

MESSAGING MATTERS

RAISING REVENUES

The tax code's primary purpose is to collect revenue, which supports public investments in our shared national priorities. And yet, the power of the tax code goes much further: it rewards and incentivizes behavior by individuals, families, businesses, and government systems. The rules it sets can mitigate or exacerbate economic and political inequality.

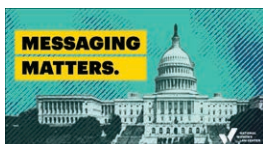
Unfortunately, today, the tax code provides lopsided tax breaks for corporations and wealthy households, foregoing billions in revenues that could fund critical investments like education and health care. It also incentivizes wealth-building and wealth-hoarding among the already wealthy. Women and people of color face historically-rooted barriers to building wealth, so the tax code in its current form can actually make existing gender and racial inequalities worse.

The COVID-19 pandemic and resulting economic crisis have exposed and magnified the profound economic inequities that women of color, and women more generally, face in our society. Since March, billionaires have been able to add nearly \$1 trillion to their already outsized wealth, while everyone else—especially women and people of color—have struggled with widespread job losses, lack of adequate health care and child care, and housing and food insecurity. Women of color are falling further behind. If we don't change course, we risk widening gender and racial disparities for a generation.

Right now, our priority should be to implement large-scale public spending to get the virus under control, make sure people can meet basic needs, and allow our economy and communities to recover. We should be more worried about spending too little, which would undermine relief and recovery, than about deficits right now. We learned from the last recession that providing too little relief slowed down the recovery, especially harming women and people of color. In the longer term, taxing corporations and wealthy households at higher rates will contribute to a greater pool of revenues to better support our priorities such as child care and affordable housing. In addition, increasing taxes on the wealthy and big corporations offers a powerful tool to ensure that the well-off pay their fair share.

“My life as I knew it has taken a dramatic decline since the pandemic: Lost job, children being out of school, I have found it hard to keep enough money to put food on the table, we’ve lost a loved one to complications from coronavirus and just being very on edge all the time. Life just hasn’t been the same.”

– Tanja from Houston, TX



MomsRising.org
MamásConPoder.org



WE NEED TO INVEST IN COVID RELIEF THAT SUPPORTS WOMEN OF COLOR AND BUILDS BACK A MORE EQUITABLE FUTURE.



- Even before the pandemic, many women of color struggled to make ends meet because of the double-bind of structural racism and sexism. Black women are paid 63 cents and Latinas are paid 54 cents for every dollar paid to white men. This wage gap and other forms of discrimination translate into massive disparities in wealth and economic security, leaving women of color without a financial cushion to weather the current crisis
- Women of color are bearing the brunt of the COVID-19 pandemic and recession. As breadwinners, they are overrepresented among workers losing their jobs. As essential workers, they are risking their health and safety for minimum wage. As caregivers, they are forced to navigate bringing home paychecks and caring for their families. As patients, they are blocked from comprehensive health care. Women of color and their families are suffering extreme hardship, but are being left behind or left out of COVID-19 relief. The only way forward is to center the needs of women, especially women of color.
- We need widespread public spending, especially at the federal level, to meet the urgent needs of women of color. It is essential that we provide unemployment insurance benefits, additional direct payments, and funding for child care, education, housing, and nutrition. These policies will lay the groundwork for an equitable recovery in the short term and allow us to focus on the structural changes needed for a more equitable society in the long term.
- Mainstream economists agree that concerns about deficits should not limit public spending to lessen the impact of the recession right now.

“I was temporarily furloughed from a part-time job in March. Shortly after, I decided to leave the job, and was unemployed for close to four months. I didn’t look for work in that time span, as to avoid COVID-19 infection and to protect my family. I was limited on resources for me and my child, and my plans for a house and car were stopped. I was able to access aid via stimulus checks and unemployment benefits which helped significantly. I was hired for an essential healthcare job after four months, which has been helping to curb the financial free fall we were experiencing but I’m continuously running into childcare issues.”

