



# A Look at the Consequences of the 2009 Stimulus Law as Congress Contemplates “Automatic Stimulus” Legislation

By Matt Weidinger

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## Key Points

- Ten years after the enactment of the American Recovery and Reinvestment Act of 2009 (or “stimulus law”), former Deputy Staff Director of the House Ways and Means Committee Matt Weidinger compares the predicted and actual economic outcomes of the stimulus law and reviews the repercussions that we still see today.
- Because of the apparent ineffectiveness of the temporary 2009 stimulus law, lawmakers have started to call for creating permanent “automatic stimulus,” such as the ELEVATE Act.
- The ELEVATE Act would provide sharply rising federal payments to states for employment subsidies and related benefits, and in states with high unemployment rates, federal funding would pay 100 percent of the subsidies.
- While such an approach might improve the timeliness of responses to recessions, proposed benefits are temporary and not targeted, and their cost is a key concern.

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Ten years after the enactment of the February 2009 American Recovery and Reinvestment Act (ARRA, or “stimulus law”) in the midst of the worst economic recession since the Great Depression, the policy implications of this legislation continue to be felt.

ARRA included numerous spending and revenue provisions, from short-run traditional stimulus to long-run transformative measures. It temporarily raised the federal matching rates for Medicaid, education, and certain transportation projects for localities and states. A number of public benefits were extended or made more generous, notably in the Unemployment Insurance program

and the Supplemental Nutrition Assistance Program (SNAP). The act also included a number of measures providing temporary tax relief to individuals and business, such as the Making Work Pay tax credit and increased deductions for capital depreciation of business equipment. Also in it were a number of provisions designed to promote “green energy,” a precursor to today’s calls for even more aggressive efforts on that front. When ARRA passed, the Congressional Budget Office (CBO) estimated it would increase budget deficits by \$787 billion over 10 years, with the vast majority realized by the end of 2012, an estimate that was later revised upward.<sup>1</sup>

As is now well understood, the optimistic expectations of ARRA did not prove accurate, as employment fell after the enactment of the bill, despite the Obama administration's January 2009 report, which predicted it would rise.<sup>2</sup> Instead of giving stimulus supporters data with which to make their case, the 2009 report quickly morphed into a detailed road map for stimulus opponents who not only questioned the effects of the stimulus law but also rejected calls for additional stimulus later that year.

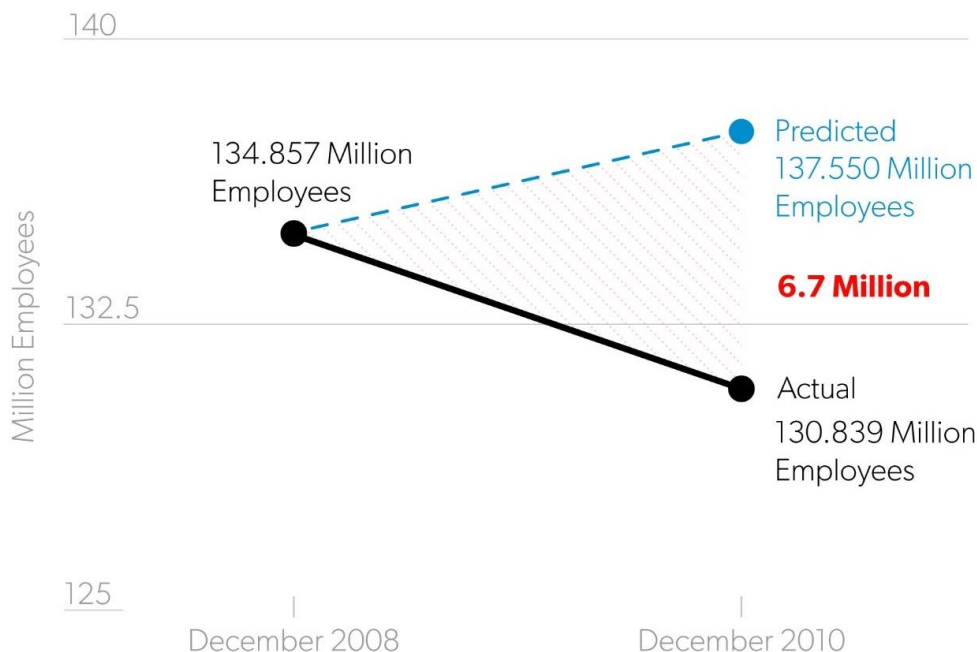
This report begins by reviewing the predicted and actual economic outcomes after the enactment of the 2009 stimulus law and the political commentary associated with these disparities. Given the potential for future political challenges to similar legislation during the next recession, this report also reviews a recent legislative proposal (the ELEVATE Act) to establish enhanced “automatic stimulus” and other possible proposals that might follow.

