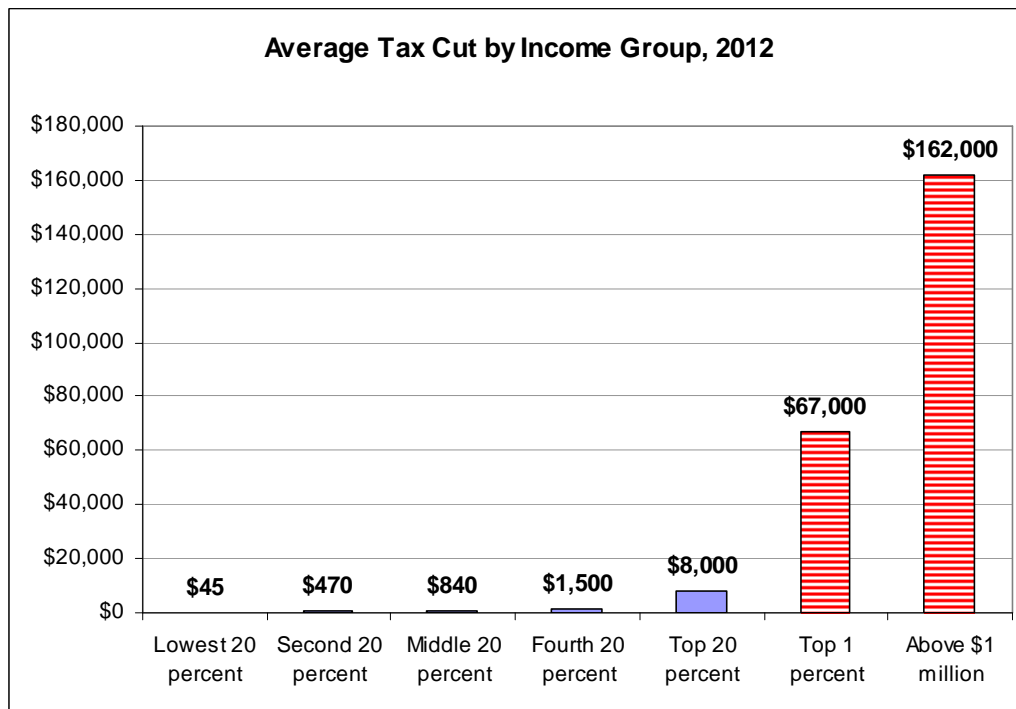


**Tax and Budget Issues Are Women's Issues:  
Sacrificing Women's Priorities to Pay for Tax Cuts for the Wealthy Few**

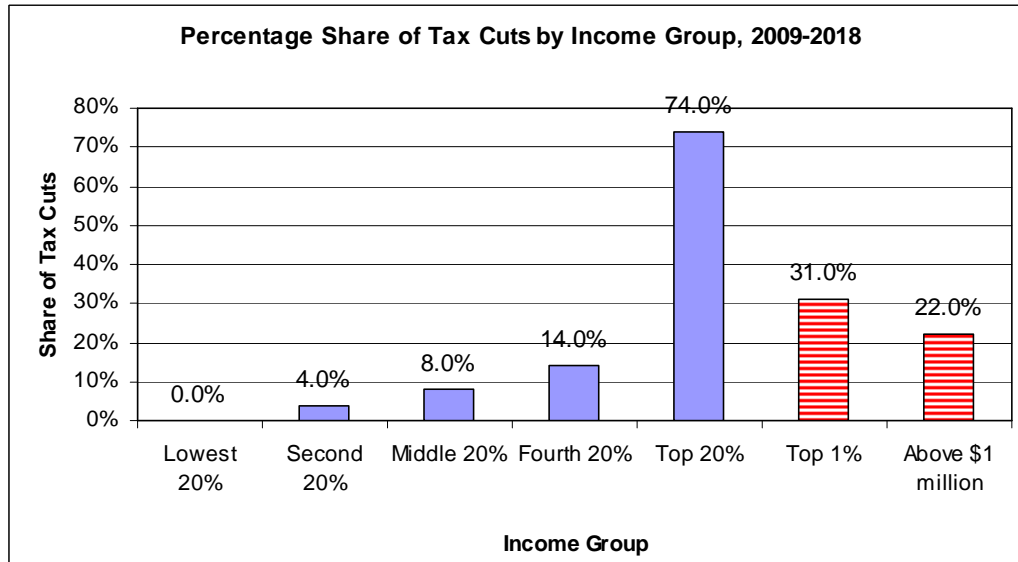
Between 2001 and 2006, huge tax cuts for high-income households and corporations have been enacted. At the same time, many programs funded through the federal budget for low- and moderate-income women and their families have been cut significantly. Together, federal tax and budget policy since 2001 has helped the very rich grow even richer, bringing inequality to record levels while sacrificing the needs of low-income women and their families.