- Morika from Rockford, IL

WHILE WE DON'T NEED TO PAY FOR THESE INVESTMENTS IN THE SHORT TERM, WE NEED TO START MAKING WEALTHY CORPORATIONS AND INDIVIDUALS PAY THEIR FAIR SHARE.

- The wealthiest have an outsized influence on our political system, allowing the rich to influence what policies are advocated for and whose priorities are attended to. Tax policy can serve to break up concentrations of wealth and power that are currently held in the hands of few.
- When the wealthy acquire money, they take it out of circulation and hoard it, meaning they are not spending that money and instead, very few people are accumulating wealth at a rapid pace. When we tax the rich, those funds re-enter our economy and become more accessible to those who did not have prior personal or generational access to it.
- Extreme wealth inequality creates an unstable economy and an unstable democracy. Our current level of wealth inequality is nearing that which preceded the Great Depression. The 400 richest Americans own more wealth than 150 million low- and moderate-income adults. But economists know that taxing the wealthy will help distribute income more equitably.
- Taxing the rich is also a racial justice issue. Some pillars of our state and local tax systems have their roots in segregation. What's more, our modern federal tax code oppresses Black people and communities of color by prioritizing wealth over wages. By taxing wealth and the wealthy at higher rates, we can begin to dismantle the racial inequities in our tax code.

"I can't rent a place on my own. They figure that your rent and utilities should be a third of your income but that's not possible for me. I live with my son who has a full time job and if it weren't for that I'd be living in my car which I did for some time. I have to do everything I can to try to survive. I've turned to state programs, to friends, and to online fundraisers to try to fill the gap."

- Anne from Eau Claire, WI

MAKING THE TAX CODE MORE PROGRESSIVE WILL RAISE REVENUE MORE GENERALLY FOR OUR SHARED PRIORITIES.

- The primary role of the tax code is to raise revenue. This revenue funds public investments that mitigate the persistent effects of gender and racial discrimination, improve the lives and economic opportunities of women and families, and lay the groundwork for broadly shared economic prosperity.
- Lopsided tax breaks for wealthy households and corporations have undercut the amount of revenues raised by the tax code. Most recently, the 2017 Trump tax law, which primarily targeted tax cuts to the wealthiest households and corporations, lost over \$1.9 trillion in revenue that could have been directed to public programs for the common good.
- Not only did the 2017 tax law reduce revenues for needed investments, but President Trump and Republicans in Congress added insult to injury and argued that revenue shortfalls required cuts to nutrition assistance, affordable housing, and educational programs that women and families rely on.

- Making the tax code more progressive would generate more revenues to help women and families recover and find more stable economic footing even after the COVID-19 crisis has ended, including investments in affordable high-quality child care, health care, and unemployment assistance. Raising revenues through a more equitable tax system will also allow us to invest in shared priorities, like education and infrastructure, that will help build a more equitable economy for everyone.

MAKING THE TAX CODE MORE PROGRESSIVE WILL DECREASE ECONOMIC INEQUALITY AND INCREASE RACIAL AND GENDER EQUITY.

- Our tax system has historically been progressive, meaning that individuals with higher incomes or more wealth paid a larger share of their income. Policymakers purposefully structured the modern tax code this way to reduce inequality and break up concentrations of wealth. However, over the last several decades, tax cuts and provisions that disproportionately favor the rich have proliferated. As a result, our tax code is currently much less progressive than it could and should be.
- When the tax code is less progressive, it has disparate impacts on women and people of color. Because of historical discrimination that persists today, women not only are paid less than men, but have less wealth than men, and women of color have less income and wealth than white men or white women. The tax code's preferential treatment of inherited wealth and income from wealth (compared to income from work) enables the very wealthiest—disproportionately white men—to become even wealthier. Taxing the wealthy would help mitigate gender and racial wealth disparities, and increase gender and racial equity.
- Tax provisions that benefit the wealthy not only exacerbate inequality, but also shape the way that people and corporations behave. Right now the tax code encourages wealthy individuals and corporations to hoard wealth, at the expense of low income workers who are disproportionately women of color. Removing wealth-maximizing incentives would benefit these workers, and likewise increase gender and racial equity.