## Review of Key Employment Predictions in the January 2009 Report

The first “preliminary finding” in the January 2009 report is that “a package in the range that the President-elect has discussed is expected to create between three and four million jobs by the end of 2010.”<sup>3</sup> Specifically, the authors note that the stimulus law was expected to create over three million net new jobs (nearly 3.7 million). The expected level of payroll employment in the fourth quarter of 2010 would now be 137,550,000 (with the stimulus law) instead of 133,876,000 without the law.<sup>4</sup>

Reality, however, turned out to be significantly different. As displayed in Figure 1, payroll employment fell from 134,857,000 in December 2008 (immediately before the Obama administration's report was published) to 130,839,000 in December 2010, a decline of four million jobs and nearly seven million jobs short of the projected 137,550,000 number for the end of 2010. It took until January 2014—more than three years later—for

**Figure 1. Actual Employment Fell Short of Prediction by Almost Seven Million**



Note: Christina Romer and Jared Bernstein forecasted this level for the fourth quarter of 2010.

Source: Current Employment Statistics, “Employment, Hours, and Earnings,” Bureau of Labor Statistics, <https://www.bls.gov/ces/>; and Christina Romer and Jared Bernstein, “The Job Impact of the American Recovery and Reinvestment Plan,” January 9, 2009, [https://www.economy.com/mark-zandi/documents/The\\_Job\\_Impact\\_of\\_the\\_American\\_Recovery\\_and\\_Reinvestment\\_Plan.pdf](https://www.economy.com/mark-zandi/documents/The_Job_Impact_of_the_American_Recovery_and_Reinvestment_Plan.pdf).

payroll employment to reach the 137,550,000 level the report had forecasted for late 2010 if the stimulus were enacted.<sup>5</sup>

Other predictions in the January report also proved inaccurate. The unemployment rate, instead of remaining below 8.0 percent and falling to 7.0 percent in late 2010 with the enactment of the recovery plan, spiked to 10.0 percent in October 2009 and remained at 9.3 percent in December 2010.<sup>6</sup> Moreover, predictions such as “moving workers from part-time to full-time work” and “particularly strong job growth” in “construction and manufacturing” were also inaccurate. Instead of falling as forecasted, involuntary part-time employment rose throughout the recession. At the end of 2010, there were 900,000 more involuntary part-time workers than in December 2008 when the pre-stimulus level was 8.0 million.<sup>7</sup>

Similarly, instead of rising by 678,000, construction employment fell by 1.2 million between December 2008 and December 2010.<sup>8</sup> Manufacturing employment also fell by 1.2 million in that period.<sup>9</sup> Construction and manufacturing employment each missed their forecast mark by almost two million jobs—a significant share of the nearly seven million jobs difference between the 137.5 million jobs forecasted by the January 2009 report and the actual 130.8 million jobs in the US economy in December 2010.

