

Identifying Unmet Need A Summary of COVID-19 Assistance Programs in Juneau



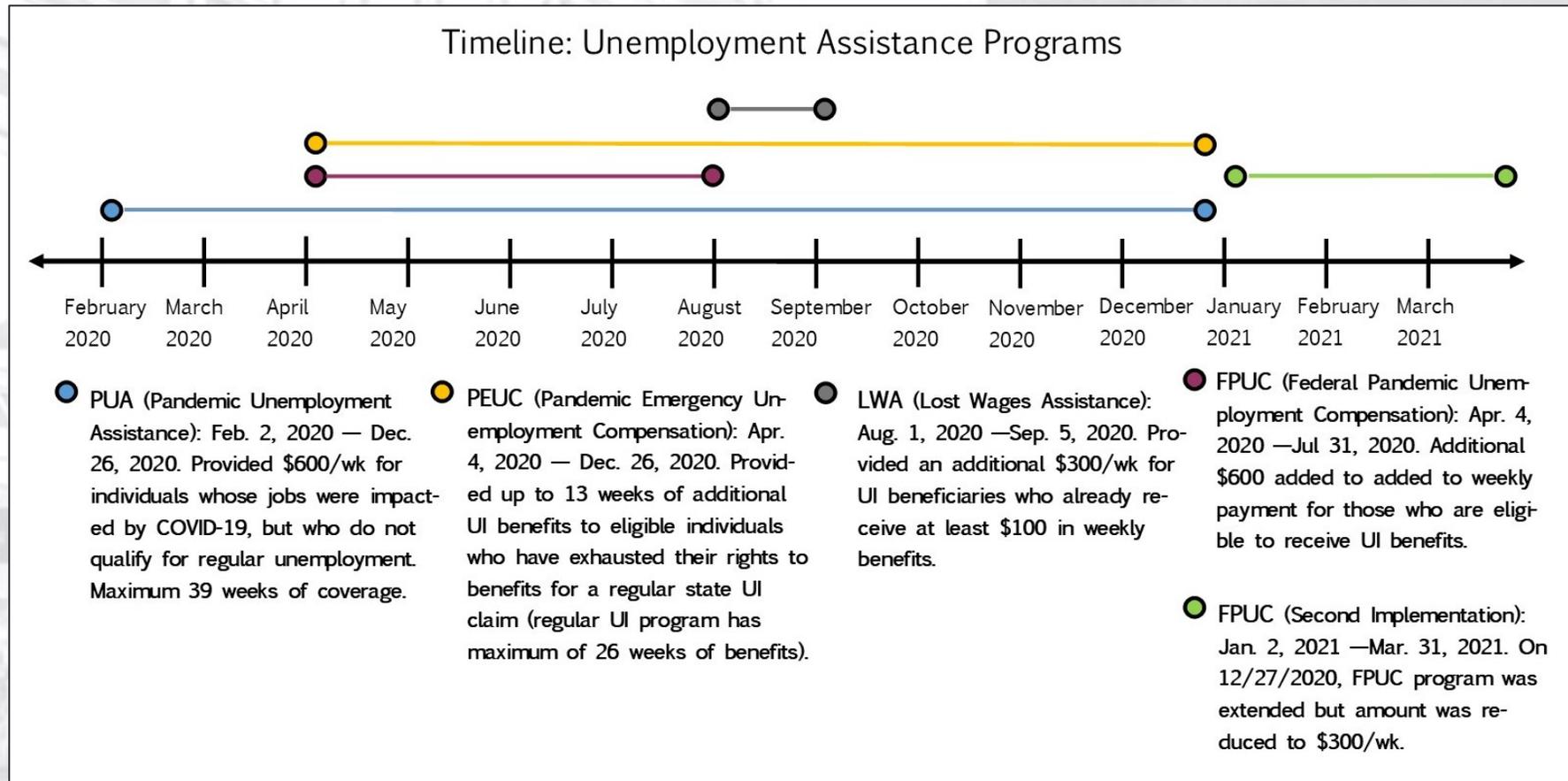
Many Pandemic Relief Programs Provided Aid to Small Businesses

Businesses were offered low-interest loans through EIDL, SBA Express Bridge, PPP, and CBJ Emergency Loan Programs.

Grant aid was available through EIDL-Advance, AK CARES, PPP Forgiveness, CBJ Business Sustainability Grants, and CBJ Extreme Hardship Grants.

