



PANDEMIC ASSISTANCE STABILIZED THOUSANDS OF DC FAMILIES BUT HAS NOW ENDED

FY 2025 DC Budget Cuts Will Compound Impact of Expired Federal Aid

The federal government provided substantial financial assistance to families during the pandemic, supporting an unprecedented level of economic security, but that aid has now ended completely.

UPO estimates that a typical family with a low income received nearly \$30,000 in pandemic assistance between 2020 and 2022 — an average of almost \$10,000 per year in food benefits, economic stimulus payments, the expanded Child Tax Credit, and rental assistance — but only \$400 in 2023 and nothing in 2024. With food prices continuing to be high and rents continuing to rise, it is not surprising that **most DC families with low incomes are struggling to meet their expenses**. Many are facing food insecurity and behind on their rent, and homelessness has increased in each of the last two years.

The stress of these financial struggles may be especially hard for some families because it follows an extended period of greater stability. While the end of pandemic aid was understandable, it felt like a rug being pulled out from many struggling families. The loss of pandemic aid is a likely factor behind the significant demand for Emergency Rental Assistance (ERAP), with families facing heightened economic insecurity and having few places to go when they are behind on bills.

Unfortunately, recent budget and policy actions by Mayor Bowser and the DC Council will further weaken financial support to District residents struggling to pay rent and feed their families. For example, the number of families and individuals receiving rental subsidies will **decline** next year since emergency rental assistance will be cut by more than half. These budget decisions will have both short-term and long-term impacts. **Food insecurity, housing instability, and evictions are likely to rise. These traumas have long-term damaging effects,** especially on children and their ability to transition to a healthy and secure adulthood.

In the short term, **District leaders should closely monitor key trends**, such as demand for food assistance and eviction filings, to assess whether severe economic insecurity is rising. **Mayor Bowser and the Council should be prepared to respond to growing needs** with supplementary budget actions. In the longer term, the mayor and Council should work together **to develop an economic security agenda – a plan to ensure that more residents have stable housing and food security, along with programs to provide temporary financial assistance**, such as emergency rental assistance, to residents facing a crisis.

UNDERSTANDING THE FEDERAL PANDEMIC AID RECEIVED BY DC FAMILIES

UPO's analysis estimates the aid that a DC family of 3 with a low income — a single parent with one child under age 6 and one older than 6 — received from pandemic financial assistance. While there was substantial variation from family to family in the aid received, these estimates offer a sense of the kinds of help that were available to a typical family.

The federal government took many steps to support economic security, to keep the pandemic from leading to increased hardship and a deep national recession. These included:

- Economic stimulus payments to most households in 2020 and 2021
- An expanded child tax credit in 2021, which many families received over 2021 and 2022
- An increase in SNAP food assistance starting in 2020 and ending in March 2023
- Two rounds of rental assistance, in 2021 and 2022, combined with an eviction moratorium
- Increased unemployment insurance benefits, along with expanding eligibility for unemployment insurance

These benefits are described in detail below.

Economic Stimulus Payments

The federal government made three rounds of economic stimulus payments to single-parent families with incomes under \$112,500 and married-couple families with incomes under \$150,000.

- A payment of \$1,200 per adult and \$500 per child in March 2020
- A payment of \$600 per adult and child in December 2020
- A payment of \$1,400 per person and child in 2021ⁱ

This means that a single parent family with two children received \$4,000 in 2020 and \$4,200 in 2021.

Expanded Child Tax Credit

In 2021, the federal government expanded the Child Tax Credit (CTC) for one year. (The Biden administration proposed making these changes permanent, but that law was not adopted by Congress.) The expansion included both an increase in the amount of the Child Tax Credit and changes to enable all families with low incomes to receive the full benefit.