## **Political Fallout from the Missed Forecasts in the January 2009 Report**

The missed forecasts in the January 2009 report became a significant political liability for supporters of the stimulus law. Republicans did not miss their moment, regularly asking, “Where are the jobs?” and deriding later administration promises of “shovel-ready jobs” and “recovery summer.” House Republican leader Rep. John Boehner (R-OH) issued a February 2010 report titled “One Year Later: ‘Where Are the Jobs?’”<sup>10</sup> A 2012 publication from Republican National Committee Chairman Reince Priebus highlighted the “Five Biggest Failures from President Obama’s Stimulus Law.” This included missed forecasts for unemployment, jobs, poverty, green energy, and electric car production.<sup>11</sup>

Obama administration officials, after leaving their posts, admitted that predictions in the January 2009 report caused political problems. Christina Romer, a coauthor of the report, noted, “If I were doing this over again, I’d be more politically astute.”<sup>12</sup> Other stimulus proponents stated that they “simply blew the baseline, the economy’s starting point.”<sup>13</sup> Jared Bernstein said, “In hindsight, obviously, we should’ve focused on the delta.”<sup>14</sup> The left-leaning Center on Budget and Policy Priorities called it “a rookie mistake by the new president and his staff, [which] . . . handed their opponents a political sledgehammer.”<sup>15</sup>

On the first anniversary of the law, political commentator Charles Krauthammer noted that more people believed Elvis was alive than that the stimulus law had created jobs.<sup>16</sup>

More recently, key former Obama administration figures discussed policy implications of the 2009 law. Jason Furman, another former chair of President Obama’s Council of Economic Advisers, noted, “Paradoxically, the worse-than-expected macroeconomic outcomes reduced the desire to take more macroeconomic measures.” Congress passed a number of subsequent extensions of unemployment benefits and related bills, which had substantial spending and other effects, but no other significant “stimulus” bill was enacted following the February 2009 law, in contrast to the 2001 recession when “Congress passed bills it described as stimulus in 2001, 2002, 2003, and again in 2004.”<sup>17</sup> Whether additional stimulus bills were needed after February 2009 is debatable, but as Furman noted, it is clear that the January 2009 report made enacting such subsequent legislation more difficult during the remainder of 2009 and 2010.

Perceptions about the effectiveness of the 2009 stimulus law may also affect the ability or willingness of policymakers to enact stimulus legislation in the future, a concern to some policymakers. For example, Furman and Peter Orszag (another senior Obama administration official) have suggested that policymakers seek more “automatic stimulus” in permanent law, which would not depend on the enactment of “targeted, timely, temporary” stimulus laws.<sup>18</sup> Noting “gridlock and dysfunction” in the current Congress, Bernstein suggests “a forward-looking agenda would depend less on discretionary

measures and more on extended unemployment insurance and SNAP benefits, job subsidies and grants to states (which must balance their budgets regardless of the economy), all of which were part of ARRA.”<sup>19</sup> And today, lawmakers have begun to heed this advice.

## The Rise of “Automatic Stimulus”

Rep. Danny Davis (D-IL), the chairman of the House Ways and Means Worker and Family Support Subcommittee, recently introduced the ELEVATE Act.<sup>20</sup> This legislation was first introduced in 2018, and then reintroduced in January 2019, by Sen. Ron Wyden (D-OR), the senior Democrat on the Senate Finance Committee, which also has jurisdiction over welfare and unemployment benefit programs.<sup>21</sup>

The ELEVATE Act would create a new program to promote subsidized employment while also providing a variety of related benefits for low-income individuals, including welfare recipients, the long-term unemployed, and formerly incarcerated individuals. Employment subsidies would be paid to public, private, or nonprofit employers to help them cover the wages (or payroll taxes) for a new hire or to compensate or provide training to a current eligible employee. The legislation reserves 70 percent of program funds for employment subsidies, with the balance available for job training and other “supportive” services such as child-care.<sup>22</sup> Most significantly in light of the 2009 stimulus law debate, the ELEVATE Act would provide sharply rising federal payments for employment subsidies and related benefits in states with high unemployment rates. In the states with the highest unemployment rates, the federal funding would pay 100 percent of the subsidies. This would create a de facto “automatic” version of one of the key economic stimulus policies Democrats enacted in the 2009 stimulus law.

