



The U.S. Department of the Treasury American Rescue Plan: 3 Years In January 2025

Introduction

In March 2021, President Biden signed a historic piece of legislation, the \$1.9 trillion American Rescue Plan Act (ARP). Building on the lessons from the Great Recession, ARP sought not only to help communities recover from the COVID-19 pandemic but equip them to build a stronger and more equitable economic future.

The ARP was a critical part of the Biden Administration's economic growth strategy: what Treasury Secretary Janet L. Yellen calls "modern supply-side economics." Through the ARP, the Administration has invested in the workers, public infrastructure, and technologies critical to addressing economic inequality and other long-term structural problems. These investments have boosted the labor supply and raised productivity to deliver remarkable levels of economic growth. U.S. real gross domestic product was 12.6% higher in the third quarter of 2024 than it was prior to the passage of the American Rescue Plan, outstripping the growth in many other developed countries over that period. The American Rescue Plan has supported investments in job training and workforce development, affordable housing, childcare, and small businesses. These investments continue to support American jobs that will drive future economic prosperity.

Treasury oversaw the delivery of critical portions of the ARP including delivering direct assistance to more than 150 million Americans through Economic Impact Payments. Treasury's programs provided emergency rental assistance and prevented evictions across the country; issued the first-ever monthly payments of the Child Tax Credit, which led to historic reductions in child poverty; and rapidly distributed financial assistance to state, local, Tribal, and territorial governments across the country to help stabilize budgets, avoid cuts, and address pressing community needs. Treasury also oversaw implementation of small business financing programs designed to support the next generation of entrepreneurs.

American Rescue Plan Programs

The State and Local Fiscal Recovery Funds (SLFRF) provided \$350 billion to over 30,000 state, local, Tribal, and territorial governments across the country to support both their immediate needs in responding to the COVID-19 pandemic and their longer-term efforts to build a strong recovery. This funding prevented significant public sector layoffs and service cuts by allowing entities to use SLFRF to cover revenue losses for the provision of government services, amongst many other allowable uses, including workforce training, affordable housing, and public works projects. SLFRF provided the resources communities needed to help drive a stronger economy, both now and into the future.

The Capital Projects Fund (CPF) is a \$10 billion investment to connect every American household to affordable, reliable high-speed internet. In addition to broadband infrastructure, funds were invested in other critical capital projects that enable work, education, and health monitoring in response to the public health emergency, including laptops, public Wi-Fi, and multipurpose community centers.

The Emergency Rental Assistance (ERA) program provided \$46 billion to states, the District of Columbia, certain local governments, U.S. Territories, Tribes, or their Tribally designated housing entities, as applicable, and the Department of Hawaiian Home Lands to assist renter households that were unable to pay rent or utilities to avoid eviction. ERA provided a critical lifeline to renters throughout the pandemic, while helping to build lasting eviction prevention infrastructure across the country.



The Homeowners Assistance Fund (HAF) provided nearly \$10 billion to states, the District of Columbia, U.S. territories, Tribes or their Tribally designated housing entities, as applicable, and the Department of Hawaiian Home Lands to provide relief for the country’s most vulnerable homeowners who experienced financial hardship during the pandemic. HAF funds provided homeowners assistance with mortgage payments, homeowner’s insurance, utility payments, condo or homeowners’ association fees, tax liens, and other qualified expenses related to mortgages and housing.

The State Small Business Credit Initiative (SSBCI) provides nearly \$10 billion to states, territories, and Tribal governments for small business credit support, investment, and technical assistance programs to provide small businesses access to capital to invest in job-creating opportunities. Jurisdictions have the flexibility to deploy SSBCI capital to crowd-in private financing in emerging venture capital markets and offer credit-enhancing debt products to help underserved small businesses address capital needs. Over the full lifecycle of the program, SSBCI is anticipated to support 100,000 businesses and leverage up to \$10 in private capital for every \$1 of SSBCI funding deployed.

Programs’ Impact

State and Local Fiscal Recovery Funds

SLFRF not only provided payroll support for more than a million public sector workers around the country—mitigating against untold numbers of layoffs—but also laid the foundation for the jobs of the future. More than 2,000 governments have dedicated more than \$13.4 billion to projects supporting workers, including investments in sectors like construction, healthcare, information technology, and advanced manufacturing. Governments have combined work-based and classroom-based training programs with supportive services like transportation, childcare, and stipends, enabling workers to support their families while simultaneously building the skills and credentials to advance their careers.

