



**City of Phoenix**

**HUMAN SERVICES DEPARTMENT  
2023 COMMUNITY ASSESSMENT  
1-YEAR UPDATE**



CITY OF PHOENIX  
HUMAN SERVICES DEPARTMENT  
2023 COMMUNITY ASSESSMENT 1-YEAR UPDATE

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## Table of Contents

Purpose and Background .....	2
Overview of the 2022 Community Assessment.....	4
Updates .....	12
Demographic Data and Indicators.....	12
Early Learning.....	14
Employment .....	16
Income.....	18
Housing .....	21
Nutrition .....	24
Health .....	25
Emergency Services .....	27
Conclusion .....	29

## List of Appendices

Appendix A-I: Select Demographics of Phoenix Residents by Village

Appendix A-II: Select Demographics of Phoenix Residents Living in Poverty by Village

Appendix A-III: Calculated Poverty Rates for Select Demographics by Village

Appendix B-I: Select Demographics of Residents in School Districts Served by Phoenix Head Start and Early Head Start

Appendix B-II: Select Demographics of Residents in Poverty in School Districts Served by Phoenix Head Start and Early Head Start

Appendix B-III: Select Demographics of Children Under 5 Years of Age Living in Poverty in School Districts Served by Phoenix Head Start and Early Head Start

## Purpose and Background

The Human Services Department (HSD) provides a comprehensive array of education and social services to help people achieve their highest level of self-sufficiency. Programs include early childhood education, emergency rent and utility assistance, case management, employment services (including career counseling and job placement services), services for seniors, services for victims of crime, services for individuals experiencing homelessness, and related community initiatives.

Some of these programs are funded, in part, by federal funds, including Head Start grants and the Community Services Block Grant (CSBG). Both of these funding sources require grantees to conduct periodic community assessments.

Federal Head Start regulations require grantees to conduct assessments that describe community strengths, needs, and resources, and include at a minimum:<sup>1</sup>

- (i) The number of eligible infants, toddlers, preschool-age children, and expectant mothers, including their geographic location, race, ethnicity, and languages they speak, including:
  - (A) Children experiencing homelessness in collaboration with, to the extent possible, McKinney-Vento Local Education Agency Liaisons (42 U.S.C. 11432 (6)(A));
  - (B) Children in foster care; and
  - (C) Children with disabilities, including types of disabilities and relevant services and resources provided to these children by community agencies;
- (ii) The education, health, nutrition, and social service needs of eligible children and their families, including prevalent social or economic factors that impact their well-being;
- (iii) Typical work, school, and training schedules of parents with eligible children;
- (iv) Other child development, child care centers, and family child care programs that serve eligible children, including home visiting, publicly funded state and local preschools, and the approximate number of eligible children served;
- (v) Resources that are available in the community to address the needs of eligible children and their families;
- (vi) Strengths of the community

In addition, Head Start regulations provide that:<sup>2</sup>

A program must annually review and update the community assessment to reflect any significant changes including increased availability of publicly-funded pre-kindergarten- (including an assessment of how the pre-kindergarten available in the community meets the

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<sup>1</sup> 45 CFR 1302.11(b)(1)

<sup>2</sup> 45 CFR 1302.11(b)(2), (3).

needs of the parents and children served by the program, and whether it is offered for a full school day), rates of family and child homelessness, and significant shifts in community demographics and resources.

A program must consider whether the characteristics of the community allow it to include children from diverse economic backgrounds that would be supported by other funding sources, including private pay, in addition to the program's eligible funded enrollment. A program must not enroll children from diverse economic backgrounds if it would result in a program serving less than its eligible funded enrollment.

The regulation further requires that Head Start grantees use this information to help determine program objectives, services, recruitment areas, and priorities.

The law establishing the CSBG requires (*emphasis added*):

An assurance that the State will secure from each eligible entity in the State, as a condition to receipt of funding by the entity through a Community Services Block Grant made under this chapter for a program, *a community action plan* (which shall be submitted to the Secretary, at the request of the Secretary, with the State plan) *that includes a community-needs assessment for the community served*, which may be coordinated with community-needs assessments conducted for other programs<sup>3</sup>

Related federal guidance requires assessments to be conducted every three years, the collection of current data related to poverty, and the compilation of information collected directly from low-income individuals.<sup>4</sup> The assessment is expected to support the agencies' work to further the following three national goals:

1. Individuals and families with low incomes are stable and achieve economic security
2. Communities, where people with low incomes live, are healthy and offer economic opportunity
3. People with low incomes are engaged and active in building opportunities in communities.

In conformance with these requirements, HSD conducted a complete community assessment in late 2021 and early 2022, culminating in a June 2022 report.<sup>5</sup> As an interim assessment, this report:

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<sup>3</sup> 42 United States Code § 9908(b)(11).

<sup>4</sup> U.S. Department of Health and Human Services, Office of Community Services. (August 18, 2017). CSBG Dear Colleague Letter Update on CSBG Performance Management. Retrieved from <https://www.acf.hhs.gov/ocs/resource/csbg-dear-colleague-letter-update-on-csbg-performance-management>.

<sup>5</sup> City of Phoenix Human Services Department. (June 2022). 2022 Community Assessment. Retrieved from <https://www.phoenix.gov/humanservicessite/Documents/2022%20City%20of%20Phoenix%20Community%20Assessment%20and%20Appendices%20-%20FINAL.pdf>

- Provides highlights from the 2022 Community Assessment;
- Updates Census figures and other key data points; and
- Discusses significant trends in programs for low-income and other in-need populations served by HSD.

## Overview of the 2022 Community Assessment

The 2022 Community Assessment included an overview of the demographic profile of the City, and an assessment of community needs and strengths across eleven domains. Highlights from each section are provided below.

### *Demographic Overview*

This section provided information about the City’s residents, the population distribution by age, race and ethnicity, household income, poverty status, and educational attainment.

Since the 2019 Community Assessment, Phoenix gained more than 72,000 residents, and retained its ranking as the fifth-most populous city in the United States. The growth in population was likely to produce additional demand for HSD services and to influence the types of services that are needed and how these services are delivered. For example, growth in the number of seniors will increase the demand for congregate and home-delivered meals.

Phoenix’s strong economy and additional federal supports (e.g., stimulus payments) helped to reduce the percentage of households in poverty by 3.7 percentage points compared to the 2019 Community Assessment, while increasing the median household income from \$52,080 to \$60,914. However, one in six residents continue to live below the federal poverty level.

### *Domain 1: Early Learning*

This section describes preschool enrollment rates by planning village, the Early Head Start and Head Start eligible population by Education Service Provider area, the availability of licensed child care options, and programs that assist families to access child care.

Early care and education programs are integral to children’s readiness for school and essential to allowing parents to work or attend school. However, only 33.9 percent of three and four-year olds in Phoenix attended preschool, a rate that significantly lagged the 47.3 percent nationwide rate.

There are a number of programs that assist low-income families to access early learning and child care programs. Although the Arizona Department of Economic Security’s child care subsidy program funding has nearly doubled in the last few years, the funding is still inadequate

to meet the needs of low-income families. This challenge was evident in the 2021 Resident and Client Community Survey administered as part of the assessment, where more than a quarter of the respondents reported having issues accessing child care services.

HSD had funding to support enrollment of less than a third of the City’s children eligible for Head Start and less than five percent of children eligible for Early Head Start. Families that participated in the 2021 Resident and Client Community Survey that utilized Early Head Start or Head Start programs reported a high level of satisfaction with the quality of instruction received, availability and quality of services, convenience of location, and hours of operation.

In addition to Early Head Start and Head Start, there were more than 375 licensed child care providers with capacity for more than 46,000 children within the City’s Education Service Provider service area. Public assistance for child care programs, including the Department of Economic Security’s child care subsidy and First Things First’s Quality First scholarship program provided funding to more than 9,400 children under five years of age in the Phoenix Head Start service area in 2022.

### *Domain 2: Education*

This section describes the availability and quality of district and charter schools in Phoenix, including district and village level details regarding AzMERIT proficiency as well as information regarding the availability and cost of post-secondary education for Phoenix residents.

The 291 district schools and 168 charter schools located in the City served more than 254,000 students. The proportion of children attending charter schools increased from 20.7 percent of total enrollment since the 2019 Community Assessment to 22.8 percent in 2022. In the 2021-22 school year, 66 percent of charter schools received a school letter grade of ‘A’ or ‘B’, compared to 51 percent of district schools. For the 2021-22 school year, students attending charter schools performed somewhat better than district schools in both the English Language Arts (ELA) and mathematics components of the AzMERIT standardized test. Specifically, 44.7 percent of charter school students achieved proficiency in ELA compared to 35.0 percent of district school students, while 43.2 percent of charter school students achieved proficiency in math, compared to 31.9 percent of district school students.

### *Domain 3: Employment*

This section highlights Phoenix’s unemployment rates since 2012, employment by industry, job growth by major industry, projected job growth through 2030, and some of the public and community job placement services available to job seeking residents, including the City’s youth. Since 2018, the City added more than 150,000 jobs, and was projected to add almost 170,000 jobs by 2030. In addition, the unemployment rate averaged about 3.5 percent in the five months

leading up to the 2022 report, which was below the 4.0 percent unemployment rate just before the pandemic in February 2020.

