

April 23rd, 2025

The Honorable John Thune Majority Leader U.S. Senate Washington, DC 20515

The Honorable Mike Johnson Speaker U.S. House of Representatives Washington, DC 20515 The Honorable Chuck Schumer Minority Leader U.S. Senate Washington, DC 20515

The Honorable Hakeem Jeffries Minority Leader U.S. House of Representatives Washington, DC 20515

Dear Leaders Thune and Schumer, Speaker Johnson, and Leader Jeffries,

As the House and Senate embark on drafting legislation through budget reconciliation, we urge you to focus on what families and caregivers need: affordable and accessible care at every stage of life. One of the most significant ways lawmakers can help workers and families is by investing in programs that support giving and receiving the essential care that every family, community, and our entire economy relies on. This means both rejecting cuts to essential services that families rely on to make ends meet, like Medicaid, the Supplemental Nutrition Assistance Program (SNAP), the Social Service Block Grant (SSBG) and Temporary Assistance to Needy Families (TANF), and preserving revenue that could be used to make care investments by declining to give any more tax breaks for the wealthiest and big corporations.

All of us will care for someone, or need care for ourselves, at some point in our lives. Care is one of the highest and fastest-growing costs for families. Child care is the <u>second-largest expense</u> for many families in the U.S., and in many metropolitan areas <u>costs more than rent</u> for a two-bedroom apartment. For disabled people, older adults, and their families who need care, the median monthly cost of in-home care for 40 hours per week or in an assisted living facility is upwards of <u>\$5,000 per month</u>. And the lack of paid leave pushes many caregivers out of the labor force, putting a strain on families' finances, time, and mental health. A national paid family and medical leave program would put <u>\$8,700</u> back into the pocket of a typical worker who needs 12 weeks of leave to care for themselves or their family. The high cost of care makes it harder for families to make ends meet, save for the future, and take care of themselves and

their loved ones. Millions of families are struggling unnecessarily with the high cost of care, while the care workforce remains underpaid and undervalued.

Prioritizing public investments in care is not only an urgent need for families, but also would strengthen the broader economy. Robust spending on care supports, including comprehensive paid family and medical leave, child care, and aging and disability care, could increase economic output by \$775 billion per year as a result of increased labor force participation by women. It would also create millions of jobs and support employers by providing a more stable workforce.

Yet, lawmakers are considering severe cuts to programs that women and families depend on, such as Medicaid, SNAP, SSBG and TANF. These cuts would eliminate vital supports that help people meet basic needs. Cuts would not only increase the costs of healthcare, food, aging and disability care, and child care for families, but also put additional strain on state budgets. For example, Republican leaders' proposed cuts to SSBG and TANF would eliminate child care for 40,000 children and disrupt care for millions more. In addition, Medicaid is the largest source of federal funding for states, making up nearly one-third of state budgets. One in five people rely on Medicaid, including 2 in 5 children. Medicaid pays for 40% of births and is also the primary source of funding for aging and disability care, including in homes and communities. Without federal Medicaid funding, states will have no choice but to make drastic cuts to essential care services, affecting not only families who currently receive services but also those who are on waiting lists for home and community-based care due to decades of underinvestment. The state budget shortfalls caused by slashing Medicaid funding would also threaten a wide range of state resources and services that families need to survive.

Proposed cuts would also disrupt the economy more broadly by spurring job losses, hospital closures, and reduced consumer spending. Research shows that the 2017 tax law did not boost wages for workers or generate economic growth. In the 10-year window from its passage, the law will have caused a loss of \$1.9 trillion dollars of federal tax revenue – money the federal government could have used for public goods and services that support healthy, thriving communities. Recent analysis likewise shows that extending the expiring provisions of the 2017 law would slow long-term economic growth.

We urge you to abandon the failed strategy of doubling down on tax cuts for the wealthiest and big corporations. Billionaires and large corporations do not need more tax giveaways. The rest of us will not benefit, and indeed will bear the brunt of the high cost of these additional tax cuts, especially if they come at the expense of essential services and supports. Spending cuts at the scale that these budget proposals request means millions of families across the country will experience significant harm. Moreover, even as some may try to minimize the cost of these new

tax cuts for the top with budget tricks or inflated, unrealistic projections of economic growth, it is clear that caregivers, older adults, people with disabilities, and families already struggling to make ends meet will experience more economic hardship—both in the short term due to cuts to programs and rising interest rates, and in the long term as revenue losses delay crucial investments that would reduce care costs and support care workers.

In addition to misrepresenting the real costs of their budget proposal, some Republicans in Congress have been publicly floating small tax changes that purport to help families. However, small provisions that would offset a portion of care costs or reduce taxes on certain kinds of income offer limited help for families who are experiencing deep economic pain. Tax tweaks like these are no substitute for the kinds of large-scale federal investments in care that are needed to make meaningful progress for families and allow them to take care of themselves and their loved ones. Additionally, these minor provisions do little to offset the expansive harm this bill would cause to families and are unlikely to mitigate negative effects on the economy that will result from extending and expanding tax cuts at the top.