In Arizona, Maricopa County and the City of Phoenix collectively allocated more than \$30 million for workforce-related projects. These included tuition support delivered through the Maricopa County Community College Network to support workers attending trade schools and certification programs, and an expansion of an apprenticeship program estimated to serve 865 new trainees. One participant in Maricopa County’s program, [Sierra English](#), was a single mom struggling to make ends meet when she received support to begin an electrical apprenticeship program. Now, Sierra is an instructor at Phoenix Electrical helping other Arizonans gain the skills to enter the electrical trade.

SLFRF recipients are also using funds to build tens of thousands of new homes, lowering housing costs for families across the country. The Commonwealth of Pennsylvania alone is supporting more than 5,400 housing units using funds made available under ARP.

Coronavirus Capital Projects Fund (CPF)

CPF is a \$10 billion endeavor to ensure that all communities have access to the high-quality modern infrastructure, including broadband. States, territories, freely associated states, and Tribal governments have approved projects that benefit rural communities, households, and businesses across the country, frequently in hard to reach areas. In Washington State, the rugged terrain of the Channeled Scablands made the construction of broadband infrastructure challenging. To bring affordable broadband to this area, Washington awarded Franklin County \$4.9 million in CPF funding to traverse the Channeled Scablands. It is the first public assistance broadband grant that Franklin County has received to date.¹



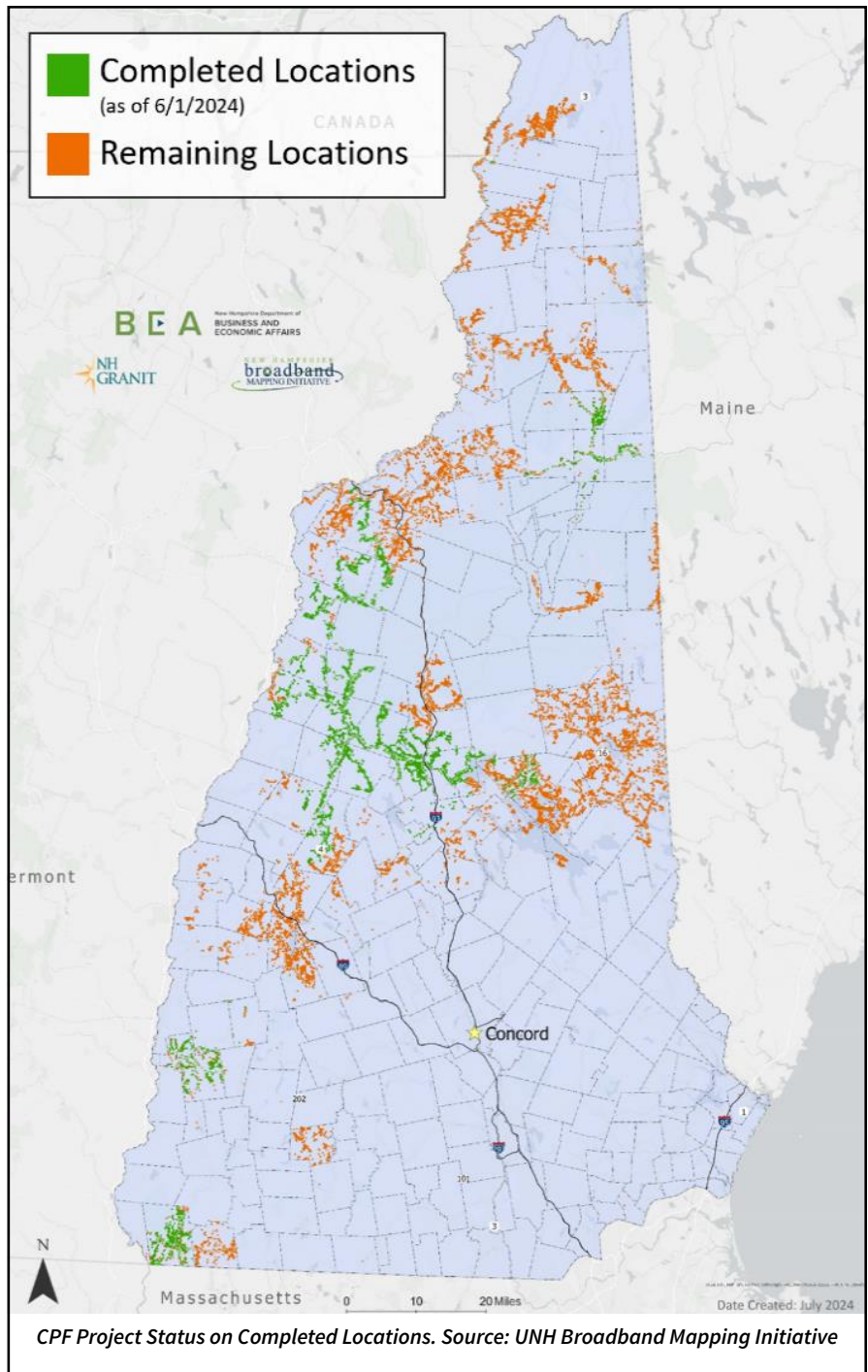
A fiber contractor's truck is loaded onto a barge on its way to build a broadband network on one of Maine's unbridged islands.