Almost one third of the residents surveyed in the 2021 Resident and Client Community Survey that utilized ARIZONA@WORK Job Center services indicated that employment assistance and job training were services they desired but had difficulty accessing. Among the primary barriers to employment cited by survey participants were a lack of transportation and a lack of knowledge of available employment-related services.

#### *Domain 4: Income Management and Self Sufficiency*

This section includes an overview of household incomes, an overview of the living wage estimates for Phoenix residents of various household compositions, changes in the consumer price index, and public assistance programs available to supplement income needs.

Since the 2019 Community Assessment, there was a four percentage point decrease in the number of households with incomes less than \$35,000 and a nearly seven percentage point increase in the number of households with incomes over \$50,000. Despite these gains, 13.7 percent of Phoenix households lived in poverty in 2022. Programs such as cash assistance, Social Security, Supplemental Nutrition Assistance Program (SNAP), Women, Infants and Children (WIC), Low Income Home Energy Assistance Program (LIHEAP), and rental assistance represented important supports for many Phoenix families that struggle to acquire their basic necessities, including housing, food, and transportation. Further constraining incomes and household budgets, the consumer price index increased by 10.9 percent over the prior year, the highest increase in over 40 years.

#### *Domain 5: Housing*

This section discusses housing costs, the supply of affordable housing, changes in the fair market value of rents, details about evictions, and available housing support programs in the city.

From 2012 to 2022, the median sales price of single family homes increased from \$102,000 to \$397,000, exacerbating the issue of affordable housing for low-income Phoenix residents. In 2021, Phoenix was ranked as having the fourth most severe shortage of affordable rental homes of the nation's 50 largest metropolitan areas, with an estimated statewide need for 270,000 additional affordable housing units. Between 2012 and 2021, the proportion of affordable homes (for families earning the city's median income) decreased from 78.0 percent to only 44.5 percent. To help address this shortfall, the city created its first-ever Housing Phoenix Plan, which established a goal of creating or preserving 50,000 affordable housing units by 2030.



As of the 2022 Community Assessment, the pandemic-era eviction moratorium remained in effect, but it was believed that the end of the moratorium would result in an unprecedented increase in evictions.

#### *Domain 6: Nutrition*

This section discussed the various public and community programs in place to reduce hunger and improve nutrition, including free and reduced price meals for students, SNAP, WIC, the home delivered meals program, and food banks and pantries located across the City.

Nearly one-in-five Phoenix residents lived more than a mile from a supermarket or grocery store that provides affordable and nutritious foods in 2022. Additionally, although food insecurity rates were not measured at the city level, one-in-nine residents across Maricopa County were considered food insecure (down from one-in-eight in 2019). Lack of access to sufficient and nutritious food contributes to hunger for some and promotes obesity for others when their primary foods are non-nutritious. Food assistance programs, therefore, remained critical to the City's low-income individuals and families.

More than 60 percent of students attending a district school in Phoenix received a free or reduced price lunch in the 2021-22 school year, while more than one-in-five of all households in the City receive SNAP benefits. The City was also home to 43 food banks, food pantries, soup kitchens, and emergency food box distributors, which were an important asset to the City's residents.

HSD operates a home-delivered meals program for low-income homebound residents aged 60 years and older and to disabled adults, reaching an average of nearly 1,800 participants daily. HSD estimated that it would serve more than 560,000 home-delivered meals in fiscal year 2021

#### *Domain 7: Health*

This section describes health insurance rates for Phoenix residents, the type and availability of health care providers in Phoenix, birth and maternity statistics, mental health information, and other health-related data.

The percentage of Phoenix residents with health insurance improved from 82 percent in 2014 to 87 percent in 2020, while 93 percent of the City's children had health insurance. However, ten of the City's planning villages were designated by the Arizona Department of Health Service as medically underserved areas, meaning the area had some combination of too few primary care providers, a high infant mortality rate, high poverty rates, or a high elderly population.

Mental and behavioral health supports are as important as physical health care for low-income individuals, especially because rates of mental illness are highest among adults living below the

federal poverty level. The State continued to rank near the bottom for mental health supports for adults at 35<sup>th</sup> and 49<sup>th</sup> for children among all states.

Three programs have been created by the City of Phoenix that provide crisis intervention and crisis stabilization; non-crisis outreach for behavioral health, and substance abuse; and support for family members of those killed in an officer involved shooting and those who witness the incident.

#### *Domain 8: Safety*

This section discussed changes in crime rates since the 2019 Community Assessment, as well as data regarding the City’s police and fire services, staffing, and call types and volumes in the previous year.

Property crime rates in the City decreased by nearly 22 percent in the past decade, although violent crime rates increased by 26.4 percent over the same period. Residents participating in the 2021 Resident and Client Community Survey identified drug use and property crimes as the top two challenges facing their neighborhoods.

#### *Domain 9: Emergency Services*

This section discussed emergency assistance available to Phoenix residents, including the city’s Low Income Home Energy Assistance Program (LIHEAP), rental assistance, Community Services Block Grant (CSBG), Temporary Assistance to Needy Families (TANF), and homeless services.

An estimated 423,000 Phoenix residents are eligible for LIHEAP assistance, but LIHEAP funding served less than 2 percent of the eligible population. The city developed a strategic plan to address homelessness and committed \$20 million annually to support this effort, including an additional \$10 million of Coronavirus Relief Funds (CARES Act). The city expected to provide emergency shelter services to 3,800 families with children, almost 1,100 women, over 4,500 men, and 100 medically vulnerable individuals in fiscal year 2022. Additionally, the city estimated that it will provide rental assistance to more than 11,600 households, and utility assistance to approximately 12,300 households. These are significant increases in the number of people served and come as a result of the federal ARPA and CARES Act funding.

According to the 2022 annual point in time homeless count, there were 3,096 unsheltered homeless individuals living in Phoenix as of January 2022, representing a 30.1 percent increase in the number of unsheltered individuals from the 2020 point in time count.

### *Domain 10: Services for Seniors*

This section described the demographics of Phoenix residents older than 60 and supports available through HSD senior centers, income supports available through Social Security, and services available through the Area Agency on Aging.

As a group, older individuals were more affluent than other age groups. The poverty rate of seniors was 11 percent, which is significantly less than the City's overall 16.2 percent poverty rate. Income supports for older residents in the City included Social Security, which more than 153,000 retirees in the City received in 2020.

Phoenix's 15 senior centers provide a number of services, including nutrition programs, educational opportunities, recreation and socialization programs, and transportation. However, the senior centers were closed beginning in March of 2020, due the COVID-19 pandemic and stayed closed for half of 2021 and have since reopened. During the closure, seniors were able to get meals delivered to their homes and many recreation and socialization programs were delivered virtually.

### *Domain 11: Services for Youth*

This section described community amenities available to Phoenix's youth and their families, and select services available to youth by the City and other community partners.

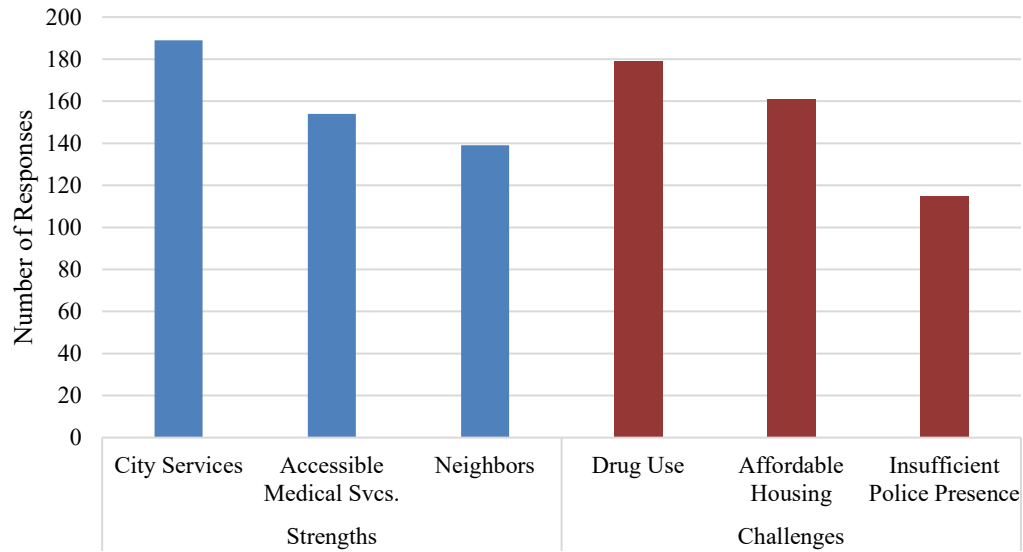
Phoenix offers a variety of recreational sites where youth can engage in a number of athletic, artistic, and educational pursuits outside of school hours, including more than 30 afterschool sites, 223 parks, 17 libraries, 33 community centers, and 29 public pools. Non-profit and charitable organizations such as the YMCA and Boys and Girls Club offer additional afterschool activities, including sports and recreation, art programs, homework assistance, and job training.

### *Resident and Client Community Survey Key Results*

The 2022 Community Assessment sought input from community stakeholders, including residents, HSD clients, community providers, and HSD partners, about the community's greatest strengths and most significant needs. Input was gathered through a series of focus groups and two surveys that were administered to community stakeholders.