We urge you to reject tax giveaways to the wealthiest individuals and largest corporations and prioritize investments in care to meaningfully lower costs for families.

Specifically, we urge you to:

- Reject cuts to critical programs that families rely on. Programs like Medicaid, the Supplemental Nutrition Assistance Program (SNAP), SSBG and TANF are essential for older adults, people with disabilities, veterans, and more to afford health care, food, caregiving, and other basic needs. We urge you to reject any and all cuts to these and other critical basic needs programs.
- Reject more tax cuts for billionaires and instead raise revenue. In order to support the care investments of the kind and at the scale families and our economy need, lawmakers must raise significant revenue by making sure those at the top pay their fair share. Some estimates have found that President Trump's tax proposals would increase the debt by almost \$8 trillion over a 10 year-period. Rather than squander public dollars on more tax cuts for billionaires, we urge you to allow the expiring provisions of the Tax Cuts and Jobs Act for households with incomes above \$400,000 to sunset, reject new tax proposals that overwhelmingly benefit the wealthiest, and instead enact tax proposals that would make the wealthiest individuals and corporations pay a fairer share of taxes. Doing so would raise more public dollars to support long-overdue investments, like care.
- Make direct investments in care infrastructure. The trillions of dollars it would take to
  extend the expiring 2017 tax provisions and enact other provisions proposed by
  President Trump would be more than enough to build a comprehensive care

infrastructure in the country. For example, a national paid family and medical leave program would cost an estimated \$457 billion over 10 years, and transformative investments in Medicaid home and community-based services and child care and early learning are estimated to cost \$400 billion and \$700 billion respectively. These kinds of investments would total a fraction of what the costs of extending tax cuts would be. More importantly, they would mean that people with disabilities and older adults can live and age with dignity; the care workforce is fairly compensated; workers can take paid time off to take care of themselves and their loved ones; and every family has access to affordable, high quality child care options. In addition to reserving revenue for direct investments in care, the Senate Finance Committee and House Ways & Means Committee have jurisdiction over mandatory child care money and could increase funding for the Child Care Entitlement for States (CCES). This would provide states with more resources to both lower costs for families and build the supply of care.

 Understand that tax credits for families needing care are not a substitute for care investments - or a magic wand that makes extending the 2017 tax law as a whole work for everyday families. Some tax proposals that are related to care, like tax credits for employers who offer child care or paid leave benefits, or a proposed tax credit for caregivers, do not meaningfully address the care crisis and forego revenue that could be put to better use. For instance, 45S offers no evidence of expanding access to paid leave and further disadvantages small businesses in favor of the wealthiest corporations. Expanding some tax policies can help mitigate the cost of care, particularly if the expansions are targeted at families with the lowest incomes - such as increasing the refundability of the Child and Dependent Care Tax Credit (CDCTC) and the Child Tax Credit (CTC), or increasing the size and availability of the Earned Income Tax Credit (EITC) for workers with very low incomes who do not claim children on their tax return. But even the most generous tax credits are an incomplete solution to the care crisis: they are insufficient to fully meet families' care costs, do not help increase the supply of care, are poorly targeted to providers, and are insufficient to ensure that the underpaid workforce can support themselves and their families with dignity. We urge you to focus on policy solutions that comprehensively address care systems.

Unfortunately, for decades, our nation has failed to support public investments in care, resulting in too many families, older adults, and disabled people struggling to access and afford care that meets their needs. As a result, women and people of color disproportionately shoulder unpaid caregiving responsibilities, often at the expense of their own economic security, and make up the vast majority of the underpaid and undervalued care workforce.

The decisions you make during the 2025 tax debate will mean the difference between lowering the cost of care for families, and worsening their struggles to make ends meet by making them –

and future generations – pay for even more tax cuts for billionaires. We urge you to craft legislative policies and proposals that support families, lower costs, and lay the groundwork for robust and widely-shared economic success by rejecting cuts to basic needs programs and any more tax cuts for the wealthiest and big corporations.

If you have any questions, please contact Jaimie Worker (<a href="mailto:jaimie@caringacross.org">jaimie@caringacross.org</a>) or Amy Matsui (<a href="mailto:jaimie@nwlc.org">jaimie@caringacross.org</a>) or Amy Matsui (<a href="mailto:jaimie@nwlc.org">jaimie@caringacross.org</a>) or Amy Matsui (<a href="mailto:jaimie@nwlc.org">jaimie@nwlc.org</a>).

## Sincerely,

A Better Balance

Accountable US

Access Ready Inc.