Other expenses were covered through programs like SBA Debt Relief and FFCRA (Families First Coronavirus Response Act).

Multiple Unemployment Programs Worked Together to Aid Individuals Who Became Unemployed



Unemployment Rates Have Rebounded Since June, but the Job Count is Still Down

- Juneau unemployment has returned to pre-pandemic levels but labor force is still down.
- Job counts are still down - this means that less people are working more than one job at once.
- Alaska Jobs as of 10/22:
 - High wage jobs are up +9.9%
 - Middle wage jobs are down -5.5%
 - Low wage jobs are down -27.6%

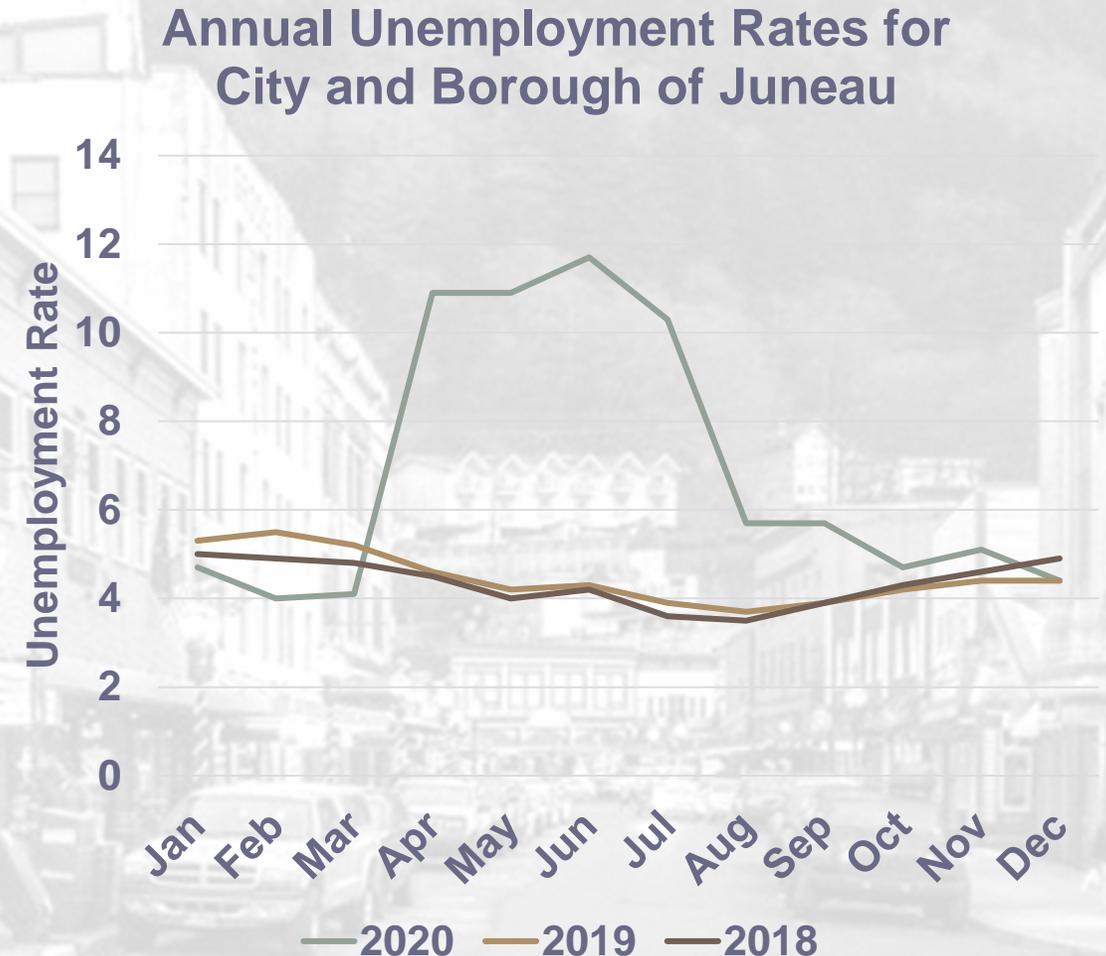


Figure 2: Annual Unemployment Rates for the City and Borough of Juneau.
Source: [AKDOL](#), compiled by JEDC Staff

Low Wage and Part-Time Jobs Are Being Hit Hardest

- Private Sector: Employment and wages decrease - yet average wage increases.
 - Indicative of low paying and part-time jobs disappearing.
- Federal Gov: Census Workers and 3.22% pay increase causes rise in employment as well as total and average wages.
- State and Local Gov: Employment drops while average wages see slight increases.
 - Juneau CCC program was implemented after Q2.