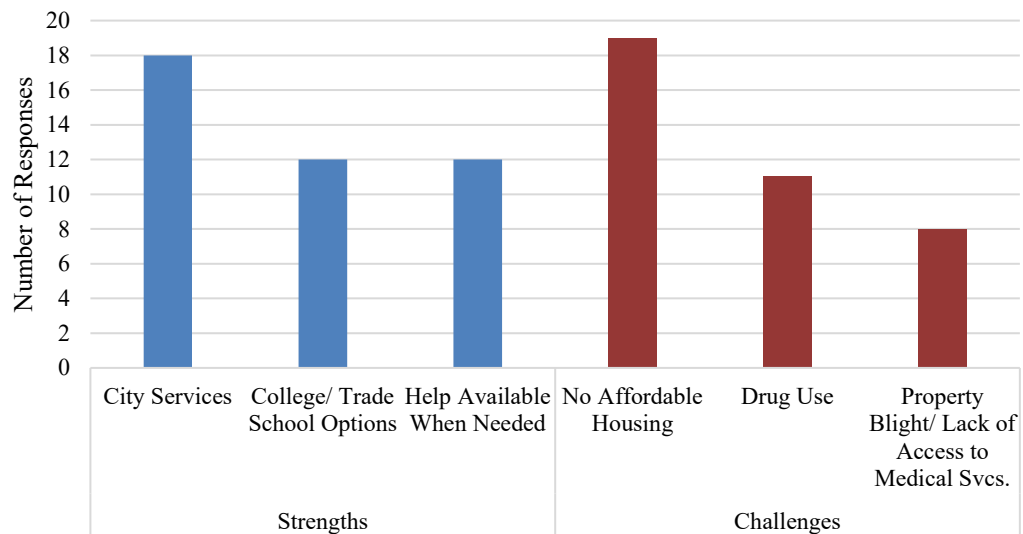
The 2021 Resident and Client Community Survey sought to gauge participants' opinions about the greatest strengths and needs of their local Phoenix community. As illustrated in Figure 1, participants identified City services and accessible medical services among their communities' greatest strengths, while reporting drug use and a lack of affordable housing among their communities' greatest challenges.

**Figure 1: Top 3 Strengths and Challenges Reported by Residents and Clients**



The 2021 Provider and Partner Survey was completed by 37 individuals or organizations representing a variety of sectors, including education, government, and healthcare. Figure 2 illustrates the three greatest strengths and challenges reported by participants.

**Figure 2: Top 3 Strengths and Challenges Reported by Providers and Partners**



The remainder of this report provides updates to key data reported in the 2022 Community Assessment, and includes additional information about changes to key programs designed to provide supports to low-income individuals and families.

## Updates

As part of this interim assessment, the following sections provide updated information about the City’s demographic makeup, early learning programs; employment, income levels; housing; nutrition; health; and the availability of emergency services.

## Demographic Data and Indicators

This update reflects the most recent data from the Census Bureau’s American Community Survey, covering the five-year period from 2017 to 2021. This data includes information collected during the pandemic.

Since the 2022 Community Assessment, the City’s population declined from 1,670,133 residents to 1,603,110 residents, a 4.2 percent decrease.<sup>6</sup> More than a third of the decrease was attributed to residents and children under 19, while half was attributed to residents between 20 and 54 years old. Between 2010 and 2020, the rate of births per 1,000 residents in Maricopa County declined from 14.2 in 2010 to 11.1 in 2020.<sup>7</sup> The number of adults 65 years and older also decreased, from 184,538 in 2020 to 178,352 in 2021.

The City’s racial and ethnic composition was similar to the composition reported in the 2022 Community Assessment. Figure 3 reveals that 42.9 percent of the City’s total residents and 68.3 percent of children under five are of Hispanic descent.<sup>8</sup>

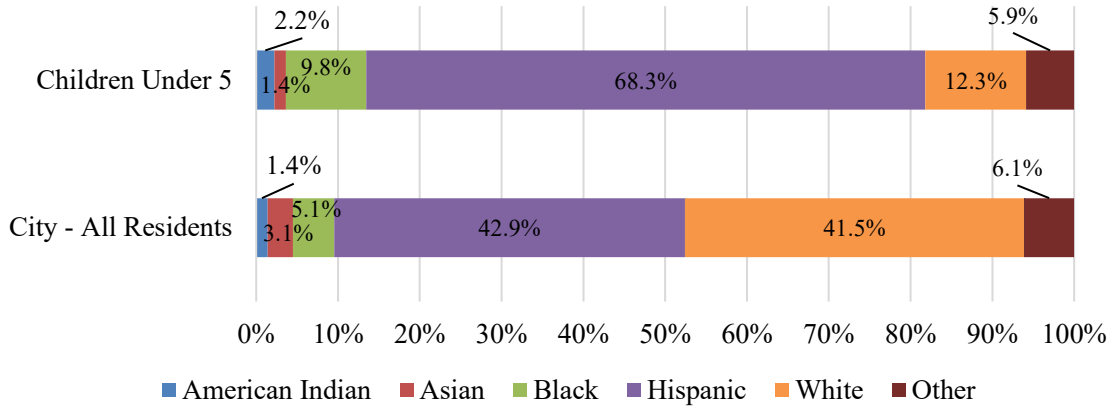
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<sup>6</sup> Comparison of American Community Survey 2016-2020 5-Year Estimates and 2017-2021 5-Year Estimates. Table S0101: Age and Sex.

<sup>7</sup> Arizona Department of Health Services. (2020). Advance Vital Statistics by County of Residence (Table T1: Number and Rate of Births and Deaths by County of Residence). Retrieved February 2023 from <https://pub.azdhs.gov/health-stats/report/avs/index.php>.

<sup>8</sup> Analysis of American Community Survey. (2017-2021 5-Year Estimates). Tables B17020A - B17020I Poverty Status in the Past 12 Months by Age (and race or ethnicity).

**Figure 3: Racial and Ethnic Composition of the City's Residents Compared to Residents Under 5 Years-Old**



The number of residents living in poverty decreased by nearly 1.0 percentage points between 2020 and 2021, including the number of children under 5 living in poverty. As illustrated in Figure 4, while most Phoenix villages saw decreases in poverty rates (ranging from less than two-tenths of a percentage point in Central City to a 1.5 percentage point decrease in Alhambra), four villages experienced increases ranging from one-tenth of a percent in North Gateway to 4.2 percent in Rio Vista. A variety of factors have contributed to the overall decrease in poverty rates, including income supplements from pandemic-era stimulus funding, enhanced unemployment benefits, increased minimum wage, and general wage inflation, among other factors.

Village	Total Residents (2021)	Total in Poverty (2021)	Pct. In Poverty (2021)	Pct. In Poverty (2020)	Pct. Pt. Change (2020-2021)
<b>Phoenix</b>	1,603,110	247,553	15.4%	16.2%	(0.8%)
Ahwatukee Foothills	79,291	5,629	7.1%	6.4%	0.7%
Alhambra	136,904	32,269	23.6%	25.1%	(1.5%)
Camelback East	143,023	17,562	12.3%	13.0%	(0.7%)
Central City	56,405	18,796	33.3%	33.5%	(0.2%)
Deer Valley	178,394	17,677	9.9%	10.5%	(0.6%)
Desert View	63,882	2,515	3.9%	4.2%	(0.3%)
Encanto	57,084	9,811	17.2%	18.6%	(1.4%)
Estrella	98,543	17,897	18.2%	18.4%	(0.2%)
Laveen	65,718	8,939	13.6%	13.1%	0.5%
Maryvale	236,592	48,434	20.5%	21.5%	(1.0%)

North Gateway	18,661	378	2.0%	1.9%	0.1%
North Mountain	169,869	29,054	17.1%	18.3%	(1.2%)
Paradise Valley	170,980	15,754	9.2%	9.8%	(0.6%)
Rio Vista	2,883	290	10.1%	5.8%	4.2%
South Mountain	124,882	22,547	18.1%	19.3%	(1.3%)

Poverty rates for different demographic groups in the City vary significantly. For example, 22.6 percent of children under 5 years old live in poverty compared to only 10.6 percent of those 65 years and older.<sup>9</sup> Poverty rates for the American Indian, Hispanic, and Black/ African American populations are above 20 percent, compared to 10.5 percent for the Asian population and 9.4 percent for the White population.<sup>10</sup> Among residents 25 years and older, 23.6 percent of those who did not complete high school live in poverty compared to 5.0 percent of those with a bachelor’s degree or higher.<sup>11</sup>

### Early Learning

Preschool enrollment rates in Phoenix and in the State continue to lag national preschool enrollment rates. Nationally, 45.9 percent of 3 and 4-year-olds were enrolled in preschool in 2021, compared to only 36.3 percent across the State and 33.0 percent in the City.<sup>12</sup> Rates of preschool attendance have decreased since the 2022 Community Assessment, when 37.6 percent of preschoolers were enrolled statewide, and 33.9 percent were enrolled in the City.

The child care subsidy program, administered by the Arizona Department of Economic Security, remains an important resource for children of low-income families to access child care. In November 2022, DES increased its subsidy reimbursement levels for some age groups while continuing to provide for enhanced reimbursement levels that recognize the importance of child care quality as measured by a provider’s participation in an accrediting program or Arizona First Things First Quality First program administered by.<sup>13</sup> For example, the current rate schedule includes enhanced reimbursement rates over the standard rates, as follows:<sup>14</sup>

<sup>9</sup> Analysis of American Community Survey. (2017-2021 5-Year Estimates). Table B01001: Sex by Age and Table B17001: Poverty Status in the Past 12 Months by Sex by Age.

