Opportunity Knocking: Leveraging the American Rescue Plan to advance inclusive growth
Overview

- The opportunity in ARP
- How local governments are responding thus far
- A call to action
Economically successful regions achieve growth, prosperity, inclusion

**GROWTH**
Expanding opportunities

**PROSPERITY**
Increasing average value

**INCLUSION**
More broadly shared benefits

Source: Brookings, "Metro Monitor"
Very few regions achieved truly inclusive growth last decade.

Number of Metro Monitor indicators showing positive progress, 2009 to 2019

Source: Brookings, "Metro Monitor"
ARP provides $1.9T in individual and community investments

American Rescue Plan March 2021 (billions)

- Individual relief, $848
- Government fiscal relief, $326
- Education and workforce, $179
- Business relief, $113
- Pension relief, $86
- Healthcare, $99
- Housing and utility assistance, $47
- Transportation relief, $46
- Child and family relief, $15
- Infrastructure, $10
- Economic and small business development, $14
- Technology modernization, $8
- Hunger relief, $8
- Disaster relief, $61
- Housing and utility assistance, $47

Source: Katz, Higgins, Bruggeman, Thomas, and Sterling (2021)
Large urban counties receive half of total county allocations

Fiscal Recovery Funds to Counties (billions)

- Counties > 500k, $32
- Counties 250-500k, $9
- Counties 100-250k, $10
- Counties < 100k, $13

Source: Katz, Higgins, Bruggeman, Thomas, and Sterling (2021)
Allocations are scaled to population, but represent differing shares of county budgets

Fiscal recovery fund allocation (dark blue) and FY19 general fund budget (light blue) (millions)

Source: U.S. Treasury and local budget documents
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Most local governments are taking their time

How 20 cities report using their $7.4 billion in Fiscal Recovery Funds

Uncommitted funds 81.9%

18.1%

Committed to revenue replacement
Committed to low-income communities
All other commitments

Source: Berube and Byerly-Duke, “Cities are taking it slow with American Rescue Plan funds” (2021)
Early emphasis on relief through ARP, not larger transformation

Figure 2. Dimensions for ARP planning

- **Time horizon**
  - Near-term relief
  - Long-term systemic recovery

- **Breadth of agenda**
  - Large number of issues
  - Strategically focused

- **Geographic reach**
  - Single community
  - Multi-jurisdictional

- **Scope of funding**
  - ARP local recovery only
  - All of ARP
  - Current/future federal funding

Source: Brookings authors

Not much regional coordination—authority, complexity as barriers

Fiscal Recovery Fund allocations, Pittsburgh region

Pittsburgh $335
Allegheny $381
Washington $99
Butler $37
Armstrong $13
Indiana $16
Westmoreland $105
Beaver $92
Fayette $25
Greene $7
Lawrence $17
Butler $37
Armstrong $13
Indiana $16
Westmoreland $105
Beaver $92
Fayette $25
Greene $7
Lawrence $17

Source: U.S. and Pennsylvania treasury departments
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A call to action

1. Take the time to do it right and be explicit
2. Treat ARP allocations as a potluck, not room service
3. Construct a funding GPS
4. Don’t try to fit 10 lbs. of flour in a 5 lb. bag
5. Establish a hub
1. Take the time to do it right and be explicit

Vision

- What does success look like?

Framework

- What themes translate the vision into a model for an inclusive economy?

Outcomes

- What are the key measures of our success?

Drivers

- What factors most influence our success measures?

Goals

- How are we committing to improve those factors?

Key performance indicators

- How do the goals show up in the work of individual stakeholders?
2. Treat ARP allocations as potluck, not room service

Figure 4. Choices for ARP tables

MEMBERS
- Other ARP-funded governments
- Funders (incl. philanthropy & others)
- Additional stakeholders

BREADTH/FACILITATION
- One unit of government – convened by elected official
- Multiple governments – convened by county
- Multiple governments – outside facilitator

NUMBER OF TABLES
- Comprehensive, single table for all issues
- Two tables: funder table plus broader stakeholder table(s)
- Multiple issue-specific tables

ACTIVITIES
- Share ideas
- Regulatory guidance
- Federal funding identification
- Joint services (e.g., small business grants)
- Reporting
- Communications

PURPOSE
- Provide input/ideas to elected official
- Share priorities/practices
- Shared strategy
- Pooled funding

SCOPE
- ARP local recovery funds only
- All ARP-related funding
- Federal funding more broadly (e.g., infrastructure, reconciliation)

Source: Brookings authors
3. Construct a funding GPS

**Example priorities**
- Workforce training
- Small business support
- Affordable housing
- Place-based development

**Sources of support**
- ARP Fiscal Recovery
- ARP other
- Infrastructure Investment and Jobs Act
- Build Back Better (reconciliation)
- Private/philanthropic

**Program type**
- Formula
- Competitive

**Eligible recipients**
- Government
- Special purpose agency
- NGO
4. Don’t try to fit 10 lbs. of flour in a 5 lb. bag

City of Detroit offers neighborhood associations Land Bank property and $15M in flexible grants

Neighbors/block clubs can get Land Bank property and get city grants to create neighborhood parks

Source: Detroit ARPA Community Presentation (May 25, 2021)
5. Establish a hub

Possible functions for a recovery “hub” entity

- Provide regulatory guidance
- Share/normalize data
- Facilitate decision-making
- Identify additional funding sources
- Write grant applications
- Track and communicate results
The American Rescue Plan opportunity is knocking for local governments. Will they answer?

Brad Whitehead, Isaac Velez, and Eli Byerly-Duke - Tuesday, November 30, 2021

love it or hate it, one cannot deny the [American Rescue Plan](https://www.brookings.edu/metro) (ARP) and the potential additional federal legislation to follow represent a generational opportunity to change the trajectory of city economies, improve the prospects for suffering citizens, and address long-festering economic and social disparities.

Opportunity is knocking at the door, yet most local governments are struggling to seize the moment. Challenges include a lack of