

**Testimony of Ai-jen Poo,  
President, National Domestic Workers Alliance  
Executive Director, Caring Across Generations**

**Senate Committee on Banking, Housing, and Urban Affairs Subcommittee on Economic Policy**

**Hearing: The Macroeconomic Impacts of Potential Tax Reform in 2025  
September 18, 2024**

Introduction

Chairwoman Warren, Ranking Member Kennedy, and Members of the Committee, thank you for the opportunity to testify today about what is at stake for us, working families, our country, and our economy regarding tax reform in 2025. My name is Ai-jen Poo, and I am the President and co-founder of the National Domestic Workers Alliance (NDWA) and Executive Director of Caring Across Generations.

Founded in 2007, NDWA works to raise wages and strengthen industry standards toward economic security, respect, and workplace dignity for over 3 million domestic workers in the U.S. NDWA represents more than 395,000 nannies, house cleaners and home care workers in all 50 states, with a network of 70 local chapters, affiliate organizations.

Founded in 2011, Caring Across Generations works on behalf of family caregivers, care workers, disabled people, and seniors to change the way we support and value caregiving in our culture and policies in the United States – from aging and disability care, to childcare, to paid family and medical leave, and good jobs for care workers.

Together, NDWA and Caring Across Generations have worked for over a decade to bring attention to the growing need for investments in the care economy and the urgency of transforming care jobs into good jobs with family-sustaining wages and benefits. NDWA and Caring Across are also part of Care Can't Wait, a national coalition of dozens of organizations working together to make caring for families more affordable in America.

Caregiving is both among the most important roles we have in life, and, in America, it is extraordinarily costly. Parents and family caregivers are struggling to afford essential care for their loved ones and filling in the gaps that the current federal system leaves behind, with those in the sandwich generation facing the dual pressures of both child care and elder care, and professional care workers – from child care to direct care – earn poverty wages without access to care for their own families.

In this testimony, I will address how care, like taxes, impacts every aspect of our lives. I will describe why it is both urgent and essential to use public dollars to support Americans struggling with the high cost of care, including caregivers, seniors and disabled people. I will also explain how, when the wealthiest and largest corporations pay their fair share, we can use our public dollars to invest in aging and disability care, paid family and medical leave, early childhood education, and good jobs for care workers.

I share why this approach is a stark contrast to the tax cuts for the rich in the Tax Cut and Jobs Act, signed into law under the Trump Administration in 2017, which disproportionately benefits those with the least amount of need – the ultrawealthy and corporations.

The upcoming expiration of these tax breaks offers a once-in-a-generation opportunity to put the needs of everyday American families over the interests of the rich and corporations. This is how we build an economy with economic opportunity and freedom for everyone.

Using our tax dollars to invest in care supports caregivers, ensures older adults and disabled people receive essential services, and creates an economy for all our families to thrive.

Every day in America, 10,000 babies are born<sup>1</sup>, and 10,000 of us turn 65 years-old.<sup>2</sup> More of us are living longer, which means our population is aging - the number of older adults over 85 years-old is expected to more than double by 2040.<sup>3</sup> This is a beautiful thing – it means more time to live, to learn and contribute, to watch our children and grandchildren grow. And it also means as a nation, we need more care than ever before.

For example, millions of people will need aging and disability care, including nearly 70 percent of adults 65 years and older.<sup>4</sup> An estimated 80% veterans will need long-term care.<sup>5</sup> Also, more than 1 in 5 people throughout the United States, 53 million of us, are family caregivers, and 11 million are “sandwich” family caregivers, caring for both children and an aging or disabled family member, often with no additional outside assistance and at the expense of their own well-being.<sup>6,7,8</sup>

Deciding how we spend public dollars through potential reforms using the tax code is one of the most powerful tools we have to lower costs for families, to grow our middle class and strengthen our economy. Just as we need federal dollars for physical infrastructure such as roads and bridges and clean

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<sup>1</sup> Brady E. Hamilton, Joyce A. Martin, Michelle J.K. Osterman, “Vital Statistics Rapid Response: Births: Provisional Data for 2023,” Centers for Disease Control and Prevention National Center for Health Statistics, April 2024. <https://www.cdc.gov/nchs/data/vsrr/vsrr035.pdf>