<sup>10</sup> Analysis of 2017-2021 5-Year Estimates from B17020A – B17020I (Poverty Status in the Past 12 Months by Age [and Race/ Ethnicity]) and B17001: Poverty Status in the Past 12 Months by Sex by Age.

<sup>11</sup> Analysis of American Community Survey. (2017-2021 5-Year Estimates). Table B17003: Poverty Status in the Past 12 Months of Individuals by Sex by Educational Attainment.

<sup>12</sup> American Community Survey. (2017-2021 5-Year Estimates). Table S1401: School Enrollment (3 to 4-year-olds enrolled in school).

<sup>13</sup> State of Arizona FY2023 Appropriations Report. Retrieved February 2023 from <https://www.azjlb.gov/budget/fy2023appropript.pdf>.

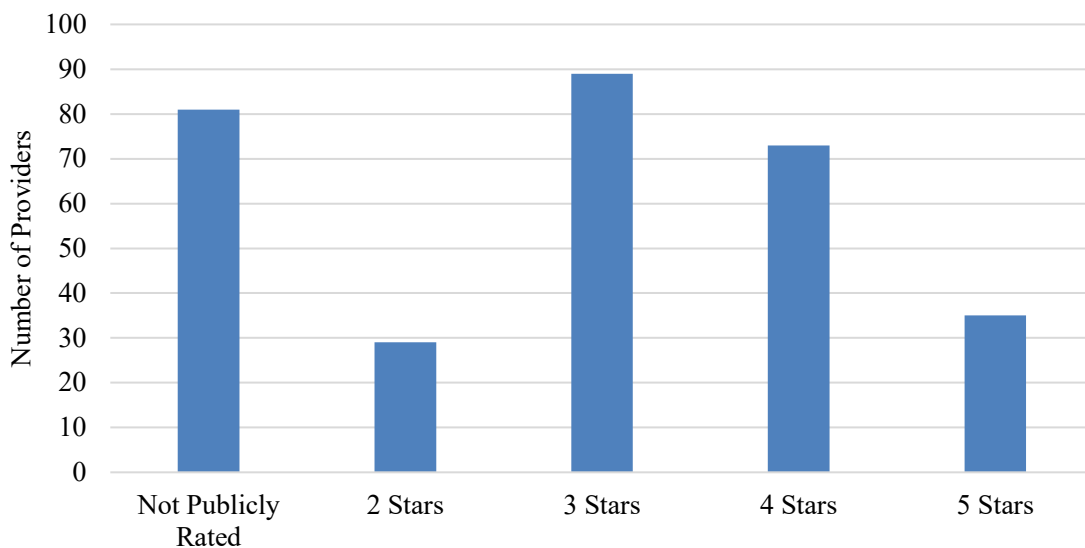
<sup>14</sup> Arizona Department of Economic Security. (November 2022). Maximum Reimbursement Rates for Child Care. Retrieved from [https://des.az.gov/sites/default/files/dl/CCA-1227A\\_0.pdf?time=1675963524652](https://des.az.gov/sites/default/files/dl/CCA-1227A_0.pdf?time=1675963524652).



- 50 percent increase for providers with a First Things First (FTF) Quality First rating of three or more stars, or a recognized national accreditation
- 35 percent increase for family child care providers who have a Child Development Associate (CDA) credential.

Among the providers that are eligible for the rate enhancements, 197 licensed centers across the City participate in Quality First and have obtained a rating of 3 or more stars as illustrated in Figure 5.<sup>15</sup>

**Figure 5: Distribution of Quality First Providers in Phoenix by Star Rating in 2023**



FTF funds scholarships for children of low-income families to attend a Quality First-rated provider’s program. In 2022, FTF funded 1,885 Quality First scholarships in its Phoenix North and Phoenix South regions.<sup>16</sup>

As a result of the pandemic, the State of Arizona received \$1.3 billion in supplemental Child Care and Development Fund (CCDF) funding to support Arizona’s child care system from the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, Coronavirus Response and Relief Supplemental Appropriations Act, and ARPA. The funding is used to:

- Direct Child Care services (subsidies)
- Grants or Assistance to stabilize child care providers

<sup>15</sup> Arizona First Things First Quality First Data Center. (2023). Queried February 2023 from <https://datacenter.azftf.gov/quality-first>.

<sup>16</sup> First Things First. (2022). 2022 Impact Reports for Phoenix South and Phoenix North Regional Partnership Councils. Retrieved <https://www.firstthingsfirst.org/what-we-do/publications/#impact>.

- Provide relief for families from co-payments and tuition.
- Assistance to providers not participating in the subsidy system prior to the pandemic.<sup>17</sup>

The funding is expected to be expended by September 30, 2023 and as of October 2022, \$367 million had been expended.<sup>18</sup>

The City of Phoenix Head Start and Early Head Start are comprehensive school readiness programs which serve low-income families with children under 6 years old. Funding in fiscal year 2022 was \$44.2 million and is projected to be \$45.4 million in fiscal year 2023. Head Start funds 3,451 HSD slots, including 2,963 Head Start slots (26.9 percent of the number of eligible children, compared to 29.2 percent in the 2022 Community Assessment) and 488 Early Head Start slots (3.0 percent of the number of eligible children, compared to 2.9 percent in the 2022 Community Assessment).<sup>19</sup>

## Employment

As described in the 2022 Community Assessment, from 2018 to 2022, the greater Phoenix region added more than 150,000 jobs, with the trade, transportation and utilities, financial activities, and construction sectors growing the fastest.<sup>20,21</sup> In February 2020, there were 2,225,500 jobs in the greater Phoenix region, an all-time high. By April 2020, Phoenix had lost 244,300 jobs as a result of the COVID-19 pandemic. More recently in December 2022, there were a total of 2,360,900 available jobs, a 6.1 percent growth rate compared to the pre-pandemic high in February 2020 and 91,600 (or 4 percent) more jobs than the 2022 Community Assessment. Figure 6 presents this data.

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<sup>17</sup> Retrieved from: <https://des.az.gov/sites/default/files/media/Arizona-Child-Care-Recovery-Plan.pdf?time=1677538566240>.

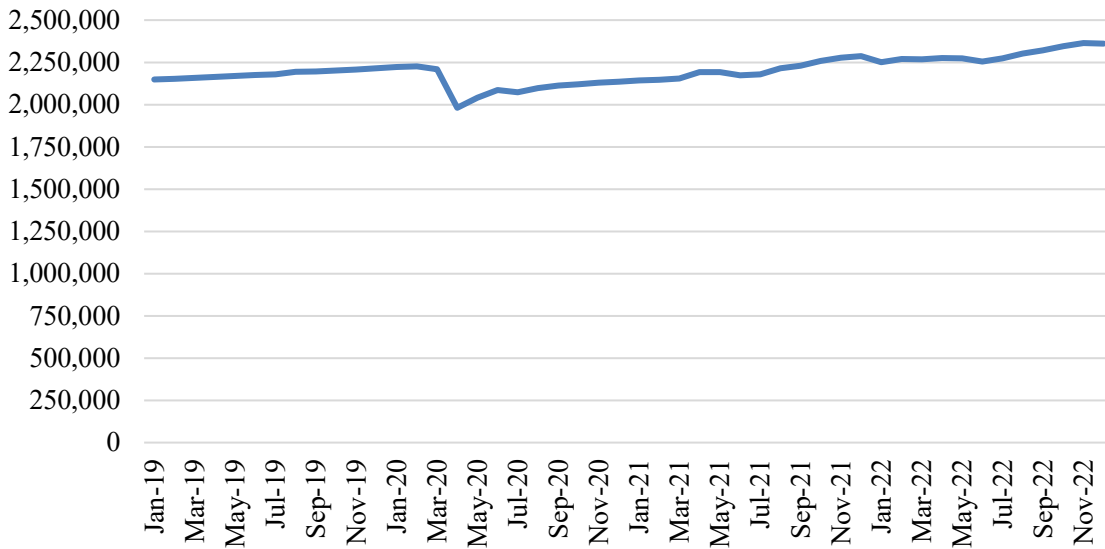
<sup>18</sup> Retrieved from: <https://www.azjlbc.gov/24baseline/des.pdf>.

<sup>19</sup> City of Phoenix. (n.d.). FY2022-23 Adopted Budget. Retrieved from [https://www.phoenix.gov/budgetsite/budget-books/2022-23\\_Detail\\_Budget\\_Book.pdf](https://www.phoenix.gov/budgetsite/budget-books/2022-23_Detail_Budget_Book.pdf).

<sup>20</sup> Employment figures from the Arizona Commerce Authority are presented at different geographic area levels, where the Phoenix-Mesa-Scottsdale metropolitan area is applied for these estimates (Phoenix-only data is not available).

