

## The American Rescue Plan: “Big Benefits to the Middle Class”

*Today, President Joe Biden signed the American Rescue Plan into law to immediately deliver relief to Americans. This comprehensive law takes bold action to defeat the COVID-19 pandemic while providing needed assistance to bolster the economy. The American Rescue Plan provides funding for vaccine distribution, direct stimulus payments to families, ensures schools have the resources to resume in-person learning safely, supports small businesses, and gives municipalities the funding they need to keep our law enforcement officers, teachers, firefighters, and other essential workers on the job. Learn more about how the American Rescue Plan will help working families build back better:*

### [New York Times: New Stimulus Package Brings Big Benefits to the Middle Class](#)

“Whether they are **direct stimulus payments, an array of tax benefits or an expansion of the Affordable Care Act, the bill will bring a big economic lift to middle-income families**.... An analysis by the Tax Policy Center published this week estimated that middle-income families, those making \$51,000 to \$91,000 per year, **will see their after-tax income rise by 5.5 percent** as a result of the tax changes and stimulus payments in the legislation.

“The relief package, known as the American Rescue Plan, includes some important changes to existing tax policy to help families with children who have been struggling to care for them as the pandemic closed schools. The most significant change is to the **child tax credit**, which will be increased to up to \$3,600 (for children under 6) for 2021 from \$2,000 per child. The credit, which is refundable for people with low tax bills, is \$3,000 per child for children ages 6 to 17.... The legislation also **bolsters the tax credits that parents receive to subsidize the cost of child care this year**. The current credit is worth 20 percent to 35 percent of eligible expenses with a maximum value of \$2,100 for two or more qualifying individuals. The stimulus bill increases that amount to \$4,000 for one qualifying individual or \$8,000 for two or more.”

“The legislation will now make **upper-middle-income Americans eligible for aid to buy plans on the government exchanges, and premiums for those plans will cost no more than 8.5 percent of an individual’s modified adjusted gross income**. Another benefit to the middle class is that the stimulus package **makes it easier for newly unemployed workers to get insurance through a federal program called COBRA**, which allows people to buy their former employers’ health benefits. COBRA premiums will be fully paid for through September.”

“The [pension] plans cover about **10.7 million active and retired workers, many of whom are middle class** and work in fields like construction or entertainment where the workers move from job to job. **The legislation gives the weakest plans enough money to pay hundreds of thousands of retirees — a number that will grow in the future — their full pensions for the next 30 years.**”

**Market Watch: ‘This is a significant amount of money’: COVID-19 relief bill would send nearly \$170 billion to schools**

**“The funding provided [in the American Rescue Plan] is aimed at addressing more than just the immediate challenge of getting students learning in person. Local education agencies have to use at least 20% of the funds, respectively, to deal with learning loss resulting from the pandemic. ... The bill also provides guard rails to ensure that the funding for students who likely have been hardest by the challenges of remote school — those from underserved communities, including low-income students, students of color, students with disabilities and others — is protected, [Terra Wallin, associate director for P-12 accountability and special projects at EdTrust] Wallin said.”**

**CNN: What's in the \$1.9 trillion rescue plan for small businesses**

**“The legislation allocates \$10 billion for state governments to help leverage private capital and make low-interest loans and other investments to help their small business economies recover... \$15 billion to the Economic Injury Disaster Loan grants program to be given to small businesses in underserved areas, especially those that are minority-owned... Nearly \$29 billion to create a grant program that provides direct relief to restaurants... Another \$15 billion will be added to the Shuttered Venue Operators Grants program, created by the previous economic aid package... To help the SBA administer all the new programs that have fallen under its purview as a result of the pandemic, the bill allocates another \$1.325 billion to its budget.”**

**New York Times: In the Stimulus Bill, a Policy Revolution in Aid for Children**

**“...The child benefit has the makings of a policy revolution... The plan establishes the benefit for a single year..... More than 93 percent of children — 69 million — would receive benefits under the plan, at a one-year cost of more than \$100 billion.... [The bill] raises the maximum benefit most families will receive by up to 80 percent per child and extends it to millions of families whose earnings are too low to fully qualify under existing law. Currently, a quarter of children get a partial benefit, and the poorest 10 percent get nothing... The president now promotes projections that the monthly checks — up to \$300 for young children and \$250 for those over 5 — would cut child poverty by 45 percent, and by more than 50 percent among Black families.”**