**The 2001 – 2006 tax cuts overwhelmingly benefit the wealthy few.**

- Almost one quarter of single-mother families got nothing from the tax cuts in 2006.<sup>1</sup>
- If the tax cuts are made permanent, the top one percent of households (currently those with incomes above \$450,000) would receive over \$1.1 trillion in tax breaks between 2009 and 2018.<sup>2</sup>
- If the tax cuts are made permanent, millionaires would get an average tax cut of \$162,000 in 2012.<sup>3</sup>



- If the tax cuts are made permanent, the top one percent of households would receive 31 percent of the tax benefits, far more than the bottom 80 percent, who would get just one-quarter of the tax benefits.<sup>4</sup>



**The 2001 – 2006 tax cuts are extremely costly and are a primary cause of growing deficits.**

- By the Administration's own estimates, renewing the tax cuts which expire at the end of 2010 would cost \$2.1 trillion between 2009 and 2018.<sup>5</sup>
- Even this enormous sum grossly understates the full cost. When the price of added interest on the national debt and extending relief from the Alternative Minimum Tax (AMT) after 2009 is included, the cost of making the tax cuts permanent rises to more than \$4.3 trillion between 2009 and 2018.<sup>6</sup>
- The tax cuts already account for just over half of resurgent deficit spending since 2001.<sup>7</sup> The annual cost of the tax cuts when they are fully in effect will exceed the *combined* budgets of the Departments of Education, Homeland Security, Housing and Urban Development, Veterans' Affairs, State, Energy, and the Environmental Protection Agency.<sup>8</sup>

**Services vital to women and their families are being cut to help pay for tax cuts.**

Health care: Between 2002 and 2007, real funding for the Maternal and Child Health Block Grant (Title V) was cut by around 18%.<sup>9</sup> Title V-supported programs provide gap-filling prenatal health services for 2 million women and primary and preventive health care to more than 17 million children.<sup>10</sup>

Education and Job Training: Between 2002 and 2007, real funding for adult employment training programs under the Workforce Investment Act was cut by around 21%. Real funding for youth employment programs under the Workforce Investment Act was cut by around 28%.<sup>11</sup>

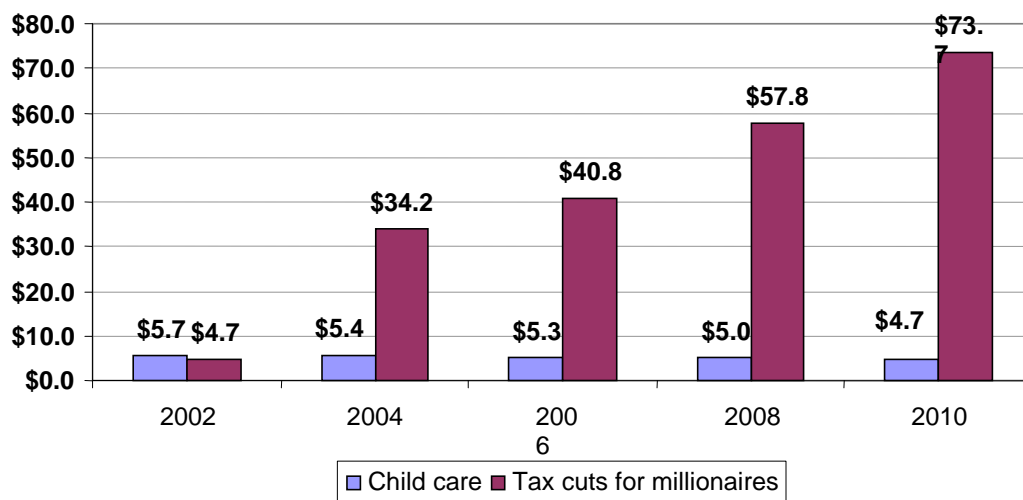
Food Assistance: Between 2002 and 2007, real funding for the Nutrition for the Elderly program was cut by 11%.<sup>12</sup>

### It's about priorities.

- **Tax cuts for the wealthy few or strengthening Social Security, the foundation of older women's economic security?** For about the cost of making the tax cuts for the top one percent permanent, we could close the long-term shortfall in Social Security.<sup>13</sup>
- **Tax cuts or services vital to women and their families?** The one-year cost of the tax cuts for the top one percent of households is more than twice as much as the cuts proposed in the President's FY 2009 budget for *all* domestic discretionary funding outside of homeland security.<sup>14</sup>
- **Tax cuts for millionaires or child care for working families?** While funding for the Child Care and Development Block Grant has declined in real terms, causing hundreds of thousands of children to lose child care assistance, spending on tax cuts for millionaires has soared.<sup>15</sup>

### Federal Funding for Child Care Through the CCDBG Has Declined While Spending on Tax Cuts for Millionaires Has Skyrocketed

(in billions of 2008 dollars)



## Critical choices lie ahead.

Most of the tax cuts enacted between 2001 and 2006 expire at the end of 2010. The next Administration and Congress face crucial decisions about tax and budget policies – and national priorities.