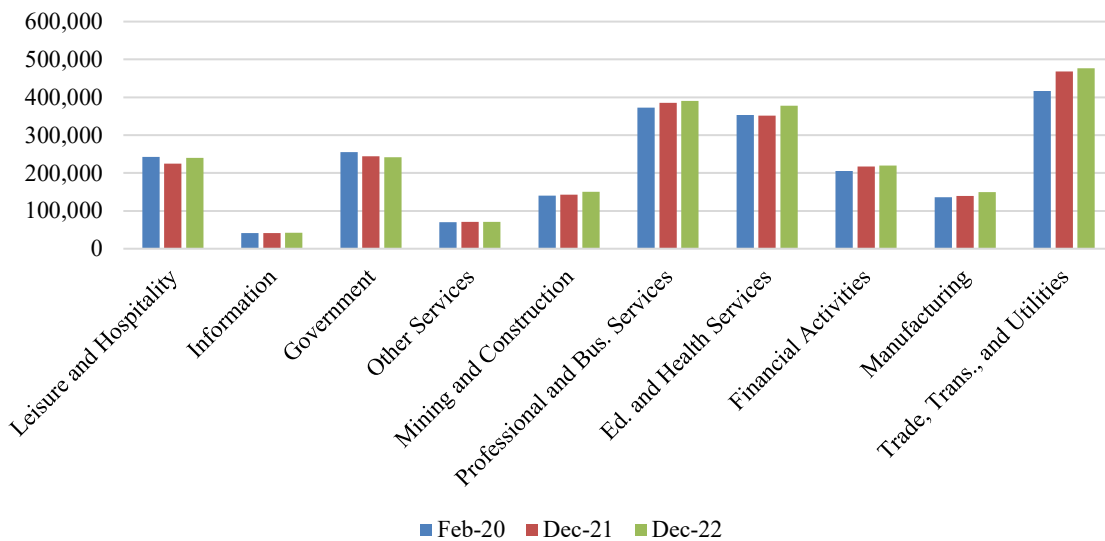
<sup>21</sup> Arizona Commerce Authority. (n.d.). Industry Employment and Wages. Retrieved from <https://www.azcommerce.com/oeo/labor-market/industry-employment/>.

**Figure 6: Number of Jobs in Phoenix Metropolitan Area, January 2019 - December 2022**



As Figure 7 illustrates, jobs in the government and leisure and hospitality industries are still lower than the number available in February 2020, but have increased for all other sectors, adding 74,300 jobs since December 2021 and 127,400 jobs since February 2020.<sup>22</sup>

**Figure 7: Jobs Available in Phoenix Metropolitan Area by Industry (February 2020 to December 2022)**



<sup>22</sup> Arizona Commerce Authority. Nonfarm Employment (February 2020 – December 2022). Retrieved January 2023 from <https://www.azcommerce.com/oc/labor-market/industry-employment/>.

Immediately prior to the pandemic in February 2020, the unemployment rate was 4.3 percent.<sup>23</sup> The unemployment rate spiked to 13.2 percent in April 2020 following the onset of the pandemic, but has since recovered and reached a low of 2.7 percent in December 2022.<sup>24</sup>

The Arizona Commerce Authority projects the City of Phoenix will add more than 112,000 jobs by 2031 (compared to the number of jobs in 2021).<sup>25</sup> Figure 8 lists the ten industries with the largest projected job gains through 2031 within the City.

<b>Figure 8: Occupations with Largest Projected Job Growth, 2021 - 2031</b>	
<b>Occupation</b>	<b>Projected Job Growth</b>
Health Care and Social Assistance	33,878
Administrative and Support and Waste Management and Remediation Services	17,966
Transportation and Warehousing	13,968
Professional, Scientific, and Technical Services	11,502
Construction	8,909
Manufacturing	8,621
Accommodation and Food Service	4,867
Self-Employed and Unpaid Family Workers	4,105
Arts, Entertainment, and Recreation	4,015
Information	3,070

## Income

As shown in Figure 9, the overall percentage of households with incomes of less than \$35,000 decreased by 2.1 percentage points between 2020 and 2021 while residents with incomes above \$75,000 increased by 3.4 percentage points.<sup>26</sup>

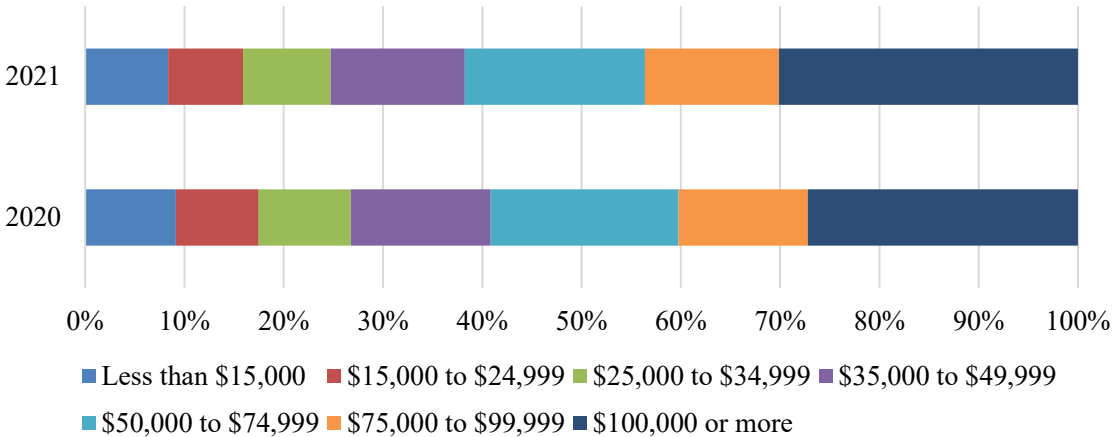
<sup>23</sup> Arizona Commerce Authority. (n.d.). Monthly Unemployment Trends (for City of Phoenix, not seasonally adjusted). Retrieved from <https://www.azcommerce.com/oeo/labor-market/unemployment/>.

<sup>24</sup> Ibid.

<sup>25</sup> Arizona Commerce Authority. (n.d.). 2020-2022 Arizona Occupational Projections (for the City of Phoenix). Retrieved from <https://www.azcommerce.com/oeo/labor-market/unemployment/>.

<sup>26</sup> Analysis of American Community Survey. (2017-2021 5-Year Estimates). Table S1901: Income in the Past 12 Months (in 2021 Inflation-Adjusted Dollars).

**Figure 9: Distribution of Households by Income Level in 2020 and 2021**



In order to provide living wage estimates for various household compositions, the Massachusetts Institute of Technology (MIT) developed a calculator that estimates the income that would be necessary to meet basic needs, including food, childcare, health insurance, housing, transportation, and other basic necessities such as clothing and personal care items. The table in Figure 10 compares MIT’s current annual living wage estimate for the Phoenix-Mesa-Scottsdale metropolitan statistical area (MSA) to MIT’s living wage estimate presented in the 2022 Community Assessment.

Household Composition	Current Living Wage*	Living Wage – 2022 Needs Assessment*	Percent Change since 2022
1 Adult	\$38,043	\$32,056	18.7%
1 Adult, 1 Child	\$73,122	\$61,230	19.4%
1 Adult, 2 Children	\$90,301	\$73,639	22.6%
1 Adult, 3 Children	\$118,692	\$95,710	24.0%
2 Adults (1 works)	\$59,811	\$51,690	15.7%
2 Adults (1 works), 1 Child	\$74,255	\$60,832	22.1%
2 Adults (1 works), 2 Children	\$84,828	\$68,596	23.7%

\*Required annual income before taxes.

<sup>27</sup>Massachusetts Institute of Technology. (n.d.). Living Wage Calculation for Phoenix-Mesa-Scottsdale, AZ. Retrieved from <https://livingwage.mit.edu/metros/38060>.

The table indicates the required living wage in the region increased significantly over the past year, ranging from 15.7 percent for households with 2 adults and no children to as much as 24.0 percent for households with 1 adult and three children.

A single parent with two children working full-time and earning the current minimum wage (\$13.85 per hour or \$28,808 per year) would make only 31.9 percent of the living wage in the absence of public assistance. The MIT living wage calculator estimates that a single parent with two children will need more than \$38,000 to pay for the basic necessities of food, child care, and housing in addition to other expenses (such as transportation and medical), expenses that are unaffordable to many lower income households. This gap demonstrates the importance of programs such as LIHEAP, SNAP, cash assistance, and child care subsidies to supplement the income of lower-wage workers, particularly in the year since the 2022 Community Assessment when high rates of inflation have put additional strains on family budgets in the City. For example, between December 2021 and December 2022, the price of food increased by 10.6 percent while the cost of housing increased by 15.4 percent in the Phoenix metropolitan area.<sup>28</sup> Phoenix seniors that are receiving social security received an 8.7 percent increase in their Social Security benefits beginning in January 2023, which will help these residents with the increased cost of living expenses.<sup>29</sup>

