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“What Does ARPA 2021 Mean for Black Americans?”

Some experts claim that the American Rescue Plan Act (ARPA) of 2021 is pivotal legislation—even the end of four decades of Reaganomics. It is valued at about \$1.9 trillion, and many Americans stand to benefit from the Act.

The following benefits have been discussed and apply widely:

- Recovery rebates—the so-called \$1,400 relief/stimulus payments.
- Extension of unemployment insurance benefits.
- Improvement in the Child Tax Credit that increases the credit amount and the income limit and improves the method of credit payments.
- Improvement in the Earned Income Tax Credit that increases the credit amount and income phaseout and expands eligibility for the credit.

Other important benefits for Black Americans include:

- Black farmers stand to benefit from funds to: Address past US Department of Agriculture discrimination; assist in farm loan payoffs; and to obtain a variety of training to improve their earning power.
- Black small business owners will receive the following types of assistance: More financial credit; paycheck protection program support; support for economically hard-hit small businesses; support for small business with economic injury disaster loans; more small business grants; and technical assistance to ensure that small businesses receive a range of required services.
- Qualifying Black healthcare workers will receive assistance with childcare and development costs and qualifying Black childcare providers will receive grants.

Generally, state, local, and tribal governments benefit from the Act in a big way (\$362.0 billion). If you are connected to FEMA (Federal Emergency Management Agency) as an employee or as a contractor, then you stand to benefit from \$50.0 billion in support. In addition, the healthcare (\$101.3 billion), childcare and development (\$42.6 billion), small business (\$60.9 billion), higher education (\$39.5), transportation and telecommunications (\$59.6 billion; public transportation, airports, airlines, and emergency connectivity), and housing/real estate (\$41.5 billion) industries

will receive significant support. Yes, Covid-19 touched many aspects of our lives; therefore, one should expect to see widespread assistance.

These are just highlights of the Act. We reviewed all of the Act's 628 pages and identified 35 major components of the Act that reflect funding values of at least \$2.0 billion. Our tally was close to \$800 billion. Therefore, the remaining \$1.1 trillion of the Act's value must be mainly accounted for by the tax-related programs that have already been mentioned. Clearly, if taxpayers obtain and spend these tax benefits, then the economy will be stimulated significantly.

Importantly, our review of the Act caused us to come away with the following observations:

- H.R. 40 and S. 40, which comprise legislation designed to produce a \$12 million Reparations study for Black Americans, were not folded into the Act.
- If you are not in the healthcare or technology-related fields, then you stand to lose out on a wide variety of opportunities because the Act is full of funds for health-related programs and of opportunities to expand and modernize information technology systems.
- The Biden Administration has maneuvered a head start on infrastructure spending with entries in the Act on Covid-19-related Capital Projects (\$10 billion) and an Emergency Connectivity Fund (\$7.1 billion).
- The legislation says “of” not “for” 2021; therefore, it is possible that there will be future rescue plans?
- The tax revenues generated by the Act will not likely render it to be self-financed, but the additional borrowing required by the Act is not likely to render the nation's debt to be unsustainable even if interest rates rise moderately.

There is no question that Covid-19 caused a change in lifestyles. We should ask whether these lifestyle changes will be more permanent than initially expected? If they are, then that does not bode well for Black Americans who are disproportionately unemployed, not entrepreneurs, not engaged in the lucrative aspects of healthcare programs, and are not a part of high-tech industries.

B.B. Robinson
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