

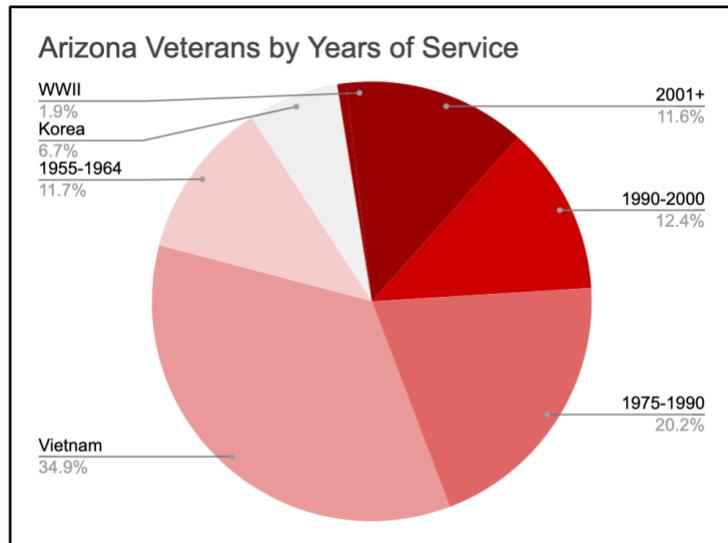
**Final Report**

January 11, 2022

**Overview**

The COVID-19 pandemic has had an unprecedented and significant effect on both Arizona's economy and public health. The pandemic's impact on the veteran community, whose statewide presence is 20% higher relative to the country as a whole, is particularly relevant in the state. With half a million veterans living in Arizona—making up nearly 1 in 10 adults in the state—the veteran community represents an important part of Arizona's economy. In 2019, Arizona had 6,500 veteran-owned businesses that employed 67,521 employees with total payroll reaching almost \$3 billion.

Along with the rest of the state, veterans have weathered ups and downs due to the COVID-19 pandemic. Veterans have been particularly susceptible to health and economic threats during the pandemic—not only because more than half are over the age of 60, but also due to other contributing factors including higher rates of homelessness,<sup>1</sup> difficulty accessing or lack of health care,<sup>2</sup> and wide variability in financial well-being.<sup>3</sup> These issues also trickled down to the 117,000 Arizona children with veteran parents.



<sup>1</sup> National Coalition for Homeless Veterans. (n.d.). *Veteran homelessness*. <https://nchv.org/veteran-homelessness/>

<sup>2</sup> Castellano, J. (2021, November 1). The Mission Act is supposed to help US veterans get health care outside the VA. For some, it's not working. *USA Today*. <https://www.usatoday.com/in-depth/news/investigations/2021/11/01/mission-act-aid-veterans-healthcare-va-isnt-letting-it/8561618002/>

<sup>3</sup> Consumer Financial Protection Bureau, Office of Servicemember Affairs. (2019, April). *Financial well-being of veterans*. [https://files.consumerfinance.gov/f/documents/cfpb\\_osa\\_financial-well-being-americans\\_report.pdf](https://files.consumerfinance.gov/f/documents/cfpb_osa_financial-well-being-americans_report.pdf)

In March 2021, Congress passed the American Rescue Plan Act (ARP) to stabilize the economy, distribute much-needed public health resources, and provide economic relief to workers and businesses alike. This report focuses specifically on how the ARP has impacted veterans in Arizona, recognizing their important role in the nation's history and their contributions to the state's economy.

Arizona's veteran community is still recovering from the lingering economic impacts brought on by COVID-19. Before the pandemic, Arizona had the nation's fastest-growing employment rate for the 12-month period from February 2019 to February 2020. The pandemic led to an immediate drop in nonfarm employment of 330,000 jobs from February to April 2020. November 2021 was the first month the state had eclipsed February 2020 in nonfarm employment.<sup>4</sup>

The ARP has provided veterans with much needed support as heads of households, parents, and business owners. As a result, Arizona veterans are likely in a better place in 2021. Assistance provided by ARP put in place a safety net to prevent the exacerbation of existing inequities faced by Arizona veterans, protecting their financial health and well-being as well as their families.

## **The American Rescue Plan's Economic Impact on Arizona Veterans**

The ARP included five key components that have provided benefits to veterans and their households. These provisions have eased the economic challenges faced by Arizona veterans as a result of the pandemic. For many veteran households, the following ARP provisions have helped cover loss of income, housing and other living expenses, and medical bills.

1. **Stimulus payments** of \$1,400 per person in qualifying households.
2. **Fully-refundable Child Tax Credit (CTC)** of up to \$3,600 per child.
3. **Federal weekly unemployment compensation** and enhanced UI assistance to complement state unemployment insurance programs during the pandemic. (In Arizona, the supplement was ended prematurely due to action by Gov. Doug Ducey.)<sup>5</sup>
4. **Restaurant Revitalization Fund (RRF) and Enhanced Paycheck Protection Program (PPP)** aimed at small businesses, prioritizing veteran-owned businesses.

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<sup>4</sup> Arizona Commerce Authority. (n.d.) *Labor market*, Retrieved December 16, 2021 from <https://www.azcommerce.com/oeo/labor-market/>

<sup>5</sup> Office of Governor Doug Ducey. (2021, May 13). Governor Ducey Announces "Arizona Back To Work" [News Release]. Retrieved from <https://azgovernor.gov/governor/news/2021/05/governor-ducey-announces-arizona-back-work>.

5. **Enhanced Earned Income Tax Credit (EITC)** to increase labor force participation and reduce poverty, as well as expanded EITC eligibility and increased payments for adults without children 17 and under.