- The Child Tax Credit was increased from \$2,000 per child to \$3,600 per child under age 6 and \$3,000 per child aged 6 through 17.
- Prior to the 2021 expansion, the Child Tax Credit was “partially refundable.” This means that in cases when families had income tax liability that was smaller than their Child Tax Credit amount, they could receive some, but not all, of the credit. And families with no earned income for the year couldn’t claim any CTC. This meant that **families with the lowest incomes often missed out on some or all of the child tax credit**, while moderate- and higher-income families got the full amount to support raising their children. Under the 2021 change, however, the expanded CTC was made “fully refundable,” which meant that all families raising children could claim the full benefit.
- The Center on Budget and Policy Priorities estimates that a single parent with one child under 6 and one older than 6, with \$14,000 in earned income, got \$4,900 more in assistance from the Child Tax Credit in 2021 as a result of these changes.ⁱⁱ

The expanded Child Tax Credit was adopted in 2021 and many families received half of the benefit through monthly payments between July and December, and the remaining half in 2022 when they filed a 2021 tax return. This analysis assumes that the CTC benefit was split between 2021 and 2022.

This substantial one-time income boost had a tremendous impact on child poverty and child well-being. The Child Tax Credit expansion reduced the child poverty rate nearly 40 percent below what it otherwise would have been — to 5.2 percent instead of 8.1 percent. More than half of the families receiving the enhanced credit said they used some of it for food, and nearly half used it for rent and utilities.ⁱⁱⁱ [CBPP]

SNAP (Supplemental Nutrition Assistance Program)

The federal government adopted an increase in SNAP benefits (known as emergency allotments) that started in March 2020 and ended in February 2023 in DC. The benefits increased food assistance by varying amounts, ultimately reaching about \$200 a month for a family of three in DC. The Center on Budget and Policy Priorities estimates that a family with children in DC received \$1,300 in 2020, \$2,100 in 2021, \$2,300 in 2022, and \$400 in 2023.^{iv}

Rental Assistance

The federal government enacted an eviction moratorium early in the pandemic, to protect people who lost incomes from having to leave their homes during the public health emergency. In DC, the moratorium ended October 2021.

The federal government also provided two rounds of Emergency Rental Assistance (ERA) to help families who were behind on rent or needed a security deposit for a new apartment, among other uses. People were allowed to apply for assistance in each round.

In the District, 51,000 households received \$230 million in assistance from the 1st round of ERA (known as the Stay DC program) and 32,000 households received \$158 million in assistance from the 2nd round of ERA.^v This suggests that on average, residents received roughly \$4,500 from ERA1 and \$5,000 from ERA2. This analysis assumes a family sought assistance in 2021 from ERA1 and in 2022 from ERA2.

Unemployment Insurance

A major component of the federal economic response to the pandemic was to expand unemployment insurance. This included extending eligibility to gig workers and others paid as independent contractors, who normally are not eligible. It also excluded providing supplements to standard benefits; the supplement was \$600 per week between March and July 2020 and \$300 per week between December 2020 and September 2021. The federal government also extended the number of weeks of benefits and unemployed worker could claim, a common federal response in recessions.

Because unemployment insurance only goes to people who lose their jobs, it's not clear whether the pandemic unemployment assistance went beyond replacing lost wage income (although in some cases it undoubtedly did.) For this reason, this analysis does not include the value of pandemic unemployment insurance.

PANDEMIC ASSISTANCE AVERAGED NEARLY \$10,000 PER YEAR FOR THREE YEARS

When all of the pandemic financial assistance benefits are added up, a three-person family in DC is likely to have received \$30,000 in assistance in the three-year period between 2020 and 2022, an average of \$10,000 per year.

- 2020: A typical family of three received \$1,300 in additional SNAP and \$4,000 in economic stimulus payments, for a total of \$5,300
- 2021: A typical family of three received \$4,200 in economic stimulus payments, \$2,450 from the child tax credit, \$2,100 in added SNAP, and \$4,500 in rental assistance, for a total of \$13,250
- 2022: A typical family of three received \$2,300 in added SNAP, \$2,450 from the Child Tax Credit, and \$5,000 in rental assistance, for a total of \$9,750
- The three-year total is \$28,300, an average of \$9,400 per year.

