

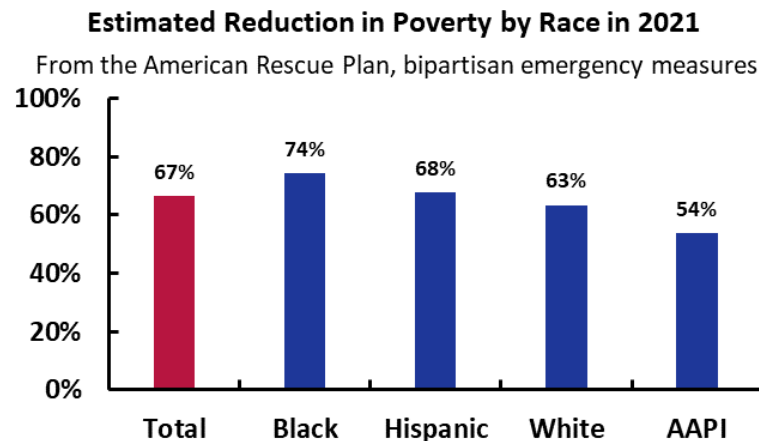


The American Rescue Plan and Bipartisan Emergency Measures Helped Keep 50 Million People Out Of Poverty

The American Rescue Plan and bipartisan emergency measures played a significant role in lowering the poverty rate in 2021, successfully alleviating hardship during an unprecedented national crisis caused by the coronavirus pandemic. Recent [analysis by the Urban Institute](#) found that these bills, combined with existing benefit programs, reduced the projected poverty rate in 2021 by two-thirds and kept an estimated 50 million Americans out of poverty.

The Urban Institute estimated that without income support programs such as direct payments, the expanded Child Tax Credit, expanded unemployment insurance benefits and emergency SNAP benefits, its projected Supplemental Poverty Measure for 2021 would have soared to 23.1% – putting nearly a quarter of Americans below the poverty threshold. However, benefit programs, the American Rescue Plan and bipartisan emergency response measures cut that number to 7.7%.

These measures had the largest impact on historically marginalized groups that experience the highest poverty rates, demonstrating that these programs were effective in targeting support to those who needed it most: the emergency measures reduced projected poverty rates by 74% among Black people and 68% among Hispanic people.



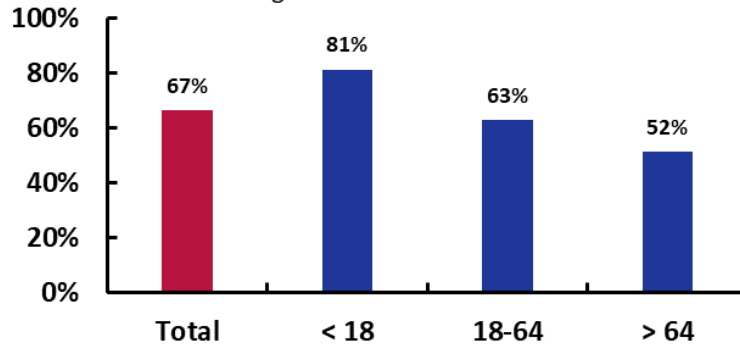
Source: Urban Institute

Note: Poverty rate calculated using the Supplemental Poverty Measure.

Across all age groups, federal support during the coronavirus pandemic effectively kept millions of people out of poverty, and the impact was greatest among children. Americans under 18 saw

their 2021 projected poverty rates decline from 30.1% to 5.6%, a decrease of 81% thanks to the Rescue Plan, bipartisan bills and benefit programs.