## Stimulus Payments

The financial disruption resulting from the pandemic led to job losses, income insecurity, and health challenges, exacerbating existing challenges faced by veterans. In response, the ARP provided \$1,400 stimulus payments per person distributed based on income limits of \$75,000, \$112,000, and \$150,000 for singles, heads of households, and married couples, respectively, for qualifying households. Stimulus payments provided much-needed income security to low- and middle-income families since many have limited savings and needed support to make ends meet at the onset of the pandemic. For some, the payments provided a cushion of savings. For others, they provided an ability to pay down debts or meet daily living expenses.

The **key economic impacts of ARP stimulus payments were that:**

- **405,000 veterans received stimulus payments totaling \$567 million individually, representing approximately 80% of all Arizona veteran households.**
- **These households received a cumulative \$1.1 billion from the ARP payments.<sup>6</sup>**

Analysis by the University of Michigan of the Census Bureau's Household Pulse Survey found that ARP stimulus payments appear to be strongly connected with significant drops in households reporting food insecurity and difficulty paying usual household expenses. These impacts were especially notable for families with children and for households with incomes under \$25,000.<sup>7</sup>

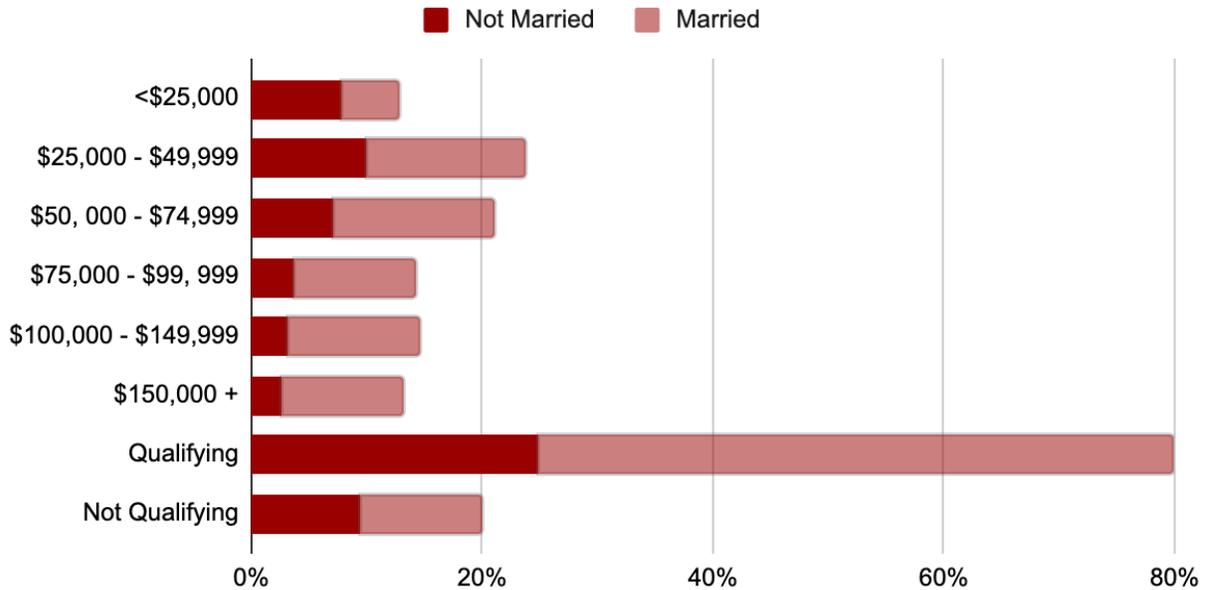
The distribution of eligibility for stimulus payments is displayed in the graph below, which shows the portion of veterans at each income level by marital status, as well as the percentage of veterans who qualified and didn't qualify for stimulus payments.

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<sup>6</sup> The 2020 CPS annual estimate for veteran populations was 18.466 million, with 507,000 residing in Arizona. The most recent 2019 ACS estimated a nationwide veteran population of 17.41 million. GCI used the 2019 ACS data to estimate 473,000 veterans residing in Arizona.

<sup>7</sup> Cooney, P. and Shaefer, H. (2021, May). Material hardship and mental health following the COVID-19 relief bill and the American Rescue Plan Act. Poverty Solutions, University of Michigan. PovertySolutions-Hardship-After-COVID-19-Relief-Bill-PolicyBrief-r1.pdf (umich.edu)

## Veterans by Income and Marital Status, Qualifying and Not Qualifying for Stimulus Checks



### Fully-Refundable Child Tax Credits

One of the most significant changes in the ARP was improving the Child Tax Credit (CTC) to help parents and guardians afford the basic costs of raising children during the pandemic. Specifically, the ARP increased the CTC amount, expanded eligibility to include 17 year olds, made the tax credit fully refundable, and allowed for monthly advance payments up to \$300 per child.