AFL-CIO

**AFSCME** 

AgeGuide Northeastern IL

Alabama Arise

Alianza Americas

All Our Kin

Alliance for Quality Education

Allies for Independence

American Association of People with Disabilities (AAPD)

American Association of University Women

American Friends Service Committee

American Muslim Health Professionals

Americans for Financial Reform

Americans for Tax Fairness (ATF)

Arizona Center for Empowerment

**Articulations Consulting** 

**Asset Building Strategies** 

Association of People Supporting Employment First

Association of University Centers on Disabilities

Autistic People of Color Fund

Autistic Women & Nonbinary Network

**Bell Policy Center** 

Black Californians United for ECE

**Black Voters Matter Fund** 

**Boone County Council on Aging** 

California Child Care Resource & Referral Network

California Alliance for Retired Americans

Campaign for a Family Friendly Economy

Care in Action

**Caring Across Generations** 

Catholics Vote Common Good

Center for Economic and Policy Research

Center for Law and Social Policy (CLASP)

Center for the Study of Social Policy

Center on Policy Initiatives

Center for WorkLife Law

Central Coast Early Childhood Advocacy Network (CCECAN)

Child Care for Every Family Network

Child Care Law Center

Children's Council of San Francisco

Children's Defense Fund

Children's Defense Fund - Texas

Children's HealthWatch

Coalition on Human Needs

Colorado Fiscal Institute

Common Good Iowa

CommunicationFIRST

**Community Catalyst** 

**Community Change Action** 

Connecticut Voices for Children

**Cupit's Angel Wings** 

DC Action

**Disability Belongs** 

**Detroit Disability Power** 

Disability Rights California

Disability Rights Education and Defense Fund

**Diverse Elders Coalition** 

**Economic Opportunity Institute** 

**Economic Security Project Action** 

**Epilepsy Foundation of America** 

**Equal Rights Advocates** 

**Excessive Wealth Disorder Institute** 

Fair Share America

Families USA

Family Forward

Family Values @ Work

Family Values @ Work Action

**Feminist Majority** 

First 5 Monterey County

Food Bank of Northern Nevada

**Futures Without Violence** 

Georgia Budget and Policy Institute

**Georgia Values Action** 

Girls for Gender Equity

**Going Home Coalition** 

Hand in Hand: The Domestic Employers Network

Hawaii Children's Action Network Speaks!

**Health Care Voices** 

**Housing Action Illinois** 

Indiana Community Action Poverty Institute

Indivisible

Indivisible Marin

Illinois Alliance for Retired Americans

Institute for Policy Studies, Poverty Project

Institute for Women's Policy Research

Institute on Taxation and Economic Policy

**ISAIAH Minnesota** 

Jewish Women International

Jumpstart for Young Children

**Just Solutions** 

Justice + Joy National Collaborative

Justice in Aging

Kindred Futures

**Little Lobbyists** 

Long Beach Gray Panthers

Main Street Alliance

Maine Center for Economic Policy

Maine People's Alliance

Maine Women's Lobby

Make the Road Nevada

Maryland Center on Economic Policy

Maui Economic Opportunity, Inc.

Medicare Rights Center

Michigan's Children

Michigan Elder Justice Initiative

Michigan League for Public Policy

Michigan Voices

Missouri Jobs with Justice

MomsRising

MoveOn

Multicultural Child Family Center

National Association for Family Child Care

National Association of Councils on Developmental Disabilities

National Association of Social Workers (NASW)

National Coalition for the Homeless

National Committee to Preserve Social Security and Medicare

National Consumer Voice for Quality Long-Term Care

National Council of Jewish Women

National Disability Rights Network (NDRN)

National Domestic Workers Alliance

National Employment Law Project

National Health Law Program

National Organization for Women

National Partnership for Women & Families

National Resource Center on Domestic Violence

National Women's Law Center

National Women's Political Caucus

NC Budget & Tax Center

New Day Nevada

**New Disabled South** 

New Mexico Asian Family Center

**NBJC** 

**NETWORK Lobby for Catholic Social Justice** 

**New Jersey Citizen Action** 

New Jersey Time to Care Coalition

North Carolina Justice Center

Oakland Forward Action Fund

Ohio Organizing Collaborative

Organizers of Land Enrichment New Mexico

Our Revolution

Oxfam America

Paid Leave for All

Parent Voices California

**People Power United** 

PHI

Physicians for Reproductive Health

**Poder Latinx** 

Prevent Child Abuse New York

Progressive Leadership Alliance of Nevada

**Project Matriarchs** 

Public Advocacy for Kids (PAK)

Region 9 Head Start Association

RootsAction.org

Safe & Sound

San Diego for Every Child

San Francisco Senior and Disability Action

Service Employees International Union (SEIU)

Senior Disability Action

Shriver Center on Poverty Law

**Small Business Majority** 

State Revenue Alliance

Start Early Funders Coalition

Supermajority

T1 International

Take On Wall Street

The Arc of Illinois

The Arc Michigan

The Arc of the United States

The Kelsey

The National Domestic Violence Hotline

The Restaurant Opportunities Center of Pennsylvania (ROC PA)

The Restaurant Opportunities Centers United

Thrive Alabama

**UDW.AFSCME Local 3930** 

Ujima

UnidosUS

**United Church of Christ** 

**United Workers** 

Virginia Organizing

Voices of Health Care Action

**Voices for Progress** 

We Vote. We Win.

Well Spouse Association

West Pinellas NOW

Western New York Child Care Action Team

Women Employed

Working Partnerships USA

Zero to Five Montana