Photo courtesy of Jack Sullivan and the Island Insiteute

1 [State of Washington Capital Project Fun Performance Report](#)

In Maine, CPF funding is being used to address large-scale, regional broadband needs through Partnerships Enabling Middle Mile. The Middle Mile refers to the regional fiber optic infrastructure that enables last mile internet connectivity to homes and businesses at the local level. This grant program will leverage community-informed regional-scale partnerships to address underserved communities lacking broadband access and help Maine achieve universal coverage.² Recent awards under this program include \$6 million to Lincoln County, encompassing 11 communities and connecting 14,436 homes and businesses and \$3.6 million to Waldo County, encompassing 4 communities and connecting 1,125 homes and businesses.

New Hampshire invested \$90 million of CPF funding in the Broadband Contract Program designed to incentivize Internet Service Providers (ISPs) to bring service to hard-to-reach areas where investment may otherwise not be viable. 47% of the state's population live in rural communities, and the cost of buildout is higher for ISPs than in more densely populated areas.³ New Hampshire's Broadband Infrastructure Contract Program will serve 48,016 locations across New Hampshire. The map shows the completed locations and remaining locations, highlighted in green and orange respectively, for the two participating ISPs.



Housing Impacts

ERA programs provided a critical lifeline to the millions of renters at risk of losing their homes as a result of the COVID-19 pandemic. State, local, Tribal, and territorial governments participating in the ERA programs have made 16 million payments to families at risk of eviction. Grantees implemented programs at the local level, leveraging culturally and linguistically competent community organizations, relationships with local landlords, and partnerships with local housing courts to reach those most at risk of displacement.

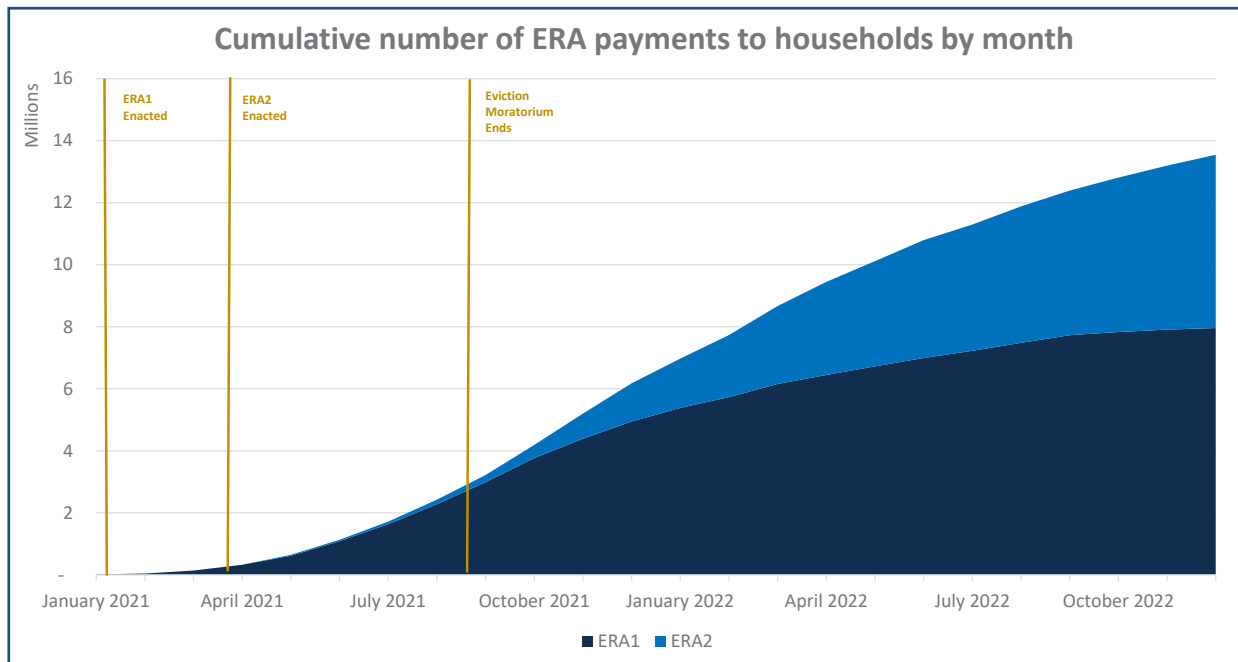
² [Partnerships Enabling Middle Mile | MCA](#)