Employment and Earnings 2019 vs 2020 Q2

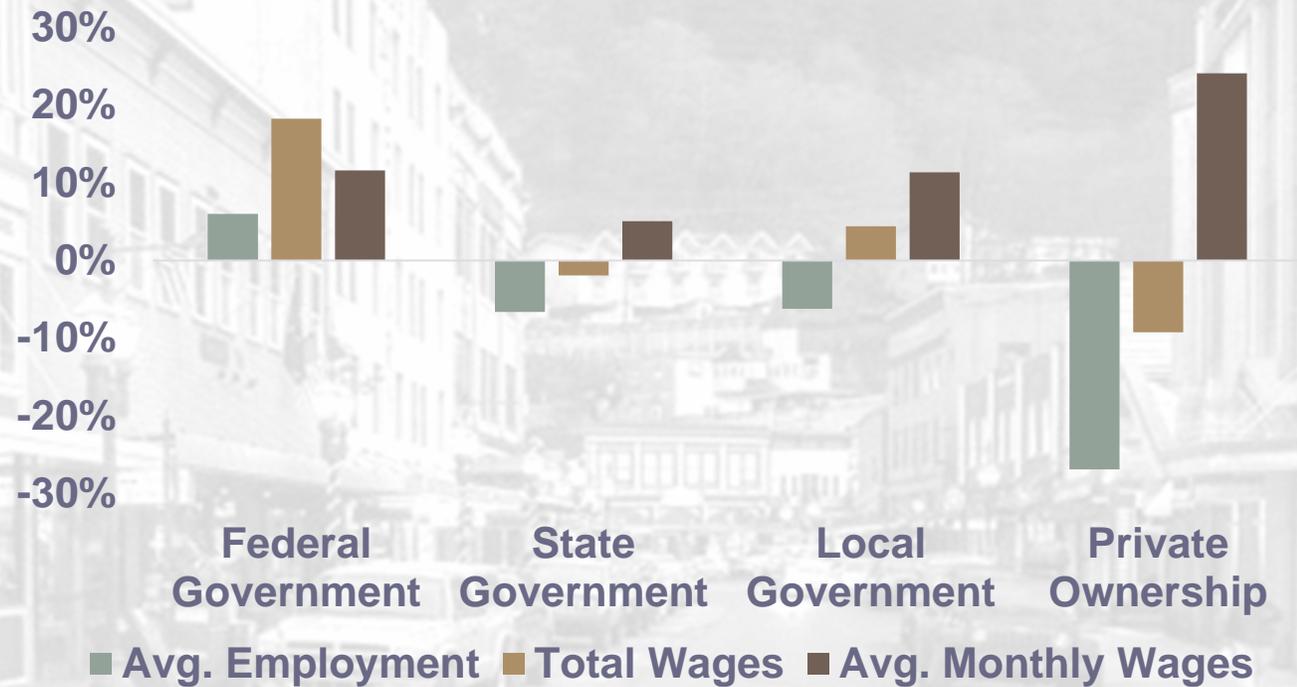


Figure 3: Quarter 2 Employment and Earnings for the City and Borough of Juneau.
Source: [AKDOL QCEW](#), compiled by JEDC Staff

Sectors with the Lowest Average Income Lost the Most Jobs

- Dept. of Labor QCEW (Quarterly Census of Employment & Wages) report indicates the job loss from Q2 2019 to Q2 2020 was most concentrated in low-wage sectors.
- Tourism-related sectors saw the most significant job losses:
 - Travel and Hospitality jobs down 55% annually.
 - Trade, Transportation and Utility jobs down 38% annually.
- Arts, Entertainment, and Recreation is down 55% annually.

