



Written Testimony of

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Hearing: *The American Rescue Plan: Shots in Arms and Money in Pockets*

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Chairman Brown, Ranking Member Toomey, and Members of the Committee, thank you for the opportunity to testify. My name is Amy K. Matsui, and I am the Director of Income Security and Senior Counsel at the National Women’s Law Center.

The National Women’s Law Center (“the Center”) has been fighting for gender justice in the courts, in our government, and in our culture for almost half a century. We have seen time and time again that when we center the experiences of those who are most burdened by injustice—namely women of color and LGBTQ+ communities—in our laws and our policies, we realize prosperity for all of us. Never has that been more important than in this moment. As we begin to shift from relief to recovery from the COVID-19 pandemic, we must remember that policy choices that benefit the elite few are not only unjust—they are not strategic. Our nation can only recover—and prosper—if we highlight the experiences of women of color, and embrace policy solutions that advance racial and gender equity.

My testimony today will address the deep racial, gender, and economic disparities that have been exposed by the COVID-19 pandemic and the impact of the American Rescue Plan Act of 2021 (“ARPA”) on the well-being of women and families; gender, racial, and economic inequality; and the economy overall. I will also address further policy recommendations to rebuild the economy so that it works for all of us.

#### The Economic Security of Women and Families Has Been Devastated by COVID-19

The COVID-19 crisis has laid bare longstanding racial and gender inequities. Women in the U.S. who work full-time, year-round are typically paid only 82 cents for every dollar paid to their male counterparts, and wage gaps are even larger for Black women and Latinas.<sup>1</sup> Black and Latinx households have only a fraction of the wealth owned by white households,<sup>2</sup> and single women of color likewise face a significant and persistent wealth gap compared to white men.<sup>3</sup>

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<sup>1</sup> Nat’l Women’s Law Ctr., *The Wage Gap: The Who, How, Why, and What to Do* (Oct. 2020), <https://nwlc.org/wp-content/uploads/2019/09/Wage-Gap-Who-how.pdf>.

<sup>2</sup> See generally Angela Hanks, Danyelle Solomon & Christian Weller, Ctr. for Am. Progress, *Systematic Inequality: How America’s Structural Racism Helped Create the Black-White Wealth Gap* (2018), <https://www.americanprogress.org/issues/race/reports/2018/02/21/447051/systematic-inequality/>; Asset Building Policy Network, *The Racial Wealth Gap* (2019), available at [https://prosperitynow.org/sites/default/files/resources/ABPN\\_The\\_Racial\\_Wealth\\_Gap\\_Infographic\\_FINAL.pdf](https://prosperitynow.org/sites/default/files/resources/ABPN_The_Racial_Wealth_Gap_Infographic_FINAL.pdf); Anne Price, Insight Ctr., Roosevelt Inst., *Don’t Fixate on the Racial Wealth Gap: Focus on Undoing Its Root Causes* 4 (February 2020), <https://rooseveltinstitute.org/publications/dont-fixate-on-the-racial-wealth-gap-focus-on-undoing-its-root-causes/#:~:text=In%20Don't%20Fixate%20on,path%20toward%20a%20fairer%20and>.

<sup>3</sup> See, e.g., Heather McCulloch, *Closing the Women’s Wealth Gap: What It Is, Why It Matters, and What Can Be Done About It* (2017), <https://womenswealthgap.org/wp-content/uploads/2017/06/Closing-the-Womens-Wealth-Gap-Report-Jan2017.pdf>.

Women are far more likely than men to work in part-time,<sup>4</sup> low-paid,<sup>5</sup> and/or tipped jobs in the service sector,<sup>6</sup> meaning women faced a higher risk of losing their jobs as retail stores, restaurants, and other businesses were forced to lay off workers or close their doors entirely due to COVID-19. And women are overrepresented in the front-line workforce, making up the vast majority of workers risking their lives to provide health care, child care, and other essential services.<sup>7</sup>

One year in, it is clear that the pandemic's economic consequences have disproportionately fallen on women, and particularly on women of color.<sup>8</sup> For example, women lost more than 12.2 million jobs from February 2020 through April 2020, 11.3 million of which were in April alone. This means one month of the pandemic's losses wiped out nearly an entire decade of women's job gains since the Great Recession.<sup>9</sup> In February 2021, women were still short nearly 5.1 million jobs compared to February 2020.<sup>10</sup>

Since February 2020, moreover, 2.3 million women have left the labor force altogether, meaning they are not working or looking for work.<sup>11</sup> Increased caregiving responsibilities are likely to have been a major factor for many of these women, with schools operating remotely, child care providers closed or at reduced capacity, ill or elderly family members also needing care—and women disproportionately shouldering family caregiving responsibilities.<sup>12</sup> Survey

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<sup>4</sup> Claire Ewing-Nelson, Nat'l Women's Law Ctr., *Part-Time Workers Are Paid Less, Have Less Access to Benefits – and Most Are Women* (Feb. 2020), <https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2020/02/Part-Time-Workers-Factsheet-2.26.20.pdf>.

<sup>5</sup> Jasmine Tucker & Julie Vogtman, Nat'l Women's Law Ctr., *When Hard Work Is Not Enough: Women In Low-Paid Jobs* (Apr. 2020), [https://nwlc.org/wp-content/uploads/2020/04/Women-in-Low-Paid-Jobs-report\\_pp04-FINAL-4.2.pdf](https://nwlc.org/wp-content/uploads/2020/04/Women-in-Low-Paid-Jobs-report_pp04-FINAL-4.2.pdf).

<sup>6</sup> Nat'l Women's Law Center, *One Fair Wage: Women Fare Better in States with Equal Treatment for Tipped Workers* (Feb. 2021), <https://nwlc.org/resources/one-fair-wage/>.

<sup>7</sup> Hye Jin Rho, Hayley Brown, & Shawn Fremstad, Ctr. on Econ. and Policy Research (CEPR), *A Basic Demographic Profile of Workers in Frontline Industries* (Apr. 2020), <https://cepr.net/wp-content/uploads/2020/04/2020-04-Frontline-Workers.pdf>. Under CEPR's definition, women are 64 percent of all workers in front-line industries, including 77% of all health care workers, and 85% of workers in child care and social services.

<sup>8</sup> See, e.g., Nat'l Women's Law Ctr., *A Year of Strength and Loss* (March 2021), [https://nwlc.org/wp-content/uploads/2021/03/Final\\_NWLC\\_Press\\_CovidStats.pdf](https://nwlc.org/wp-content/uploads/2021/03/Final_NWLC_Press_CovidStats.pdf).

<sup>9</sup> *Id.*

<sup>10</sup> Claire Ewing-Nelson & Jasmine Tucker, Nat'l Women's Law Ctr., *A Year Into the Pandemic, Women Are Still Short Nearly 5.1 Million Jobs* (March 2021), <https://nwlc.org/wp-content/uploads/2021/03/Feb-Jobs-Day-v2.pdf> [hereinafter NWLC February Jobs Report].

<sup>11</sup> *Id.*

<sup>12</sup> See, e.g., Diana Boesch & Shilpa Phadke, Ctr. for Am. Progress, *When Women Lose All the Jobs: Essential Actions for a Gender-Equitable Recovery* (Feb. 2021), [https://cdn.americanprogress.org/content/uploads/2021/01/29041540/WomenLoseJobs-brief.pdf?\\_ga=2.176240101.1575381012.1616382378-895177019.1605122818](https://cdn.americanprogress.org/content/uploads/2021/01/29041540/WomenLoseJobs-brief.pdf?_ga=2.176240101.1575381012.1616382378-895177019.1605122818); Megan Cerullo, *Nearly 3 million U.S. Women Have Dropped out of the Labor Force in the Past Year*, CBS.com (Feb. 5, 2021), <https://www.cbsnews.com/news/covid-crisis-3-million-women-labor-force/>; Helaine Olen, *The Pandemic has Devastated a Generation of Women*, Wash. Post (Feb. 5, 2021), <https://www.washingtonpost.com/opinions/2021/02/05/pandemic-is-devastating-generation-working-women/>.

data show a strong correlation between the caregiving crisis and women’s plummeting workforce participation.<sup>13</sup>

