



Recovery Act Sustaining Working Families

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Key Takeaway: Ten months after the enactment of the American Recovery and Reinvestment Act (ARRA), estimates show that 63,000 individuals in Mississippi’s working families have been able to rise out of poverty due to key Recovery Act provisions. An additional 382,000 individuals in working families with incomes below the poverty line have had the impacts of the recession reduced through the Recovery Act.¹

Recovery Act Provisions Analyzed

The analysis examined the direct impact of seven ARRA provisions representing approximately one quarter of the overall spending supported through the Act. As a result, the estimates on the number of people affected by ARRA either by rising above the poverty level or having the effects of poverty reduced are conservative. The table below outlines the provisions of ARRA reviewed for this brief:

Making Work Pay Tax Credit	Up to \$400 for workers earning up to \$95,000 Up to \$800 for families earning up to \$190,000
Child Tax Credit	Lowered earnings threshold to receive child tax credit
Earned Income Tax Credit	Temporarily increased tax credit up to \$5,657 for eligible families with three or more children
Unemployment Insurance (length of benefits)	Provided for additional weeks of unemployment insurance following expiration of state unemployment compensation
Unemployment Insurance (amount of benefits)	Additional \$25 per week for eligible workers who are unemployed
Social Security	One-time payment to the elderly and those with disabilities of \$250
Supplemental Nutrition Assistance Program	Increased amounts available for eligible food stamp recipients

ARRA Impact on Mississippians

In total, an estimated **63,000** Mississippians were lifted out of poverty as a result of the seven ARRA provisions outlined above. An estimated additional **382,000** Mississippians experienced a reduction in the severity of poverty through due to the ARRA components listed above.²

¹ Source: Sherman, Arloc. “State-Level Data Show Recovery Act Protecting Millions from Poverty.” Center on Budget and Policy Priorities: <http://www.cbpp.org/files/12-17-09pov.pdf>

² The analysis uses a poverty level consistent with recommendations made by the National Academy of Sciences to measure poverty that includes the impact of the Recovery Act’s non-cash benefits, such as extra food stamps or tax credits and subtracts work expenses and child care.