In general, the ELEVATE Act follows other major entitlement programs—such as Medicaid, the Children’s Health Insurance Program, and mandatory childcare funding—

by allocating federal funds to states for employment subsidies and related benefits by using the Federal Medical Assistance Percentage (FMAP), a formula that allocates relatively more federal funds to states with lower per capita incomes compared with the national average.<sup>23</sup> In fiscal year (FY) 2018, FMAP rates varied from 50 percent in 14 states to 76.39 percent in Mississippi.<sup>24</sup>

The ELEVATE Act also would increase federal funding for employment subsidies when the economy is weak by increasing the federal government’s cost share for these new programs above the rate established by the state’s FMAP calculation. (See Table 1.)

The ELEVATE Act funding scheme is more generous than the 2009 stimulus law funding for similar employment subsidies, in several respects.

First, the ELEVATE Act proposes open-ended entitlement funding for employment subsidies, as opposed to the capped amount authorized for that and related purposes under the 2009 law.

Second, and especially when future unemployment rates rise, the ELEVATE Act proposes higher federal matching rates for employment subsidies than the 2009 stimulus law did. The short-term Temporary Assistance for Needy Families (TANF) Emergency Contingency Fund (ECF) included in the 2009 law authorized additional funding for states for basic assistance and employment subsidies and transitional job placement. Over FY2009 and FY2010, when that temporary program was in operation, the \$5 billion ECF reimbursed states for

**Table 1. Proposed FMAP Rates Under the ELEVATE Act**

State Unemployment Rate	FMAP
Under 6.5 Percent	FMAP
6.5–6.9 Percent	FMAP + 20
7.0–7.4 Percent	FMAP + 30
7.5–7.9 Percent	FMAP + 40
8.0 Percent and Above	FMAP + 50

Note: Rates are quarterly averages. The resulting FMAP in high unemployment states cannot exceed 100 percent.

Source: ELEVATE Act of 2019, H.R. 556, 116th Cong., 1st sess.

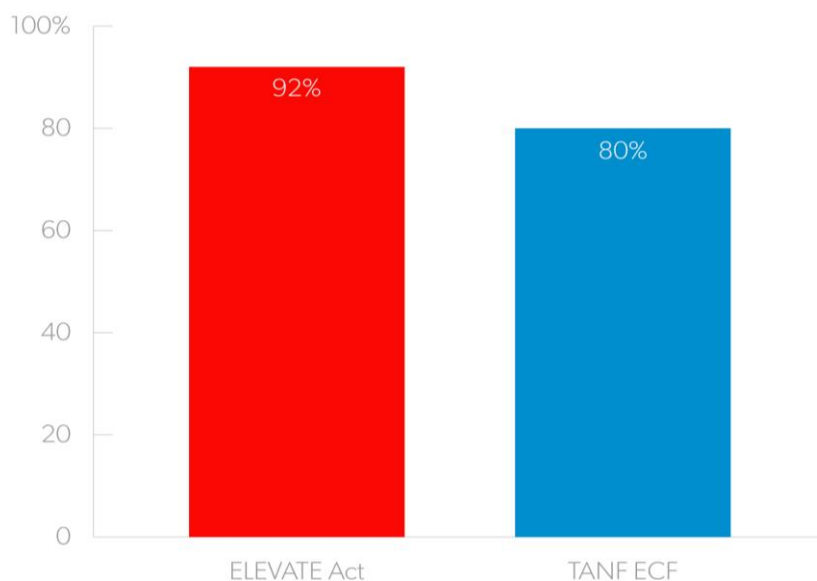
80 percent of increased expenditures in these categories; \$1.3 billion of this total was spent on employment subsidies.<sup>25</sup> In contrast to that 80 percent match rate, the ELEVATE Act proposes up to 100 percent federal funding for employment subsidies.<sup>26</sup> As Figure 2 displays, had the ELEVATE Act been in effect in FY2009 and FY2010, the average federal matching rate for states would have been 92 percent, compared with the 80 percent rate provided under the TANF ECF employment subsidy program in the 2009 law.

