNAP benefits	Recovery rebates	Advance portion of child tax credit	Four policies combined
All people						
All below 50% SPM	4.4	4.1	4.4	3.2	4.0	2.9
All below 100% SPM	13.7	12.6	13.6	10.2	12.8	8.7
All below 200% SPM	45.0	43.9	45.0	40.5	44.3	38.1
Under age 18						
All below 50% SPM	3.3	2.9	3.2	1.8	2.3	1.2
All below 100% SPM	13.7	12.3	13.5	9.2	11.3	6.5
All below 200% SPM	53.0	51.9	53.0	46.7	51.4	42.8
Ages 18 through 64						
All below 50% SPM	4.8	4.5	4.8	3.7	4.6	3.4
All below 100% SPM	13.7	12.4	13.6	10.6	13.1	9.1
All below 200% SPM	42.9	41.5	42.9	38.7	42.3	36.4
Age 65 or older						
All below 50% SPM	4.3	4.3	4.3	3.4	4.3	3.3
All below 100% SPM	13.7	13.4	13.6	10.3	13.6	10.0
All below 200% SPM	42.2	41.7	42.2	38.6	42.1	38.0

Source: Urban Institute projections as of March 2021, using the Analysis of Transfers, Taxes, and Income Security (ATTIS) model.
Note: Poverty is measured with the Supplemental Poverty Measure (SPM); we generally follow US Census Bureau methods for applying the SPM to American Community Survey data but use benefits and taxes simulated by ATTIS. The baseline reflects expected 2021 policies as of January 2021, including the additional unemployment insurance benefits and SNAP policies enacted in December 2020.

TABLE A.3

Projected 2021 Annual SPM Poverty Rates by Projected Job Loss During the Pandemic

Percentages

	Before new policies (baseline)	Unemployment Insurance benefits	SNAP benefits	Recovery rebates	Advance portion of child tax credit	Four policies combined
All people						
All below 50% SPM	4.4	4.1	4.4	3.2	4.0	2.9
All below 100% SPM	13.7	12.6	13.6	10.2	12.8	8.7
All below 200% SPM	45.0	43.9	45.0	40.5	44.3	38.1
People in a household with job loss						
All below 50% SPM	10.4	7.2	10.2	6.9	8.9	4.7
All below 100% SPM	29.9	19.0	29.7	23.0	27.7	13.0
All below 200% SPM	68.1	59.0	68.1	63.5	67.4	51.7
People in a household without job loss						
All below 50% SPM	3.9	3.8	3.8	2.9	3.6	2.7
All below 100% SPM	12.3	12.0	12.2	9.1	11.5	8.3
All below 200% SPM	43.1	42.6	43.0	38.5	42.3	37.0

Source: Urban Institute projections as of March 2021, using the Analysis of Transfers, Taxes, and Income Security (ATTIS) model.
Note: Poverty is measured with the Supplemental Poverty Measure (SPM); we generally follow US Census Bureau methods for applying the SPM to American Community Survey data but use benefits and taxes simulated by ATTIS. Job loss modeled in order to mimic the employment-to-population ratios in the October 2020 Current Population Survey, including variation by age groups, race and ethnicity, sex, occupational groups, educational attainment, and citizenship status; the results are also keyed to state-level employment losses according to data from the Bureau of Labor Statistics' Establishment Survey. The baseline reflects expected 2021 policies as of January 2021, including the additional unemployment insurance benefits and SNAP policies enacted in December 2020.

Notes

[1] A Columbia University study (Parolin et al. 2021) projected a poverty rate of 9.0 percent based on an earlier version of the legislation using different data and a different approach. Our work not only shows the overall effect on poverty but also shows the impact of specific provisions and investigates the legislation's impact on deep poverty and near poverty.

[2] The analysis is based on data from the American Community Survey, which asks people if they identify as being "Mexican, Mexican American, or Chicano," Puerto Rican, Cuban, or "another Hispanic, Latino, or Spanish origin." The term "Hispanic" is used in the text to refer to anyone identifying with any of those ethnic groups.