Prior to the ARP, the CTC was \$2,000 per child 16 years old and under—and for those for whom the credit reduced their tax liability to zero, the maximum amount they could receive as a refundable tax credit was \$1,400.<sup>8</sup> With the passage of ARP, the full credit increased to \$3,600 per child under 6 years old and to \$3,000 for older children—including 17-year-olds, who had previously been excluded under the 2017 Tax Cuts and Jobs Act. In addition, ARP implemented automatic monthly advance CTC payments, worth up to

<sup>8</sup> Internal Revenue Service. (2020, March 2). Child tax credit by the numbers. <https://www.irs.gov/newsroom/child-tax-credit-by-the-numbers#:~:text=%241%2C400%3A%20The%20maximum%20amount%20of%20the%20child%20tax,to%20be%20claimed%20for%20the%20child%20tax%20credit>

\$300 for children under age 6 and \$250 per month for children 6 to 17 years, for six months from July through December 2021 (or a single lump-sum payment if requested).<sup>9</sup>

Before passage of the ARP, the tax credits were only available as a lump sum after taxes were filed, typically months after the calendar year had passed. Advance CTC payments under ARP helped keep more money in veterans' pockets each month. The CTC was also fully refundable under the ARP, allowing families with low incomes to receive the full credit even if it exceeded their tax liability. Furthermore, as payments were dispersed monthly under the ARP, it enabled families to improve their ability to meet expenses for their children as they arose.

According to a November 2021 survey conducted by the Center for Law and Social Policy, seven in 10 recipients noted that CTC payments had relieved financial stress. Respondents indicated that the funds helped them pay for higher-quality food, activities, gifts, or toys for their children. About one-third of those with family incomes under \$50,000 also noted that the payments enabled them to have better resources for childcare, giving them more access to work opportunities.<sup>10</sup>

#### **The key economic impacts of ARP CTC provisions were that:**

- **Four out of five children of veterans in Arizona were eligible for the CTC under the ARP, covering an estimated 95,000 children.**
- **20,400 children aged five and under, as well as 62,000 children aged 6–17 years old, were estimated to have received monthly CTC payments in 2021.**
- **Collectively, advance CTC payments to Arizona veteran households with children amounted to \$25 million each month.**
- **Veteran families with income under the poverty line saw their CTC payments increased by \$11.5 million, and to those eligible for free or reduced lunch by \$42.6 million—with the average family receiving about \$1,750 more per child than they received under the prior CTC before the ARP, which was capped at a \$1,400 refundable amount.**

Studies show that in addition to assisting households overall, the increased CTC will improve the long-term likelihood of labor force participation among children in poverty or those eligible for free-or-reduced-lunch (185% of the federal poverty guideline or less).

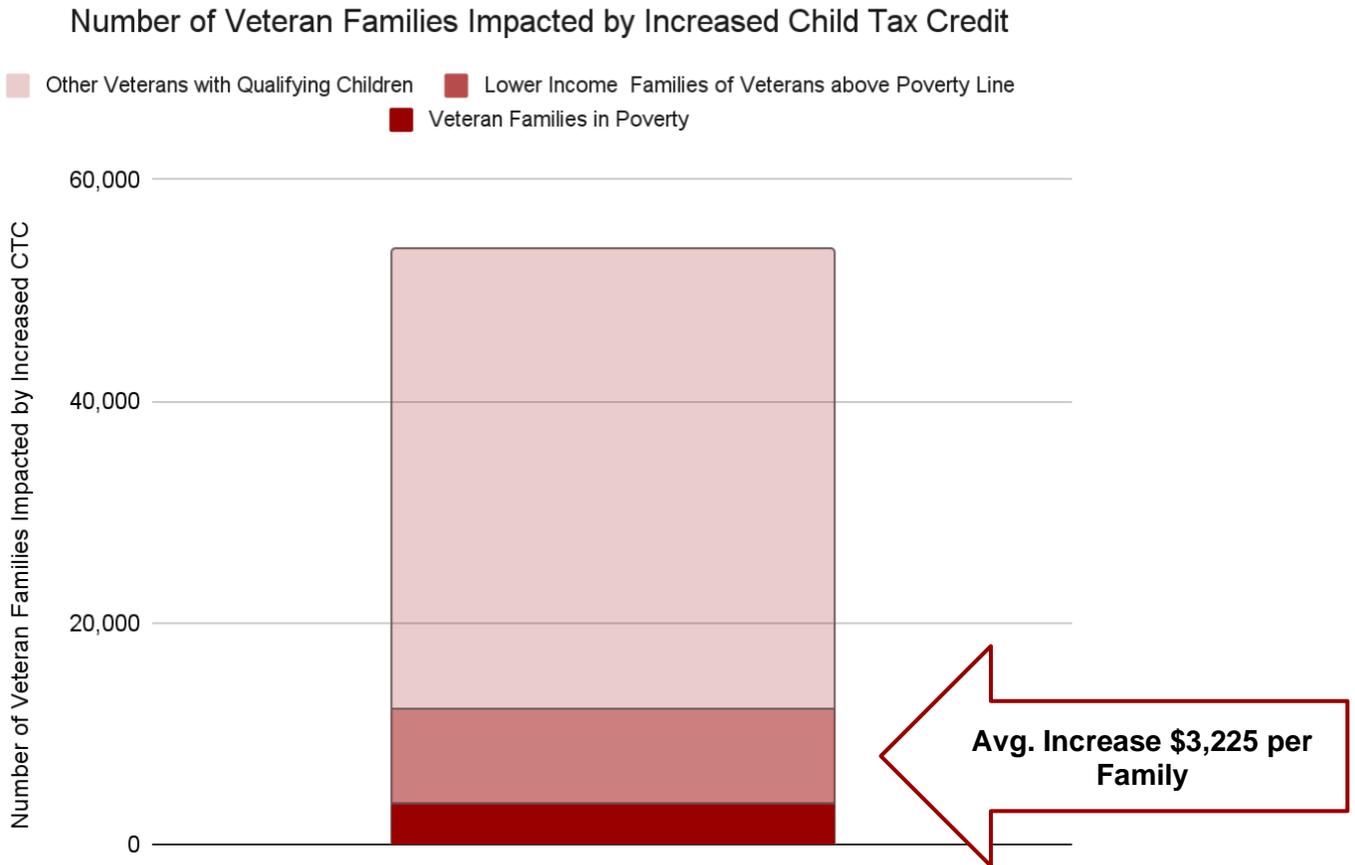
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<sup>9</sup> U.S. Dept. of Treasury. (2021, March 18). *Fact sheet: The American Rescue Plan will deliver immediate economic relief to families*. <https://home.treasury.gov/news/featured-stories/fact-sheet-the-american-rescue-plan-will-deliver-immediate-economic-relief-to-families>

<sup>10</sup> The Center for Law and Social Policy. (2021, November). *Key findings from national child tax credit survey*.