Because underlying FMAP rates vary by state and federal funding for ELEVATE Act programs would vary by quarterly state unemployment rates, it is useful to consider two examples. Had the ELEVATE Act been in effect, in North Dakota, a state with a low FMAP and lower-than-average unemployment in FY2009 and FY2010, federal funding would not have surpassed 80 percent in any quarter. In contrast, in Mississippi, a state with a high FMAP and higher-than-average unemployment then, federal funding would have equaled 100 percent in all eight quarters.<sup>27</sup>

The third way in which the ELEVATE Act proposes more generous funding for employment subsidies than the 2009 law did involves its employment subsidy program. The employment subsidies program created in the 2009 law was in effect for only two years—FY2009 and FY2010—as specified by the temporary stimulus law. In contrast, had the ELEVATE Act been enacted instead of that temporary program, it would have provided benefits starting in FY2009 and—as a permanently authorized program—would remain operational today, even though the national unemployment rate is 4.0 percent.

As a result of these factors, compared with the \$1.3 billion expended on employment subsidies via the ECF under the 2009 stimulus law, the ELEVATE Act would likely result in significantly increased spending for this purpose, especially in times of higher unemployment.<sup>28</sup> Samuel Hammond recently described the bill as “more ambitious” than an alternative proposed national subsidized employment program estimated to cost \$16 billion annually.<sup>29</sup>

**Figure 2. Average Federal Matching Rate for Proposed ELEVATE ACT and TANF Emergency Contingency Fund, FY2009–FY2010**



Source: Bureau of Labor Statistics, “Local Area Unemployment Statistics,” <https://www.bls.gov/web/laus/laumstrk.htm>; Henry J. Kaiser Family Foundation, “Federal Medical Assistance Percentage (FMAP) for Medicaid and Multiplier,” <https://www.kff.org/medicaid/state-indicator/federal-matching-rate-and-multiplier/>; and Gene Falk, “The TANF Emergency Contingency Fund,” Congressional Research Service, December 22, 2010, <https://fas.org/sgp/crs/misc/R41078.pdf>.



## Other Possible “Automatic Stimulus”

As recently described by Bernstein, there are a number of other policies included in the 2009 stimulus law that could be made similarly “automatic”—with the federal share of program funding increasing automatically based on a state-level labor market trigger. For example, the temporarily raised federal matching rates for Medicaid, education, and certain transportation projects established in the stimulus law could be structured as permanent policies. Enhanced FMAP rates for these programs could be readily tied to state unemployment rates. Various measures providing temporary tax relief to individuals and businesses could be provided along similar lines.

In addition, providing extended unemployment benefits for workers who exhaust state unemployment benefits has been a staple of recent stimulus legislation. Following the pattern of the ELEVATE Act, policymakers could design unemployment rate triggers for a new national extended benefits program as a matter of permanent law, obviating the need for the sort of temporary extensions created in the wake of recent recessions. For example, the criteria for providing additional weeks of federal extended unemployment benefits during the final phases of the temporary Emergency Unemployment Compensation (EUC) program that operated from 2008 through 2013 offer a guide for how this might work.<sup>30</sup> For individuals who exhausted up to 26 weeks of state unemployment benefits, that program then provided:

- Up to 14 additional weeks of benefits in states with an unemployment rate below 6 percent,
- Up to 28 additional weeks of benefits in states with unemployment rates above 6 percent,
- Up to 37 additional weeks of benefits in states with unemployment rates above 7 percent, and
- Up to 47 additional weeks of benefits in states with unemployment rates above 9 percent.

