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Many More Oregonians Would Be Poor but for Federal Recovery Act

(Silverton) — The federal recovery act signed into law earlier this year has protected about 84,000 Oregonians from living in poverty, according to a report released today by the Washington, D.C.-based Center on Budget and Policy Priorities.

“The recovery act is delivering vital assistance to Oregon at a time of great need,” said Joy Margheim, policy analyst with the Oregon Center for Public Policy, who examined the report. “It’s kept the recession from getting worse and helped struggling Oregon families.”

If the 84,000 Oregonians estimated to have been kept out of poverty as a result of the federal recovery act all lived in one place, it would constitute the seventh-largest city in the state, more populous than Bend, according to Margheim.

That figure, moreover, likely understates the total number of Oregonians being kept off the poverty rolls, said Margheim. That’s because the CBPP study examined the impact of only seven provisions of the American Recovery and Reinvestment Act (ARRA) of 2009, which account for about one-fourth of the act’s total funding.

The CBPP report examined the impact of ARRA’s increase in Supplemental Nutrition Assistance Program (SNAP or food stamp) benefits, its expansions of the Child Tax Credit and the Earned Income Tax Credit, the newly created Making Work Pay tax credit, the extension of unemployment insurance benefits, the additional \$25 per week in unemployment insurance benefits and a one-time payment to seniors, veterans, and people with disabilities.

The report did not calculate the impact of other ARRA provisions, such as funding for health care, child care and direct assistance to states to help them deal with budget deficits caused by the recession.

“Those other provisions not included in the report have also benefited Oregon,” said Margheim. “By helping lawmakers avoid even deeper cuts to essential public structures such as schools and public safety, federal dollars kept Oregon’s economy from contracting further.”

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Earlier in the year, Oregon lawmakers used ARRA and other federal funds to close about one-quarter of the \$4 billion budget gap that opened up as a result of the recession. In doing so, they maximized use of federal matching funds for services such as health care and support for children in need.

Those federal matching funds are hanging in the balance until the January vote on Measures 66 and 67. If the measures fail to pass, Oregon will not be able to put up its share of money to trigger the receipt of all the federal ARRA and matching dollars.

Losing those federal dollars would further shrink Oregon's economy, according to 36 Oregon economists who issued a joint letter in October backing the tax measures.

Besides highlighting a key issue related to the importance of voting "yes" on Measures 66 and 67, today's report also underscores the importance of congressional action to extend some of ARRA's provisions, said Margheim.

Although Congress has agreed to extend ARRA's unemployment provisions through February, Margheim pointed out that they will need further extension because unemployment is expected to remain high for some time. She also pointed to extending refundable tax credits for low- and moderate-income families.

OCPD and leaders in Oregon are also urging Congress to extend the ARRA provisions offering fiscal relief to states and additional food stamp administrative funds. In a letter to Oregon's congressional delegation presented earlier this week, several Oregon organizations and elected leaders said such provisions "are some of the best ways to strengthen the job market, and their premature expiration is certain to place a drag on the economy."

The Oregon Center for Public Policy is a nonpartisan research institute that does in-depth research and analysis on budget, tax and economic issues. The Center's goal is to improve decision making and generate more opportunities for all Oregonians.

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NOTE TO REPORTERS AND EDITORS:

The Center on Budget and Policy Priorities report, *State-Level Data Show Recovery Act Protecting Millions from Poverty*, is available at www.cbpp.org/cms/index.cfm?fa=view&id=3035.