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The Heritage Foundation Wants to Tax Women Into Traditionalism

The architects of Project 2025, the Heritage Foundation, released a new report earlier this year: "Saving America by Saving the Family." As with Project 2025, this report envisions a world in which women's roles are limited to childbearing and marriage, the "traditional" two-parent heterosexual family is the only family recognized by the law, and single mothers, immigrant families, families of color, and LGBTQ+ people are pushed further to the margins.

We've already analyzed how policies in this report would coerce women into marriage, push women out of higher education, and break the child care system. Now this fact sheet will examine how the report leverages another flawed system to further its racist, sexist, pronatalist agenda—**the tax code**.

The Heritage Foundation Uses the Tax Code to Reward "Traditional" Families and Leave Out Everyone Else

The Heritage Foundation's report includes three major "family" tax proposals:

- **The Newlywed Early Starters Trust (NEST) Accounts**, tax-advantaged savings accounts that include $2,500 in government-provided seed money, and allow users to pull out the money tax-free if (and only if) they marry young;
- **The Family and Marriage (FAM) Tax Credit**, a tax credit worth up to $4,418 for married couples who have a child under 4, with a bonus for families with three or more children; and
- **The Home Childcare Equalization (HCE) Credit**, a $2,000 tax benefit for married families in which one parent stays home to raise young children. (This is the proposal that inspired the Trump administration's reported plan to unlawfully divert funds from the Child Care and Development Fund (CCDF) to married couples with a stay-at-home parent.)

As costs of food and other necessities soar—thanks to the One Big Beautiful Bill Act's (OBBBA) cuts to basic needs programs and the administration's tariffs and war in Iran—families need economic support to make ends meet. But the Heritage Foundation's policies do not support the families who are struggling most in today's economy. In fact, the report makes it clear that the Heritage Foundation only believes that only a very few kinds of families deserve tax benefits. As a result, their policies overwhelmingly leave out the lowest-income families, who are disproportionately Black and brown and headed by single women, and would worsen an already unacceptable racial wealth gap.

These tax policies explicitly exclude or provide less benefit to:

- *Families headed by single mothers*. All three policies require marriage as a pre-requisite for eligibility, which would exclude millions of families headed by single parents, who are disproportionately families of color. Single mothers, who make up 80 percent of single parents, are especially likely to have high rates of poverty and low incomes compared to married parenting couples—but only the latter would benefit.
- *LGBTQ+ families and many families who use assisted reproductive technology*. Both the FAM and HCE tax credits would only be available to taxpayers who are the "biological parents of the child in question," excluding the vast array of family types that fall outside of this narrow definition (including adoptive families).
- *Immigrant families*. All three policies require that the relevant taxpayers (including claimed children) have Social Security Numbers. This would prevent millions of families from benefiting, including citizen and legal permanent resident children with immigrant parents.
- *Families with low incomes*. Both the FAM and HCE credits have an earned income requirement of $30,500, which would prevent many low-income families—who are disproportionately headed by single women and families of color—from benefiting. In fact, families would not receive the full benefit of these policies until their incomes reach $57,500, while families making up to $400,000 continue to receive the full benefits. And the NEST accounts—like the Trump accounts they build upon—would largely benefit higher income people who have money to invest in the accounts.

The Report's Tax Policies Reward Couples Who Marry Young & Follow Traditional Gender Roles

Not only do these policies exclude many of the families who most need economic support—including women-headed families and families with low incomes—they also explicitly reward couples who marry young and who follow traditional gender roles that prioritize childbearing for women and careers for men.

For instance, all three policies require individuals to be married to benefit—despite the fact that 35% of households with children are headed by adults who aren't married.

And NEST accounts go further by requiring beneficiaries to be married by around age 27 to be able to withdraw account funds (including the $2,500 contribution from the government) fully tax-free. If you marry after 27 but before 30, you will be able to withdraw some of your money tax-free. And anyone can withdraw account funds at 30—but the money will be fully taxed, regardless of whether you are married or not.

In order to receive the $2,000 HCE tax credit, one parent (likely the mom) would need to drop out of the workforce and stay home to attend to child care responsibilities. Women are already more likely work less or stay home to care for young children, and the Heritage Foundation's report offers a host of other policy proposals that would discourage women from working outside the home (such as cuts to federal child care funding). Taken together, these policies seek to incentivize women to marry early, have children early, and stay out of the workforce to raise those children, which limits their earning ability if they later enter the workforce, could undermine their future retirement security, and endangers their ability to support themselves and their families if they ever lost access to their husbands' incomes.

Furthermore, if a couple divorces—as is more likely with early marriages—then they would lose access to all three benefits. As with Heritage Foundation's proposal to eliminate no-fault divorce, this divorce disincentive aims to trap women in their marriages and would potentially undermine their ability to escape the consequences of abusive partnerships.

The Heritage Foundation Report Recommends Slashing Supports that Families with Low Incomes Especially Rely On

The harms of these three tax policies would only be compounded by how the Heritage Foundation suggests we pay for them: by slashing programs that families struggling the most depend on.

The report estimates that the FAM and HCE credits would cost $188.7 billion over ten years. This is money that could be otherwise used to invest in families who are struggling most, including by restoring the One Big Beautiful Bill Act's (OBBBA) $187 billion cut to the Supplemental Nutrition Assistance Program (SNAP).

However, the Heritage Foundation suggests making low-income families bear the costs of these very expensive policies, through "the cost reductions proposed throughout this Special Report." These include cuts to the Earned Income Tax Credit—a refundable tax credit that lifts millions of low-income families out of poverty every year—and Head Start, a program that provides early education, health care, and other services to children in low-income families. The report also decries basic needs programs generally, claiming that they made "the federal government the de facto husband for millions of poor women across the country," a racist and sexist dog-whistle about supports that disproportionately benefit women and families of color, who are especially likely to be poor because of caregiving responsibilities and systemic barriers in the workforce and beyond.

Families are already bearing the brunt of the Trump administration's draconian policies, from OBBBA's cuts to Medicaid and SNAP, to freezes and cuts to child care and social services funding, to tariffs. Cutting basic needs programs—and using them to pay for these three new radical tax policies—would further hurt the millions of people whose families do not fit into the Heritage Foundation's ideal family mold, including single-mother families, LGBTQ+ families, immigrant families, and low-income families (who are disproportionately Black and brown). Our families and communities do not need to lose more vital supports in order to pay for Heritage Foundation's racist, sexist, exclusionary, pro-natalist tax agenda. And the more families are struggling, the more our communities and economy struggle as well.

If we as a nation actually want to save families, we should make sure the wealthiest and big corporations pay their fair share in taxes, and use the revenues we would raise to invest in the economic policies that have been proven to support families' economic security and well-being (many of which the Heritage Foundation criticizes)—including refundable tax credits, Medicaid, nutrition assistance, comprehensive paid family and medical leave, and universal child care.