In addition to up to 20 weeks of benefits payable under the permanent law Extended Benefits (EB)

program, this meant that in the highest unemployment states, up to 93 weeks of benefits were payable (26 weeks of state benefits plus 47 weeks under EUC and 20 weeks under EB). In states with unemployment rates under 6 percent, up to 40 weeks of benefits were payable (26 weeks of state benefits plus 14 weeks under EUC).<sup>31</sup>

## Conclusion

As these examples suggest, policymakers could make a number of stimulus policies more automatic. If carefully crafted, such an approach might improve the timeliness of responses to recessions. However, whether benefits and other measures would be properly targeted and temporary, and how much they would cost, are key concerns. As proposed in the ELEVATE Act, automatic stimulus would mean permanently higher federal spending, even when the economy is strong; similar changes to other programs would increase spending even more, in good times and bad. In contrast, the 2009 law provided for significantly lower spending for employment subsidies, and only for two years.<sup>32</sup>

Lawmakers could address some of these concerns through changes in the ELEVATE Act or other measures designed to provide automatic stimulus. They could target such legislation to provide federal funding only when unemployment is high. And if lawmakers regard these programs as necessary to better stimulate the economy, they could designate other less-needed spending to pay for that additional spending. For example, lawmakers could reduce FMAP rates for various benefit programs during non-recessionary times to offset the cost of increased FMAP rates (such as those proposed in the ELEVATE Act) when unemployment is high. Absent such changes, it seems likely that additional automatic stimulus would increase deficit spending.

Despite concerns that Congress may not be able to enact stimulus legislation in the future as a result of dysfunction or the apparent ineffectiveness of the 2009 stimulus law, lawmakers are under tremendous pressure to “do something” when recessions strike. Since at least the 1950s, lawmakers have supplemented underlying automatic tax and spending stabilizers with short-term legislation extending unemployment benefits, among other

stimulus measures.<sup>33</sup> The existence of automatic stimulus might not restrain that urge to “do something,” which could mean still more spending than otherwise would occur.

The nonpartisan CBO has found that existing automatic stabilizers provided more support than ever following the last recession—even with the large temporary stimulus enacted in 2009.<sup>34</sup> Their 2013 report found that “automatic stabilizers added significantly to the budget deficit—and thereby helped to strengthen economic activity—in fiscal years 2009 through 2012.”<sup>35</sup> Further, the CBO found that the degree to which automatic stabilizers strengthened economic activity in the four years following the onset of the recession was matched only twice in the past 50 years. This suggests that current US tax and transfer policies are already highly responsive to economic fluctuations.

Policymakers should carefully consider the risks of layering more automatic stimulus on top of these automatic stabilizers, especially if the driving factor is concern about political divisions in Congress. Congress has regularly found a way to craft stimulus legislation—often with bipartisan support—when unemployment rises. That need for bipartisan cooperation serves as an important brake on either party’s more extreme policy preferences. That the 2009 stimulus law, designed and enacted almost entirely on a partisan basis, was not followed by other stimulus measures (due in part to its failure to achieve the predicted goals of its supporters) is not a sufficient reason to abandon that long-standing practice. Doing so would involve its own significant new risks.