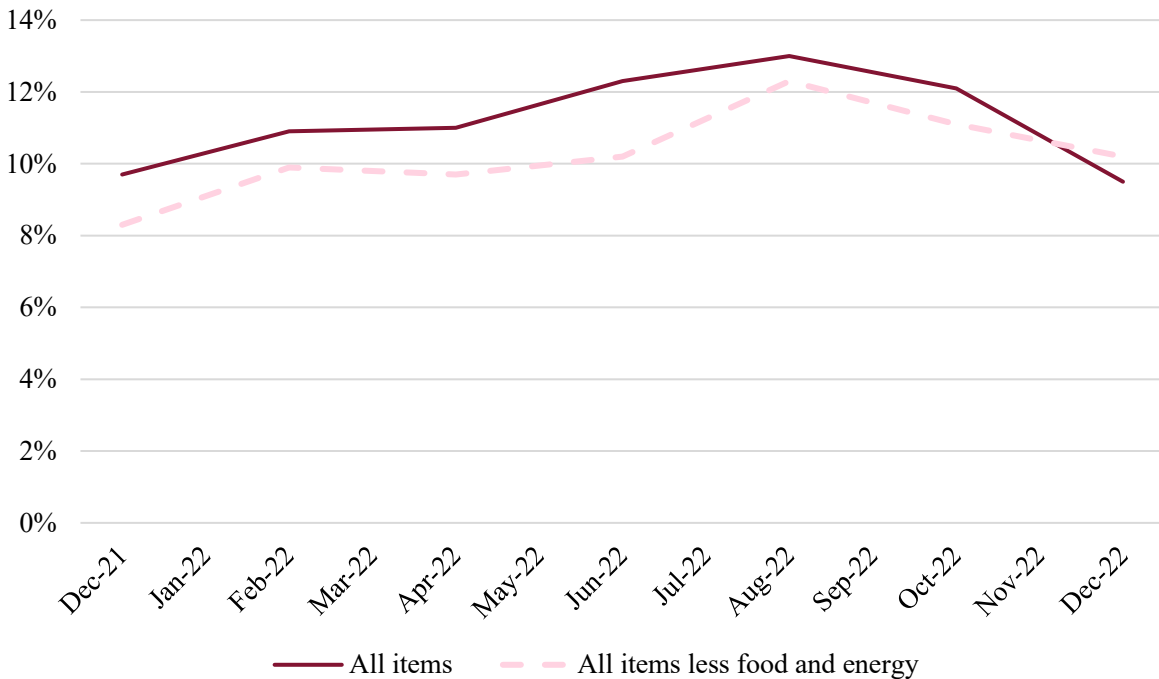
Figure 11 illustrates that the rate of inflation peaked at 13.0 percent for all items and 12.3 percent for all items less food and energy in August 2022 (compared to August 2021), while decreasing to 9.5 percent for all items and 10.2 percent for all items less food and energy as of December 2022 (compared to December 2021).

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<sup>28</sup> United States Bureau of Labor Statistics. (December 2022). Consumer Price Index, Phoenix Area. Retrieved February 2023 from [https://www.bls.gov/regions/west/news-release/consumerpriceindex\\_phoenix.htm](https://www.bls.gov/regions/west/news-release/consumerpriceindex_phoenix.htm).

<sup>29</sup> Social Security Administration. (October 2022). Retrieved February 2023 from <https://blog.ssa.gov/social-security-benefits-increase-in-2023/>

**Figure 11: Over-the-year percent change in CPI-U, Phoenix-Mesa-Scottsdale, AZ, December 2021 – December 2022**



## Housing

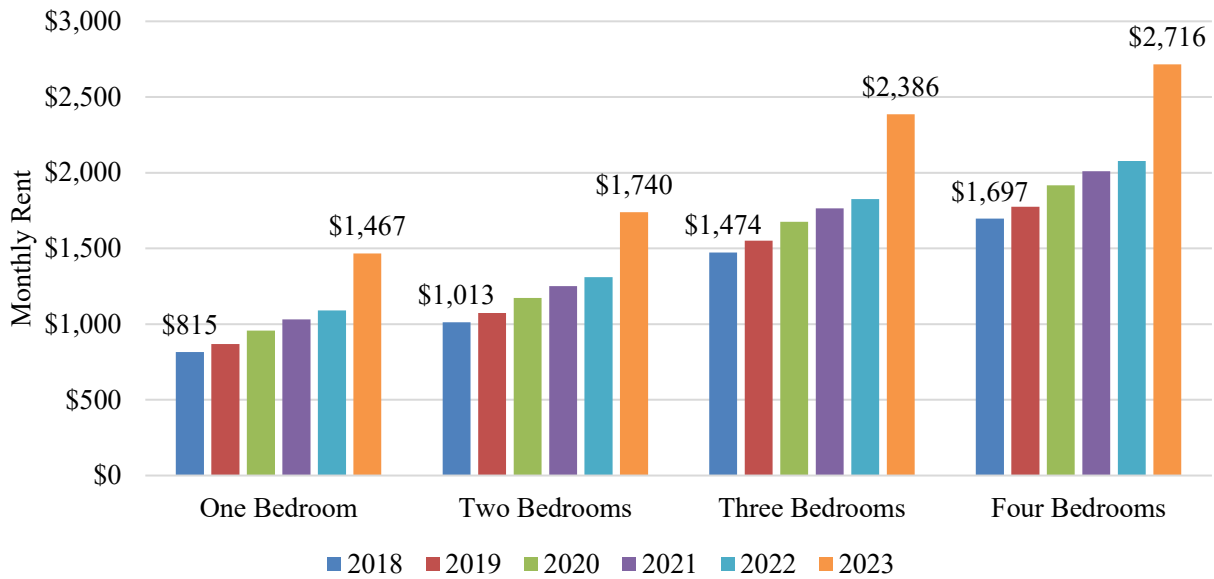
A review of the City’s housing market found that both the sales and rental markets continue to become less affordable for low-income families and residents. The median sales price for a single-family home increased from \$397,000 in April 2022 to \$400,426 in February 2023, an increase of 0.9 percent. This represents a much slower pace of growth than reported in the 2022 Community Assessment, but still renders the sales market unaffordable to many families earning the City’s median income.<sup>30</sup>

Although housing costs for home buyers increased only slight in the last year, the cost of rent increased substantially. The monthly fair market rent (FMR) increased between 30.7 percent for a 4-bedroom home to 34.5 percent for a 1-bedroom home in 2023 compared to the FMRs reported in the 2022 Community Assessment, as illustrated in Figure 12.<sup>31</sup>

<sup>30</sup> Zillow. (February 2023). Phoenix Home Prices & Values. Retrieved February 2023 from <https://www.zillow.com/home-values/40326/phenix-az/>.

<sup>31</sup> U.S. Department of Housing and Urban Development. (2023). Fair Market Rents. Retrieved from [https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2023\\_code/2023summary.odn](https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2023_code/2023summary.odn). Note: the FMR is currently set at the 40<sup>th</sup> percentile, which is the dollar amount below which 40 percent of the standard-quality rental housing units are rented.

**Figure 12: Fair Market Rents by Home Size, 2018 - 2023 (Phoenix MSA)**



The United States Department of Housing and Urban Development (HUD) identifies a “severe rent burden” as more than 50 percent of a household’s income spent on rent, making it more difficult to afford other expenses, such as food, clothing, transportation, and medical care.<sup>32</sup> The monthly income for a family of four living at the 2023 poverty level is \$2,500, which means that a family would have to use nearly 70 percent of their income to rent a 2-bedroom home at the current FMR, while a 3-bedroom home would require 95 percent of the family’s monthly income.

The Housing Opportunity Index (HOI) measures the share of homes sold in an area that are affordable for a family earning the local median income, based on standard mortgage underwriting criteria.<sup>33</sup> Since 2012, when more than 80 percent of the homes were affordable for families earning the City’s median income, the index has declined precipitously to 18.3 as of the fourth quarter of 2022.<sup>34</sup>

The City’s Housing Department manages 1,045 public housing units and more than 4,100 affordable housing units, and administers over 7,300 Section 8 housing vouchers. However, the

<sup>32</sup> U.S. Department of Housing and Urban Development. (n.d.). Rental Burdens: Rethinking Affordability Measures. Retrieved from [https://www.huduser.gov/portal/pdredge/pdr\\_edge\\_featd\\_article\\_092214.html#:~:text=HUD%20defines%20cost%2Dburdened%20families,of%20one's%20income%20on%20rent.](https://www.huduser.gov/portal/pdredge/pdr_edge_featd_article_092214.html#:~:text=HUD%20defines%20cost%2Dburdened%20families,of%20one's%20income%20on%20rent.)

<sup>33</sup> Wells Fargo and the National Association of Home Builders. Housing Opportunity Index (4th Quarter Reports – 2022). Retrieved from <https://www.nahb.org/News-and-Economics/Housing-Economics/Indices/Housing-Opportunity-Index.>

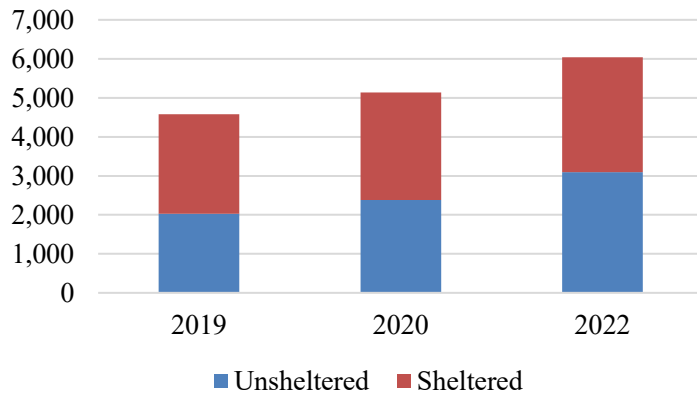
<sup>34</sup> National Association of Home Builders and Wells Fargo – Housing Opportunity Index. (December 2022). HOI by Affordability Rank. Retrieved February 2023 from <https://www.nahb.org/-/media/NAHB/news-and-economics/docs/housing-economics/hoi/2022-q4/7-rank-by-region-2022q4.xlsx>.



demand for affordable housing continues to exceed the supply the City is able to support. For example, as of January 2023, there were approximately 2,200 individuals on the waiting list for the City’s Section 8 vouchers.

