



The American Rescue Plan: Impacts on Alabama

The Need for Action in Alabama

The pandemic and the associated economic crisis have had a severe impact on Alabama. The need for action is clear:

- Since the pandemic began, more than 500,000 people have been infected with COVID-19 and more than 10,000 people have died.
- The unemployment rate is 4.7%, up from 2.6% before the pandemic.
- Since February 2020, more than 20,000 fewer people are employed.
- 400,000 adults – 13% of all adults in the state – report not having enough food to eat. This includes 161,000 adults living with children, or 13% of all adults living with children, who report that the children in their household do not have enough to eat.
- An estimated 188,000 renters or 21% of renters are not caught up on rent.
- An estimated 1.3 million adults or 39% of all adults statewide report having difficulty covering normal household expenses.

The Effect of the American Rescue Plan on Alabama

President Biden's American Rescue Plan will provide Alabama with:

- \$2.3 billion in state fiscal relief
- \$1.8 billion in local fiscal relief
- More than \$2 billion in relief for K-12 schools
- Economic impact payments of up to \$1,400 per person (above the \$600 per person provided in December) for more than 3 million adults and 1.3 million children. This is 91% of all adults in the state and 92% of all children in the state.
- Additional relief of up to \$1,600 per child through the Child Tax Credit to the families of 1 million children, lifting 479,000 children out of poverty
- Additional relief of up to nearly \$1,000 through the Earned Income Tax Credit to 288,000 childless workers, including many in frontline jobs
- Marketplace health insurance premiums that are \$1,975 lower per month for a 60-year old couple earning \$75,000 per year