



# Children's Action Alliance

*A Voice for Arizona's Children since 1988*

**FOR IMMEDIATE RELEASE DECEMBER 15, 2009**

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## **FEDERAL STIMULUS DOLLARS ARE WORKING FOR ARIZONA**

According to a new publication released today by Children's Action Alliance, the funds from the American Recovery and Reinvestment Act, known as ARRA or stimulus funds, are working to save thousands of Arizona jobs, help families survive the recession, and cushion state and local budget cuts. Arizona governments will receive more than \$6.2 billion in ARRA funds between October 2008 and December 2010, for a range of services from state government, cities and towns, school districts, and Indian Tribes.

"These dollars are definitely saving and creating jobs and cushioning budget cuts in vital services ranging from health care, to education, to transportation," said Dana Wolfe Naimark, President and CEO. "Arizona is using \$1.4 billion of ARRA funds this fiscal year to fund state programs that would normally be supported with general fund dollars."

The report highlights the budget cuts and job cuts that have been prevented through the stimulus funds. It also warns about the dangers of the "cliff effect" when the current stimulus money runs out in December 2010 before state revenues have returned to anywhere approaching normal levels. Congress is considering a legislative package to spur job growth that would include financial assistance to the states to cushion the cliff effect.

In addition to state and local budgets, ARRA includes provisions which benefit Arizona families directly, including extended and increased unemployment insurance benefits, higher food stamp benefits, and increased Pell grants to help low-income students pay for college. These provisions help families survive while also boosting our local economy as people pay for food, housing, and other basic necessities.

"We've been hearing political speeches and late-night comedy jokes about the specific number of jobs saved by ARRA in specific places," added Naimark. "But the big picture is very clear. Private economists, the U.S. Government Accountability Office, the Congressional Budget Office, and Moody's Economy.com, an economic research firm, all agree that ARRA dollars have a positive ripple effect because they are used to purchase goods and services in local communities." The Council of Economic Advisers estimates that ARRA has saved or created about 21,400 jobs in Arizona as of August 2009.

See <http://www.azchildren.org/MyFiles/arra%20report%20nov%202009%20for%20web%20and%20distribution.pdf> for a copy of the full report.

*Children's Action Alliance is a non-profit, non-partisan organization dedicated to promoting the well-being of all of Arizona's children and their families through research, policy development, media campaigns and advocacy. For more information, please visit the CAA website at [www.azchildren.org](http://www.azchildren.org).*