<sup>2</sup>America Counts Staff, “2020 Census Will Help Policymakers Prepare for the Incoming Wave of Aging Boomers,” United States Census Bureau, Dec. 10, 2019. <https://www.census.gov/library/stories/2019/12/by-2030-all-baby-boomers-will-be-age-65-or-older.html>

<sup>3</sup>Administration for Community Living, U.S. Department of Health and Human Services, “2023 Profile of Older Americans,” May 2024. [https://acl.gov/sites/default/files/Profile%20of%20OA/ACL\\_ProfileOlderAmericans2023\\_508.pdf](https://acl.gov/sites/default/files/Profile%20of%20OA/ACL_ProfileOlderAmericans2023_508.pdf)

<sup>4</sup> Administration for Community Living, U.S. Department of Health and Human Services “How Much Care Will You Need?”, February 18, 2020. <https://acl.gov/ltc/basic-needs/how-much-care-will-you-need>

<sup>5</sup> Jordan M. Harrison, “Home and Community-Based Services: Veterans' Issues in Focus,” RAND, June 26, 2023. [https://www.rand.org/pubs/perspectives/PEA1363-9.html#:~:text=An%20estimated%2080%20percent%20of,lifetime%20\(Hartront%2C%202021\).](https://www.rand.org/pubs/perspectives/PEA1363-9.html#:~:text=An%20estimated%2080%20percent%20of,lifetime%20(Hartront%2C%202021).)

<sup>6</sup>AARP and National Alliance for Caregiving, “Caregiving in the United States 2020,” May 14, 2020. <https://www.aarp.org/pri/topics/its/family-caregiving/caregiving-in-the-united-states/>

<sup>7</sup>Diverse Elders Coalition, National Alliance for Caregiving, and National Minority Quality Forum, “Caregiving in a Diverse America: Beginning to Understand the Systemic Challenges Facing Family Caregivers,” November 2021. [https://caringacross.org/wp-content/uploads/2024/03/NAC\\_AmgenDiverseCaregiversReport\\_FinalDigital-112121.pdf](https://caringacross.org/wp-content/uploads/2024/03/NAC_AmgenDiverseCaregiversReport_FinalDigital-112121.pdf)

<sup>8</sup>Susan C. Reinhard, Selena Caldera, Ari House, & Rita B. Choula, “Valuing the Invaluable: 2023 Update: Strengthening Supports for Family Caregivers,” AARP, March 2023. [https://archrespite.org/wp-content/uploads/2023/03/valuing-the-invaluable-2023-update.doi\\_10.26419-2Fppi.00082.006.pdf](https://archrespite.org/wp-content/uploads/2023/03/valuing-the-invaluable-2023-update.doi_10.26419-2Fppi.00082.006.pdf)

drinking water, we need care infrastructure, to help enable working parents and caregivers to go to work. As Senator Bob Casey famously said, “Some of us need a bridge or a tunnel to get to work, others of us need child care, or home care.”

Unfortunately, as a nation we lag behind our peers in funding and building the systems to support the care families need, forcing working family caregivers and parents to make impossible choices between caring for their loved ones and working to pay the bills. Meanwhile the low pay for professional care workers makes it difficult to attract and retain a strong care workforce, leading to high rates of turnover, lack of access to quality care for families, and a life of poverty for those who stay in the workforce.

The cost of inaction is too high for people who give and receive care.

Unpaid care work, two-thirds of which is done by women, disproportionately by Black and Asian women and Latinas, is worth more than 1 trillion dollars.<sup>9</sup> Most people would prefer to live and age in their own homes and communities, but today nearly 700,000 older adults and disabled people remain on waiting lists for Medicaid home and community-based services to receive essential, life-saving care.<sup>10,11</sup> In 2022, the lack of sufficient funding for child care left families in 11 different states on waiting lists while other families continue to struggle with out-of-pocket costs because of high co-payments, and many more families without any support at all because of strict income requirements for access.<sup>12</sup>

The vast majority of workers in the private sector, more than 70 percent, do not have access to paid family and medical leave through their employer to be able to take care of their own health, provide care for a loved one, or welcome a new child, without the risk of losing their job or draining their savings.<sup>13</sup> This means one in four new mothers returns to work within two weeks of giving birth.<sup>14</sup> The United States is one of the only countries in the world that does not guarantee paid family and medical leave.<sup>15</sup>