[https://www.clasp.org/sites/default/files/publications/2021/11/2021\\_Key%20Findings%20National%20CTC%20Survey%20Round%20\\_0.pdf](https://www.clasp.org/sites/default/files/publications/2021/11/2021_Key%20Findings%20National%20CTC%20Survey%20Round%20_0.pdf)

This expansion of the CTC will have a demonstrable difference on lifetime earnings that is far greater than the tax credit amount.<sup>11,12,13</sup> Consequently, the CTC growth not only provides critical income support for these vulnerable families but also has long-term benefits for the children who receive them.



<sup>11</sup> Duncan, G., Ziol-Guest, K., and Kalil, A. (2010). Early childhood poverty and adult attainment, behavior and health. *Child Development*, 81(1), 306–325. <https://www.jstor.org/stable/40598980>

<sup>12</sup> Chetty, R., Friedman, J., and Rockoff, J. (2011). *New evidence on the long-term impacts of tax credits* [Paper presentation]. Annual Conference on Taxation and minutes of the annual meeting of the National Tax Association. Washington.

<https://www.proquest.com/docview/1635069808?OpenUrlRefId=info:xri/sid:primo&accountid=4485>

<sup>13</sup> Bastian, J. and Michelmores, K. (2018, October). The long-term impact of the Earned Income Tax Credit on children's education and employment outcomes. *Journal of Labor Economics*, 36(4). <https://doi.org/10.1086/697477>

## Federal Weekly Unemployment Compensation

The ARP included federal unemployment benefits to assist those who didn't qualify for state unemployment insurance (UI), such as contractors and gig workers, and extended benefits for veterans who exhausted their state UI. It also provided a \$300 weekly unemployment supplement on top of the state benefit from March 2021 through early July 2021. Federal UI assistance was critical for keeping Arizona veterans and their families afloat as unemployment soared during the pandemic, reaching a high of 14.2% in April 2020. According to GCI's estimates outlined below, Arizona veterans received more than \$80 million in ARP federal unemployment provisions. Overall, more than 530,000 Arizonans have received UI benefits since the beginning of the pandemic. Pandemic Unemployment Assistance was vital in Arizona where only 1 in 8 unemployed people were accessing state unemployment benefits prior to the pandemic due to Arizona's worst-in-the-nation unemployment protections.

Under the ARP, Arizonans had access to:

- Weekly Federal Pandemic Unemployment Compensation (FPUC), which lasted from late March through early July 2021. This payment was \$300 per qualifying individual per week. Pandemic Emergency Unemployment Compensation (PEUC) for those who had been unemployed for more than 26 weeks from late March through early September. The average payment was approximately \$230 per week in Arizona.
- Pandemic Unemployment Assistance (PUA) for self-employed and periodic/seasonal low-wage workers who did not previously qualify for unemployment assistance from late March through early September. (GCI estimates an average payment of \$175 was received per week in Arizona.)

Summaries of these UI programs are noted in the following table.

<u>AZ State Unemployment Insurance</u> (State UI)	<u>Pandemic Emergency Unemployment Compensation</u> (PEUC)	<u>Pandemic Unemployment Insurance</u> (PUA)
<b>Funding Source:</b> Arizona UI trust fund	<b>Funding source:</b> CARES Act (March 2020), Consolidated Appropriations Act (Dec. 2020), American Rescue Plan (March 2021)	<b>Funding source:</b> CARES Act (March 2020), Consolidated Appropriations Act (Dec. 2020), American Rescue Plan (March 2021)
<b>Eligibility:</b> Must be covered by state UI program	<b>Eligibility:</b> Must have exhausted 26 weeks of state UI benefits	<b>Eligibility:</b> For workers who do not qualify for state UI, including contract workers/self-employed
<b>Benefit Amount:</b> Based on AZ state UI law. \$240 maximum weekly benefit.	<b>Benefit Amount:</b> Fixed at rate received from state UI before transferring to PEUC.	<b>Benefit Amount:</b> Mirrors state UI rate, will increase with state benefit increase.
<b>Duration:</b> 26 weeks	<b>Duration:</b> through first week Sept. 2021	<b>Duration:</b> through first week Sept. 2021UI
<b>Eligible for Federal Pandemic Unemployment Compensation (supplement)-ended by Gov. Ducey first week July 2021</b>		

The supplement was particularly important because Arizona's state unemployment weekly benefit amount is the second-lowest in the nation<sup>14</sup> and determined UI amounts

<sup>14</sup> Arizona's maximum unemployment weekly benefit amount will increase to \$320 per week in July 2022, due to legislation passed in June 2021.

for all the other programs. Weekly benefit payments distributed from PEUC and PUA were capped at \$240 per week, the amount established by the Arizona legislature in 2004 and not raised since. Currently, that is the equivalent to only half of a full-time minimum wage earner's income. Consequently, without the \$300 supplement, many unemployed workers would have struggled to fund basic necessities including food and rent.