Throughout the pandemic, the overall unemployment rate for women has masked devastatingly high rates for Black women, Latinas, women with disabilities, and younger women (ages 20 through 24).<sup>14</sup> Moreover, reported unemployment rates may appear lower than they actually are partly because people who have left the labor force entirely are no longer counted among those who are unemployed. If all 2.3 million women who have left the labor force since February 2020 rejoined and were counted among those who were unemployed in February 2021, the women’s unemployment rate would have been 8.8 percent in February 2021 instead of 5.9 percent.<sup>15</sup>

In January, after ten months of widespread unemployment and low labor force participation, more than 61.2 million women (48.4%) reported that their household had lost employment income since March 2020. Latinas (60.1%) and Black, non-Hispanic women (54.5%) were more likely than white, non-Hispanic men (43.6%) and white, non-Hispanic women (43.2%) to report lost work income in their household since March.<sup>16</sup>

Many women already had difficulty making ends meet before COVID-19, but millions of families are facing a full-fledged economic disaster after a year of the pandemic. Researchers have estimated that the poverty rate increased from January 2020 to November 2020 (from 10.8% to 11.7%), with almost 8 million additional people falling below the federal poverty threshold between June and November.<sup>17</sup> Women’s estimated overall poverty rate in November 2020 (12.4%) exceeded men’s (11%).<sup>18</sup>

Unprecedented numbers of women across the country are experiencing material hardship. For example, millions of women and families are experiencing housing insecurity. Among renters, about one in five women (20.3%) reported being behind on their rent payment in mid-

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<sup>13</sup> In August 2020, the Census Bureau found, “around one in five (19.6%) of working-age adults said the reason they were not working was because COVID-19 disrupted their childcare arrangements.” Of those not working, “women ages 25–44 are almost three times as likely as men to not be working due to childcare.” Misty L. Heggeness & Jason M. Fields, *Working Moms Bear Brunt of Home Schooling While Working During COVID-19*, U.S. Census Bureau (Aug. 2020), <https://www.census.gov/library/stories/2020/08/parents-juggle-work-and-child-care-during-pandemic.html>.

<sup>14</sup> NWLC February Jobs Report, *supra* note 10.

<sup>15</sup> *Id.*

<sup>16</sup> Jasmine Tucker & Claire Ewing-Nelson, Nat’l Women’s Law Ctr., *Over 61.2 Million Women Live in a Household That Has Lost Work Income Since March 2020* (Feb. 2021), <https://nwlc.org/resources/over-61-2-million-women-live-in-a-household-that-has-lost-work-income-since-march-2020/> [hereinafter NWLC January Pulse Survey Data Analysis].

<sup>17</sup> Jeehoon Han, Bruce D. Meyer, & James X. Sullivan, *Real-time Poverty Estimates During the COVID-19 Pandemic through November 2020* (Dec. 15, 2020), [https://harris.uchicago.edu/files/monthly\\_poverty\\_rates\\_updated\\_thru\\_november\\_2020\\_final.pdf](https://harris.uchicago.edu/files/monthly_poverty_rates_updated_thru_november_2020_final.pdf).

<sup>18</sup> *Id.*

January.<sup>19</sup> Nearly one in three Black, non-Hispanic women (32.2%) and nearly three in 10 Latinas (29.4%) were behind on their rent in mid-January.<sup>20</sup> Among renters with children in the household, nearly two in five Black, non-Hispanic women (39.9%) and more than one in three Latinas (34.4%) reported being behind on rent payments. By comparison, among renters with children in the household, one in five white, non-Hispanic women (20.0%) and 18.3 percent of white, non-Hispanic men reported being behind on rent payments.<sup>21</sup>

In addition, among those with a mortgage, about one in 10 women (10.2%) were behind on their mortgage payment<sup>22</sup> in mid-January. Fifteen percent of Latinas, 16 percent of Asian, non-Hispanic women, and 18.9 percent of Black, non-Hispanic women were behind on their mortgage payments.<sup>23</sup> Among homeowners with mortgages with children in the household, one in four Black, non-Hispanic women (25.2%) reported being behind on their mortgage payments. Nearly one in five Latinas (18.1%) and nearly one in six Asian, non-Hispanic women (16.2%) homeowners in households with children reported being behind on their mortgage, compared to 8.2 percent of white, non-Hispanic men and 9.0 percent of white, non-Hispanic women homeowners with children in the household.<sup>24</sup>

Similarly, in early January, over 12.1 million women (11.1%) reported sometimes or often not having enough food to eat in the prior seven days.<sup>25</sup> Black, non-Hispanic women (18.1%) and Latinas (21.5%) were over two times more likely than white, non-Hispanic men (7.9%) and white, non-Hispanic women (7.7%) to report not having enough food in the past week.<sup>26</sup> More than one in four Latinas (27.2%) and more than one in five Black, non-Hispanic women (22.9%) with children in the household reported sometimes or always not having enough to eat in the previous week, compared to 9.4 percent of white, non-Hispanic men with children in the household and 10.6 percent of white, non-Hispanic women with children in the household.<sup>27</sup>

In addition, the pandemic is expected to have devastating long-term effects on the incomes, wealth, health and well-being, education, and overall economic security of women, children, and families. Just to enumerate a few:

- Even before the pandemic, a substantial minority of people were unable to cover their monthly bills in full, or would have been able to meet an unexpected emergency of

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<sup>19</sup> NWLC January Pulse Survey Data Analysis, *supra* note 16.

<sup>20</sup> *Id.*

<sup>21</sup> *Id.*

<sup>22</sup> *Id.*

<sup>23</sup> *Id.*

<sup>24</sup> *Id.*

<sup>25</sup> *Id.*

<sup>26</sup> *Id.*

<sup>27</sup> *Id.*

\$400.<sup>28</sup> During this past year, many families have exhausted their savings, gotten behind on bills, or accrued debt.<sup>29</sup> Not only will it take time and resources for these families to dig themselves out of this situation, but the accumulated debt may impact their credit, and their future ability to purchase a car or a home, invest in their children's education, or save for their own retirement.

- The majority of U.S. workers are worried about their financial security.<sup>30</sup> It may be unsurprising, then, that in January nearly two in five women (39.3%) reported feeling anxiety more than half the days of the prior week and about one in four (25.3%) reported feeling depressed more than half the days of the prior week.<sup>31</sup>
- Unemployment rates for younger women workers have been persistently high throughout the pandemic.<sup>32</sup> Research suggests that younger workers entering the job market in a period of high unemployment also may experience reduced earnings for up to 10 years, as well as reduced job mobility, both of which will affect lifetime earnings.<sup>33</sup>

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<sup>28</sup> See, e.g., Board of Governors of the Fed. Reserve Sys., *Report on the Economic Well-Being of U.S. Households in 2019, Featuring Supplemental Data from April 2020* 21 (May 2020),

<https://www.federalreserve.gov/publications/files/2019-report-economic-well-being-us-households-202005.pdf> (40 percent of American households did not have enough cash to meet a \$400 emergency expense in 2019).

<sup>29</sup> See, e.g., Kim Parker, Rachel Minkin & Jesse Bennett, Pew Research Ctr., *Economic Fallout From COVID-19 Continues To Hit Lower-Income Americans the Hardest* (Sept. 24, 2020), <https://www.pewresearch.org/social-trends/2020/09/24/economic-fallout-from-covid-19-continues-to-hit-lower-income-americans-the-hardest/>; Chris Arnold, *More Americans Pay Rent on Credit Cards as Lawmakers Fail to Pass Relief Bill*, NPR (Nov. 30, 2020), <https://www.npr.org/2020/11/30/938867270/more-americans-pay-rent-on-credit-cards-as-lawmakers-fail-to-pass-relief-bill>; Nat'l Assoc. for the Educ. of Young Children, *Am I Next? Sacrificing to Stay Open, Child Care Providers Face a Bleak Future Without Relief* (Dec. 2020), [https://www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/our-work/public-policy-advocacy/naeyc\\_policy\\_crisis\\_coronavirus\\_december\\_survey\\_data.pdf](https://www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/our-work/public-policy-advocacy/naeyc_policy_crisis_coronavirus_december_survey_data.pdf) (noting that 42 percent of child care providers surveyed reported accruing credit card debt and almost 40 percent reported dipping into personal savings in order to stay afloat).