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<sup>9</sup> Jessica Mason, Katherine Gallagher Robbins, "Americans' Unpaid Caregiving is Worth More than \$1 Trillion Annually – and Women are Doing Two-Thirds of The Work" National Partnership for Women & Families, June 27, 2024. <https://nationalpartnership.org/americans-unpaid-caregiving-worth-1-trillion-annually-women-two-thirds-work/>

<sup>10</sup> Hart Research Associates, "Standing Up for Medicaid," April 13, 2023.

<https://caringacross.org/wp-content/uploads/2023/04/Caring-Across-Generations-Medicaid-Polling.pdf>

<sup>11</sup> Alice Burns, Maiss Mohamed, and Molly O'Malley Watts, "A Look at Waiting Lists for Medicaid Home and Community-Based Services from 2016 to 2023," Kaiser Family Foundation, November 29, 2023.

<https://www.kff.org/medicaid/issue-brief/a-look-at-waiting-lists-for-medicaid-home-and-community-based-services-from-2016-to-2023/>

<sup>12</sup> Karen Schulman, "Precarious Progress: State Child Care Assistance Policies 2022," National Women's Law Center, May 2023. <https://nwlc.org/wp-content/uploads/2023/06/State-of-Child-Care-2023-FINAL.pdf>

<sup>13</sup> U.S. Bureau of Labor Statistics, "Databases, Tables & Calculators by Subject: National Compensation Survey Benefits, Series Title: Percent of Private Industry Workers with Access to Paid Family Leave" Data extracted on Sept. 13, 2024. <https://data.bls.gov/timeseries/NBU287000000000000033349>

<sup>14</sup> ABT Associates, "Family and Medical Leave in 2012: Detailed Results Appendix", April 18, 2014.

<https://www.dol.gov/sites/dolgov/files/OASP/legacy/files/FMLA-Detailed-Results-Appendix.pdf>

<sup>15</sup> "Is paid leave available to mothers of infants, including maternity and parental?" World Policy Center, January 2022.

<https://www.worldpolicycenter.org/policies/is-paid-leave-available-to-mothers-of-infants-including-maternity-and-parental>

In every state, people pay more for two kids in center-based child care than rent.<sup>16</sup> A room in a nursing home costs approximately \$100,000 per year.<sup>17</sup> And aging and disability care at home, where most people want to receive it, costs between \$60,000 and over \$288,000 per year.<sup>18,19</sup> It is simply too much for most families to bear.

By generating revenue and using public dollars to invest in our shared need for care, we can help relieve the extreme pressures and financial strain of care. However, cutting taxes for the ultrawealthy and reducing revenue, as with the 2017 tax law, leaves us with even fewer resources to invest in care. The impacts are devastating, especially for families already struggling to make ends meet.

The good news is that across the political spectrum, families overwhelmingly support raising taxes on the wealthiest individuals and corporations to support care and caregiving.<sup>20</sup> A recent survey found that two-thirds of respondents across party lines support getting rid of the 2017 tax law for the wealthiest one percent.<sup>21</sup> A clear and popular solution – for billionaires and big corporations to pay their fair share, and raise the revenue we need to invest in care.

Currently, our tax policies favor those with the least need – corporations and the ultrawealthy – at the expense of families struggling with basic needs for care.

The cost of inaction is unbearable for too many Americans. I just returned from a bus tour across the country to meet caregivers. In Atlanta, I met Martresa, a sandwich generation caregiver caring for her chronically ill mother at home and her young daughter. At a moment when her care responsibilities were at their most intense, she found a spot on her skin. Because she did not have access to caregiving support, she prioritized caring for her family over her own health, a common pattern among caregivers. The day before the bus arrived in Atlanta, she was diagnosed with advanced stage cancer. And she wonders, what will happen to her family?

Martresa is not alone. And her ranks are increasing as chronic illnesses associated with aging like Alzheimer's become epidemics. It doesn't have to be this way. We have solutions, and we know how to get them done. This is why I'm here - to urge you to let the 2017 tax cuts for the wealthiest and big corporations expire and use this opportunity to fund the care American families desperately need. If big

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<sup>16</sup>"The Child Care at a Standstill: Price and Landscape Analysis," Child Care Aware of America.