³ [New-Hampshire-ARPA-CPF-Annual-Performance-Report-2024.pdf](#)

Princeton University’s Eviction Lab has said that in conjunction with the federal eviction moratorium, [ERA reflects](#) “the deepest investment in low-income renters the federal government has made since the nation launched its public housing system” and “the most important eviction prevention policy in American history.”⁴ Beyond the massive scope of the grantees’ programs, [research](#) has shown that ERA funds were particularly effective with assisting traditionally underserved renters, including Tribal and rural communities and renters of color.

ERA reflects ... the most important eviction prevention policy in American history.
-Princeton University Eviction Lab

In addition to addressing the immediate financial distress felt by millions of households across the nation, ERA programs have helped pilot solutions for existing gaps in the housing ecosystem to support long-term housing stability for renters. For example, across the country, ERA grantees have successfully been able to use housing stability services to [provide in-court eviction diversion services](#) in counties with high eviction rates. While eviction diversion programs were uncommon before the pandemic, at least 180 jurisdictions across 40 states launched or strengthened eviction diversion programs with ERA funds.



The ERA program also helped expand broader access to affordable rental housing. State and local governments nationwide have reported 59 projects related to the construction, rehabilitation and preservation of affordable rental housing. Even as ERA programs start to wind down as funds available for financial assistance are depleted, these projects have the potential to make a lasting impact on affordable housing.

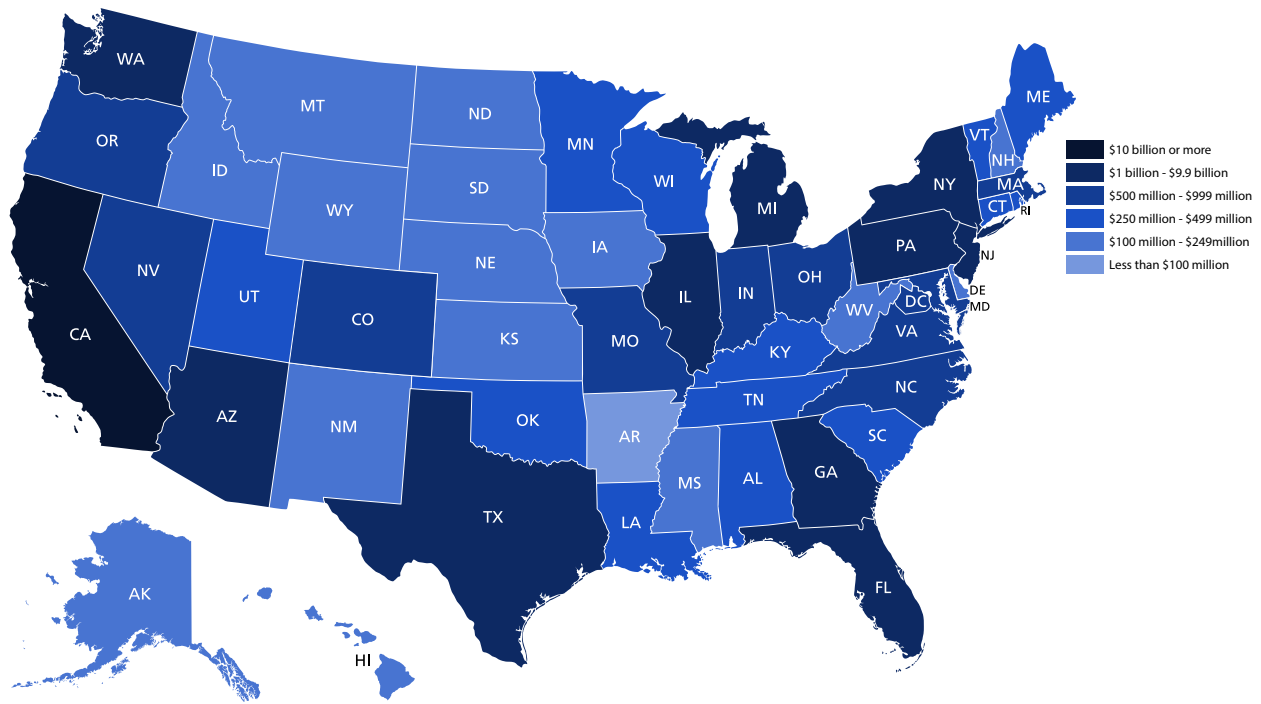
In addition to renters, states, Tribal governments, and territories have distributed \$6.6 billion to more than [549,000 homeowners](#) for past due mortgage payments,