**New York Times: Pandemic Relief Bill Fulfills Biden’s Promise to Expand Obamacare, for Two Years**

**“President Biden’s \$1.9 trillion coronavirus relief bill will fulfill one of his central campaign promises, to fill the holes in the Affordable Care Act and make health insurance affordable for more than a million middle-class Americans who could not afford insurance under the original law... The changes will last only for two years. But for some, they will be considerable: The Congressional Budget Office estimated that a 64-year-old earning \$58,000 would see monthly payments decline from \$1,075 under current law to \$412 because the federal government would take up much of the cost. The rescue plan also includes rich new incentives to entice the few holdout states — including Texas, Georgia and Florida — to finally expand Medicaid to those with too much money to qualify for the federal health program for the poor, but too little to afford private coverage.”**

### [Vox:](#) Joe Biden just launched the second war on poverty

“The Covid-19 relief bill...is the most far-reaching anti-poverty legislation in more than 50 years...Lesser-known provisions also largely benefit the poor: huge expansions of Obamacare subsidies (so uninsured people in non-Medicaid-expansion states can better afford insurance on the marketplace), expanded food stamp benefits, emergency rental assistance and expanded Section 8 housing vouchers, an expanded child and dependent care credit, and aid to help shore up states’ welfare programs. It’s a lot. **An Urban Institute analysis of the final stimulus package found that the poverty rate among children in 2021 will fall by more than 52 percent due to the stimulus, with the \$1,400 checks and child tax credit doing most of the work. Overall poverty, among adults and children alike, would fall by more than one-third, lifting 16 million people out of poverty.**”

### [Roll Call:](#) One year in, broadband access and telehealth are two big winners under COVID-19

“Now, with the number of positive cases falling and vaccine distribution on the rise, lawmakers and advocates are beginning to think about how to build on progress made during the pandemic...More recently, **Congress responded to the pandemic by investing in technology for schools, including more than \$7 billion in online learning subsidies that could be made law as soon as this week** after the Senate passed a \$1.9 trillion COVID-19 relief package over the weekend.”

### [Federal News Network:](#) Congress secures more paid leave for federal employees in newly-passed COVID-19 relief bill

“The American Rescue Plan includes a few provisions that are notable for federal employees. **At the top of the list is more paid leave for the vast majority of employees. The COVID-19 relief package includes \$570 million to pay for additional emergency paid leave, a program that sparked some debate among members of Congress in recent weeks. Full-time federal employees will be able to receive up to 600 hours, or 15 weeks, of paid leave to recover from COVID-19, quarantine or care for a sick family member or a child who is attending virtual school due to the pandemic.**”

### [NPR:](#) Biden's \$1.9 Trillion Rescue Plan Set To Turbocharge U.S. Economy

“The \$1.9 trillion relief package passed by Congress on Wednesday is expected to give a substantial boost to the world's largest economy once it's signed by President Biden, putting more money in people's pockets just as an improving pandemic outlook opens new avenues for them to spend it... **The Organization for Economic Cooperation and Development projects the U.S. economy will grow by 6.5% this year. That's more than twice the growth rate it was projecting in December — thanks in large part to more robust federal aid.**”

“The American Rescue Plan — which Democrats pushed through Congress with no Republican support — includes \$1,400 payments for most Americans, extended unemployment benefits and increased subsidies for children. **The benefits are heavily weighted towards low- and moderate-income families, in marked contrast to the 2017 tax cut, which Republicans championed on a similar, party-line basis.**”

**[Forbes](#): U.S. Economy Will Recover Twice as Fast Thanks To \$1.9 Trillion Stimulus And Quick Vaccine Rollout**

“Just one year after the onset of the coronavirus pandemic in the United States, the rapid pace of vaccinations and massive scale of fiscal stimulus spending will push the American economy to recover twice as fast as expected, the Organization for Economic Cooperation and Development said Tuesday... **Falling coronavirus cases and hospitalizations and President Biden’s \$1.9 trillion stimulus bill prompted Morgan Stanley equity strategist Michael Wilson to declare that ‘the recession is effectively over’ in a research note this weekend.**”