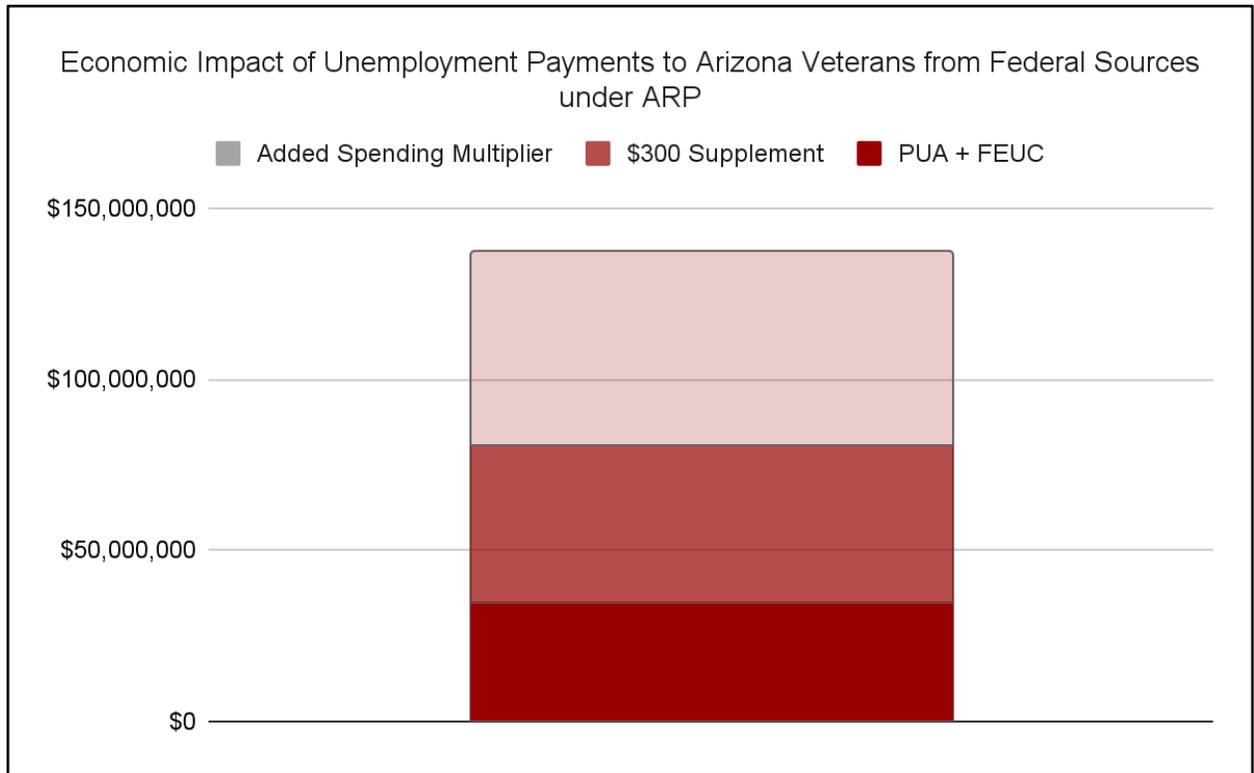
Due to the financial precarity of their situation, unemployed workers tend to spend these benefits in their entirety, and largely in their local community. This creates a multiplier effect in the Arizona economy since businesses who receive the income are able to in turn pay their workers—who also spend their income primarily in the Arizona economy. Academic research estimates that the overall economic multiplier associated with unemployment benefits is 1.7, meaning \$100 in unemployment benefits leads to \$170 in total economic activity in the state.<sup>15</sup>

**The key economic impacts of ARP federal unemployment provisions were that:**

- 14,000 veterans in Arizona received \$300 FPUC stimulus payments from March 20 to July 3, 2021, based on GCI's estimates. These payments amounted to \$46.4 million, with a total economic impact of \$80 million for Arizona using a multiplier of 1.7.
- 9,000 veterans in Arizona received PUA and PEUC payments from March to Sept. 6, 2021. These payments amounted to \$34.4 million, with a total economic impact of \$58.5 million using a multiplier of 1.7.
- Collectively, \$81 million in federal unemployment payments were received, with an overall economic impact of nearly \$140 million.

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<sup>15</sup> Academic research estimates the multiplier for unemployment benefits is 1.7, so \$100 in unemployment benefits leads to \$170 in total economic activity in the state. See Technical Appendix for more information regarding the multiplier.



### Restaurant Revitalization Fund and Extended Paycheck Protection Program for Small Businesses

The ARP broadened eligibility for the Paycheck Protection Program (PPP), initiated under the CARES Act, and provided additional funding. Most critically a companion piece of legislation extended PPP from March 31, 2021 to May 31, 2021.<sup>16</sup> PPP helps keep businesses afloat and saves jobs by providing businesses with funding to keep staff employed. From April 1, 2021 to May 31, 2021, veteran-owned small businesses in Arizona received \$15.5 million in forgivable PPP loans, meaning in most cases they become grants. These loans helped 997 veteran-owned small businesses in Arizona preserve 1,518 jobs.<sup>17</sup>

<sup>16</sup> The Budget Reconciliation process was used to pass the ARP. Budget Reconciliation rules did not permit extending the deadline of PPP, so a companion piece of legislation was passed to extend PPP to May 31, 2021 from its prior March 31, 2021 termination.

<sup>17</sup> Data on PPP from U.S. Small Business Administration, PPP Data, main page [PPP data \(sba.gov\)](https://www.sba.gov/PPP-data). Arizona data (last updated Nov. 24, 2021) located here: [PPP FOIA - public up to 150k 1 211121.csv - U.S. Small Business Administration \(SBA\) | Open Data](#).

