

RAISING REVENUES: WHY TAXES MATTER FOR CARE ADVOCATES



All of us will need to care for ourselves or a loved one at some point in our lives. Care work is the work upon which all other work depends. Unfortunately, the U.S. is one of only six countries in the world with no national paid leave policy. And child care and aging and disability care are textbook examples of a broken market: care costs too much for families to afford yet care workers are not paid enough to support themselves and their families. Though care benefits each and every one of us, millions of families rely on unpaid caregivers who forgo substantial income and more to care for loved ones.

Individuals and families can't solve the care crisis on their own. We need to treat care as a public good, which requires public investment. The health and well-being of our families, communities, and economy depends on this. We can raise revenues to support care investments by making sure the wealthy and big corporations pay a fairer share of taxes.

If we tax the rich and profitable corporations, there will be more than enough revenue to support public investments in paid leave, child care, and aging and disability care, which all of us need and deserve.

“Recently my mom was hospitalized because of a stroke. She has a brain tumor that needed to be looked after and will eventually be removed. I needed to take time off of work to care for her, but I am pregnant and trying to save up vacation time and sick time to use as maternity leave. I was forced to use vacation time and cut into what will be used as my maternity leave. Without paid family and medical leave, many folks in my generation will be forced to leave the workforce or face financial strain while they care for their parents and/or their children.”

– Mackenzie, Dover, NH



MomsRising.org
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THE PANDEMIC HAS SHOWED HOW MUCH OUR ECONOMY DEPENDS ON CARE

- Caregivers are the backbone of the economy. Without caregivers, workers, employers, and the economy as a whole could not function.
- Even before the pandemic, families struggled to afford care while paid caregivers – overwhelmingly women and disproportionately women of color and immigrants – have historically been paid painfully low wages.
- During the pandemic, the child care system teetered on the brink of collapse. An estimated 20,000 child care programs have ceased operations. The child care sector has not recovered: nearly 60,000 child care jobs have not returned.
- While emergency paid leave helped protect workers' health in the early days of the pandemic, the urgent need for paid leave continued after the emergency measures expired. Throughout the pandemic, an average of 3.2 million adults per week reported being unable to work because they were either sick with COVID-19 symptoms, or because they were caring for someone who was sick with COVID-19.
- There are currently an estimated 1.8 million unfilled caregiving jobs, harming paid and unpaid caregivers alike.
- Women shouldered additional family caregiving responsibilities and were overrepresented among essential care workers throughout the pandemic.
- The care crisis pushed many women out of the workforce during COVID. Recent polling finds that 9 percent of women who left the labor force during COVID cited caregiving as the key reason.
- The recovery continues to be uneven for women, especially women of color, in large part because we have not made needed investments in care.

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20,000
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CHILD CARE JOBS HAVE NOT RETURNED

“I quit my job to take care of my 19-month-old daughter because we just couldn’t find good full-time childcare. It was hard to find good childcare where I live before the pandemic, but now with so many daycares closed or operating at a reduced capacity, it seems literally impossible.”

– Nika, Bath, ME



INVESTING IN CARE SUPPORTS WOMEN, FAMILIES, EMPLOYERS, COMMUNITIES, AND THE ECONOMY AS A WHOLE

- Right now, workers, families, and the economy as a whole are constrained because we have not made permanent, public investments in care. Families lose \$22.5 billion in wages annually due to a lack of paid family and medical leave; families with young children lost an estimated \$13 billion in wages per year during the pandemic because of child care disruptions.

- Our economy will not reach its full potential if moms, women and caregivers continue to be crushed by the lack of investments in child care, paid leave, and aging and disability care.

- In one recent survey of caregivers of young children, approximately 80 percent of respondents reported a lack of affordable child care that fully meets their needs held their family back from working, going to school, buying a home or otherwise bettering their situation.

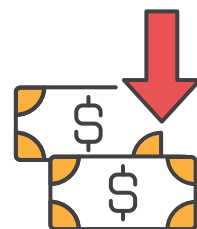
- Public investment in the care infrastructure would especially benefit women of color, immigrant women, and communities of color, because they make up a disproportionate share of care workers and are most likely to lack access to caregiving supports.

- Investing in caregiving would foster economic growth by improving the quality and wages of caregiving jobs and increasing women's workforce participation.

- Supporting women's paid work would boost their incomes, lifetime earnings, and wealth, improving their financial security and reducing income and wealth gaps.