<sup>30</sup> See, e.g., Prudential, *Pulse of the American Worker Survey: Road to Resiliency* (Jan. 2021), <https://news.prudential.com/presskits/pulse-american-worker-survey-road-to-resiliency.htm> (data drawn from Prudential's Pulse of the American Worker Survey conducted by Morning Consult in November 2020).

<sup>31</sup> Nat'l Women's Law Ctr., *A Year of Strength and Loss*, *supra* note 8.

<sup>32</sup> See, e.g., NWLC February Jobs Report, *supra* note 10 (February 2021 unemployment rate for women ages 20-24 at 9.1 percent, compared to unemployment rate for white, non-Hispanic males at 5.3 percent).

<sup>33</sup> See, e.g., Catherine Bosley, Max Reyes, Jeff Green, & Bloomberg, *How Millennials Are Being Set Back by Back-to-Back Financial Crises*, *Fortune* (April 11, 2020), <https://fortune.com/2020/04/11/millennials-coronavirus-great-recession-economy-personal-finance/>; *Facing Adulthood With an Economic Disaster's Lasting Scars*, *N.Y. Times* (May 19, 2020), <https://www.nytimes.com/2020/05/19/business/economy/coronavirus-young-old.html>; Janet Adamy, *Millennials Slammed by Second Financial Crisis Fall Even Further Behind*, *Wall St. J.* (Aug. 9, 2020), <https://www.wsj.com/articles/millennials-covid-financial-crisis-fall-behind-jobless-11596811470>.

- Older workers who become unemployed during a recession may have a more difficult time finding another job, and may either face prolonged unemployment during their prime earning years or be forced to retire earlier than anticipated.<sup>34</sup>
- Over 40 percent of unemployed women ages 20 and over have been out of work for six months or longer.<sup>35</sup> Research suggests women of color in particular may experience a lag in finding new jobs after a recession,<sup>36</sup> especially jobs that are comparable in salary or level of responsibility to those they held previously.
- Women with caregiving responsibilities who will be looking for work when the pandemic abates may face challenges finding care that enables them to work. Many child care providers have reduced capacity to comply with health and safety requirements, been forced to furlough or lay off their workers, or closed altogether.<sup>37</sup> Indeed, nearly one in six child care jobs lost since the start of the pandemic have not returned.<sup>38</sup>
- Even before the pandemic, the gender wage gap alone was causing women to lose over \$400,000 over a 40-year career, with the lifetime loss of earnings for Black women totaling nearly \$1 million, and the lifetime earnings loss for Latinas exceeding \$1.1 million.<sup>39</sup> Further disruptions to women’s employment and reductions in their lifetime incomes will have additional, deleterious effects on their retirement savings and Social Security contributions, threatening their future retirement security.

Predictably but unfortunately, the women and communities of color who experienced the greatest disadvantages before the pandemic have been hit the hardest by the health and

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<sup>34</sup> See, e.g., Joint Econ. Comm., *The Impact of the Coronavirus Recession on Older Workers* (August 2020), [https://www.jec.senate.gov/public/\\_cache/files/25a2a42f-6458-4d59-8c02-b19e6e0146f9/impact-of-the-coronavirus-recession-on-older-workers-final.pdf](https://www.jec.senate.gov/public/_cache/files/25a2a42f-6458-4d59-8c02-b19e6e0146f9/impact-of-the-coronavirus-recession-on-older-workers-final.pdf) (noting that unemployment rates for older workers exceeded those for prime-age workers from March to July 2020).

<sup>35</sup> NWLC February Jobs Report, *supra* note 10.

<sup>36</sup> See, e.g., Chandra Childers & Gladys McLean, Inst. for Women’s Pol’y Research, *Black and Hispanic Women Lag in Recovering from the Recession* (August 2017), <https://iwpr.org/iwpr-issues/race-ethnicity-gender-and-economy/black-and-hispanic-women-lag-in-recovering-from-the-recession/>; see also Jared Bernstein & Janelle Jones, Ctr. on Budget & Pol’y Priorities & Groundwork Collaborative, *The Impact of the COVID-19 Recession on the Jobs and Incomes of Persons of Color* (May 13, 2020), [https://groundworkcollaborative.org/wp-content/uploads/2020/05/Groundwork-Bernstein-Jones-paper\\_5.13.pdf](https://groundworkcollaborative.org/wp-content/uploads/2020/05/Groundwork-Bernstein-Jones-paper_5.13.pdf); Megan Cassella, *Black workers, Hammered by Pandemic, now Being Left Behind in Recovery*, POLITICO (Mar. 23, 2021), <https://www.politico.com/news/2021/03/23/black-workers-pandemic-recovery-477640>.

<sup>37</sup> See, e.g., Child Care Aware of Am., *Picking Up the Pieces: Building a Better Child Care System Post- COVID-19* (2020), <https://www.childcareaware.org/picking-up-the-pieces/#access> (finding that by July 2020, 35% of centers and 21% of family child care programs remained closed nationwide); Nat’l Assoc. for the Educ. of Young Children, *supra* note 29 (reporting that 56% of child care centers surveyed said they are losing money every day that they remain open).

<sup>38</sup> NWLC February Jobs Report, *supra* note 10.

<sup>39</sup> Nat’l Women’s Law Ctr., *The Lifetime Wage Gap, State by State* (March 2021), <https://nwlc.org/resources/the-lifetime-wage-gap-state-by-state/>.



economic crisis.<sup>40</sup> In order to ameliorate the disparate impacts of the pandemic and prevent additional negative consequences in the future, addressing the COVID-19 recession must center the needs of women and their families and provide robust relief that meets the scope of those needs.

The American Rescue Plan Act of 2021 Will Support the Financial Security of Women and Their Families; Help Address Racial, Gender, and Economic Inequities; and Boost the Economy Overall.

The American Rescue Plan Act of 2021 (ARPA) is a historic piece of legislation that will provide much-needed relief for women and families. It will provide housing and nutrition assistance, boost the economic security of women and their families, help stabilize the child care sector, support health care, fund schools, provide fiscal relief to states—and much more.

Some of the key provisions that will benefit women and families include:

- The ARPA provides nearly \$50 billion in **housing and utility assistance**. This includes \$21.55 billion more in emergency rental assistance, \$5 billion for emergency housing vouchers, \$5 billion for homelessness assistance, and \$5 billion for utility and water assistance. The ARPA also provides \$9.96 billion for Treasury to create a Homeowner Assistance Fund—the first COVID relief bill to provide financial relief for homeowners behind on their mortgage payments. It also provides housing relief for rural renters and homeowners, tribal nations, and fair housing activities as well as significant transit relief funding, which benefits low-paid workers, such as essential workers, among whom women are overrepresented.
- The ARPA extends **emergency unemployment insurance (UI) benefits** through September 6, 2021, at \$300 per week. This prevents 11.4 million out-of-work people from losing critical benefits. For families with incomes below \$150,000, it also exempts the first \$10,200 of 2020 UI benefits from federal income taxes, saving many struggling families from an unexpected tax liability.

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<sup>40</sup> See, e.g., Dominique Derbigny, Closing the Women’s Wealth Gap, *On the Margins: Economic Security for Women of Color through the Coronavirus Crisis and Beyond* (April 28, 2020), [https://womenswealthgap.org/wp-content/uploads/2020/04/OnTheMargins\\_April2020\\_CWWG.pdf](https://womenswealthgap.org/wp-content/uploads/2020/04/OnTheMargins_April2020_CWWG.pdf); Danyelle Solomon & Derrick Hamilton, Ctr. for Am. Progress & Kirwan Inst., *The Coronavirus Pandemic and the Racial Wealth Gap* (March 19, 2020), <https://www.americanprogress.org/issues/race/news/2020/03/19/481962/coronavirus-pandemic-racial-wealth-gap/>; Guillermo Cantor & Lebaron Sims, Prosperity Now, *The Unequal Impact of the COVID-19 Crisis on Households’ Financial Stability* (April 2020), <https://prosperitynow.org/resources/unequal-impact-covid-19-crisis-households-financial-stability>; PolicyLink, COVID-19 & Race: Commentary, <https://www.policylink.org/covid19-and-race>; Connor Maxwell, Center for American Progress, *The Coronavirus Crisis Is Worsening Racial Inequality* (June 10, 2020), <https://www.americanprogress.org/issues/race/news/2020/06/10/486095/coronavirus-crisis-worsening-racial-inequality/>; see also Harvard Law School, Petrie-Flom Center, Bill of Health, *COVID-19 is a Perfect Storm of Hardship for US Immigrant Communities* (May 4, 2020), <https://blog.petrieflom.law.harvard.edu/2020/05/04/immigrant-communities-us-covid19-coronavirus/>.