<https://www.childcareaware.org/thechildcarestandstill/#PriceofCare>

<sup>17</sup>Priya Chidambaram and Alice Burns, "10 Things About Long-Term Services and Supports (LTSS)," Kaiser Family Foundation, July 8, 2024.

[https://www.kff.org/medicaid/issue-brief/10-things-about-long-term-services-and-supports-ltss/#:~:text=LTSS%20are%20extremely%20expensive%20and,aide%20costs%20\(Figure%202\).](https://www.kff.org/medicaid/issue-brief/10-things-about-long-term-services-and-supports-ltss/#:~:text=LTSS%20are%20extremely%20expensive%20and,aide%20costs%20(Figure%202).)

<sup>18</sup>Hart Research Associates, "Standing Up for Medicaid," April 13, 2023.

<https://caringacross.org/wp-content/uploads/2023/04/Caring-Across-Generations-Medicaid-Polling.pdf>

<sup>19</sup>Priya Chidambaram and Alice Burns, "10 Things About Long-Term Services and Supports (LTSS)," Kaiser Family Foundation, July 8, 2024.

[https://www.kff.org/medicaid/issue-brief/10-things-about-long-term-services-and-supports-ltss/#:~:text=LTSS%20are%20extremely%20expensive%20and,aide%20costs%20\(Figure%202\).](https://www.kff.org/medicaid/issue-brief/10-things-about-long-term-services-and-supports-ltss/#:~:text=LTSS%20are%20extremely%20expensive%20and,aide%20costs%20(Figure%202).)

<sup>20</sup>Lake Research Partners, MomsRising, & National Women's Law Center, "National Survey Finds People Strongly Favor Taxing the Rich to Pay for Caregiving Priorities," April 12, 2024.

<https://www.momsrising.org/newsroom/national-survey-finds-people-strongly-favor-taxing-the-rich-to-pay-for-caregiving>

<sup>21</sup>Ibid.

corporations and the wealthiest among us paid their fair share, we would have more than enough revenue to pay for the care we need.

Federal dollars pay for the majority of long-term care services and supports as well as early childhood education, including pay for workers who provide these services.<sup>22,23</sup> Despite the immense need for a care workforce, these workers are also among the most underpaid. Direct care workers are paid an average of just \$25,000 per year, and child care workers are paid an average of less than \$30,000.<sup>24,25</sup> These workers are less likely to receive paid family and medical leave and more likely to rely on public benefits.<sup>26</sup> This means that more workers are leaving the field, increasing training and turnover costs for employers, and diminishing the quality and consistency of care for families and individuals in need.<sup>27,28</sup> Public investment to support care workers is essential.

The direct care workforce is overwhelmingly made up of women of color, and 94% of all child care workers are women<sup>29,30</sup>. These are jobs that cannot be outsourced, and won't be automated. They consistently rank among the fastest growing occupations in the entire workforce because of the demand, particularly for direct care in home and community services for seniors and people with disabilities. Investment in this workforce will create economic mobility for the families and communities they are a part of, in addition to stabilizing the services families, seniors and disabled people need. We have proven solutions to the workforce crisis – including raising the wages and supporting workers' rights to organize, the freedom to join together in a union, to negotiate for improved access to benefits.

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<sup>22</sup>Congressional Research Service, "Long-Term Services and Supports: History of Federal Policy and Programs", Dec. 20, 2023. <https://crsreports.congress.gov/product/pdf/R/R43328>

<sup>23</sup>Stephanie Schmit, "CCDBG FY2024 State-by-State Appropriations Distribution Estimates and Increases," The Center for Law and Social Policy, April 2024. [https://www.clasp.org/wp-content/uploads/2024/04/FY-2024-CCDBG-Approps-Increase-Factsheet\\_April-2024.pdf](https://www.clasp.org/wp-content/uploads/2024/04/FY-2024-CCDBG-Approps-Increase-Factsheet_April-2024.pdf)