**FAMILIES LOSE
\$22.5 BILLION
YEARLY IN WAGES DUE TO
A LACK OF PAID FAMILY/MEDICAL LEAVE**

**FAMILIES WITH YOUNG KIDS
LOST \$13 BILLION
IN WAGES PER YEAR
DURING THE PANDEMIC BECAUSE OF
CHILD CARE DISRUPTIONS**



WE HAVE A TAX SYSTEM TO COLLECT REVENUES TO INVEST IN OUR SHARED PRIORITIES – LIKE CAREGIVING

- One of the primary roles of the tax code is to raise revenue to fund our shared priorities.
- The tax system is designed to enable robust public investments in infrastructure that supports our whole economy, like child care, paid leave, and aging and disability care.
- Raising revenues to support care investments would make it easier for women and workers paid low wages to support their families, mitigate gender and racial discrimination in the workforce, and lay the groundwork for broadly shared economic prosperity.
- The Inflation Reduction Act showed that we can raise revenues by guaranteeing wealthy corporations pay their fair share in taxes and make historic investments in health care and to address climate change. We can build on this recent success.

IF WEALTHY CORPORATIONS AND INDIVIDUALS PAY THEIR FAIR SHARE, THERE WILL BE MORE THAN ENOUGH REVENUE TO INVEST IN CARE

- Billionaires made enormous wealth gains throughout the global health and economic crisis, while women and their families lost jobs and income, and experienced material hardship.
- Corporations and the wealthy have benefited from women's underpaid and undervalued labor and from our antiquated and inequitable tax laws. They should be required to pay their fair share.
- The tax system favors the wealthy and big corporations in many ways. Billionaires pay an estimated effective tax rate of only 8% annually. And many profitable corporations pay no taxes at all.
- Lopsided tax breaks for wealthy households and corporations have undercut the amount of revenues raised by the tax code. Most recently, the Tax Cuts and Jobs Act of 2017 (TCJA), which primarily targeted tax cuts to the wealthiest households and corporations, lost over \$1.9 trillion in revenue.
- There are dozens of proposals that would make the wealthy pay a fairer share of taxes. Allowing the Trump tax cuts for the wealthy to expire in 2025 is a no-brainer. The Biden Administration has proposed common-sense tax policies that would address some of the worst excesses of the upside-down tax code. And there are more still.
- Making the tax code more progressive and fully funding the IRS to enforce our tax laws would raise billions more in federal revenues, creating fiscal space for investments that would allow women, people of color, and all workers to thrive and access opportunity.



DURING THE FIRST TWO YEARS OF THE PANDEMIC
THE WORLD'S 10 RICHEST MEN
MORE THAN DOUBLED
THEIR FORTUNES



AT A RATE OF
\$1.3 BILLION
PER DAY



“My husband and I devote one quarter of our income toward quality childcare for our only child. This has affected our decision not to grow our family, not to strike out on our own and start our own business, and not to move to a safer neighborhood. Things won't get much better once our son is school-aged, because of the low-quality schools in our city. We will likely choose to pay for a higher quality education, and continue to sacrifice greatly in other areas of our lives.”

– **Morgen, Chicago, IL**

TAXING THE RICH WILL INCREASE RACIAL AND GENDER EQUITY

- Our current level of wealth inequality is nearing the level it reached just before the Great Depression. The 400 richest Americans own more wealth than America's bottom 64 percent, nearly two-thirds of the nation's households combined. The top 1% owns more wealth than the entire middle class, the middle 60% of the income distribution.
- Women supporting families on their own and families of color are underrepresented within the highest income brackets, and overrepresented within the lowest. This means that many tax preferences that benefit the wealthy leave out women and people of color.
- Our tax code also disadvantages women and people of color by privileging wealth over income. Enormous gender and racial wealth gaps persist: For every \$1 of wealth owned by a single white man, single Black women and single Latinas own 9 cents. Tax provisions that encourage wealth-hoarding only worsen wealth disparities.
- The wealthiest have an outsized influence on our political system, effectively dictating their policy preferences, at the expense of policies that would support broadly shared prosperity and are popular with the general public.
- Taxing the rich can curb the influence of the wealthiest, and reduce wealth inequality by breaking up wealth at the top. This would reduce racial and gender wealth disparities, and inequities in the tax code.
- Taxing the wealthy would especially help advance gender and racial equity if the revenues raised were invested in priorities that mitigate the effects of systemic discrimination, such as the care economy.

**FOR EVERY \$1 OF
WEALTH OWNED
BY A SINGLE
WHITE MAN:**



**SINGLE BLACK WOMEN
& SINGLE LATINAS
OWN \$.09**

Taxing the rich (and profitable corporations) is necessary to win the caregiving investments women need and deserve.

“Not having access to paid leave forced me to liquidate my retirement assets so I could care for my newborn. In addition, my husband not having access to support me at home during that time placed major emotional stress on our family. Shortly after my son was born my older son began showing signs of his later diagnoses of Autism. I was home alone with my newborn and my two-year-old who was struggling with major behavioral challenges due to his Autism. If we had paid leave, we could have cared for both of our children better without liquidating future financial resources.”

– Susan, Furlong, PA