[3] For more information about the bill, see "American Rescue Plan Act of 2021," H.R. 1319, 117th Cong. (2021), https://www.congress.gov/bill/117th-congress/house-bill/1319/text/

[4] For more information about the Consolidated Appropriations Act, 2021, see H.R. 133, 116th Cong. (2020), https://www.congress.gov/116/bills/hr133/BILLS-116hr133enr.pdf

[5] We do not model the provision of the American Rescue Plan that would exempt some UI benefits from 2020 income taxes.

[6] We assume that 60 percent of UI-eligible self-employed earners successfully obtain UI benefits for the weeks available but that 80 percent of UI-eligible wage and salary earners obtain them. The simulation adjusts weeks of UI available to a particular worker in 2021 based on the imputed month of the previous year the person became unemployed and the weeks of regular state UI and extended benefits in the person's state. Consistent with our modeling that produced the baseline 2021 poverty projections, the modeling of extended benefits is

based on availability of extended benefits weeks as of the end of December 2020. Since that point, extended benefits have become unavailable ("triggered off") in some states. As a result, both our baseline poverty projections and our projections with the new legislation reflect somewhat too many weeks of UI benefits. For both the baseline and the modeling of the American Rescue Plan policies, simulated weekly benefits include both regular state benefits and, when available, the supplemental weekly benefits.

[7] We continue our baseline assumption that the waivers allowing states to provide all SNAP households with the maximum benefit for their family size remain in place through June 30, 2021, and that the temporary suspension of the time limit for able-bodied adults without dependents who do not meet the work requirement continues to the end of the year.

[8] We assume that all eligible tax filers receive the rebate payment, as well as (1) nonfilers who receive Social Security or Supplemental Security Income, (2) 10 percent of family members of nonfilers who receive Social Security or Supplemental Security Income, and (3) 78 percent of other nonfilers. Because of data limitations, we are unable to automatically assign the payment to nonfilers who receive Veterans Benefits.

[9] We apply the same assumptions regarding receipt as for the rebate payment (discussed earlier in the brief). The current-law child tax credit is already reflected in our baseline poverty estimate, so we count one-half of the increased amount of the child tax credit when calculating the effect of the expanded child tax credit on projected poverty for 2021.

[10] The earned income tax credit and child and dependent care tax credit expansions could affect income in 2021 if taxpayers reduce their withholding in anticipation of the higher credit amounts. We do not account for this in our estimates.

[11] We obtained the 2018 ACS data from the IPUMS USA Database (Ruggles et al. 2020).

[12] We tabulated the Current Population Survey data for October 2020 to obtain the percentages of adults with different characteristics who were employed full time or part time in that month. We obtained the percentage changes in jobs by state and by industry groups within states using the Bureau of Labor Statistics' Establishment Survey data through October 2020. The October 2020 data were the most recent available from these sources at the time that work was performed.

[13] See the analysis and supplemental tables in Congressional Budget Office (2021).

[14] The supplemental weekly benefits are not counted as income for purposes of SNAP benefits or public and subsidized housing benefits in any state and are excluded as income for purposes of Temporary Assistance for Needy Families benefits in some states.

[15] The figures for aggregate resources include the recovery rebates, the advance portion of the expanded child tax credit, increases in SNAP, and additional resources from the extension of UI benefits, net of any reductions in resources caused by cross-program interactions. In particular, the additional 2021 UI benefits (relative to 2021 UI benefits under the December legislation alone) could cause higher income tax liability, loss of eligibility for certain safety-net benefits, or eligibility for a lower level of certain benefits.

[16] The Congressional Budget Office's analysis of a previous relief proposal, which included an extension of a UI add-on at $600 a week, concluded that it would lead to some degree of decreased employment. The $300 a week add-on in the American Rescue Plan is lower and would lead to fewer people having UI benefits greater than their regular earnings. For more information about the Congressional Budget Office's analysis, see CBO (2020).

[17] We are currently refining our projections for Asian Americans and Pacific Islanders and plan to show results separately for this group in forthcoming analyses.

[18] This group does not include all people unemployed in 2021. For example, some people looking for work in 2021 were also looking for work before the pandemic.

[19] The employment changes we made to the 2018 American Community Survey data include changing some people from full-time to part-time workers, consistent with the likelihood of part-time work in the October 2020 Current Population Survey data. Families in the group without pandemic-related job loss also include some families with a person whose unemployment is not categorized as pandemic-related, such as people who had already been unemployed before the recession.

References

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