<sup>24</sup>Sarah Angell, Kezia Scales, & Lina Stepick, "Direct Care Workforce State Index: Mapping Workforce Policies and Outcomes," PHI, July 30, 2024. <https://www.phinational.org/resource/direct-care-workforce-state-index-mapping-workforce-policies-and-outcomes/>

<sup>25</sup>Maureen Coffey, "Still Underpaid and Unequal: Early Childhood Educators Face Low Pay and a Worsening Wage Gap," Center for American Progress, July 19, 2022. <https://www.americanprogress.org/article/still-underpaid-and-unequal/>

<sup>26</sup>Annette Jacoby, Anamika Sen, Gina Kelley, Alejandra Montoya-Boyer, Rebecca Rewald, & Kaitlyn Henderson, "Unseen Work, Unmet Needs: Exploring the Intersections of Gender, Race and Ethnicity in Unpaid Care Labor and Paid Labor in the US," Oxfam & Prosperity Now, Apr. 25, 2024. <https://oxfamilibrary.openrepository.com/bitstream/handle/10546/621617/rr-unseen-work-unmet-needs-250424-en.pdf>

<sup>27</sup>Kyle D. Fee, "Using Worker Flows to Assess the Stability of the Stability of the Early Childcare and Education Workforce, 2010-2022," Federal Reserve Bank of Cleveland, Jan. 19, 2024. <https://www.clevelandfed.org/publications/cd-reports/2024/20240119-childcare-and-education-workforce>

<sup>28</sup>PHI, "Direct Care Workers in the United States: Key Facts 2024," Sept. 2024. [https://www.phinational.org/wp-content/uploads/2024/09/PHI\\_Key\\_Facts\\_Report\\_2024.pdf](https://www.phinational.org/wp-content/uploads/2024/09/PHI_Key_Facts_Report_2024.pdf)

<sup>29</sup>"Direct Care Workers in the United States: Key Facts," PHI, 2023. <https://www.phinational.org/wp-content/uploads/2023/09/PHI-Key-Facts-Report-2023.pdf>

<sup>30</sup>Brooke LePage, "The Child Care and Early Learning Workforce Is Underpaid and Women are Paying the Price," National Women's Law Center, May 2023. <https://nwlc.org/wp-content/uploads/2023/05/child-care-workers-5.25.23v3.pdf>

The 2017 tax law decreased federal revenue by trillions while doing almost nothing to benefit the middle class.<sup>31</sup> Under current tax law, the wealthiest 1% of households can expect an average benefit of \$60,000 in 2025, while the majority, including most family caregivers, disabled people, and older adults, will receive less than \$500.<sup>32</sup> That's \$40 per month. Care workers will average even less – only \$70 per year.<sup>33</sup> For families dealing with tens of thousands in care costs per year, these scant benefits provide little relief.

Take Mary, who is 70-years-old, and still works at an Amazon fulfillment center in Raleigh, North Carolina. She does hard, physical work – sorting and packaging items for delivery. While working at Amazon, Mary was diagnosed with cancer, which meant multiple surgeries over a two-year period. Instead of access to paid leave, Mary received temporary disability, which afforded her 60% of her income – about \$150 per week. That wasn't enough to cover her rent, much less utilities, groceries, and gas.<sup>34</sup>

Meanwhile, Jillian, from Delaware, has faced an ongoing struggle to find affordable care for her two young children. Jillian spends \$1,300 per month on child care for her 2-year-old son – which alone is nearly triple the amount she might expect to receive in a year from the current tax cuts. Her older son is autistic, and many daycares, even ones with open spots, have refused to take him because of his diagnosis. Since Jillian and her partner both work full-time jobs, her father had to retire from *his* job to care for her son after school. Even with her father's full-time support, Jillian is barely making ends meet.

What Jillian and Mary need are robust investments in the care economy – not \$500 per year in tax cuts. When the wealthiest and big corporations pay more in taxes, there will be more than enough to invest in aging and disability care, paid leave, child care, and good jobs for care workers. Currently, workers lose \$22 billion in wages each year because of the lack of paid leave, and the US loses \$122 billion annually in productivity and revenue due to lack of child care.<sup>35,36</sup> Care policies also all have large returns on

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<sup>31</sup>Congressional Budget Office, "The Budget and Economic Outlook: 2018 to 2028, Appendix B" April 2018. <https://www.cbo.gov/system/files/2019-04/53651-outlook-2.pdf>

<sup>32</sup>Chuck Marr, Samantha Jacoby, & George Fenton, "The 2017 Trump Tax Law was Skewed to the Rich, Expensive, and Failed to Deliver on Its Promises, Jun. 13, 2024. <https://www.cbpp.org/research/federal-tax/the-2017-trump-tax-law-was-skewed-to-the-rich-expensive-and-failed-to-deliver>

<sup>33</sup>Ibid.