As shown in Figure 13, the number of individuals experiencing homelessness in Phoenix grew from 4,578 in 2019 to 6,038 in 2022, a 31.9 percent increase based on the annual point-in-time count.<sup>35</sup> The number of homeless individuals who were unsheltered increased from 2,030 in 2019 to 3,096 in 2022, a 52.5percent increase, which is an indication that additional shelter supports are needed. To help address this issue, The City of Phoenix, in partnership with the county and other agencies, created 592 new shelter beds in 2022 and has 800 more in the pipeline over the next two years.<sup>36</sup>

**Figure 13: Individuals Experiencing Homelessness in Phoenix**



The Centers for Disease Control and Prevention’s (CDC) moratorium on evictions expired on August 26, 2021. The moratorium prevented landlords from evicting tenants if the tenant met certain criteria, such as recently losing a job, incurring extraordinary out-of-pocket medical expenses, and when eviction might result in homelessness.<sup>37</sup> Figure 14 illustrates the number of eviction filings in Maricopa County between January 2020 and January 2023.<sup>38</sup> As the figure shows, as of July 2022, the number of evictions began to exceed the peak in January 2020 (for evictions occurring in the period), and more than 7,000 eviction filings were made as of January 2023.

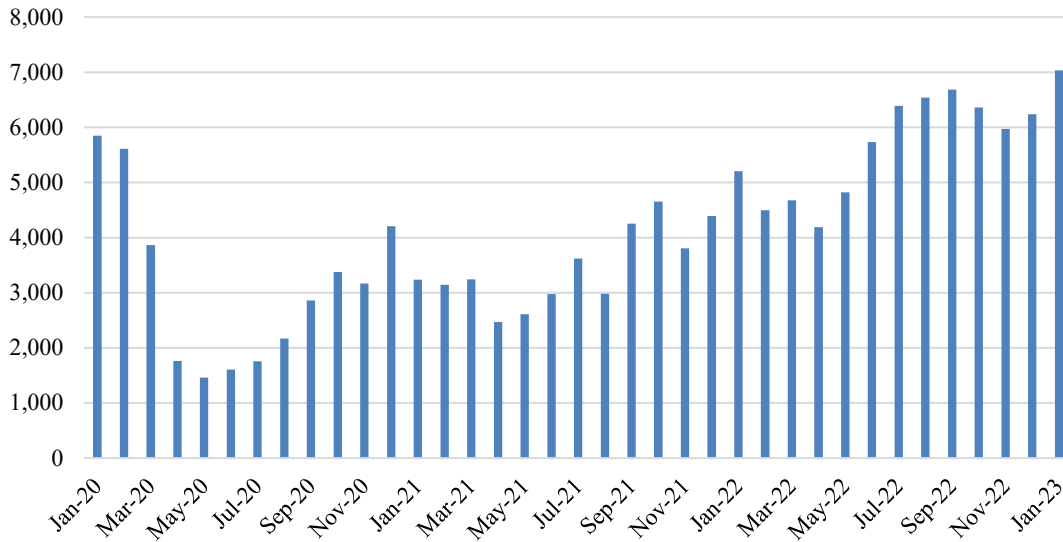
<sup>35</sup> Maricopa Association of Governments. (2022). 2022 Point-in-Time (PIT) Count Report – Maricopa Regional Continuum of Care. Retrieved from <https://azmag.gov/Portals/0/Documents/MagContent/2022-PIT-Count-Report-Final.pdf?ver=mHByGa3hHNtmeOOfMZxtA%3d%3d>. Due to the pandemic, the 2021 Point-in-Time Count was canceled.

<sup>36</sup> Arizona Republic Article: Homelessness office is prioritizing shelter beds.

<sup>37</sup> Arizona Supreme Court. (n.d.). COVID-19 Processing Eviction Matters. Retrieved May 2021 from <https://www.azcourts.gov/selfservicecenter/Landlord-Tenant-Disputes-Eviction-Actions/COVID-19-Processing-Eviction-Matters> (see also form AOC EAGN23F-040521 – Declaration to Landlord for a Temporary Halt in Residential Eviction).

<sup>38</sup> Eviction Lab. (n.d.). Changes in Eviction Filings in Maricopa County. Retrieved February 2023 from <https://evictionlab.org/eviction-tracking/phoenix-az/>.

**Figure 14: Eviction Filings in Maricopa County (January 2020 - January 2023)**



## Nutrition

One area that demonstrates the continuing impact of the COVID-19 pandemic is the significant increase in the number of families receiving Supplemental Nutritional Assistance Program (SNAP) benefits. Prior to the pandemic in February 2020, 193,844 households in Maricopa County received SNAP benefits; as of April 2021, there were 240,532 households receiving benefits, an increase of 24.1 percent.<sup>39</sup> Since April 2021, there was a slight decrease in the number of households receiving SNAP benefits – a total of 229,322 households as of December 2022, a 4.6 percent decrease.<sup>40</sup> An additional impact on SNAP households was the end of federal emergency allotment (EA) in April 2022. The EA benefit was \$95 per month, on average this was a 20% reduction for family’s monthly SNAP benefit.<sup>41</sup>

Additionally, families continue to face rising food prices as a result of economic inflation. For example, food prices increased by 10.6 percent overall from December 2021 to December 2022, while costs for meals prepared at home increased by 11.2 percent over the same period.<sup>42</sup>

<sup>39</sup> Arizona Department of Economic Security. Family Assistance Administration Statistical Bulletins for February 2020 and April 2021. Retrieved June 2021 from <https://des.az.gov/documents-center?qt-content-tab=1>.

<sup>40</sup> Arizona Department of Economic Security. Family Assistance Administration Statistical Bulletins for December 2022. Retrieved January 2023 from <https://des.az.gov/documents-center?qt-content-tab=1>.

<sup>41</sup> Ibid.

<sup>42</sup> United States Bureau of Labor Statistics. (December 2022). Consumer Price Index, Phoenix Area – December 2022. Retrieved February 2023 from [https://www.bls.gov/regions/west/news-release/consumerpriceindex\\_phoenix.htm#table1](https://www.bls.gov/regions/west/news-release/consumerpriceindex_phoenix.htm#table1).

An important nutritional support for Phoenix’ low-income older residents is HSD meal service program, in which HSD operates a home-delivered meals program for low-income homebound residents aged 60 years and older and to disabled adults, providing 300,000 meals annually. In addition, HSD provides daily meals at its 15 senior centers.<sup>43</sup>

## Health

Since the 2022 Community Assessment when it was reported that 87.0 percent of all Phoenix residents, and 93.0 percent of all children under 6 had health insurance, the health insurance rates among all residents declined by 1.8 percentage points, to 85.2 percent, but increased slightly by 0.3 percentage points to 93.3 percent for children under 6.<sup>44</sup>

Mental health issues increased significantly during initial stages of the COVID-19 pandemic with people experiencing anxiety, depressions, and suicidal thoughts.<sup>45</sup> Mental Health America, a community-based non-profit group, ranks states based on multiple mental health-related metrics for adults and youth, measuring the prevalence of mental health illnesses as well as mental health supports available within each state. Rankings are based on a combination of factors, including the number of individuals with substance use disorders, number of individuals with any mental illness who did not receive treatment or who are uninsured, and other metrics. Figure 15 illustrates the State’s 2022 rankings as reported in the 2022 Community Assessment compared to the 2023 rankings overall and for select measures.

**Figure 15: Arizona’s Mental Health Rankings for Adults and Youth<sup>46</sup>**

	<b>Arizona 2022 Ranking</b>	<b>Arizona 2023 Ranking</b>
<b>Adult Measurements</b>		
<i>Overall ranking</i>	35th	49th
Any mental illness (AMI)	18th	42nd
Substance use disorder in past year	9th	28th

<sup>43</sup> City of Phoenix Human Service Department data (2023).

<sup>44</sup> American Community Survey. (2021 1-Year Estimate). Table S2701: Selected Characteristics of Health Insurance Coverage in the United States (Phoenix City).

<sup>45</sup> Mental Health America. COVID-19-19 and Mental Health: A Growing Crisis. Retrieved from <https://mhanational.org/sites/default/files/Spotlight%202021%20-%20COVID-19-19%20and%20Mental%20Health.pdf>

<sup>46</sup> Mental Health America. The State of Mental Health in America 2022 (retrieved from <https://mhanational.org/sites/default/files/2022%20State%20of%20Mental%20Health%20in%20America.pdf>) and The State of Mental Health in America 2023 (retrieved from <https://mhanational.org/sites/default/files/2023-State-of-Mental-Health-in-America-Report.pdf>).