The Restaurant Revitalization Fund (RRF) was a new program in the ARP designed to help food service providers stay in business. Food service providers include caterers, food stands, food trucks, restaurants, and bars. Under the RRF, 99 Arizona veteran-owned businesses received \$24.4 million. Half of these businesses were owned by women veterans.<sup>18</sup>

### Enhanced Earned Income Tax Credit

The ARP expanded eligibility and payments from the Earned Income Tax Credit (EITC) for adults without children under 19, raising maximum payments from \$543 to \$1,502 and increasing the maximum eligible annual income from \$15,820 to \$21,430. The EITC works by enhancing pay commensurate with the added income from working and has been shown to both increase labor force participation and reduce poverty.<sup>19</sup>

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<sup>18</sup> Restaurant Revitalization Fund data from U.S. Small Business Administration available for each loan provided is located here (last updated August 18, 2021): [Restaurant Revitalization Fund \(RRF\) FOIA - Dataset - U.S. Small Business Administration \(SBA\) | Open Data](#)

<sup>19</sup> Crandall-Hollick, Margot L., "The 'Childless' EITC: Temporary Expansion for 2021 Under the American Rescue Plan Act of 2021 (ARPA; P.L. 117-2)," Congressional Research Service, Updated May 3, 2021, [The "Childless" EITC: Temporary Expansion for 2021 Under the American Rescue Plan Act of 2021 \(ARPA; P.L. 117-2\) \(congress.gov\)](#).

## "Childless" EITC Amount by Income for 2021

Prior Law and American Rescue Plan Act of 2021 (ARPA; P.L. 117-2)

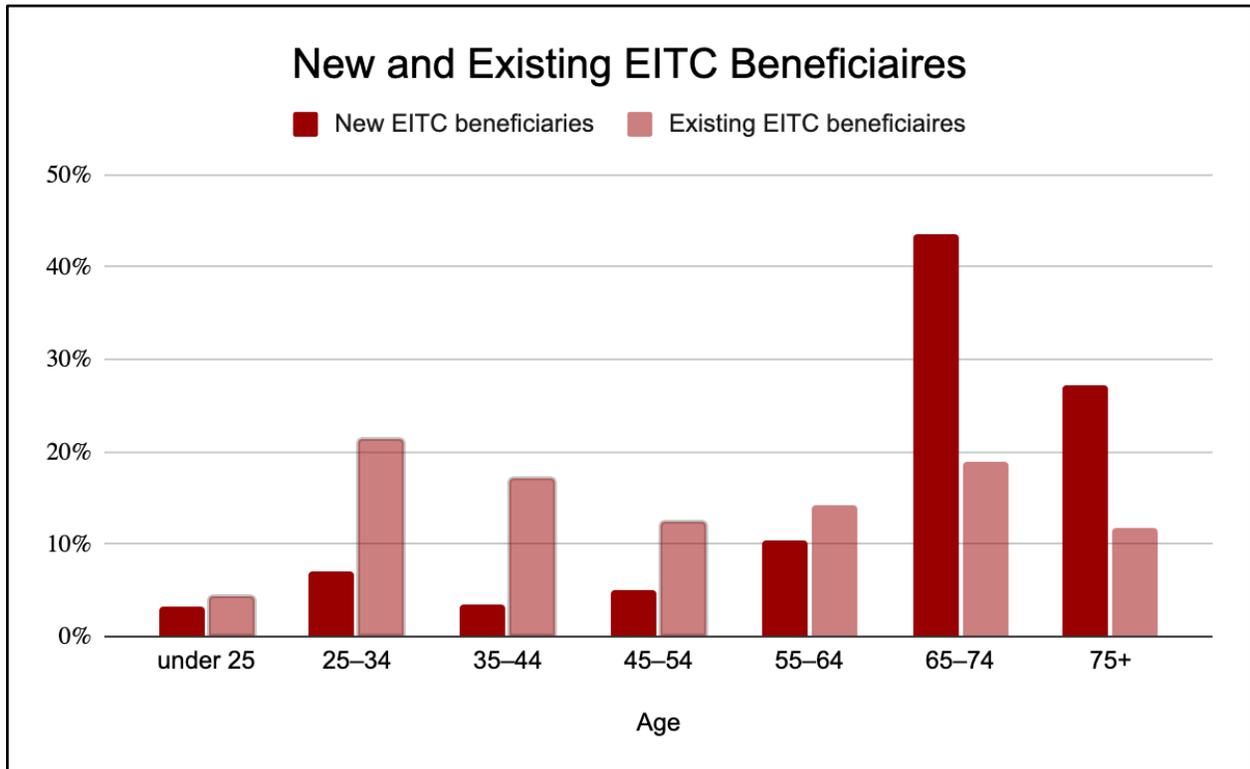


The EITC represents a significant improvement in earned income, as can be seen for low-income adults without children under 18 in the graph above. GCI calculated estimates for two groups of veterans impacted by the EITC expansion: veterans who previously received EITC but would benefit from the higher payments (represented by the space between the purple and orange lines on the Y-axis above), and veterans who became newly eligible for EITC (represented by the space on the X-axis between the solid and dotted lines for each color).

### The key economic impacts of ARP EITC provisions included:

- 21,000 veterans in Arizona will benefit from the expanded EITC, based on GCI's estimates.
  - 12,000 were previously eligible but will see their benefits increase by \$274 per year on average. These previously-eligible veterans will collectively receive \$3.3 million.
  - 9,000 newly eligible veterans will receive an average benefit of \$857. These veterans will collectively receive \$7.8 million.
- Total benefits from EITC expansion for Arizona veterans are expected to total \$11.1 million.