<sup>34</sup>North Carolina Justice Center Workers' Rights Project, "The Cost of Inaction – 2024 State of Working North Carolina," 2024. <https://stateofworkingnc.org/2024-report/#leave>

<sup>35</sup>Sarah Jane Glynn, "The Rising Cost of Inaction on Work-Family Policies," Center for American Progress, Jan. 21, 2020. <http://americanprogress.org/article/rising-cost-inaction-work-family-policies/>

<sup>36</sup>Council for a Strong America, "\$122 Billion: The Growing, Annual Cost of the Infant-Toddler Child Care Crisis," Feb. 2, 2023. <https://www.strongnation.org/articles/2038-122-billion-the-growing-annual-cost-of-the-infant-toddler-child-care-crisis>

investment.<sup>37, 38, 39, 40</sup> If women’s labor force participation were the same in the US as Germany and Canada, which have national paid leave and other family supports, it would mean more than \$775 billion in additional economic activity annually.<sup>41</sup>

An historic investment in the care economy would power the middle class and our economy for years to come. It would create an on-ramp to financial stability for millions of care workers, ensure millions of caregivers and parents, especially mothers, could stay in the workforce, and lower the extraordinary cost of having a family.

## Conclusion

Each of us will need to give or receive care at some point in our lifetime. Whether it’s as disabled people or older adults who are seeking to live independently, parents or other family caregivers who are providing care for their spouses, siblings, children, or care workers who make all other work possible.

The upcoming expiration of 2017 tax law is a critical turning point to demonstrate our priorities and values as a country. We have a choice. We can prioritize increasing the margins of largest corporations and the wealth of the wealthiest among us, or the needs of everyday, middle class families who are the backbone of our workforce. We can continue to leave unpaid caregivers and underpaid care workers alone and unsupported as they keep our economy afloat, or we can invest in the programs and systems that will allow them – and all of us to succeed. I urge you not to let this once-in-a-generation opportunity pass our country by.

Thank you for the invitation to join this hearing and share my testimony.

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<sup>37</sup>White House Council of Economic Advisers, “Seven Facts About the Economics of Child Care,” Apr. 17, 2024. <https://www.whitehouse.gov/cea/written-materials/2024/04/17/seven-facts-about-the-economics-of-child-care/>

<sup>38</sup>National Partnership for Women & Families, “Paid Family and Medical Leave is Good for Business,” Oct. 2023. <https://nationalpartnership.org/wp-content/uploads/2023/02/paid-leave-good-for-business.pdf>

<sup>39</sup>Christian Weller, Beth Almeida, Marc Cohen, & Robyn Stone, “Making Care Work Pay: How Paying at Least a Living Wage to Direct Care Workers Could Benefit Care Recipients, Workers, and Communities,” LeadingAge, Sept. 11, 2020. <https://leadingage.org/wp-content/uploads/2022/10/Making-Care-Work-Pay-Report.pdf>

<sup>40</sup>Cara Stepanczuk, Michelle Eckstein, Aparna Kachalia, Alexandra Carpenter, and Andrea Wysocki, “Medicaid Long-Term Services and Supports Use and Expenditures by Service Category, 2019-2021,” U.S. Centers for Medicare & Medicaid Services & Mathematica Inc., Jul. 24, 2024. <https://www.medicaid.gov/medicaid/long-term-services-supports/downloads/ltss-users-expenditures-category-brief.pdf>

<sup>41</sup>Sarah Jane Glynn, “The Cost of Doing Nothing, 2023 Update: The Price We STILL Pay without Policies to Support Working Families,” Department of Labor Women’s Bureau, Nov. 2023. <https://www.dol.gov/sites/dolgov/files/WB/paid-leave/CostofDoingNothing2023.pdf>