



### **Why the American Rescue Plan Will Help West Virginia**

The people of West Virginia need President Biden's American Rescue Plan. We need action to match the unprecedented harshness of the pandemic and its economic impact. The Biden plan now moving through Congress combines essential spending on vaccines, health care, and protective measures to save lives with assistance to prevent millions of people from being pushed into poverty and debt. The \$1.9 trillion is of sufficient scope to save lives and provide what is needed for true economic recovery in West Virginia.

**The Need.** West Virginia [lost 2,300 lives to COVID-19](#) as of March 1, 2021, or 128 per 100,000 people, while the nation reached 513,000 deaths. While the coronavirus rampages, there can be no successful reopening of the economy. The \$160 billion to fund speedier vaccine distribution and other protective health measures is essential to recovery.

Economic recovery is urgently needed in West Virginia. Since March of last year, when COVID-19 was overtaking the nation, [45 percent of West Virginia adults](#) were in households where someone had lost earnings from work. A startling [53 percent of households](#) with children reported lost income. With lost earnings came severe hardship: [16.5 percent of adults](#) in West Virginia said their households did not have enough to eat in the previous week; 27.4 percent of households with children were sometimes or often going without food. Food insecurity – the inability to reliably afford nutritious foods at all times – is estimated to have risen sharply in West Virginia from 16.6 percent in December, 2018 to [24 percent during the pandemic](#), in April-May, 2020. [Almost 36 percent of people](#) reported they had serious difficulty paying regular household bills, again higher for households with children at 43 percent. Furthermore, almost 44 percent of households with children had fallen behind in their rent.

In West Virginia as in the nation, people of color have been disproportionately affected by the disastrous economy. Among Black survey respondents, [41 percent said their households were behind in rent](#); for white respondents, it was 24 percent.

Over the past year, West Virginia has [lost 33,247 jobs](#). The December short-term COVID relief package took so long to pass that many states were delayed in providing unemployed workers the benefits they were owed, shortchanging workers nationwide by [\\$17 billion](#) in the month of January. West Virginia did

better than many states, paying benefits with a delay of two weeks or less. Congress needs to enact the American Rescue Plan well before March 14, when current benefits run out.

**The Solution.** The American Rescue Plan responds to these needs by shoring up household income through increased unemployment benefits through the end of September, expanding the Child Tax Credit and Earned Income Tax Credit, increasing nutrition assistance, providing emergency rental and utility assistance, including a one-time \$1,400 economic impact payment to most individuals, and raising the minimum wage to \$15/hour.

These benefits will cut child poverty in West Virginia by [nearly half](#) in a year. Such a reduction would dramatically reduce the damage to children's health and development now being caused by the pandemic's economic repercussions. Most of that remarkable accomplishment would come from the increase in the Child Tax Credit, which would be raised from \$2,000 to \$3,000 per child, with an additional \$600 per child under 6. A plan is being developed to deliver the credit on a monthly basis, providing protections to families with fluctuating incomes or eligibility. Families would no longer be partly or totally excluded from receiving the credit if they earned too little. According to the Institute on Taxation and Economic Policy's analysis of a similar proposal, [27 percent of the poorest fifth in West Virginia would benefit](#), averaging \$4,660 in savings. Fully 94 percent of West Virginia's children will get some benefit from this increase, or 346,000 children, with 50,000 either lifted out of poverty or with poverty reduced, in an analysis by the [Center on Budget and Policy Priorities](#).

West Virginia will also benefit because of the increase in the American Rescue Plan in the Earned Income Tax Credit for workers without dependent children. Expanding eligibility to workers age 19 and older and increasing their benefit will help at least [94,000 West Virginians](#), all of whom have very low incomes. [More than 24 percent](#) of West Virginia's childless workers living in rural areas would benefit.

The American Rescue Plan includes \$25 billion in emergency rental assistance, of which [\\$200 million](#) will go to West Virginia. This funding will prevent evictions for many of tenants falling behind in their rent.

The plan would extend the 15 percent increase in the Supplemental Nutrition Assistance Program (SNAP) through September and increase WIC by \$3 billion. These steps will reduce the number of households unable to afford enough food.

Gradually increasing the minimum wage to \$15 per hour will help a large proportion of West Virginia's workers. We are disappointed that the minimum wage increase, passed by the House, is not likely to be included in the Senate version, and strongly urge enactment of this increase as quickly as possible. Nationwide, by 2025, when the \$15/hour rate would be reached, according to the [Economic Policy Institute](#), 32 million workers will benefit, including 31 percent of Black workers and 26 percent of Latino workers. Failure to increase the federal minimum wage for more than a decade has contributed to the large number of people in West Virginia in such a precarious situation during the pandemic.

Many other provisions of the American Rescue Plan will provide West Virginia's workers and families with protection from economic disaster. The plan calls for reinstating and expanding emergency paid leave and increases funding for child care (creating a \$25 billion emergency child care stabilization fund and adding another \$15 billion to the previously enacted \$10 billion to help parents afford child care). West Virginia received [\\$65.5 million in child care funding](#) from the initial \$10 billion enacted in December; the additional amount would more than double the state's allocation. The \$1,400 one-time

payments will be available to people with Social Security numbers and will not be excluded because their household includes immigrants without such documentation.

West Virginia cannot move forward with its recovery without funding to help replace lost revenues because of the pandemic, to prevent further public worker layoffs that are undermining education, delivery of unemployment benefits, as well as health care, public safety, and many other services. West Virginia has [lost](#) 7.3 percent of its state government employees from February through December 2020 and 7 percent of its local government workers during the same period. That is why the \$2.1 billion in state and local assistance that will be provided to West Virginia if the [House of Representatives' version](#) of the American Rescue Plan is enacted is so important.

While the American Rescue Plan includes certain health care expansions, such as a subsidy for COBRA insurance for those who lost their coverage when they lost their job, and the modest increased federal match for Medicaid has been extended, there are gaps that Congress should fill. In particular, people with disabilities and seniors need increased funding for Medicaid's Home and Community Based Services (HCBS). People with disabilities and seniors are disproportionately vulnerable to COVID-19. They need continued services to be able to manage at home and to avoid institutional settings, which have proven very dangerous. In West Virginia, [17 percent percent of 18-64 year-olds have a disability](#); 41.6 percent of people age 65 and over have a disability.

The American Rescue Plan rebuilds our economy, making it stronger than pre-pandemic projections for the end of 2021, according to the [Hamilton Project](#) at the Brookings Institution. It does this by protecting our people from disease and economic loss. This plan will give West Virginia's people the chance to work safely, with adequate wages and economic security, and to raise their children out of poverty.