- For tax year 2021, the ARPA makes **the Earned Income Tax Credit (EITC)** more generous and more available for working people who do not claim children for the credit and are currently eligible for only a small EITC. This will provide timely income support to over 17 million low-paid workers.<sup>41</sup>
- For tax year 2021, the ARPA increases the amount of the **Child Tax Credit (CTC)** from \$2,000 per child under age 17 to \$3,600 per child under age six, and \$3,000 per child ages six to 17. In addition, the ARPA makes the CTC fully refundable. This will benefit 27 million children in families with low or no earnings, who previously were unable to access the credit.<sup>42</sup> Starting in July, the IRS will make one or more advance payments of the credit available (totaling up to half of the 2021 CTC amount).
- The ARPA authorizes a third round of **Economic Impact Payments (EIP)**. Families will receive direct payments of up to \$1,400 per eligible person, including children and adult dependents. Importantly, these payments include individuals with Social Security Numbers in mixed-status families—including 1.5 million children.<sup>43</sup>
- The ARPA provides \$39 billion in **direct funding for child care**, through a \$24 billion stabilization fund for child care providers and \$15 billion in funding for the Child Care and Development Block Grant (CCDBG). This funding will help stabilize the child care industry, and will also help families, particularly women, afford and access the child care they need to work. The ARPA also permanently increased the Child Care Entitlement to States (CCES), which provides guaranteed annual child care funding to states, to \$3.4 billion per year.
- In addition, the ARPA expands **the Child & Dependent Care Tax Credit (CDCTC)** for tax year 2021. The CDCTC provides tax assistance for families with out-of-pocket child care expenses that are incurred so the adults in the family can work or look for work. The ARPA makes the CDCTC refundable, so that low- and moderate-income families can benefit from the credit, and increases the amount of the credit for tax year 2021—helping millions of families across the country.<sup>44</sup>
- The ARPA expands and extends the tax credits available to employers who **provide emergency paid leave and paid sick days** under the Families First Coronavirus Response

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<sup>41</sup> Ctr. on Budget & Pol’y Priorities, *American Rescue Plan Will Help Millions and Bolster the Economy* (Mar. 15, 2021), <https://www.cbpp.org/research/poverty-and-inequality/american-rescue-plan-act-will-help-millions-and-bolster-the-economy> [hereinafter CBPP ARPA Report].

<sup>42</sup> *Id.*

<sup>43</sup> See Julia Gelatt et al., Commentary, *Nearly 3 Million U.S. Citizens and Legal Immigrants Initially Excluded under the CARES Act Are Covered under the December 2020 COVID-19 Stimulus*, Migration Pol’y Inst. (Jan. 2021), <https://www.migrationpolicy.org/news/cares-act-excluded-citizens-immigrants-now-covered>.

<sup>44</sup> See Tax Pol’y Ctr., *T21-0033 – Child and Dependent Care Tax Credit (CDCTC) Enhancement in the House Ways and Means Committee’s Budget Reconciliation Legislative Recommendations by Expanded Cash Income Percentile, 2021* (Feb. 10, 2021), <https://www.taxpolicycenter.org/model-estimates/ways-and-means-committee-budget-reconciliation-legislative-recommendations-7>.

Act. While the ARPA does *not* reinstate employees' rights to take leave, the law expanded the qualifying reasons an employee can take leave and "reset the clock" so employees who have already taken leave can take additional time if their qualifying employer chooses to provide leave. Expanding access to paid leave and paid sick days is vital to protect public health and enable women with caregiving responsibilities to care for their families.<sup>45</sup>

### *The ARPA Will Have a Direct Impact on the Economic Security of Women and Families*

These provisions, along with other pieces of the ARPA, will have a direct, and profound, impact on the lives of women and their families. The ARPA will forestall the disastrous effects that families experience when they are unable to meet basic needs like shelter, food, and medical care. It will mitigate the harm that poverty and hardship cause to children's well-being and development. It will put more resources in families' hands, allowing them to make financial choices appropriate to their circumstances. And it will alleviate the extraordinary stress that women and families have experienced during a year of unrelenting economic pain.

The housing assistance provided by the ARPA is a particularly striking example of these beneficial impacts for women and families. Housing represents one of the largest expenses in family budgets, even outside an economic crisis. When women and families spend too much on housing, they have insufficient resources for other essential needs, including food, health insurance, and health care.<sup>46</sup> The strain that housing costs place on family budgets has only grown during the pandemic, as women have lost jobs and income.

Furthermore, the lack of affordable housing available to survivors of domestic violence, dating violence, sexual assault, and stalking deters survivors from leaving abusive partners out of fear of facing the challenges of homelessness, even when we are not in the midst of a global health crisis.<sup>47</sup> These concerns are particularly acute during the pandemic, when the risk of intimate partner violence has spiked and resources for survivors have become more constrained.<sup>48</sup>

The economic crisis spurred by COVID-19 threatens to push more people into homelessness, especially populations like survivors of domestic violence and sexual assault, people of color,

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<sup>45</sup> See, e.g., Stefan Pichler, Katherine Wen & Nicolas R. Ziebarth, *COVID-19 Emergency Sick Leave Has Helped Flatten the Curve in The United States*, 39 Health Aff. 2197 (Oct. 15, 2020), <https://www.healthaffairs.org/doi/pdf/10.1377/hlthaff.2020.00863>.

<sup>46</sup> See, e.g., Comment letter from Melissa Boteach, Amy Matsui, & Sarah Hassmer in Response to HUD's Implementation of the Fair Housing Act's Disparate Impact Standard, HUD Docket No. FR-6111-P-02, to the Office of General Counsel in Department of Housing and Urban Development (Oct. 18, 2019), <https://nwlc.org/wp-content/uploads/2019/10/NWLC-HUD-Disparate-Impact-Comment-HUD-2019-0067-0001.pdf>.

<sup>47</sup> See, e.g., Nat'l Women's Law Ctr. & Nat'l Low-Income Hous. Coal., *Gender and Racial Justice in Housing* (Feb. 2021), <https://nwlc.org/wp-content/uploads/2021/02/Gender-and-Racial-Justice-in-Housing.pdf> [hereinafter NWLC & NLIHC Housing Justice Brief].

<sup>48</sup> See, e.g., Megan L. Evans, Margo Lindauer, and Maureen E. Farrell, *A Pandemic within a Pandemic — Intimate Partner Violence during Covid-19*, 383 New Eng. J. of Med. 2302 (Dec. 10, 2020), <https://www.nejm.org/doi/full/10.1056/NEJMp2024046>.

LGBTQ people, people with disabilities, and immigrant women and families, all of whom face higher rates of economic insecurity. Eviction and involuntary displacement unleash a cascade of negative effects for women and their families, including upon women's health, employment, and credit ratings,<sup>49</sup> and children's health, education, and future economic well-being.<sup>50</sup> Moreover, people experiencing homelessness face a higher risk of contracting COVID-19 because they often have limited access to running water, health care, health and safety supplies, and may face challenges physically distancing and self-quarantining if they or their family members contract the virus.<sup>51</sup>

The housing assistance provided by the ARPA will help women and their families catch up on rent and mortgage payments, reducing their chances of experiencing the immediate harms of eviction or foreclosure and homelessness during a global pandemic as well as the long-term negative consequences of housing instability. It will instead promote the well-being of women and their families, both by supporting safe and stable housing<sup>52</sup> and by freeing up resources in family budgets to meet other needs. Indeed, along with other direct assistance and income supports provided in the ARPA, the ARPA's housing assistance will go far in relieving the financial pressures that so many women and families are currently experiencing. This will, in turn, help relieve the deep stress those pressures placed on women and families, and ameliorate the impact that intense and sustained stress can have on children.<sup>53</sup>

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<sup>49</sup> See, e.g., Alison Bovell-Ammon & Megan Sandel, *The Hidden Health Crisis of Eviction*, Children's Health Watch (Oct. 5, 2018), <http://childrenshealthwatch.org/the-hidden-health-crisis-of-eviction/>; Matthew Desmond & Carl Gershenson, *Housing and Employment Insecurity Among the Working Poor*, Oxford Univ. Press (Jan. 11, 2016), <https://scholar.harvard.edu/files/mdesmond/files/desmondgershenson.sp2016.pdf?m=1452638824>; NWLC & NLIHC Housing Justice Brief, *supra* note 47.