The primary EITC recipients are older on average, meaning these benefits are likely improving the quality of life for older veterans with low incomes who still need to work in order to make ends meet, based on GCI's analysis of the age distribution of previously eligible and new EITC beneficiaries as shown below:



The expansion of the EITC is important since approximately one-in-four of these qualifying adults struggle to pay monthly bills and four-in-10 would be unable to pay bills if faced with an unexpected \$400 expense like a car repair, based on a pre-pandemic study from the Federal Reserve.<sup>20</sup>

## Conclusion

The American Rescue Plan has been a lifeline for Arizona veterans, providing much-needed short-term stabilization and support to keep veterans and their families afloat during the COVID-19 pandemic. Given the existing inequities impacting veterans prior to the pandemic—including higher rates of homelessness, difficulty accessing health care, and wide variability in financial well-being—ARP's economic assistance for Arizonans was particularly crucial for our state's veteran community. ARP also created strong

<sup>20</sup> "Report on the Economic Well-Being of U.S. Households in 2018," Board of Governors of the Federal Reserve System, May 2019, <https://www.federalreserve.gov/publications/files/2018-report-economic-well-being-us-households-201905.pdf>.

foundations for the long-term by expanding and making the CTC refundable, laying the groundwork for an economic comeback for Arizona's veteran community and the state overall.

The credit, especially for lower-income veteran families, makes it easier for parents to enter or remain in the labor force. Most importantly, it has been found to increase the lifetime earnings of lower-income children who receive the credit by far more than the credit itself—meaning it not only provides immediate assistance to families but also improves the long-term financial viability of their children as well.

Finally, the expanded eligibility and income support for veteran adults without dependent children living at home helps them meet monthly expenses, such as rent and food that many struggle with, and provides more security when unexpected expenses arise.

## Appendix 1: Technical Information

### *Unemployment*

Due to the data's small sample size for Arizona veterans within the Current Population Survey, GCI used the average across a 7-month-period from March through September 2021 to estimate the portion of unemployed Arizonans who were veterans.<sup>21</sup> GCI estimates that about 5.1% of the people unemployed during this time period in Arizona were veterans. The unemployment rate in Arizona for veterans and nonveterans in 2021 was approximately the same during this time.

GCI then compared the portion of unemployed Arizonans covered by the various federal UI programs to the total estimated number of unemployed Arizonans, presuming 5% of recipients were veterans. Anyone receiving state unemployment, Pandemic Emergency Unemployment Compensation (PEUC), or Pandemic Unemployment Assistance (PUA) was eligible for the \$300 weekly Federal Pandemic Unemployment Compensation (FPUC) payment from late March 2021 to the beginning of July 2021. The percent of unemployed Arizonans covered by federal UI ranged from a high of approximately 90% in March 2021 to a low of approximately 60% by the end of payments in July 2021.

GCI also examined the percentage of unemployed Arizonans covered by PEUC and PUA as a portion of Arizona's entire unemployed population. That percentage ranged from approximately 75% in March 2021 to approximately 40% by the program's completion in September 2021. GCI created a weighted average payment based on this calculated percentage of PEUC and PUA recipients. Those who transferred from state unemployment to PEUC generally received an average of \$230 a week (of the \$240 maximum). There is no clear data on PUA recipients in Arizona, so GCI used data on continuing claims for PUA in Arizona for the weeks ending July 24 through September 4th — the last week that the benefit was available. The median average payment during this time period was \$175.66, so GCI used \$175 as the approximate average PUA payment. Across most weeks, the overall average payment between the two programs was approximately \$200.

### *Recovery Rebates*

Recovery rebate credits were estimated by combining 2020 Current Population Survey data, using a dataset prepared by the Economic Policy Institute.<sup>22</sup> Families were assigned a stimulus amount based on family size, which was then adjusted based on their family

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<sup>21</sup> Using data for individual months would not be reliable due to small sample sizes. By using an average across 7 months, GCI aimed to mitigate the sample size issue.

<sup>22</sup> Economic Policy Institute. (2021). Current Population Survey extracts, Version 1.0.24. <https://microdata.epi.org/>

income and marriage status. Veterans who benefited from the stimulus were then separated.

### **EITC**

The EITC expansion was analyzed by combining January–September 2021 Current Population Survey data, using a dataset prepared by the Economic Policy Institute. Weekly pay was used to estimate annual income. Adult persons who qualified as dependents under EITC were identified and counted, allowing the authors to measure the total number of qualifying dependents and therefore which EITC dependent category the head of household fell under.

The EITC amounts for 2020 and 2021 were then calculated. Veterans who benefitted from the EITC expansion were identified, and the degree to which they benefitted was determined.

### **Demographic Descriptive Statistics**

Descriptive statistics for Arizona veterans were derived using 2019 American Community Survey data from IPUMS.<sup>23</sup>

### **Child Tax Credit**

Estimates for the Child Tax Credit were derived using 2019 American Community Survey data from IPUMS. First the veteran status of the respondent and their spouse was determined, with two veteran heads of households being adjusted so as not to be double-counted. The number of children 5 and under and 6–17 were determined, along with the total number of children under 18. Eligibility for the CTC was determined using either family income or individual income, based on marital status. The number children in veteran families eligible for the CTC, living in poverty, and eligible for free and reduced lunch were then estimated. GCI used income cut-offs of \$112,500 (head of household) for unmarried veterans and \$150,000 for married veterans to determine the portion of veterans eligible for the CTC. Technically, the legislation allowed a phase out for incomes above this amount, so GCI's estimates are slightly understated.