Today, foreclosure starts are about 30% below pre-pandemic levels.

utility expenses, and property taxes, as well as other housing related expenses. The HAF program provided a lifeline to homeowners at a time when refinancing or other workout options have been limited, helping to prevent mortgage delinquencies and defaults, foreclosures, losses of utilities and home energy services, and displacement. Despite fears of a foreclosure crisis after the expiration of the foreclosure moratorium, [foreclosures remained](#) low, and many homeowners were able to remain in their homes. Today, foreclosure starts are about 30% below pre-pandemic levels.

⁴ [New Treasury Data Shows Emergency Rental Assistance Program Made Nearly 10 Million Payments to Families at Risk of Eviction | U.S. Department of the Treasury](#)





Map: Total amount of American Rescue Plan funding budgeted or obligated for affordable housing projects in each state.

By incorporating lessons from past homeowner assistance programs, Treasury has successfully been able to work with HAF participants to reduce homeowners' monthly payments, preserve the habitability of existing homes, and make housing more affordable for the beneficiaries of this assistance. These lessons include ensuring that HAF participants consider homeowners most at risk of displacement in their program design and outreach strategies, emphasizing the critical nature of incorporating program flexibility to address the most urgent homeowners' needs, and emphasizing the critical nature of streamlined coordination between HAF participants and mortgage servicers to ensure timely payments. Moreover, some states have taken these lessons and continued to invest in housing stability infrastructure that will help ensure efficient and timely responses to future financial crises to avoid the detrimental impacts of foreclosure on families and on the broader economy.

State Small Business Credit Initiative

SSBCI was first authorized by the Small Business Jobs Act of 2010, and this first iteration was deployed from 2011 to 2017. SSBCI 1.0 successfully leveraged \$1.2 billion in federal funding deployed by states to generate \$10.7 billion in private financing for over 21,000 transactions, helping create or retain over 240,000 jobs.

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Recognized for its innovative and flexible state-led program design and ability to use public dollars to generate private investment, SSBCI was reauthorized in 2021 by the ARP. SSBCI is once again supporting private financing for thousands of small businesses and SSBCI capital and technical assistance programs will be active for years to come, playing a crucial role in helping entrepreneurs scale their businesses in the years to come.

Early program deployment data in the [SSBCI Annual Report](#) shows a strong early impact. SSBCI reached over 3,600 small businesses in the first 17 months of the program. The nearly 3,900 loan and investment transactions are expected to help create or retain over 46,200 jobs. Jurisdictions reported expending nearly \$750 million in SSBCI funding to support transactions that resulted in \$3.1 billion in overall new financing, which includes \$2.6 billion in private financing.

The first SSBCI Annual Report shows the program is reaching very small businesses with fewer than 10 employees, accounting for 78% of all transactions, and is supporting small transactions with the median amount of new financing secured by loans at \$87,700, and for investments it was \$880,000. SSBCI is also reaching underserved businesses. 40% of transactions were reported as supporting minority-owned businesses, and 31% supporting women-owned businesses. Overall, 75% of transactions supported underserved businesses, as defined by program guidance. Moreover, many SSBCI jurisdictions are deploying significant portions of their funds to support rural businesses, as seen in the chart to the right.

