



To: Interested parties
From: Jonathon Dworkin, NewDEAL Vice President for Policy and Communications
Re: American Rescue Plan Two Years Later
Date: March 3, 2023

Signed into law two years ago on March 11, 2021, the American Rescue Plan Act helped stave off a second COVID recession and was a lifeline for states and cities to recover and rebuild from the pandemic.

[In just the first year](#), more than 4 millions jobs were created and GDP growth nearly doubled, while working families benefited from many specific provisions of the law, including 20,000 early childhood centers created from Childcare Stabilization funds and eviction prevention funds that kept 105,000 households in their homes.

As we celebrate the two-year anniversary of ARPA, it is important at this milestone to evaluate its impact and recognize the much larger, and longer-term progress that is happening across the country, particularly as a result of the law's state and local recovery funds.

Two years later, we are only just beginning to see the full scope and impact of the \$350 billion investment that permeated every state and locality. [Please reach out to NewDEAL if you're looking for state and local leaders ready, willing, and able to talk about the importance of ARPA to their community.](#)

Based on our work supporting more than 200 state and local elected officials nationwide, we see six key storylines that have emerged at the two-year mark of ARPA:

1. **Government is working** - Amid a long-running decline in faith in government, states and localities that have recognized the historic opportunity of ARPA are making government work to improve the quality of life for those they represent. The investments that we have showcased over the past two years – and the ones still in the pipeline – demonstrate implementation of solutions to intractable problems across a range of issues most impacting the American people.
2. **The impact is just beginning to be felt** - The American Rescue Plan will continue to have a positive impact in the years to come. Funding from this law will continue flowing to

states, counties, and cities for another [four years](#), through the end of 2026. The impact from this funding will match or exceed other important provisions of the law.

- 3. We have a blueprint for how government should approach crises that threaten our economy, state and local governments, and those most vulnerable to economic shocks** - In the wake of the Great Recession, there were insufficient resources made available to state and local governments, as their struggles further harmed the economy overall. By contrast, in the COVID recession, states and localities were buttressed by federal resources that have allowed them to identify and target investments important to their communities. Yes, economic challenges certainly remain, primarily from inflation driven by causes that go beyond our borders, but our economy, and especially state and local finances overall, are strong because the national response to the COVID crisis was strong.
- 4. Democrats deliver** - The results of ARPA are only possible because Democrats had the courage (and the votes!) to pass meaningful legislation in Congress. Despite the fact that Republican policymakers are willing to show up at ribbon-cuttings and ground-breakings, not one Republican in Congress voted for the bill, and many top state-level Republicans railed against it two years ago. Democrats at the state and local levels also lead the way in maximizing the impact of the recovery funds made available to them. This is a further reminder that Democrats have a vision for a strong and effective government in solving the biggest problems facing our country.
- 5. Housing is at the forefront of state and local investments** - Beyond immediate responses to the public health emergency earlier in the pandemic, investments in affordable housing and ending homelessness have been the highest priorities of state and local leaders with the recovery funds. These issues represent a sweet spot for ARPA because these are a meaningful use for one-time funds and solve one of the biggest challenges throughout the country.
- 6. There are other common areas for using these funds** - Elected officials, from city councilmembers to governors, are also particularly utilizing the funds to invest in small businesses, high-quality child care opportunities, workforce training, and broadband access, all areas that were not only hit hard by the pandemic but also have suffered from long-term underinvestment.

Two years after President Biden signed it into law, there is no doubt that the American Rescue Plan is working, and that some of the most important stories about its impact will continue to play out for years to come.

For more analysis and a copy of our 2-year anniversary impact report, please reach out to the NewDEAL at jonathon@newdealleaders.org. Additionally, we can put you in touch with Democratic state and local leaders who can share the positive and ongoing impacts of ARPA in their communities.