Serious thoughts of suicide in past year	36th	49th
AMI but did not receive treatment	37th	50th
AMI reporting an unmet need	42nd	49th
<b>Youth Measurements</b>		
<i>Overall ranking</i>	49th	29th
Substance use disorder in the past year	40th	15th
At least one major depressive (MDE) episode in the past year	43rd	25th
Severe major depressive episode	28th	30th
MDE but did not receive mental health services	48th	28th
Severe MDE but received some consistent treatment	47th	32nd
Students identified with emotional disturbance for an individualized education plan	27th	27th

As the table indicates, Arizona’s standing in supporting adults with mental health challenges decreased significantly between 2022 when the State ranked 35<sup>th</sup> to 2023 when the state slipped to 49<sup>th</sup> overall. Conversely, Arizona’s ranking for supporting youth with mental health challenges improved significantly between 2022 when the State ranked 49<sup>th</sup> to 2023 when the State ranked 29<sup>th</sup>. Supports such as the Arizona Department of Education \$21 million in federal emergency funding for schools to provide counselors and social workers are needed to help support improving mental health for students.<sup>47</sup>

The nationwide suicide and crisis hotline, 988, launched in late 2022 in the first four months of operation call in the Phoenix area the hotline has averaged over 17,000 calls a month and over 2,300 mobile team dispatches.<sup>48</sup>

Enrollment in AHCCCS among residents of Maricopa County was relatively stable between January 2019 and March 2020, when total enrollment was just under 1.1 million residents. As a result of the pandemic, enrollment continually increased each month from April 2020 through May 2021, when total enrollment reached 1.3 million residents which is an increase of 19.8 percent. Since May 2021, enrollments in Maricopa County have continued to climb, reaching nearly 1.5 million residents as of February 2023, as illustrated in Figure 15.<sup>49</sup> During the pandemic, states suspended eligibility redeterminations so individuals with prior determinations

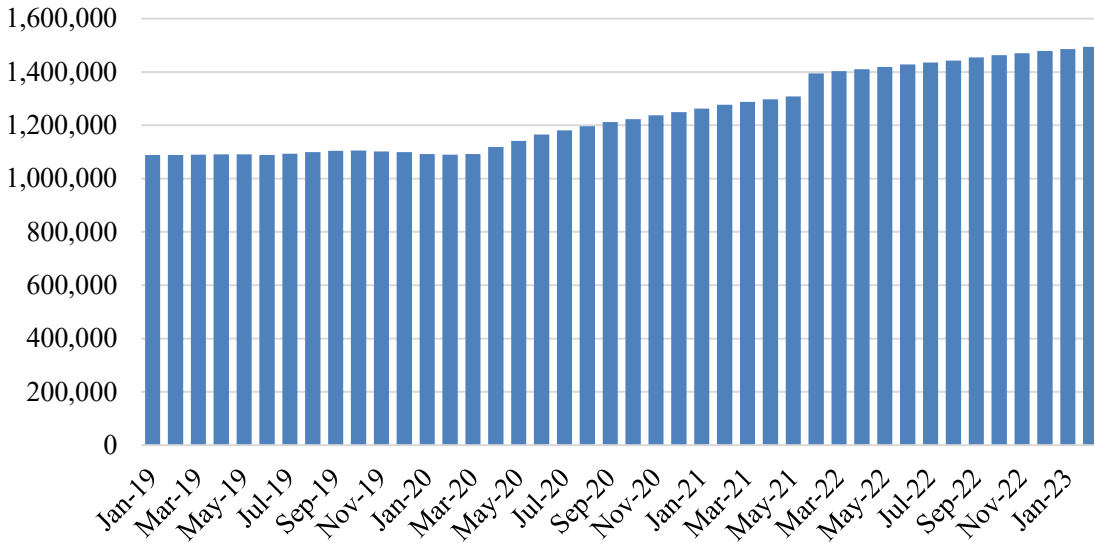
<sup>47</sup> Mental Health Parity Collaborative, a national partnership between AZCIR and The Carter Center’s Rosalynn Carter Fellowships for Mental Health Journalism. (July 2022).

<sup>48</sup> Solari Crisis and Human Services Dashboard. Retrieved from <https://public.tableau.com/app/profile/crisis.network/viz/AZ600StatewideDashboard/AZ600StatewideDashboard>

<sup>49</sup> Arizona Health Care Cost Containment System. Population by County reports (as of February 2023). Retrieved from <https://www.azahcccs.gov/Resources/Reports/population.html>.

did not lose medical coverage; however, beginning in March 2023, AHCCCS will resume eligibility redeterminations. AHCCCS estimates that more than 375,000 people in Maricopa County (more than 25 percent of the enrolled members) will lose AHCCCS medical coverage over the next year.<sup>50</sup>

**Figure 15: AHCCCS Enrollment of Maricopa County Residents, January 2019 - February 2023**



## Emergency Services

Emergency assistance services funded through federal programs such as the Low Income Home Energy Assistance Program (LIHEAP), Community Services Block Grant (CSBG), and Temporary Assistance to Needy Families (TANF) are intended to keep families out of poverty. The need for HSD services has always been significantly greater than available resources. Fiscal year 2023 funding levels for the ongoing major emergency service HSD grants are described below:

- The Low Income Home Energy Assistance Program (LIHEAP), which is administered by the City of Phoenix HSD, helps elderly and low-income people pay their heating and power bills. LIHEAP funding is \$3.4 million.<sup>51</sup>

<sup>50</sup> Arizona Republic. February 20, 2023. ‘It’s huge’: Starting April 1, more than 650,000 Arizonans Could Lose Medicaid Coverage

<sup>51</sup> Arizona Department of Economic Security. State Fiscal Year 2023 Community Action Alerts (December 11, 2020 and June 6, 2022). Retrieved January 2023 from <https://des.az.gov/>.

- The Community Services Block Grant (CSBG) funds various anti-poverty services, including assistance with rent and utility payments. CSBG base funding was \$1.47 million in fiscal year 2023.
- Temporary Assistance for Needy Families (TANF) provides rent and utility assistance to low-income families in order to help them meet their living expenses. This funding has remained constant at \$985,710 annually.
- The Low Income Household Water Assistance Program provides funds to assist low-income households with water and wastewater bills. Funding is approximately \$260,000 per year and is estimated to serve 680 households annually.
- The Emergency Food Assistance Program (TEFAP) provides funding for food boxes for families. HSD is expected to serve over 1,000 households in fiscal year 2023 and 1,100 households in 2024.
- HSD receives funding of approximately \$94,000 annually from local utility companies (SRP and Southwest Gas) which provides utility assistance to almost 300 households.

Throughout the COVID-19 pandemic, the City received millions of dollars in one-time federal funds that enabled HSD to provide enhanced services to families and individuals in need. Much of the one-time funds have been expended or are planned to be fully expended by the end of 2023. The loss of this funding will significantly reduce the amount of families HSD can serve. For fiscal years 2023 and 2024, it is anticipated the following one-time funding will be available:

- Federal Emergency Rental Assistance (ERA) funds of \$30 million will be utilized to further assist residents with the cost of rent and home utilities. This funding is expected to be fully expended by June 30, 2023 and HSD will serve 3,800 household with rental assistance and 2,400 households with utility assistance.<sup>52</sup>
- American Rescue Plan Act (ARPA) funding is providing approximately \$400,000 for fiscal years 2023 and 2024 that will allow HSD to provide rental assistance to 50 clients and utility assistance to 36 clients with funds fully expended in 2024.<sup>53</sup>
- ARPA LIHEAP funding in the amount of \$1.34 million will allow HSD to provide utility assistance to almost 1,700 households.<sup>54</sup> It is anticipated this funding will be expended by June 30, 2023.
- Housing Opportunities for Persons With AIDS (HOPWA) in the amount of \$200,000 will be utilized in fiscal year 2024 for housing assistance.

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<sup>52</sup> City of Phoenix Human Service Department data (2023).

<sup>53</sup> Ibid.

<sup>54</sup> Ibid.

## Conclusion

Since the 2022 Community Assessment, Phoenix has continued to rebound from the effects of the COVID-19 pandemic in several key economic areas including job growth of 4.0 percent, an unemployment rate of only 2.7 percent, continued decreases in the overall poverty rate, and increased household incomes. A healthy job market and increased minimum wage coupled with supplemental income supports provided through pandemic-era funding such as the CARES Act, ERA, and ARPA have contributed to improvements in the lives of individuals and families across the City. For example, this funding has provided financial relief for many to assist with the cost of child care, rent, utilities, and nutrition-related benefits such as enhanced SNAP. However, much of the one-time funding provided through pandemic-era federal grants will end in near future.

The landscape for early learning also shows various signs of improvement and support through programs like the DES Child Care subsidy, with a rate structure that continues to reward higher quality, and the FTF Quality First program, which provided nearly 1,900 scholarships to children in Phoenix to attend a high-quality child care program. However, there is growing need for Head Start and Early Head Start services as evidenced by the current funding supporting only 26.9 percent of eligible Head Start children and 3.0 percent of eligible Early Head Start children. A slight decrease in the percentage of children attending a preschool program in the City since the 2022 Community Assessment may be more closely related to the effects of the pandemic rather than a trend that will continue, but should be monitored to better understand the causes and potential impacts to the City's youngest residents.

The sharp rates of inflation in the past year, particularly the rise in housing, energy, and food-related costs continue to strain individual and family budgets despite these economic gains. Low-income households that have little discretionary income to address these rising costs, will continue to rely upon publicly funded supports offered through HSD and other local, state, and federal programs to supplement household income and meet their basic needs. Therefore, HSD services will continue to play a critical role in the lives of low-income families and individuals throughout the City.