<sup>50</sup> See, e.g., Opportunity Starts at Home, *Education Advocates Are Housing Advocates*, (Dec. 12, 2018), <https://www.opportunityhome.org/wp-content/uploads/2018/02/Education-Fact-Sheet.pdf>; Kathryn Bailey et al., Children's Health Watch, *Overcrowding and Frequent Moves Undermine Children's Health* (Nov. 2011), <https://www.issuelab.org/resources/13900/13900.pdf>; Opportunity Starts at Home, *Economic Mobility Advocates Are Housing Advocates* (Nov. 19, 2018), <https://www.opportunityhome.org/wp-content/uploads/2018/02/Economic-Mobility-Fact-Sheet.pdf>.

<sup>51</sup> Anjalika Nande et al., *The Effect of Eviction Moratoria on the Transmission of SARS-CoV-2*, MedRxiv (Jan. 19, 2021), <https://www.medrxiv.org/content/10.1101/2020.10.27.20220897v2>; Lloyd A.D. Chapman et al., *Comparison of Infection Control Strategies to Reduce COVID-19 Outbreaks in Homeless Shelters in the United States: A Simulation Tstudy*, MEDRXIV (Oct. 28, 2020), <https://www.medrxiv.org/content/10.1101/2020.09.28.20203166v3>. Researchers project that people experiencing homelessness will "be twice as likely to be hospitalized, two to four times as likely to require critical care, and two to three times as likely to die than the general population." Dennis Culhane et al., *Estimated Emergency and Observational/Quarantine Bed Need for the US Homeless Population Related to COVID-19 Exposure by County; Projected Hospitalizations, Intensive Care Units and Mortality*, NAT'L ALL. TO END HOMELESSNESS (Mar. 20, 2020), <https://endhomelessness.org/resource/estimated-emergency-and-observational-quarantine-bed-need-for-the-us-homeless-population-related-to-covid-19-exposure-by-county-projected-hospitalizations-intensive-care-units-and-mortality/>.

<sup>52</sup> See, e.g., NWLC & NLIHC Housing Justice Brief, *supra* note 47.

<sup>53</sup> See, e.g., Julie Vogtman & Karen Schulman, Nat'l Women's Law Ctr., *Set Up to Fail: When Low Wage Work Jeopardizes Parents' and Children's Success* (2016), <https://nwlc.org/wp-content/uploads/2016/01/FINAL-Set-Up-To-Fail-When-Low-Wage-Work-Jeopardizes-Parents%E2%80%99-and-Children%E2%80%99s-Success.pdf>.

## *The ARPA Will Reduce Gender, Racial, and Economic Inequities*

The provisions of the ARPA are designed to address the disparate health and economic impacts that women of color and women more generally, communities of color, and families with low incomes are experiencing during the pandemic. Distributional analysis of the impact of the ARPA shows that the lowest income quintile will experience the greatest benefit (expressed as a percentage of after-tax income) and the highest income quintile the least.<sup>54</sup> Women supporting families on their own, and families of color, are overrepresented at the bottom of the income scale, and underrepresented at the top.<sup>55</sup>

The ARPA will boost the economic security of likely tens of millions of people with low and moderate incomes across the country. Research has indicated that two federal benefits from previous federal COVID relief legislation (expanded UI benefits and the initial \$1,400 Economic Impact Payments under the CARES Act) lowered poverty rates in 2020 (and, conversely, that poverty rates increased as these policies expired).<sup>56</sup> It has been estimated that four provisions of the ARPA (extended UI benefits, expanded SNAP benefits, the \$1,400 Economic Impact Payments, and the expanded CTC) will reduce the overall poverty rate in 2021 from 13.7 to 8.7 percent—and will cut the poverty rate in half for children, and for households experiencing job loss.<sup>57</sup> Notably, this research indicates that these provisions would reduce the disparities in poverty rates for Black, non-Hispanic people and Latinx people relative to white, non-Hispanic

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<sup>54</sup> Philip Bump, *The Difference Between the Trump Tax Cuts and the Biden Relief Bill, in One Chart*, Wash. Post (Mar. 9, 2021), <https://www.washingtonpost.com/politics/2021/03/09/difference-between-trump-tax-cuts-biden-relief-bill-one-chart/>; see also Stephanie Clegg, *Targeted Relief and the American Rescue Plan in Five Charts*, Just Taxes Blog (Mar. 10, 2021), <https://itep.org/targeted-relief-and-the-american-rescue-plan-in-five-charts/>.

<sup>55</sup> See, e.g., Melissa Boteach, Amy K. Matsui, Indivar Dutta-Gupta, Kali Grant, Funke Aderonmu, & Rachel Black, Nat'l Women's Law Ctr., *A Tax Code for the Rest of Us: A Framework and Recommendations for Advancing Gender and Racial Equity through Tax Credits*, 8-9 (Nov. 2019), <https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2019/11/NWLC-GCPI-Tax-Code-for-the-Rest-of-Us-Nov14.pdf>.

<sup>56</sup> Han, Meyer, & Sullivan, *supra* note 17.

<sup>57</sup> Laura Wheaton, Sarah Minton, Linda Giannarelli, & Kelly Dwyer, Urb. Inst., *2021 Poverty Projections: Assessing Four American Rescue Plan Policies* (Mar. 2021), [https://www.urban.org/sites/default/files/publication/103794/2021-poverty-projections-assessing-four-american-rescue-plan-policies\\_0\\_0.pdf](https://www.urban.org/sites/default/files/publication/103794/2021-poverty-projections-assessing-four-american-rescue-plan-policies_0_0.pdf) (using Supplemental Poverty Measure). Other research suggests that other provisions of the ARPA will reduce poverty rates as well. See, e.g., Arloc Sherman, Ctr. on Budget & Pol'y Priorities, *The 2009 Recovery Act — Even Better in Preventing Poverty Than We Thought* (Oct. 13, 2011), <https://www.cbpp.org/blog/the-2009-recovery-act-even-better-in-preventing-poverty-than-we-thought> (estimating that, if counted as part of the official poverty measure, the improvements to the EITC and CTC in the American Rescue and Recovery Act of 2009 would have kept the incomes of 1.6 million people above the poverty line in 2009). While these benefits will accrue to the families who are most in need, its effects will likely touch a broader swath of families. For example, analysts concluded that the tax and other direct assistance, along with increased benefits, provided by the 2009 American Relief and Recovery Act offset much of the loss in middle-class families' market-based income during the Great Recession. Gary Burtless, *The Stimulus Program Was a Smashing Success: It Erased Most Middle Class Income Losses in the Recession*, Brookings (Nov. 25, 2014), <https://www.brookings.edu/opinions/the-stimulus-program-was-a-smashing-success-it-erased-most-middle-class-income-losses-in-the-recession/>.

people.<sup>58</sup> By reducing the negative impacts of the recession for the individuals, families, and communities already facing discrimination and disadvantage, the ARPA increases racial, gender, and economic equity.

### *The ARPA Will Strengthen the Economy*

Women of color, and women more generally, are the backbone of the economy. Accordingly, the relief that will bolster the economic security of women and their families under the ARPA will, by definition, strengthen the economy.

In addition, the ARPA will forestall the ongoing economic harms that result from the effects of the pandemic on the child care system. Even pre-pandemic, the United States was losing an estimated \$57 billion each year in economic productivity and foregone revenue due to the lack of affordable, high-quality child care.<sup>59</sup> A recent study by the Century Foundation and the Center for American Progress found that without Congressional action to enact COVID-related relief, the risk of mothers leaving the labor force or reducing work hours in order to assume caretaking responsibilities could amount to more than \$64.5 billion per year in lost wages and economic activity and an additional possible loss of \$12.2 billion in tax revenue.<sup>60</sup> The child care funding in the ARPA will support providers, strengthen the child care workforce, stabilize child care businesses, fund outreach to ensure equitable access to resources, and lower costs for families—and thus stabilize both the child care sector, and the jobs that rely on it (that is, the economy overall).