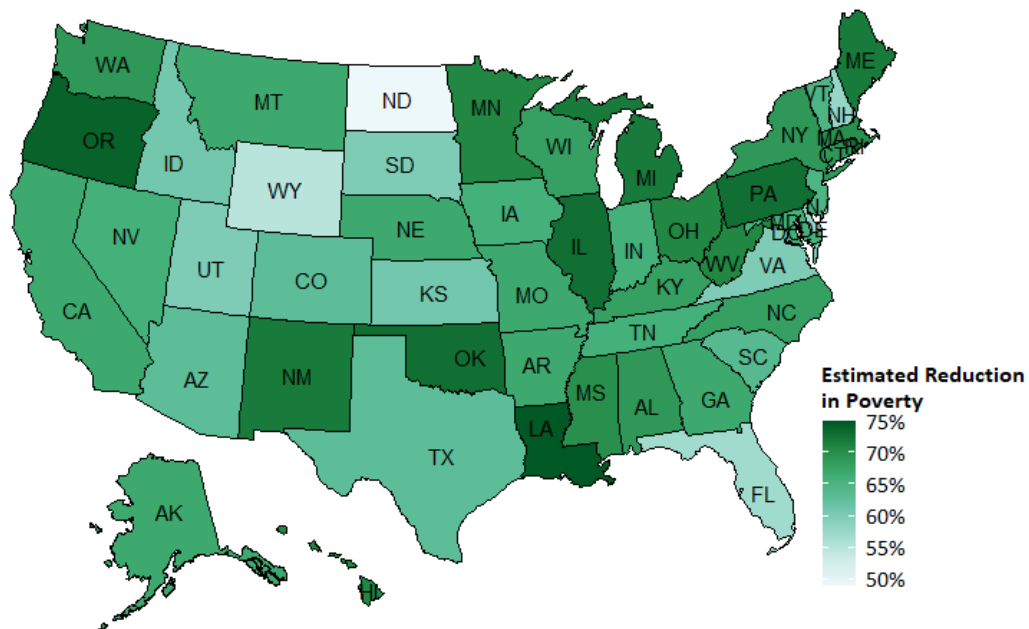
Estimated Reduction in Poverty by Age in 2021
 From the American Rescue Plan, bipartisan emergency measures and government benefits



Source: Urban Institute
 Note: Poverty rate calculated using the Supplemental Poverty Measure.

The effects of these programs and payments were felt nationwide: all 50 states saw a reduction in projected poverty rates, ranging from a *minimum* reduction in projected poverty rates of 49% in North Dakota up to a 75% reduction in Louisiana.

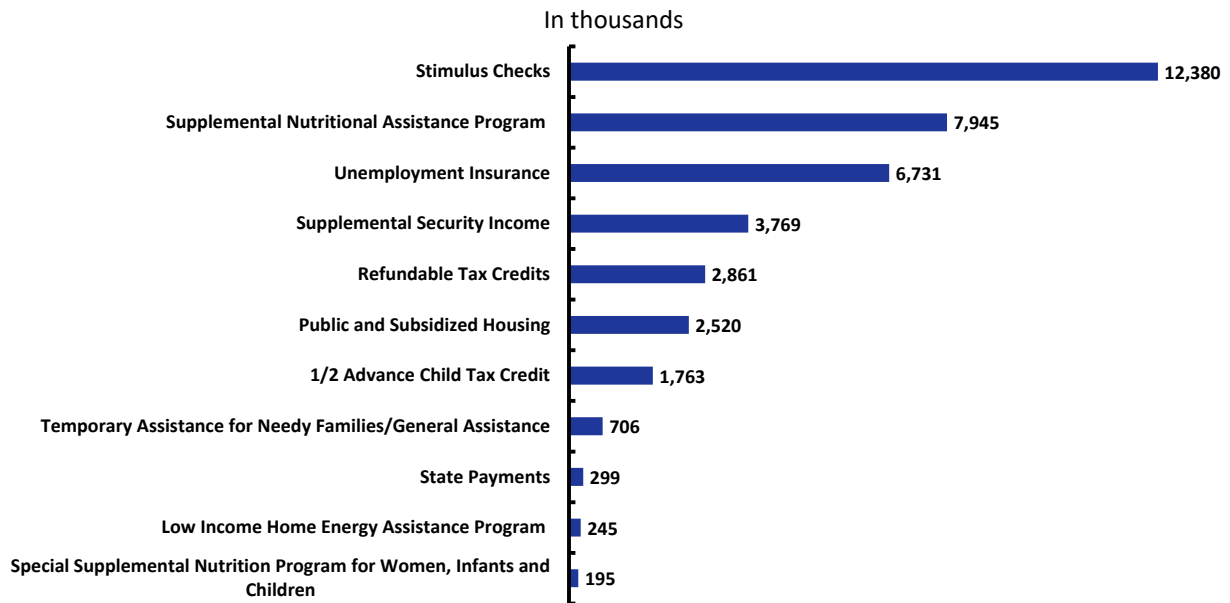
Estimated Reduction in Poverty by State From the American Rescue Plan, Bipartisan Emergency Measures and Government Benefits



Source: Urban Institute

Of all the income support and stimulus measures deployed in response to the economic crisis, direct payments totaling \$2000 included in the American Rescue Plan and the December 2020 bipartisan appropriations bill were the most effective in reducing projected poverty in 2021. Taken together, the two rounds of Economic Impact Payments effectively kept 12.4 million people out of poverty. This was followed by the Supplemental Nutritional Assistance Program (SNAP) and unemployment insurance benefits, which kept 7.9 million and 6.7 million people out of poverty, respectively.

Projected Number of People Removed from Poverty by Program in 2021



Source: Urban Institute
 Note: Projections are as of July 2021.