April 2008

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<sup>1</sup> NWLC calculations based on income data from U.S. Census Bureau, “Detailed Income Tabulations from the CPS, 2007 ASEC, Table FINC-03,” August 2007 [http://pubdb3.census.gov/macro/032007/faminc/new03\\_028.htm](http://pubdb3.census.gov/macro/032007/faminc/new03_028.htm).

<sup>2</sup> Aviva Aron-Dine, Center on Budget and Policy Priorities, “The Skewed Benefits of the Tax Cuts: With the Tax Cuts Extended, Top 1 Percent of Households Would Receive More than \$1.1 Trillion in Tax Benefits Over the Next Decade” (February 4, 2008).

<sup>3</sup> *Ibid.*

<sup>4</sup> *Ibid.*

<sup>5</sup> *President’s Fiscal Year 2009 Budget Request, Summary Table S-6*, February 4, 2008. Available at <http://www.gpoaccess.gov/usbudget/fy09/pdf/budget/tables.pdf>.

<sup>6</sup> Congressional Budget Office, *The Budget and Economic Outlook: Fiscal Years 2008 to 2018* (January, 2008).

<sup>7</sup> Center on Budget and Policy Priorities, “Tax Cuts: Myths and Realities” (November, 2007). This figure applies to budget deficits between 2001 and 2006. Increased military and homeland security spending account for most of the remaining deterioration in the budget.

<sup>8</sup> Aviva Aron-Dine, Center on Budget and Policy Priorities, “Extending the President’s Tax Cuts and AMT Relief Would Cost \$4.3 Trillion Through 2018” (February 1, 2008). This calculation compares the cost of the tax cuts if fully in effect in 2007 to the 2007 budgets of these agencies.

<sup>9</sup> Coalition on Human Needs, “Table 1. Many Services for Children, the Elderly, Workers, and People with Disabilities Have Been Cut Deeply Since 2002” (December 5, 2007) [“CHN, Table 1”]

<sup>10</sup> U.S. Department of Health and Human Services, Health Resources and Services Administration, Maternal and Child Health Bureau, “Understanding Title V of the Social Security Act,” *available at* <ftp://ftp.hrsa.gov/mchb/titlev/UnderstandingTitleV.pdf> (last visited March 19, 2008).

<sup>11</sup> CHN, Table 1.

<sup>12</sup> *Ibid.*

<sup>13</sup> Kris Cox and Richard Kogan, Center on Budget and Policy Priorities, “Long-Term Social Security Shortfall Smaller Than Cost Of Extending Tax Cuts For Top 1 Percent” (March 31, 2008), available at <http://www.cbpp.org/3-31-08socsec.pdf>. This calculation compares the cost of the tax cuts over the next 75 years to the cost of the Social Security shortfall during the same time period.

<sup>14</sup> NWLC calculations based on Aviva Aron-Dine, Center on Budget and Policy Priorities, “The Skewed Benefits of the Tax Cuts: With the Tax Cuts Extended, Top 1 Percent of Households Would Receive More Than \$1.1 Trillion in Tax Benefits Over the Next Decade” (February 4, 2008) and Parrott *et al.*, Center on Budget and Policy Priorities, “Bush Budget would cut Domestic Discretionary Programs by \$20 billion in 2009” (February 20, 2008). The one year cost of the tax cuts for the top one percent of households would be \$51 billion in 2009. The President’s 2009 budget would cut around \$20.5 billion from domestic discretionary programs outside of homeland security.

<sup>15</sup> CCDBG funding: CRS Report RL30785, *The Child Care and Development Block Grant: Background and Funding*, Melinda Gish, February 2008. Assumes constant funding for 2010. CCDBG funding levels adjusted for inflation using average of consumer price index and employment cost index. Cost of tax cuts: Tax Policy Center, Table T07-0183. Figures include estate tax liability and cost of AMT relief. Figures represent fiscal year estimates. Tax spending levels adjusted for inflation using consumer price index. Distribution of tax cuts: Tax Policy Center, Tables T02-0021, T04-0057, T06-0033, T04-0012, T05-0269. Distribution figures represent calendar year estimates. The 2008 figure does not include the distributional effect of reductions in the estate tax.