Other relief provided by the ARPA will stimulate the economy, as benefits land in the hands of women and families in need. Even under normal economic circumstances, families in need who receive refunds from tax credits like the EITC and CTC tend to spend them quickly—because they need to pay bills or rent, or for other necessities.<sup>61</sup> During a recession, families are even more likely to spend income boosts provided by increases in refundable tax credits, stimulus payments, or UI benefits.<sup>62</sup> These expenditures not only stabilize the economy, but often have a

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<sup>58</sup> Wheaton, Minton, Giannarelli, & Dwyer *supra* note 57 (stating that poverty rates would fall approximately 42 percent for Black, non-Hispanic people, 39 percent for Hispanic people, and 34 percent for white, non-Hispanic people).

<sup>59</sup> Council for a Stronger America, *Want to Grow the Economy? Fix the Child Care Crisis* (Jan 2019), <https://www.strongnation.org/articles/780-want-to-grow-the-economy-fix-the-child-care-crisis>.

<sup>60</sup> Julie Kashen et al., *How COVID-10 Sent Women's Workforce Progress Backward: Congress' \$64.5 Billion Mistake*, Ctr. for American Progress (Oct 30, 2020), <https://www.americanprogress.org/issues/women/reports/2020/10/30/492582/covid-19-sent-womens-workforce-progress-backward/>.

<sup>61</sup> See, e.g., JP Morgan Chase & Co. Inst., *Tax Time: How families manage tax refunds and payments* (Mar. 2019), <https://institute.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/institute/pdf/institute-tax-time-report-full.pdf> (showing that even when the economy is not in crisis, families (and especially families with lower incomes) receiving tax refunds increase their spending and reduce their credit card debt).

<sup>62</sup> Preliminary research indicates that families who received the first round of Economic Impact Payments in May 2020 spent funds quickly, on food, household goods, and bill payments, including rent. Katie Gilbert, *Here's How*

multiplier effect—generating additional economic activity.<sup>63</sup> Similarly, researchers have estimated that for every dollar of SNAP spending during an economic downturn, \$1.5 dollars' worth of economic activity is generated, supporting new jobs.<sup>64</sup>

For these, and many other reasons, the ARPA is widely expected to boost economic growth.<sup>65</sup>

In sum, the ARPA provides targeted relief that addresses the challenges faced by women and their families; mitigates gender, racial, and economic inequality; boosts the economy; and lays the groundwork for an equitable recovery.

Systemic changes that advance racial and gender equity, including making some of the ARPA's provisions permanent, will help rebuild the economy so that it works for all of us.

Even before COVID, women of color were set up to fail in our economy. While the ARPA provides robust relief that addresses gender, racial, and economic inequities, we cannot ignore the deep structural flaws in our economy that made the pandemic so devastating for women of color and their families, and expect an equitable recovery.

Women deserve economic security and the opportunity to create a brighter future for ourselves and our families. We all win when the economy works for all of us. The path forward to shared prosperity requires both structural changes and significant public investments. Several areas of needed policy change that are critical to ensuring the sustained economic well-being of women and their families, and the economy as a whole, are discussed below.

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*Americans Are Spending Their Stimulus Checks*, Kellogg Insight (May 5, 2020), <https://insight.kellogg.northwestern.edu/article/stimulus-checks-spending-data-2020-coronavirus-covid>. The households surveyed for this research, whose average income was around \$30,000, spent the EIP funds relatively quickly – especially if they had low levels of cash on hand. *Id.*

<sup>63</sup> See Claudia Sahn, The Hamilton Project, *Direct Stimulus Payments to Individuals* (May 2019), [https://www.hamiltonproject.org/assets/files/Sahn\\_web\\_20190506.pdf](https://www.hamiltonproject.org/assets/files/Sahn_web_20190506.pdf) (stimulus payments made in 2001 and 2008 shows that “payments to individuals increase spending during a recession and help stabilize the economy”); see also Chuck Marr, Katie Hingtgen, Arloc Sherman, & Katie Windham, Ctr. on Budget & Pol’y Priorities, *Temporarily Expanding Child Tax Credit and Earned Income Tax Credit Would Deliver Effective Stimulus, Help Avert Poverty Spike* (last updated July 21, 2020), [https://www.cbpp.org/research/federal-tax/temporarily-expanding-child-tax-credit-and-earned-income-tax-credit-would#\\_ftn2](https://www.cbpp.org/research/federal-tax/temporarily-expanding-child-tax-credit-and-earned-income-tax-credit-would#_ftn2) (noting that the Congressional Budget Office (CBO) estimated that the 2009 expansions of the EITC and CTC and similar tax credits “generated between 60 cents and \$1.50 in economic activity per dollar of cost”).

<sup>64</sup> Patrick Canning & Brian Stacy, U.S. Dep’t of Agriculture, *The Supplemental Nutrition Assistance Program (SNAP) and the Economy: New Estimates of the SNAP Multiplier* (July 2019), <https://www.ers.usda.gov/webdocs/publications/93529/err-265.pdf?v=8010>.

<sup>65</sup> See, e.g., Scott Horsley, *Biden's \$1.9 Trillion Rescue Plan Set To Turbocharge U.S. Economy*, NPR (Mar. 10, 2021), <https://www.npr.org/2021/03/10/975617565/bidens-1-9-trillion-rescue-plan-set-to-turbocharge-u-s-economy>; Indradip Ghosh & Richa Rebello, *Biden's Rescue Plan Will Give U.S. Economy Significant Boost: Reuters poll*, Reuters (Jan. 22, 2021), <https://www.reuters.com/article/us-usa-economy-poll/bidens-rescue-plan-will-give-u-s-economy-significant-boost-reuters-poll-idUSKBN29R1F5> (“U.S. President Joe Biden’s proposed fiscal package will boost the coronavirus-hit economy significantly, according to a majority of economists in a Reuters poll, and they expect it to return to its pre-COVID-19 size within a year.”).



## *Advancing Structural Reforms to Solve Our Nation's Housing Crisis*

While the ARPA provides much-needed housing relief, addressing our nation's affordable housing crisis can help ensure the health and safety and further the economic security of millions of our nation's lowest income people. Policymakers have an opportunity to build on the equitable relief provided in the ARPA, make long-term investments, and improve our policies and systems so that every woman, child, and family can obtain safe, accessible, and affordable housing.<sup>66</sup> Such improvements include:

- Rental assistance provides critical help so women and their families can afford stable and accessible homes, and avoid housing insecurity. In 2020, 75 percent of households receiving HUD rental assistance were headed by a woman.<sup>67</sup> Unfortunately, because of chronic underfunding, only one out of four households who qualify for HUD rental assistance receive it. The federal government must expand rental assistance, so all families who struggle with housing costs can access it. In addition, Congress must also reverse its continuous divestment in public housing and fully fund capital repairs for public housing, including addressing health and safety hazards such as deteriorating lead-based paint. These investments will help more women, children, and families live in safe, affordable, and accessible housing.
- In markets with scarce vacant units in existing buildings, the federal government must increase the supply of affordable and accessible homes. This includes significantly increasing funding to the national Housing Trust Fund (HTF) and permitting states and localities to use some of the HTF funds to acquire and convert hotels and motels into permanent supportive housing to provide stable housing for people experiencing homelessness. Congress must ensure that affordable housing policies and tools further fair housing for women, people of color, and other communities with the greatest needs.
- Even after the pandemic is over, millions of women and families will still be one financial shock away from economic hardship that could lead to eviction, which has detrimental and long-lasting impacts on the health and well-being of women and their families. Congress should proactively create a permanent "National Housing Stabilization Fund" to provide emergency rental assistance to families with low incomes to prevent housing instability and homelessness after a financial shock.
- Congress and the administration should increase homeownership opportunities, particularly for women of color, through rent-to-own programs and a first-time homeowner refundable tax credit, and should fund stronger enforcement of the Equal Credit Opportunity Act against discriminatory lending practices.

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<sup>66</sup> See generally NWLC & NLIHC Housing Justice Brief, *supra* note 47.

<sup>67</sup> U.S. Dep't of Hous. and Urb. Dev., Off. of Pol'y Dev. & Rsch., *Assisted Housing: National & Local*, <https://www.huduser.gov/portal/datasets/assthsg.html> (last visited Mar. 30, 2021).