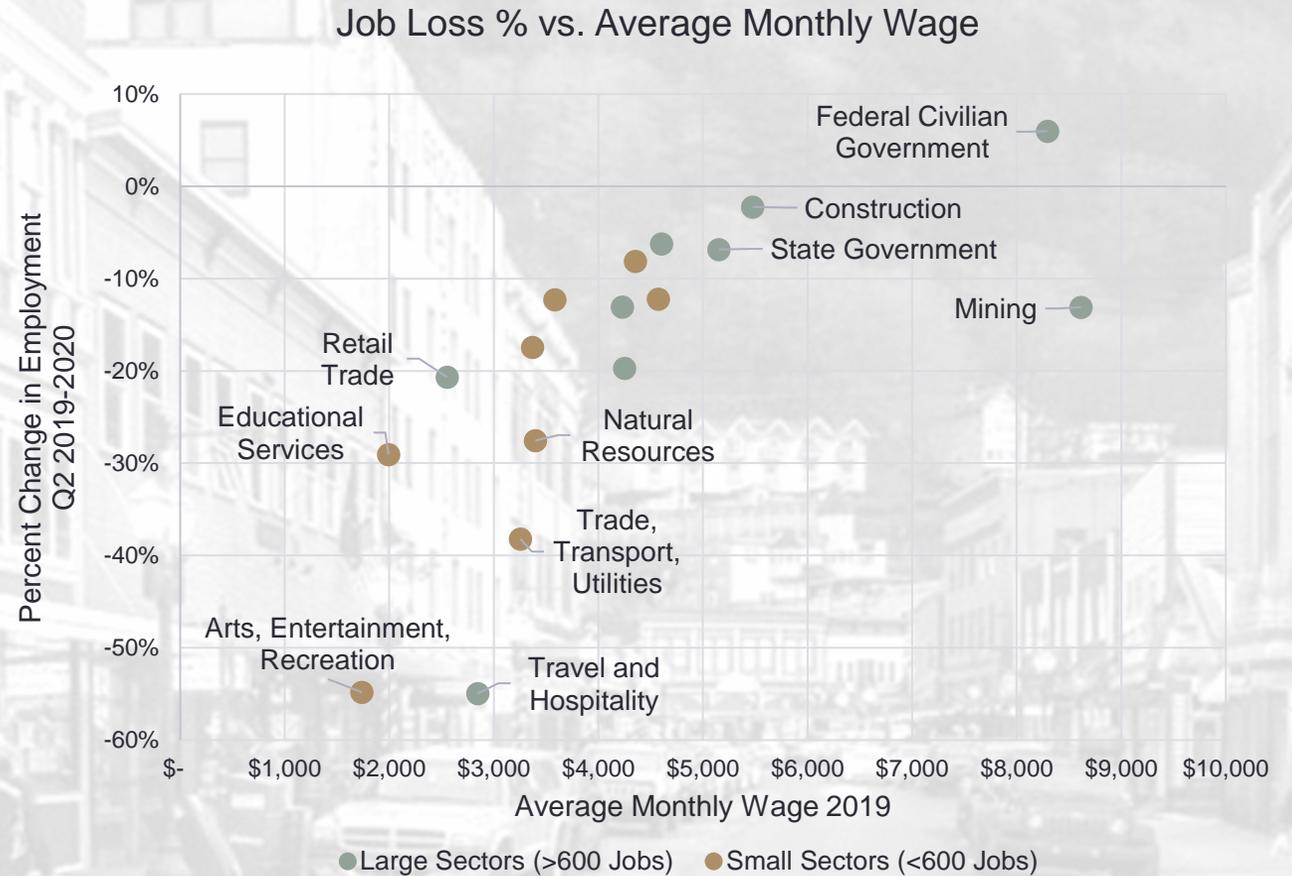
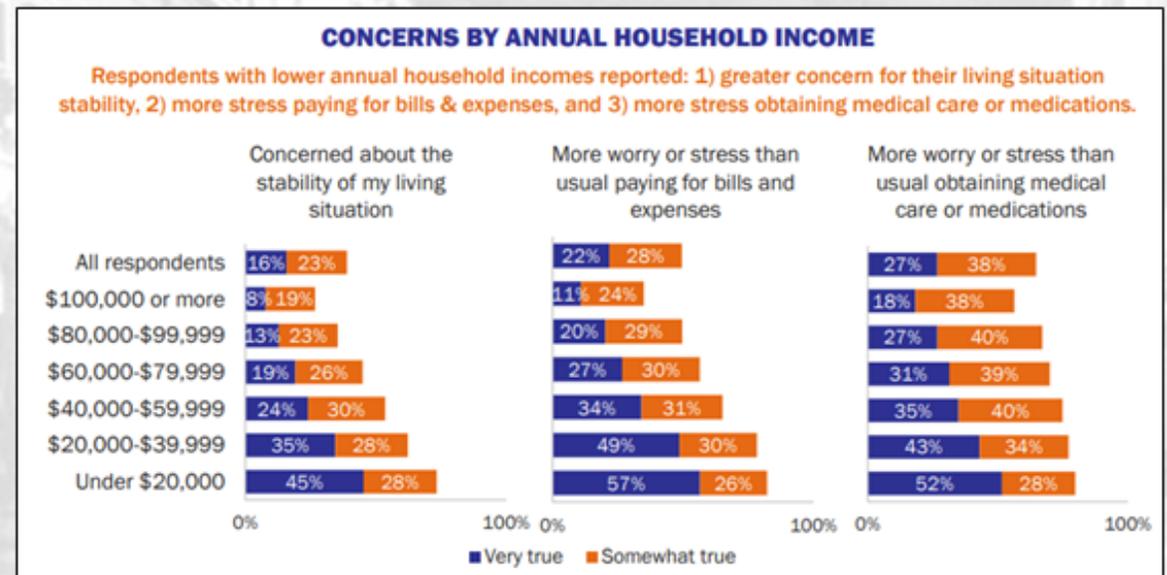
