

# THE MOST EQUITABLE ECONOMIC RECOVERY IN HISTORY

At the beginning of 2021, prospects for the American economy looked grim. Economic forecasters projected the unemployment rate to remain well above 5% through the year and GDP to be about \$800 billion below its pre-pandemic trend. Such recessions are traditionally marked by long-lasting negative economic consequences—especially for people of color, rural areas, and other underserved communities.

Breaking from the past, **decisive policy actions taken by the Biden-Harris Administration and Congress propelled the United States to the most equitable economic recovery in its history**, with broadly shared gains in employment, business creation, real wages, and wealth.

## JOBS AND BUSINESSES

Nearly \$800 billion in Paycheck Protection Program loans, nearly \$10 billion to small business through the State Small Business Credit Initiative, enhanced Unemployment Insurance, and the expanded Child Tax Credit supported historic labor market recovery and small business growth.

### EMPLOYMENT

- Black and Hispanic unemployment rates recovered quicker than in past recessions and **dropped to and remained near record low levels**.
- Black and Hispanic workers' wages have risen faster than inflation, with real median wages increasing by **4%** and **2.4%**, respectively, from 2019 to 2022.

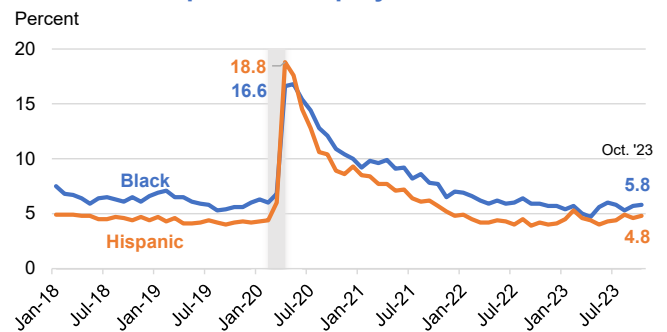
### LABOR FORCE

- Many economists predicted it would take years to bring women back into the labor force because more moms took on child care duty during the pandemic.
- Instead, **women have joined the labor force at historically high rates**, supported by the expanded Child Tax Credit.
- Both Black and Hispanic women have seen their labor force participation rates climb by about **1.5%** compared to pre-pandemic levels.

### BUSINESS CREATION

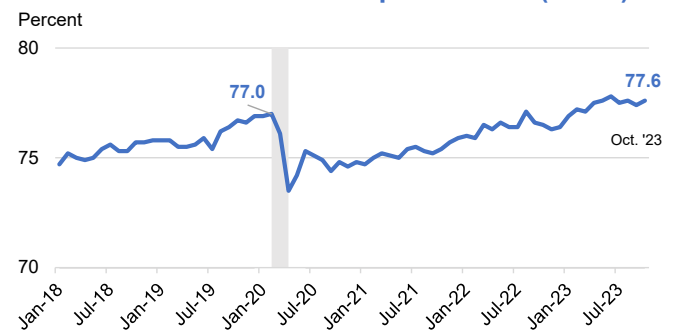
- Business ownership for Black and Hispanic families rose to their **highest rates in history**.
- From 2019 to 2022, the number of Black and Hispanic workers that were self-employed—a measure of entrepreneurship—increased by **22%** and **24%**.
- **Nearly a quarter of all new businesses in 2021 were Latino-owned.**

### Black and Hispanic Unemployment Rates



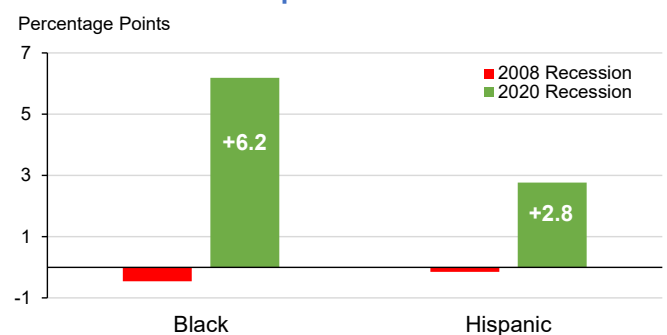
Source: Bureau of Labor Statistics.