- Alongside significant investments in housing solutions, Congress and the administration must strengthen fair housing and civil rights laws and provide robust resources to aggressively advance and enforce those laws. This should include amending the Fair Housing Act (FHA) to more explicitly prohibit discrimination based on source of income, survivor status, marital status, sexual orientation, and gender identity. In addition, Congress and the administration should build partnerships with community-based organizations, especially those led by Black women, Latinas, Asian American women, and Native women, to shape civil rights protections and their implementation to meet communities' needs.
- The power imbalance between renters and landlords put renters, especially women of color, at greater risk of sexual harassment, housing instability, and homelessness. Congress should enact legislation to better protect renters, such as establishing a national right to counsel for tenants facing eviction, protecting tenants from unfair eviction screening policies, and prohibiting the reporting of evictions to consumer agencies.

Access to safe, affordable, and accessible housing is crucial to women's health, nutrition, and employment, and the well-being of their families. Ensuring that women and families have access to safe, affordable, and accessible housing supports their economic security, boosts the health of the economy overall, and advances racial and gender equity.<sup>68</sup>

### *Investing in the Care Economy*

The pandemic has revealed that our reliance on the underpaid and undervalued caregiving work of women of color, and women more generally, places an unsustainable burden on women, families, and the economy overall. Care—including child care, home- and community-based supports, and paid family and medical leave—is infrastructure. It holds up our economy and makes all other work possible. And like roads, bridges, and broadband, care is a public good, whose benefits we all share.

While several provisions in the ARPA—including the emergency child care stabilization funds, CCDBG and CCES funding, expanded Child and Dependent Care Tax Credit (CDCTC), tax credits for employers who voluntarily provide paid leave, and increased Medicaid funding for home and community-based services (HCBS)—will address immediate needs, we need large-scale public investments in the care infrastructure. This will ensure that families can care for their loved ones, that the women who do this work are paid living wages, and that families can find and afford high-quality care—not just during the pandemic but into the future.

Investing in a care infrastructure will make our economy stronger. Moreover, economists estimate that care investments can have an even more immediate economic impact than

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<sup>68</sup> See generally NWLC & NLIHC Housing Justice Brief, *supra* note 47.

“shovel ready” projects since they take less time to deploy labor, funding, and equipment, and can generate twice as many jobs per dollar as traditional infrastructure.<sup>69</sup>

The cost of not making the investments we need, and of returning to the unworkable status quo that was invisible to many prior to the pandemic, is too great. Legislation that re-imagines and makes public investments in child care, paid family and medical leave, and care for older family members and people with disabilities, like the Child Care for Working Families Act or the FAMILY Act, will be crucial to building the long-term care infrastructure that will help women, families, and the economy as a whole to succeed.<sup>70</sup>

### *Making the ARPA’s Improvements to Refundable Tax Credits Permanent*

The ARPA’s expansions to the CTC, EITC, and CDCTC are equitable and effective relief and stimulus policies. Millions of families across the country will benefit from these expansions.<sup>71</sup> They are particularly well-targeted to boost the incomes of women of color (who especially benefit from refundable tax credits, in part because they make up a disproportionate share of low-paid workers, including essential workers)<sup>72</sup> and families with low incomes more generally.<sup>73</sup> The CTC expansions in the ARPA, in particular, will lift 4.1 million additional children above the poverty line, reducing the remaining number of children in poverty by more than 40 percent.<sup>74</sup> Seventy percent of the children that the CTC expansion will lift above the poverty line are Black and Latinx.<sup>75</sup>

Refundable tax credits are effective at mitigating the effects of economic recessions.<sup>76</sup> It is widely expected that the country will still be experiencing the economic impacts of this crisis

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<sup>69</sup> Josephine Kalipeni et al., *Building Our Care Infrastructure for Equity, Economic Recovery, and Beyond* (Sept. 1, 2020), [https://caringacross.org/wp-content/uploads/2020/08/Building-Our-Care-Infrastructure\\_Aug1\\_FINAL.pdf](https://caringacross.org/wp-content/uploads/2020/08/Building-Our-Care-Infrastructure_Aug1_FINAL.pdf).

<sup>70</sup> See, e.g., Nat’l Women’s Law Ctr., *Principles for Child Care: A Vision for Investing in Affordable, High-Quality Child Care* (Oct. 2019), <https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2019/10/Child-Care-Principles-2.pdf>; Nat’l Women’s Law Ctr., *Expanding Sick Days and Paid Family and Medical Leave in Response to COVID-19* (Apr. 24, 2020), <https://nwlc.org/resources/expanding-paid-sick-days-and-paid-family-medical-leave-in-response-to-covid-19/>.

<sup>71</sup> See, e.g., CBPP ARPA Report, *supra* note 41; Tax Pol’y Ctr., *supra* note 44.

<sup>72</sup> See Nat’l Women’s Law Ctr., *Expanding Refundable Tax Credits in Response to COVID-19* (Nov. 2020), [https://nwlc.org/wp-content/uploads/2020/04/Expanding-Refundable-Tax-Credits-In-Response-to-COVID\\_19.pdf](https://nwlc.org/wp-content/uploads/2020/04/Expanding-Refundable-Tax-Credits-In-Response-to-COVID_19.pdf); see generally Chuck Marr & Yixuan Huang, Ctr. on Budget & Pol’y Priorities, *Women of Color Especially Benefit from Working Family Tax Credits* (Sept. 9, 2019), <https://www.cbpp.org/research/federal-tax/women-of-color-especially-benefit-from-working-family-tax-credits>.

<sup>73</sup> See, e.g., CBPP ARPA Report, *supra* note 41; see also Elaine Maag & Donald Marron, Tax Pol’y Ctr., *Design Changes Can Strengthen the EITC During Recessions* (May 18, 2020), [https://www.taxpolicycenter.org/sites/default/files/publication/159301/design\\_changes\\_can\\_strengthen\\_the\\_eitc\\_during\\_recessions.pdf](https://www.taxpolicycenter.org/sites/default/files/publication/159301/design_changes_can_strengthen_the_eitc_during_recessions.pdf).

<sup>74</sup> CBPP ARPA Report, *supra* note 41.

<sup>75</sup> *Id.*

<sup>76</sup> See, e.g., Nat’l Women’s Law Ctr., *Expanding Refundable Tax Credits*, *supra* note 72.

throughout 2021 and well into 2022,<sup>77</sup> and those effects are likely to be felt unevenly. The availability of one or more advance payments of up to half of a family's 2021 CTC after July 2021 will provide additional financial resources to families with low incomes in the second half of 2021. And refunds from these tax credits will provide women and families with critical income support when they file their taxes in early 2022.

The ARPA's expansions to refundable tax credits will not only help families make ends meet and reduce gender and racial disparities during the pandemic, but would also help families as the economy is recovering. Improving these credits on a permanent basis will provide ongoing income supports for millions of low- and moderate-income families<sup>78</sup> whose need for them will likely continue when the recession is officially over. In addition, permanently improving these tax credits will increase racial and gender equity in our tax policies.<sup>79</sup>

### *Raising the Minimum Wage*

Raising the federal minimum wage, too, is essential to lift women and their families out of poverty, narrow racial and gender wage and wealth gaps, and spur the consumer demand we need for a strong, shared economic recovery. If enacted, the Raise the Wage Act of 2021 (H.R. 603/S. 53) would do just that: It would increase the federal minimum wage from \$7.25 to \$15 per hour by 2025. It would gradually raise the federal minimum cash wage for tipped workers until it is equal to the regular minimum wage and phase out unfair exemptions that have allowed employers to pay young workers and people with disabilities subminimum wages. And after 2025, it would automatically increase the federal minimum wage to keep pace with wages overall, ensuring that the minimum wage's value never again erodes as it has in recent decades.

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<sup>77</sup> See, e.g., Robert Shackleton, Cong. Budget Off., *An Overview of the Economic Outlook, 2021-2031* (last updated Feb. 9, 2021), <https://www.cbo.gov/system/files/2021-02/56965-Economic-Outlook.pdf> (estimating real Gross Domestic Product to reach pre-pandemic levels in mid-2021 and the labor market to reach pre-pandemic size in 2022).

