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JEDC Research Note 2021 Federal Individual Aid Estimate March 19, 2021

JEDC analyzed the new and existing COVID-19 aid programs funded by the federal government that provide direct financial support to individuals. This includes \$1,400 direct payments, increased Child Tax Credit, Emergency Rental Assistance, increased SNAP benefits, and supplements to Unemployment Insurance programs.

We estimate that Juneau residents will receive a total of \$94.5 million in direct aid from the Federal Government through these programs in 2021. \$76.2 million is from the March 2021 American Rescue Plan Act, and \$18.3 million is from the December 2020 Stimulus Package.

- \$36.1 million in Direct Individual Aid (\$1,400 checks)
- \$17 million in Child Tax Credits
- \$25 million in various Unemployment Insurance programs
- \$15.4 million in Emergency Rental Assistance
- \$930,000 increase in SNAP benefits

To calculate these numbers, we made the following assumptions:

<u>Direct Individual Aid</u>

80% of Juneau residents will receive full \$1,400 benefits. This is based on household income data for Juneau from the American Community Survey.

Child Tax Credit (CTC)

80% of children in Juneau live in households that will qualify for full benefits. The eligibility requirements to receive the CTC are similar to the Direct Individual Aid eligibility. The number of children in Juneau is from 2019 US Census data.

Unemployment Insurance Programs (FPUC, PEUC, PUA)

Unemployment Insurance participants and average payments will remain similar to the average of September 2020 to February 2021. This time period is after the summer spike in unemployment, and the number of claims has become more stable since then. We used state-level data to estimate the participation in the PEUC and PUA programs in Juneau by comparing the distribution of regular UI participants across the state and assuming a similar distribution of the federal program participants.

Rental Assistance

Alaska will receive \$352 million in rent relief in the December and March packages combined. We assume that Juneau's aid will be proportional to the population of Alaska (4.37%).



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Increased SNAP Benefits

In October 2020, \$15 million in SNAP benefits were used in Alaska. We assume that the participation rate will remain at the same level and that the distribution of participants throughout the state is proportional to the population.

Comparable Statistics:

In 2019:

- \$947 million was paid in wages in Juneau.
- The 860 employees in the Juneau Mining industry were paid \$89 million.
- \$114 million in UI benefits were disbursed in Alaska.
- \$1.8 million in regular UI benefits were disbursed in Juneau.
- CBJ had \$102 million in tax-related revenue.
- In 2019, borough-wide gross sales totaled \$2,599,937,000 and preliminary data shows that 2020 borough-wide gross sales were \$2,288,751,072; meaning that Juneau saw a \$311,182,928 decrease in gross sales from 2019 to 2020, or about a 12% decline.