## About the Author

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## Notes

1. Congressional Budget Office, “Estimated Impact of the American Recovery and Reinvestment Act on Employment and Economic Output in 2014,” February 20, 2015, <https://www.cbo.gov/publication/49958>.
2. The report was informally dubbed the “Romer-Bernstein Report” after its authors. Christina Romer and Jared Bernstein, “The Job Impact of the American Recovery and Reinvestment Plan,” January 9, 2009, [https://www.economy.com/mark-zandi/documents/The\\_Job\\_Impact\\_of\\_the\\_American\\_Recovery\\_and\\_Reinvestment\\_Plan.pdf](https://www.economy.com/mark-zandi/documents/The_Job_Impact_of_the_American_Recovery_and_Reinvestment_Plan.pdf).
3. Romer and Bernstein, “The Job Impact of the American Recovery and Reinvestment Plan.”
4. The authors of the January report appeared to hedge this forecast by including references to “saving or creating” jobs in the report. For example, the report notes, “More than 90 percent of the jobs created are likely to be in the private sector. Many of the government jobs are likely to be professionals whose jobs are saved from state and local budget cuts by state fiscal relief.” As payroll employment continued to drop following enactment of the stimulus law, stimulus supporters increasingly used the “jobs saved” argument to defend the effects of the law.
5. The January 2009 report was not alone in attempting to quantify the expected employment and related effects of the February 2009 stimulus law. The nonpartisan CBO, in a report issued in March 2009, provided a range of expected employment effects with a similar topline prediction for the end of 2010: “Corresponding to the effects on output, CBO estimates that ARRA will increase employment by 0.9 million to 2.3 million by the fourth quarter of 2009, by 1.2 million to 3.6 million by the fourth quarter of 2010.” See Congressional Budget Office, “CBO’s Estimates of ARRA’s Impact on Employment and Economic Output,” March 2, 2009, [https://www.cbo.gov/sites/default/files/111th-congress-2009-2010/reports/03-02-macro\\_effects\\_of\\_arra.pdf](https://www.cbo.gov/sites/default/files/111th-congress-2009-2010/reports/03-02-macro_effects_of_arra.pdf). A separate CBO report issued that same month noted, “In CBO’s forecast, the unemployment rate peaks at 9.4 percent in late 2009 and early 2010 and remains above 7.0 percent through the end of 2011.” See Congressional Budget Office, “A Preliminary Analysis of the President’s Budget and an Update of CBO’s Budget and Economic Outlook,” March 2009, <http://www.cbo.gov/sites/default/files/cbofiles/ftpdocs/100xx/doc10014/03-20-presidentbudget.pdf>.
6. Bureau of Labor Statistics, “(Seas) Unemployment Rate,” <https://data.bls.gov/timeseries/lns14000000>.
7. Bureau of Labor Statistics, “(Seas) Employment Level—Part-Time for Economic Reasons, All Industries,” <https://beta.bls.gov/dataViewer/view/timeseries/LNS12032194>.