<sup>78</sup> See, e.g., Chuck Marr & Yixuan Huang, Ctr. on Budget & Pol'y Priorities, *Childless Adults are Lone Group Taxed into Poverty* (Mar. 2, 2020), <https://www.cbpp.org/research/federal-tax/childless-adults-are-lone-group-taxed-into-poverty>; Jacob Leibenluft, Ctr. on Budget & Pol'y Priorities, *Tax Bill Ends Child Tax Credit for About 1 Million Children* (Dec. 18, 2017), <https://www.cbpp.org/blog/tax-bill-ends-child-tax-credit-for-about-1-million-children>; Sophie Collyer, David Harris & Chris Wimer, *Left Behind: The One-Third of Children in Families Who Earn Too Little to Get the Full Child Tax Credit*, 3 COLUM. UNIV., CTR. ON POVERTY AND SOC. POL'Y (CPSP) & CHILDREN'S RSCH. AND EDUC. INST. (CREI) 1, 1-2 (May 13, 2019), <https://static1.squarespace.com/static/5743308460b5e922a25a6dc7/t/5cda0024be4e5b0001c6bdc7/1557790757313/Poverty+%26+Social+Policy+Brief+Who+Is+Left+Behind+in+the+Federal+CTC.pdf>; Nat'l Women's Law Ctr., *Improving the Child and Dependent Care Tax Credit Would Help Working Families With the High Cost of Child Care* (Dec. 2018), <https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2018/12/Improving-the-CDCTC.pdf>.

<sup>79</sup> See, e.g., Boteach et al., *supra* note 55; Chye-Ching Huang & Roderick Taylor, Ctr. on Budget & Pol'y Priorities, *How the Federal Tax Code Can Better Advance Racial Equity* (July 25, 2019), <https://www.cbpp.org/research/federal-tax/how-the-federal-tax-code-can-better-advance-racial-equity>; Tax Pol'y Ctr., *Racial Disparities and the Income Tax System* (Jan. 30, 2020), <https://apps.urban.org/features/race-and-taxes/#earned-income-tax-credit>.

The Economic Policy Institute (EPI) estimates that if the minimum wage reached \$15 per hour by 2025, more than 32 million workers would get a raise. Of the total affected workers, almost 19 million (59%) are women, and Black women and Latinas would especially benefit: 34 percent of Black working women and 31 percent of working Latinas would receive higher wages by 2025 under the Raise the Wage Act.<sup>80</sup> And because women and people of color are the majority of workers who would see their pay go up, increasing the minimum wage could narrow racial and gender wage gaps as well.<sup>81</sup>

By adopting a “One Fair Wage” policy nationwide—i.e., ensuring that all workers are entitled to the full minimum wage, regardless of tips—the Raise the Wage Act would also particularly benefit women, who represent 69 percent of tipped workers.<sup>82</sup> Even before the pandemic, women tipped workers lived in poverty at nearly 2.5 times the rate of the workforce overall.<sup>83</sup> But in the seven “One Fair Wage” states where employers are already required to pay their tipped workers the regular minimum wage before tips, the poverty rate for women tipped workers was 30 percent lower than in states with the federal \$2.13 tipped minimum cash wage—and overall, women working full time, year round in One Fair Wage states faced a 33 percent smaller gender wage gap than their counterparts in states with a \$2.13 tipped minimum wage.<sup>84</sup>

A \$15 minimum wage would finally begin to reverse decades of growing pay inequality and would, for the first time, bring full-time minimum-wage earnings above the poverty line for a family of four.<sup>85</sup> EPI estimates that the Raise the Wage Act will lift up to 3.7 million people out of poverty, including up to 1.8 million children.<sup>86</sup> Because underpaid workers spend much of their extra earnings in their communities, raising the minimum wage can help spur the consumer demand and small business growth that is necessary for a strong, shared recovery from the recession.<sup>87</sup>

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<sup>80</sup> David Cooper, Zane Mokhiber, & Ben Zipperer, Econ. Pol’y Inst., *Raising the federal minimum wage to \$15 by 2025 would lift wages for over 33 million workers* (July 17, 2019), <https://www.epi.org/files/pdf/171762.pdf> (Table 3).

<sup>81</sup> A higher minimum wage generally would narrow the wage distribution, effectively narrowing the wage gap. Nicole M. Fortin & Thomas Lemieux, *Institutional Changes and Rising Wage Inequality: Is There a Linkage?*, 11 J. Econ. Perspectives 75, 78 (1997), <http://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.11.2.75>. See also Francine D. Blau & Lawrence M. Kahn, *Swimming Upstream: Trends in the Gender Wage Differential in the 1980s*, 15 J. Labor Econ. 1, 28 (Jan. 1997), [https://www.jstor.org/stable/2535313?seq=1#page\\_scan\\_tab\\_contents](https://www.jstor.org/stable/2535313?seq=1#page_scan_tab_contents); *Minimum Wages, Ch. 7.3: Effects on Gender Pay-Gaps*, Int’l Labour Org., [https://www.ilo.org/global/topics/wages/minimum-wages/monitoring/WCMS\\_473657/lang--en/index.htm](https://www.ilo.org/global/topics/wages/minimum-wages/monitoring/WCMS_473657/lang--en/index.htm) (last visited Mar. 22, 2021).

<sup>82</sup> Nat’l Women’s Law Ctr., *One Fair Wage*, *supra* note 6. By 2025, 83 percent of tipped workers across the country would get a raise under the Raise the Wage Act. Cooper, *supra* note 80, at 26 (Table 3).

<sup>83</sup> Nat’l Women’s Law Ctr., *One Fair Wage*, *supra* note 6.

<sup>84</sup> *Id.*

<sup>85</sup> Cooper et al., *supra* note 80, at 10.

<sup>86</sup> *Id.* at 11.

<sup>87</sup> See generally, e.g., Daniel Cooper, María José Luengo-Prado, & Jonathan A. Parker, *The Local Aggregate Effects of Minimum Wage Increases*, 52 J. Money, Credit & Banking 5 (last updated Feb. 2020), <https://onlinelibrary.wiley.com/doi/10.1111/jmcb.12684>; Zoe Willingham, *Small Businesses Get a Boost from a \$15 Minimum Wage*, Ctr. for American Progress, (Feb. 25, 2021),

## Conclusion

The American Rescue Plan Act of 2021 is targeted to help the women of color, communities of color, and individuals and families who are experiencing the greatest economic distress during the COVID-19 recession, and to provide relief at the scale of need. The relief provided by the ARPA will make a concrete and significant difference in the lives of women and families. In addition to mitigating hardship and the long-term consequences of economic insecurity, it will also stimulate economic growth. This is a tremendous moment where our nation has risen to the challenge.

As with relief, our path to recovery requires us to focus on the needs of women of color. Without structural change and significant public investments, those who were most harmed by the economic contraction will also be left out of the recovery. Thus, the only way back to sustainable and broadly shared prosperity is by ensuring that women, especially women of color, are able to succeed.

Policymakers should seize the moment to build on the relief provided by the ARPA and ensure an equitable economic recovery, including by investing in affordable, safe, and accessible housing, investing in the care infrastructure, making the ARPA's expansions to refundable tax credits for families permanent, and establishing a \$15 minimum wage. Women and families need and deserve an economy that works for all of us.

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<https://www.americanprogress.org/issues/economy/reports/2021/02/25/496355/small-businesses-get-boost-15-minimum-wage/>; Holly Sklar & Alissa Barron-Menza, Bus. for a Fair Minimum Wage, *Raising the Minimum Wage to \$15 Helps Small Business* (Feb. 24, 2021), <https://www.businessforafairminimumwage.org/sites/default/files/BFMW%20Raising%20Min%20Wage%20Helps%20Small%20Business%20Feb%2024%202021.pdf>; T. William Lester et al., *Raising the Minimum Wage Would Help, Not Hurt, Our Economy*, Ctr. for Amer. Progress (Dec. 3, 2013), <https://www.americanprogressaction.org/issues/labor/news/2013/12/03/80222/raising-the-minimum-wage-would-help-not-hurt-our-economy/>; Daniel Aaronson, Sumit Agarwal, & Eric French, Fed. Reserve Bank of Chicago, *The Spending and Debt Responses to Minimum Wage Increases* 10 (Rev. Feb. 8, 2011).