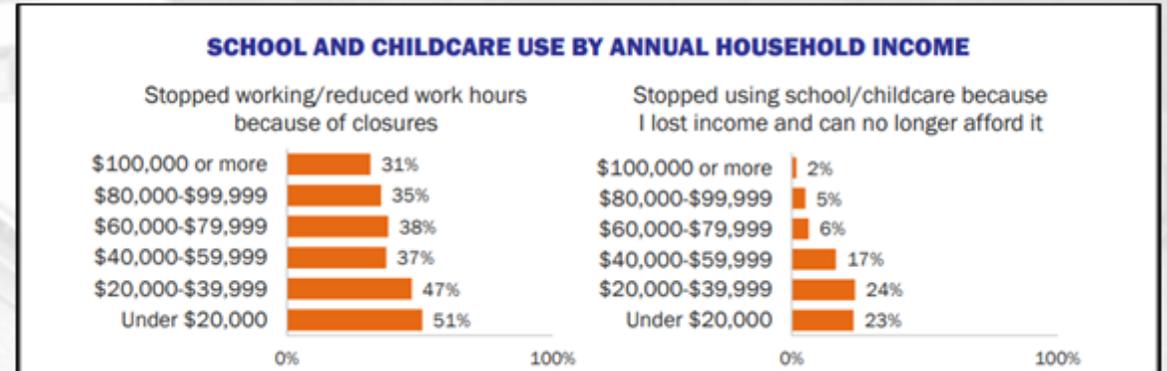