Top 15 Jurisdictions by Percent of Transactions to Support Rural Small Businesses

Jurisdiction	# of Transactions	Rural Business %
Alaska	26	50%
Tennessee	5	40%
Kansas	136	38%
Colorado	24	38%
Wyoming	6	33%
Montana	62	31%
Vermont	95	31%
New Mexico	24	29%
Maine	89	25%
North Carolina	178	24%
Nebraska	17	24%
Illinois	48	19%
Michigan	364	18%
Guam	6	17%
Minnesota	47	15%

In 2024, the SSBCI Investing in America Small Business Opportunity Program (SBOP) further incentivized jurisdictions to target technical assistance toward businesses seeking financing in emerging industries. A total of \$75 million was awarded for these technical assistance programs, including those focused on connecting small businesses to opportunities in semiconductor manufacturing supply chains, electric vehicle manufacturing, transportation and clean energy infrastructure and construction, and dozens of other industries.

Tribal Recovery

In September 2022, Treasury created the Office of Tribal and Native Affairs (OTNA) to serve as a permanent hub for Tribal policy within Treasury. OTNA has helped oversee implementation of ARP programs impacting Tribes, and ensure historic new funding is deployed successfully.

SLFRF set aside **\$20 billion** for Tribal governments, the largest ever single infusion of federal funding into Indian Country. Tribes have invested this funding to address immediate and long-term economic challenges, as well as helping renters, homeowners, and unhoused individuals weather the pandemic’s harms while tackling the long-standing challenge of insufficient supply of affordable homes.



Local Assistance and Tribal Consistency Fund (LATCF) provided **\$500 million** as a general revenue enhancement program that provided additional assistance to eligible Tribal governments.

Treasury’s approval of applications for over **\$530 million** in SSBCI capital program funding to over 246 Tribal Nations is the largest federal investment in Indian Country small businesses in history. Tribes are expected to leverage as much as \$5 billion in additional financing to support Native entrepreneurs and small businesses.

In August 2024, SSBCI announced a consortium of 125 Alaska Tribes, the nation’s largest Tribal small business consortia. In total, as of December 2024, five Tribal consortia representing 175 Tribes have been approved, corresponding to \$127 million in SSBCI Capital Program allocations.

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As of December 2024, Treasury has also approved Tribal SSBCI Formula Technical Assistance Grant Program awards for 22 Tribal governments totaling \$5.6 million. Through Tribal consultation and significant Tribal engagement, Treasury's SSBCI program and Office of Tribal and Native Affairs implemented policy customization, trainings and direct one-on-one outreach to increase access to this unique opportunity for Tribal Nations.

Under the CPF, **\$100 million** is allocated to Tribal governments for capital projects.

For the HAF program, Tribal governments budgeted **over \$450 million** in mortgage payment assistance, reductions, or reinstatements and displacement prevention. Tribes leveraged ERA funding to make over **\$611 million** in assistance payments to help renters facing eviction with rent, utilities, and housing stability services.

Equitable Recovery

The investments made through ARP programs helped make the economic recovery from the COVID-19 pandemic the most equitable in recent history. The financial health of Black and Latino households has outperformed past recoveries and, according to some measures, has improved relative to the pre-pandemic period. This is particularly notable, as Black and Latino households have been historically most vulnerable to economic cycles and were hardest hit by the COVID downturn.

*The financial health of Black and Hispanic households has outperformed past recoveries and, according to some measures, **has actually improved relative to the pre-pandemic period.***

Thanks in part to programs like SSBCI, Business ownership for Black and Latino families rose by 6.2 and 2.8 percentage points, respectively, to their highest rates in history. SSBCI is designed to further support the growth of these and other underserved businesses, and initial data shows that the program is already supporting thousands of underserved businesses.

The broad reach of SLFRF and the funding formula for the allocations to metropolitan cities allowed for funds to be delivered to underserved communities, ensuring that Black and Latino workers have particularly benefited from this broad-based recovery.

Due to HAF and other policies, foreclosure rates remained low relative to prior economic downturns. 54% of HAF assistance has been delivered to homeowners with incomes less than 50% of the area median income, 40% of homeowners assisted self-identified as Black, 20% self-identified as Latino, and 63% self-identified as female. Data confirms that ERA funds went to communities with higher levels of Black or Latino renters. Moreover, ERA dollars received per renting household were higher in census tracts with larger amounts of Black or Latino renters.

Conclusion

While the funds from the ARP programs have largely been deployed, recipients still have several years of construction on affordable housing and broadband infrastructure, and SSBCI will continue to deploy funds to support capital and technical assistance for years to come. As data continues to be submitted and analyzed over the coming years, the magnitude of ARP's impact will continue to grow - contributing to a stronger and more equitable economic future for all Americans.