### Female Labor Force Participation Rate (25-54)



Source: Bureau of Labor Statistics.

### Business Ownership Rates



Source: Survey of Consumer Finances.

## HOUSEHOLD FINANCES AND WEALTH

The American Rescue Plan catalyzed an historic and unprecedented provision of federal assistance to struggling Americans, including delivering more than 150 million Economic Impact Payments within the first few weeks following the Rescue Plan's passage; helping launch a national infrastructure to provide emergency rental assistance and prevent evictions across the country; expanding access to affordable housing and keeping families in their homes; and rapidly distributing the \$350 billion State and Local Fiscal Recovery Fund resources directly to communities to help local leaders avoid cuts, address local needs, and support rapid, resilient, and equitable recovery.

### POVERTY

- In 2021, the expanded Child Tax Credit lifted **5.3 million** people out of poverty.
- Child poverty fell to its lowest rate on record. **Black and Hispanic child poverty both fell from around 20% in 2019 to about 8% in 2021.**
- That's why the President has called for making the expanded Child Tax Credit permanent.

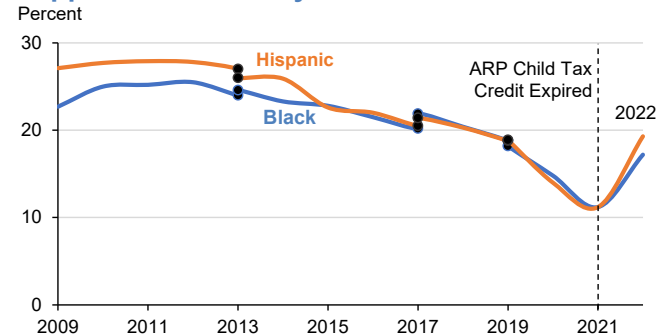
### HOUSING

- Between 2019 and 2022, homeownership rates increased by **2.9** and **1.2** percentage points for Black and Hispanic families, respectively.
- According to the Eviction Lab, COVID-era policies cut eviction filings by more than half. In 2021, eviction filings in Black neighborhoods were **less than half** their historic average.
- Largely because of the Emergency Rental Assistance program, eviction rates remained **26%** below historic averages almost a year after the eviction moratorium expired.

### WEALTH

- Between 2019 and 2022, real median wealth increased by **60%** for Black families and **47%** for Hispanic families.
- Direct support from the American Rescue Plan supported families' pocketbooks and savings, preventing a repeat of the Great Recession, when the median Black and Hispanic family lost over a quarter of their wealth.

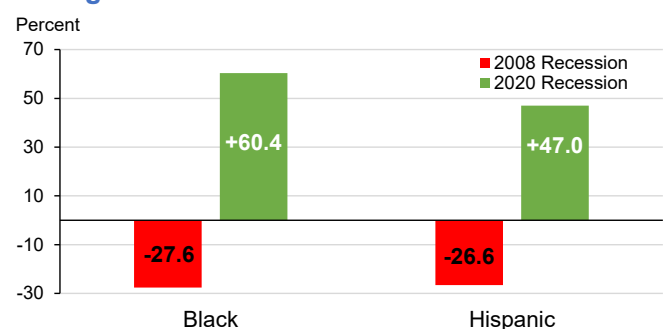
### Supplemental Poverty Rates



### Homeownership Rates



### Changes in Median Wealth



By stabilizing our economy and tackling longstanding challenges, the American Rescue Plan spurred investments in community development that will extend well beyond the deployment of federal resources and laid the foundation for other historic investments in our nation's economic future, such as the Bipartisan Infrastructure Law, CHIPS and Science Act, and Inflation Reduction Act.