Figure 4: Annual Job Loss Q2 2019-2020 vs. Monthly Wage 2019.
Source: [AKDOL QCEW](#), compiled by JEDC Staff

DHSS Surveys Confirm Low-income Alaskan Families Are Most Affected

- Concerns about housing stability, ability to pay for bills, and stress over obtaining medical care all increase as household income decreases.
- Nearly 1 out of 4 households with less than \$40k annual income had to stop using school or childcare because of lost income.
- Over 30% of respondents had to stop working or reduce their hours because of school or childcare closures. This percentage increases to over 50% for households with less than \$20k annual income.



Figures 5, 6: Childcare and Concerns by Annual Household Income
Source: Alaska DHSS, Survey 4 Medical & Financial Summary

In Juneau, Many People Are Just Able to Pay Rent

Renters who cannot afford their monthly payments do not have less-expensive housing options available to them.

- Juneau has a low vacancy rate (4.4%)
- Unoccupied units have a higher average rent than occupied units (\$1,358 and \$1,302, respectively)

This combination suggests that landlords are raising rent prices after tenants move out and can do so because of a lack of competition.

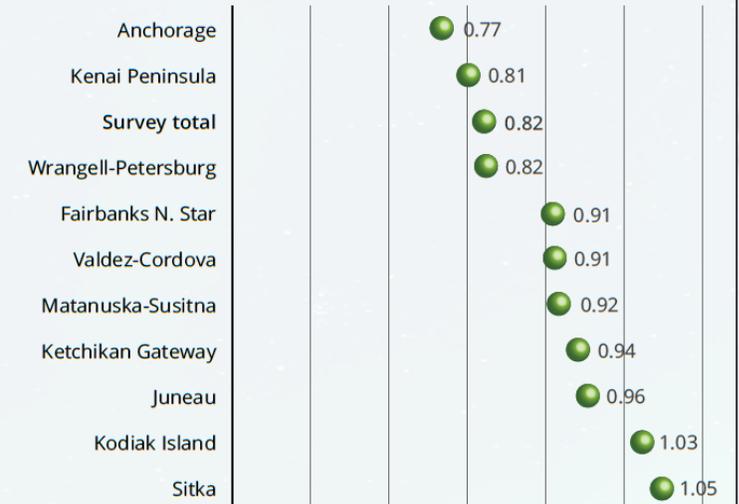
Using an affordability index*, in Juneau it takes:

- 0.99 earners to afford average rent.
- 1.29 earners to afford rent in a single-family residence.

Reductions in working hours or pay can quickly make housing unaffordable for individuals. For families, if one parent becomes unemployed, even from a part-time job, rent becomes unaffordable.

*Compares the average rent with the average income in an area and assumes 30% of income is used for rent.

Adding wages to the mix makes Anchorage rent the most affordable



Note: Shows the number of average wage earners needed to afford an area's typical rent

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, and Alaska Housing Finance Corporation: 2020 Rental Market Survey

While Many Alaskans are Struggling to Pay Rent, a Large Aid Package is On The Way

AHFC will administer \$200 million for rental assistance

*Cannot duplicate any other federal funds

Eligibility:

- Qualifies for unemployment or has experienced a reduction in household income, incurred significant costs, or experienced a financial hardship due to COVID-19.
- Demonstrates a risk of experiencing homelessness or housing instability.
- Has a household income at or below 80 percent of the AMI (\$94,240)

Preference

- Households that include an individual who has been unemployed for the 90 days or makes less than 50% of AMI (\$58,900)
- Different website than AHFC - www.alaskahousingrelief.org

Assistance Programs Have Undervalued the Costs of Dependents

- Dependents increase annual costs by \$15,000 to \$21,000 for a two-adult household.
- U.I. provides additional \$24 a week (\$1,248 annually) per dependent - covers up to 39 weeks.
 - Currently 46 weeks since first Emergency Declaration
- CBJ Individual Assistance provided additional \$300 per dependent.
- Federal Stimulus Payments gave a total of \$1,100 for each dependent.
 - Limited to those 16 and younger

Unmet Need is Most Significant Amongst Low-Income Individuals and Families

Most previous programs have focused on giving aid to small businesses. Other programs have increased unemployment insurance payments and made UI available to a larger number of people.

Job losses and reductions in hours have been most common in low-income jobs and sectors.

Low-income families have lost jobs and had to take their children out of childcare at a much higher rate than other families. They have also experienced more stress over housing, bills, and medical access.

Previous individual assistance programs, including unemployment benefits, have undervalued the costs of dependents, and number of dependents should carry a greater weight when determining eligibility and aid amount.

National Trends Show Aid is Best Used to Help Low-Income People

The Harvard-Based research group Opportunity Insights have been tracking national data on the economic impacts of COVID-19. Last updated in November, their summary report lists 6 main insights:

1. High-income households accounted for most of the reduction in spending.
2. Small business revenues declined most in affluent areas.
3. Job losses at small businesses have been largest in affluent areas.
4. State-ordered re-openings of economies had small effects on economic activity.
5. **Stimulus payments increased spending substantially, especially among low-income households.** But they did not lead to large gains for the businesses most affected by the crisis, nor to increases in employment.
6. Loans to small businesses have had little impact on employment rates.

Distributing Funds After All Applications are Received Can Help Prioritize Target Recipients

An application system where all applications are received before aid is distributed can ensure that aid is delivered to the target demographics. This way, households and individuals who most need aid get prioritized.

First-come, first-serve policies give preference to more connected individuals - not always the ones most in need.

This would delay the release of aid but would ensure funds are given to the applicants most in need.

To ensure optimal and equitable distribution of funding, funds would begin to be distributed after the application window closes.