Estimated Pandemic Financial Aid for A DC Family of 3 With Low Income			
	2020	2021	2022
Economic Stimulus	\$4,000	\$4,200	
SNAP	\$1,300	\$2,100	2,300
Child Tax Credit		\$2,450	2,450
Emergency Rental Aid		\$4,500	5,000
Total	\$5,300	\$13,250	9,750

By 2023, nearly all of these benefits had ended. Enhanced SNAP benefits lasted until March 2023, providing \$400 in extra assistance.

This aid had an enormous impact on poverty and family well-being. Looking at the nation as a whole, the Center on Budget and Policy Priorities concluded that “Public programs transformed what, without the programs, would have been a near-record *surge* in poverty in the COVID-19 recession into a record one-year overall poverty *decline* in 2020 and a record one-year decline in children’s poverty in 2021.”^{vi}

WITH AID ENDED, MANY DC FAMILIES ARE STRUGGLING

Thousands of DC families are now struggling to pay housing and other bills in the wake of the complete phaseout of pandemic assistance and sharply rising housing and food prices. Nationally, food prices rose 25% between 2019 and 2023.^{vii}

- In March 2024, three-fourths of DC households with incomes under \$35,000 say they face difficulty paying usual household expenses. Nearly two of five households at this income level – 37% – say it is “very difficult” to pay usual expenses.^{viii}

- 25% of households with children and income under \$35,000 do not have enough to eat and another 28% have enough to eat but not the kinds of food they want.^{ix}
- 31% of DC renter households with incomes below \$35,000 are behind on rent.^x

DC BUDGET CUTS COMPOUND THE LOSS OF FEDERAL PANDEMIC AID

Unfortunately, recent budget and policy actions by Mayor Bowser and the DC Council will further weaken financial support to DC residents struggling to pay rent and feed their families. Doing this in the wake of the end of pandemic financial assistance will likely plunge many DC families further into financial crisis.

- The FY 2025 budget for Rapid Rehousing (RRH) for families is \$60 million, down from \$105 million in 2023. RRH provides housing and case management services to families experiencing homelessness. According to the Department of Human Services, the program will serve about 1,050 families per month in 2025, down from 2,200 this year.

Because Rapid Rehousing is a time-limited program, and families can move in and out of the program within a year, the number of families facing termination of assistance will be much higher than these figures reflect. The Washington Legal Clinic for the Homeless reports that 3,200 households will lose RRH rental assistance over 2024 and 2025.^{xi}

- The budget approved by the DC Council provides 620 housing vouchers for a variety of uses, some to help families losing Rapid Re-housing, but the new housing assistance will still leave DC with fewer housing receiving rental assistance next year.
- The adopted budget provides \$27 million for Emergency Rental Assistance Program, down from \$63 million in 2024.
- The adopted budget does not extend the current effort to Give SNAP a Raise, which has added \$80 per month in food assistance for a family of three in 2024.

Food insecurity, housing instability, and evictions are likely to rise as a result of these cuts. These traumas have long-term damaging effects, especially on children and their ability to transition to a healthy and secure adulthood. The impacts also extend beyond the families directly affected. When families don't have enough for rent or food, landlords and food retailers also suffer, with potential ripple effects throughout the economy.

CONCLUSIONS AND RECOMMENDATIONS

These findings show that the federal government took unprecedented steps to protect Americans financially in the pandemic. In DC and other communities, it likely provided **an extended period of economic security than many families had not experienced before**. The rapid expiration of this assistance, while understandable because the pandemic had waned substantially by 2022, still is notable because of the way **it left many families back in the deep economic insecurity they faced before the pandemic**.

This suggests that **the federal government should take steps to make permanent some of the kinds of assistance provided in the pandemic**, such as the expanded Child Tax Credit. It also suggests that the federal government should work to phase out any temporary assistance in economic downturns **more slowly**, to help families with low incomes adjust.

DC policymakers have an important role to play as well, especially if the federal government does not act. **The mayor and DC Council should expect that the number of households in severe financial distress will increase in the coming year**. Rather than simply allowing that to happen, **the mayor and Council should be prepared to respond** through mid-year budget adjustments to avoid increases in evictions, homelessness, and hunger, and they should track indicators that might suggest a growing crisis.