### **Restaurant Revitalization Fund and Paycheck Protection Program**

The Small Business Administration which administered the Restaurant Revitalization Fund (RRF) and the Paycheck Protection Program (PPP) provides recipient data. Recipients from Arizona that were also veteran-owned businesses were identified for the full duration of the RRF and from April 1, 2021 to May 31, 2021 the time period which covered the extended portion of PPP with enhanced eligibility.

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<sup>23</sup> Ruggles, S., Flood, S., Foster, S., Goeken, R., Pacas, J., Schouweiler, M., Sobek, M. (2021). *IPUMS USA: Version 11.0* [dataset]. <https://doi.org/10.18128/D010.V11.0>

## **Appendix 2: Demographic Profile of Arizona's Veterans (if desired—can be cut as this isn't part of the Technical Appendix)**

GCI analyzed data from the Census Bureau's American Community Survey (ACS) Public Use Microsample for Arizona to develop a demographic profile of veterans living in Arizona. The analysis looked at the:

- Number of veterans by years of service
- Age of veterans
- Family status and presence of children in the household, including children under 6 years old
- Household income
- Employment status

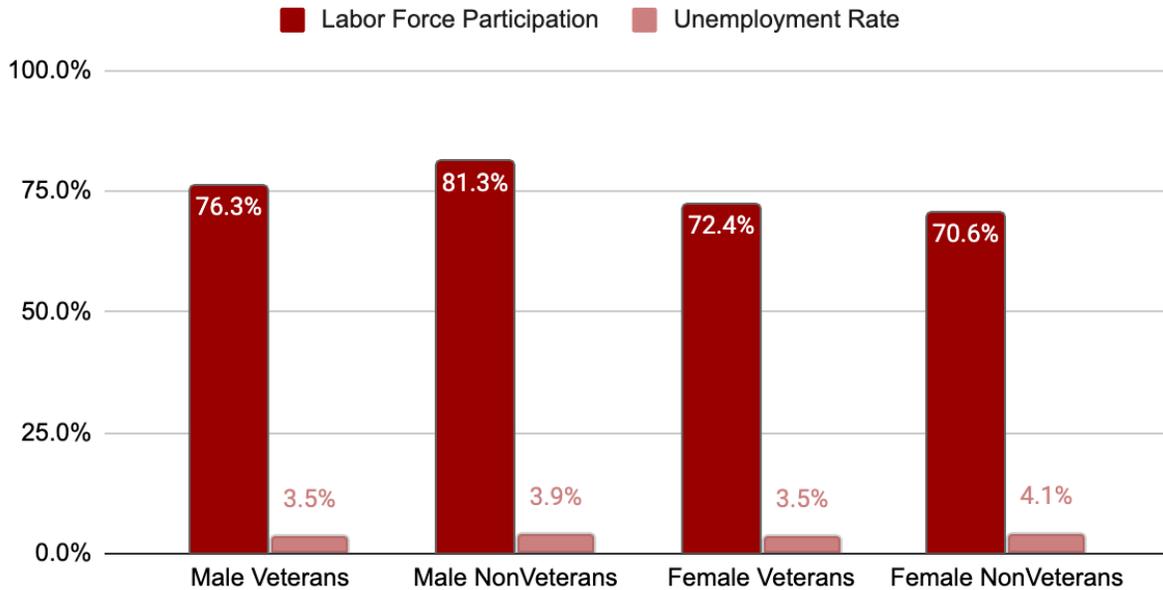
Data from the ACS (2019) enables the following profile of what the veteran community looks like within Arizona. While about 7.3% of the United States adult population are veterans, Arizona has nearly 20% more veterans proportionately. Of Arizona's adult population (5.64 million), 8.5% are veterans (479,000).

The largest group of veterans served during the Vietnam War (35%), 12% served during the period from 1990 to 2000, and about 12% have served since September 11, 2001.

64,000 Arizona veterans are parents of children under 18 years of age. These parents collectively have 117,000 children, representing 8% of the children under 18 in Arizona.

Among veterans between 25-64 years old, 14% are women and 86% men, reflecting the growing presence of women in the military.

### Pre-Pandemic Working Age Adults 25-64 by Veteran Status and Gender (2019 ACS)



Using data from the ACS (2019) for working age adults between 25–64 years, male veterans had modestly lower labor force participation than nonveterans while female veterans have modestly higher labor force participation than nonveterans. However, among those in the labor force, veteran unemployment rates regardless of gender were somewhat below those of nonveterans.

The Census Bureau’s Current Population Survey (CPS) data gives a mixed picture of how the pandemic has impacted veteran employment. Nationwide in 2020, veterans had a slightly lower unemployment rate (6.5%) than the national average of 8.1%. In Arizona the 9.2% estimated veteran unemployment rate was higher than the state’s average of 7.8%, however, this difference at the state-level could be due to small sample size error problems, since veterans are a small portion of the population. GCI’s analysis of 2021 CPS data from March through September suggests that veterans have had a similar rate of unemployment to nonveterans.

The distribution of veterans’ family income from the ACS for those 25 and older is fairly similar to the overall distribution in Arizona. Income is \$33,000 at the 20th percentile, \$55,000 at the 40th percentile, \$67,100 at the median, \$83,000 at the 60th percentile,

and \$130,000 at the 80th percentile, as illustrated in the table below, which focuses specifically on veteran families.

### Veterans Family Income by Percentile