8. US Department of Labor, Bureau of Labor Statistics, “All Employees, Thousands, Construction, Seasonally Adjusted,” <https://beta.bls.gov/dataViewer/view/timeseries/CES2000000001>.
9. US Department of Labor, Bureau of Labor Statistics, “All Employees, Thousands, Manufacturing, Seasonally Adjusted,” <https://beta.bls.gov/dataViewer/view/timeseries/CES3000000001>.
10. Office of Congressman John Boehner, “The Stimulus in Ohio One Year Later: Where Are the Jobs?,” February 17, 2010, <https://www.scribd.com/document/27062640/Ohio-Where-Are-the-Jobs>.
11. Reince Priebus, “The Five Biggest Failures from President Obama’s Stimulus Law,” *US News & World Report*, February 17, 2012, <https://www.usnews.com/opinion/articles/2012/02/17/the-five-biggest-failures-from-president-obamas-stimulus-law>.
12. Michael Grunwald, “Obama’s Greatest Gift to the GOP: The Backstory to Karl Rove’s Latest Stimulus Ads,” October 2, 2012, <http://swampland.time.com/2012/10/02/obamas-greatest-gift-to-the-gop-the-backstory-to-karl-roves-latest-stimulus-ads/>.
13. Grunwald, “Obama’s Greatest Gift to the GOP.”
14. Grunwald, “Obama’s Greatest Gift to the GOP.”
15. Alan S. Blinder and Mark Zandi, “The Financial Crisis: Lessons for the Next One,” October 15, 2015, <https://www.cbpp.org/research/economy/the-financial-crisis-lessons-for-the-next-one>.
16. Charles Krauthammer, “More Americans Believe Elvis Is Alive Than Believe Obama’s Stimulus Worked,” *RealClearPolitics*, February 18, 2010, [https://www.realclearpolitics.com/video/2010/02/18/krauthammer\\_more\\_americans\\_believe\\_elvis\\_is\\_alive\\_than\\_believe\\_obamas\\_stimulus\\_worked.html](https://www.realclearpolitics.com/video/2010/02/18/krauthammer_more_americans_believe_elvis_is_alive_than_believe_obamas_stimulus_worked.html).
17. Jason Furman, “The Fiscal Response to the Great Recession: Steps Taken, Paths Rejected, and Lessons for Next Time,” Brookings Institution, September 11, 2018, <https://www.brookings.edu/wp-content/uploads/2018/08/12-Fiscal-Policy-Prelim-Disc-Draft-2018.09.11.pdf>.
18. Furman, “The Fiscal Response to the Great Recession,” 20; and Peter Orszag, “8 Fiscal-Policy Lessons from 2009 US Might Need Soon,” January 16, 2009, *News Max*, <https://www.newsmax.com/finance/peterorszag/stimulus-worked-government-spending/2019/01/16/id/898528/>.
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21. US Senate Committee on Finance, “Wyden and Davis Introduce Legislation to Bring More Americans into the Workforce, Reduce Barriers to Employment,” January 15, 2019, <https://www.finance.senate.gov/ranking-members-news/wyden-and-davis-introduce-legislation-to-bring-more-americans-into-the-workforce-reduce-barriers-to-employment>.
22. The legislation would also (1) create a tax credit of up to \$6,000 per individual for employers that retain for at least two years employees who originally benefited from the bill’s employment subsidies, (2) create new self-employment assistance and relocation assistance programs, and (3) authorize demonstration projects attempting to identify and subsidize the placement of individuals with so-called pro-worker employers. These new programs would expand similar benefits already available under the TANF and Unemployment Insurance programs.
23. Alison Mitchell, “Medicaid’s Federal Medical Assistance Percentage (FMAP),” Congressional Research Service, April 25, 2018, <https://fas.org/sgp/crs/misc/R43847.pdf>.
24. US Department of Health and Human Services, “Federal Matching Shares for Medicaid, the Children’s Health Insurance Program, and Aid to Needy Aged, Blind, or Disabled Persons for October 1, 2018 Through September 30, 2019,” *Federal Register* 82, no. 223 (November 21, 2017), <https://www.govinfo.gov/content/pkg/FR-2017-11-21/pdf/2017-24953.pdf>.
25. To cover the remaining 20 percent, states could draw funds from other activities funded from the basic TANF block grant and were permitted to count the value of in-kind, third-party payments toward this 20 percent. See Gene Falk, “The TANF Emergency Contingency Fund,” Congressional Research Service, December 22, 2010, <https://fas.org/sgp/crs/misc/R41078.pdf>.
26. Specifically, 100 percent federal funding would be payable in states with high FMAP rates when their unemployment rate is as low as 7.0 percent and in all states when their unemployment rate is above 8.0 percent (as displayed in Table 1).
27. Author’s calculation based on state quarterly unemployment rate and annual FMAP. US Department of Labor, Bureau of Labor Statistics, “Local Area Unemployment Statistics,” <https://www.bls.gov/web/laus/laumstrk.htm>; and Henry J. Kaiser Family Foundation, “Federal Medical Assistance Percentage (FMAP) for Medicaid and Multiplier,” <https://www.kff.org/medicaid/state-indicator/federal-matching-rate-and-multiplier/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>.
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31. US Department of Labor Employment and Training Administration, “Emergency Unemployment Compensation 2008 (EUC) Program.”
32. Falk, “The TANF Emergency Contingency Fund.”
33. Julie M. Whittaker and Katelin P. Isaacs, “Extending Unemployment Compensation Benefits During Recessions,” May 2, 2013, <https://fas.org/sgp/crs/misc/RL34340.pdf>.
34. Congressional Budget Office, “The Effects of Automatic Stabilizers on the Federal Budget as of 2013,” March 2013, [https://www.cbo.gov/sites/default/files/113th-congress-2013-2014/reports/43977\\_AutomaticStabilizers\\_one-column.pdf](https://www.cbo.gov/sites/default/files/113th-congress-2013-2014/reports/43977_AutomaticStabilizers_one-column.pdf).
35. Congressional Budget Office, “The Effects of Automatic Stabilizers on the Federal Budget as of 2013.”

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