Looking forward to FY 2026, DC's leaders should examine the impact of pandemic assistance on financial security and use that to **develop a long-term agenda to improve economic security, especially around housing and nutrition, and to ensure a robust program to assist residents facing financial crises** that might otherwise lead to homelessness or other serious harms.

ⁱ United States Department of the Treasury, "Economic Impact Payments." Retrieved on June 13, 2024 from <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-american-families-and-workers/economic-impact-payments#:~:text=The%20American%20Rescue%20Plan%20Act,qualifying%20dependent%2C%20including%20adult%20dependents.>

ⁱⁱ Chuck Marr, Danilo Trisi, Arloc Sherman and Kris Cox, "Policymakers Should Expand Child Tax Credit in Year-End Legislation to Fight Child Poverty." Center on Budget and Policy Priorities, 2022. Retrieved on June 13, 2024 from <https://www.cbpp.org/research/federal-tax/policymakers-should-expand-child-tax-credit-in-year-end-legislation-to-fight>

ⁱⁱⁱ Chuck Marr, Kris Cox, et al., "Year-End Tax Policy Priority: Expand the Child Tax Credit for the 19 Million Children Who Receive Less Than the Full Credit." Center on Budget and Policy Priorities, 2022. Retrieved on June 13, 2024 from <https://www.cbpp.org/research/federal-tax/year-end-tax-policy-priority-expand-the-child-tax-credit-for-the-19-million>.

^{iv} Dottie Rosenbaum, Katie Bergh, and Lauren Hall, "Temporary Pandemic SNAP Benefits Will End in Remaining 35 States in March 2023," Center on Budget and Policy Priorities, 2023. Retrieved on June 13, 2024 from <https://www.cbpp.org/research/food-assistance/temporary-pandemic-snap-benefits-will-end-in-remaining-35-states-in-march>.

^v This reflects UPO analysis of data from the U.S. Department of the Treasury, retrieved on June 13, 2024 from <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/public-data>. See files for "ERA2 Cumulative Program Data Q2 2021 – Q4 2023" and "Emergency Rental Assistance Monthly Compliance Report June 1-30, 2022"

^{vi} Danilo Trisi, "Government's Pandemic Response Turned a Would-Be Poverty Surge Into a Record Poverty Decline," Center on Budget and Policy Priorities, 2023. Retrieved on June 13, 2024 from

<https://www.cbpp.org/research/poverty-and-inequality/governments-pandemic-response-turned-a-would-be-poverty-surge-into>

^{vii} United States Department of Agriculture, "Food Prices and Spending," retrieved on June 14, 2024 from <https://www.ers.usda.gov/data-products/ag-and-food-statistics-charting-the-essentials/food-prices-and-spending/?topicId=1afac93a-444e-4e05-99f3-53217721a8be#:~:text=U.S.%20food%20prices%20rose%20by,percent%20over%20the%20same%20period.>

^{viii} UPO analysis of Census Bureau Pulse Survey Data for Phase 4.0 Cycle 3, March 5 to April 1, 2024. See Spending Table 1. Retrieved on June 13, 2024 from

<https://www.census.gov/data/tables/2024/demo/hhp/cycle03.html>

^{ix} UPO analysis of Census Bureau Pulse Survey Data for Phase 4.0 Cycle 3, March 5 to April 1, 2024. See Food Sufficiency and Food Security Table 2. Retrieved on June 13, 2024 from

<https://www.census.gov/data/tables/2024/demo/hhp/cycle03.html>

^x UPO analysis of Census Bureau Pulse Survey Data for Phase 4.0 Cycle 3, March 5 to April 1, 2024. See Housing Table 1b. Retrieved on June 13, 2024 from

<https://www.census.gov/data/tables/2024/demo/hhp/cycle03.html>

^{xi} Washington Legal Clinic for the Homeless, "The FY25 Budget: Disappointment and Disinvestments," July 11, 2024. Retrieved on July 12, 2024 from <https://www.legalclinic.org/the-fy25-budget-disappointments-and-disinvestments/>