



Press Release
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**Economic Recovery Act Keeping Roughly 100,000 Kentuckians
Out of Poverty in Recession
Act Has Boosted Economy, Saved and Created Jobs**

Jeffersontown, KY – Along with boosting the economy and saving and creating jobs, seven provisions of the American Recovery and Reinvestment Act of 2009 (ARRA) passed in February are also protecting about 102,000 Kentuckians from poverty this year according to a new study from the Washington, DC-based Center on Budget and Policy Priorities. This is a conservative estimate since the report looks at only seven provisions of the Recovery Act, accounting for about one-fourth of the act’s total funding.

“Not only has the Recovery Act saved and created jobs and prevented the recession from being even more severe, but it has also provided real help to struggling families,” said Terry Brooks, Executive Director of Kentucky Youth Advocates. “Provisions in the Act are helping thousands of Kentucky families to make ends meet.”

Act Includes Expanded Food Stamps, Tax Credits for Workers, Jobless Benefits

The study looked at the following provisions of the Recovery Act: increase in food stamp benefits, expansions of the Child Tax Credit and Earned Income Tax Credit, its new Making Work Pay tax credit for workers, two forms of help for unemployed workers (extra weeks of jobless benefits for the long-term unemployed and an additional \$25 per week of jobless benefits), and its one-time payment to many elderly people, veterans and people with disabilities.

“Congress temporarily extended the extra unemployment benefits through mid-February,” said Brooks. “But with unemployment likely to remain high for some time, they need to extend the benefits further early next year. Congress should also extend the Act’s refundable tax credits next year so they continue to boost the economy and help families.”

Researchers lacked the data to examine other Recovery Act elements that are likely fighting poverty as well, such as funding for health care and child care.

In five populous states — California, Texas, Florida, New York, and Illinois — the above seven provisions kept at least 300,000 people out of poverty. Even in a much smaller state like Maine, the provisions kept at least 22,000 people out of poverty, the study estimates. (There were insufficient data to examine 14 states.)

Recovery Act Also Helping Economy and Jobs

Along with stemming the increase in poverty during the recession, the Recovery Act is also boosting the economy and preserving jobs, the study notes.

“When Kentuckians spend the extra food stamps or unemployment benefits they get from the recovery act in local stores, that helps those stores stay in business and retain their workers,” said Brooks. “It’s a win-win for residents hit hard by the recession and for our state’s economy.”

More than stimulus bills passed in earlier recessions, the Recovery Act was designed to reach a wide range of low-, moderate-, and middle-income Americans, the report notes. Policymakers included extensive help for low-income families not only because they stand the greatest risk of hardship during recessions but also because they are the most likely to spend quickly whatever money they receive, thereby pumping it into the economy.

View the report, *State-Level Data Show Recovery Act Protecting Millions from Poverty*, at:

<http://www.kyyouth.org/documents/CBPPReport.pdf>.

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[Kentucky Youth Advocates](#) is the home of Kentucky’s Tax and Budget Initiative, a member of the nationwide [State Fiscal Analysis Initiative](#).