**Projected 2021 Poverty, With and Without
Payments and Programs, by State**

| State | Poverty Rate Without Payments and Programs (%) | Poverty Rate With Payments and Programs (%) | Reduction in Poverty with Payments and Programs (%) | Number of People Removed From Poverty (Thousands) |
|----------------------|--|---|---|---|
| Alabama | 24.6% | 7.6% | 69.1% | 818 |
| Alaska | 21.8% | 7.1% | 67.3% | 103 |
| Arizona | 22.7% | 8.3% | 63.4% | 1,058 |
| Arkansas | 24.3% | 8.1% | 66.5% | 476 |
| California | 28.8% | 9.6% | 66.7% | 7,372 |
| Colorado | 19.3% | 7.2% | 62.6% | 689 |
| Connecticut | 20.6% | 6.4% | 69.2% | 490 |
| Delaware | 20.1% | 8.4% | 58.1% | 113 |
| District of Columbia | 26.7% | 8.6% | 67.7% | 122 |
| Florida | 25.5% | 10.9% | 57.1% | 3,127 |
| Georgia | 23.6% | 7.8% | 67.0% | 1,662 |
| Hawaii | 26.5% | 7.7% | 70.9% | 254 |
| Idaho | 18.6% | 7.3% | 60.9% | 207 |
| Illinois | 22.0% | 6.0% | 72.6% | 1,951 |
| Indiana | 20.1% | 6.7% | 66.4% | 878 |
| Iowa | 16.1% | 5.4% | 66.2% | 327 |
| Kansas | 19.4% | 7.6% | 60.8% | 335 |
| Kentucky | 23.9% | 7.6% | 68.2% | 707 |
| Louisiana | 28.8% | 7.1% | 75.3% | 975 |
| Maine | 17.9% | 5.1% | 71.7% | 169 |
| Maryland | 18.6% | 6.3% | 66.3% | 729 |
| Massachusetts | 21.2% | 6.3% | 70.2% | 989 |
| Michigan | 22.2% | 6.3% | 71.6% | 1,547 |
| Minnesota | 16.8% | 4.9% | 70.7% | 659 |
| Mississippi | 27.3% | 8.2% | 69.9% | 545 |
| Missouri | 19.8% | 6.5% | 67.0% | 793 |
| Montana | 19.7% | 6.5% | 67.1% | 140 |
| Nebraska | 17.7% | 5.9% | 66.9% | 223 |
| Nevada | 25.3% | 8.7% | 65.5% | 522 |
| New Hampshire | 14.5% | 6.2% | 57.5% | 111 |
| New Jersey | 21.0% | 7.3% | 65.1% | 1,190 |
| New Mexico | 30.0% | 8.4% | 72.0% | 447 |
| New York | 27.6% | 8.5% | 69.1% | 3,545 |
| North Carolina | 22.4% | 7.2% | 67.8% | 1,578 |
| North Dakota | 14.9% | 7.6% | 49.1% | 54 |
| Ohio | 19.9% | 5.9% | 70.5% | 1,595 |
| Oklahoma | 23.6% | 6.3% | 73.1% | 671 |
| Oregon | 23.0% | 6.1% | 73.6% | 704 |
| Pennsylvania | 21.0% | 5.8% | 72.6% | 1,887 |
| Rhode Island | 21.4% | 5.7% | 73.2% | 159 |
| South Carolina | 23.0% | 8.3% | 63.8% | 752 |
| South Dakota | 17.7% | 7.2% | 59.5% | 91 |
| Tennessee | 22.7% | 7.7% | 65.9% | 1,013 |
| Texas | 24.8% | 9.1% | 63.3% | 4,560 |
| Utah | 15.3% | 6.1% | 60.2% | 298 |
| Vermont | 19.8% | 7.0% | 64.8% | 77 |
| Virginia | 19.4% | 7.8% | 59.8% | 971 |
| Washington | 18.4% | 5.7% | 68.9% | 963 |
| West Virginia | 24.6% | 7.1% | 70.9% | 301 |
| Wisconsin | 16.7% | 5.4% | 67.6% | 642 |
| Wyoming | 16.9% | 7.5% | 55.4% | 53 |
| United States | 23.1% | 7.7% | 66.6% | 49,642 |

Sources: Urban Institute projections as of July 2021, created by the ATTIS model applied to the 2018 American Community Survey data with employment, population, and incomes projected to 2021.
Notes: Poverty rate calculated using the Supplemental Poverty Measure. Programs and payments include UI, means tested benefit programs, refundable tax credits, federal stimulus checks, state payments and one half the advance child tax credit.