Why President Biden’s Government Solutions Would Actually Weaken the Infrastructure of American Families

Rachel Greszler, Lindsey M. Burke, PhD, Marie Fishpaw, Matthew D. Dickerson, Leslie Ford, Robert Rector, Jonathan Butcher, Doug Badger, and Daren Bakst

Strong families and hard work have formed the foundation for healthy development, meaningful relationships, and economic well-being ever since America’s inception. Now President Joseph Biden has a new vision: one in which progressive politicians and government bureaucrats sit at the helm of American families, financed through $1.8 trillion in new taxpayer spending.

Through unprecedented new federal education spending, new universal preschool and government child care programs, paid family leave, and new health care and welfare spending, the Biden Administration would significantly grow federal intervention in and control of some of the most personal aspects of family life. But by displacing the need for and value of things that families do to support one another, the President’s American Families...
Plan 1 will do more to break down than to build up the infrastructure of American families, leaving them with fewer opportunities and less control over their circumstances.

Supporting families means that lawmakers should reject the leftist laundry list in the Biden plan. This plan fails to respond to actual needs in child care, education, family leave, and health care while creating massive new taxes and spending. The left claims it will help families if the federal government takes more of Americans’ incomes and then redistributes the money in the form of benefits that politicians and bureaucrats—not families—create, approve, and control. Past federal programs prove that these are exercises in futility that do not help families and end up hurting society.

True policy reforms should support family formation and stability. Eliminating marriage penalties in our welfare system, encouraging flexibility in work and child care, offering more education options, and increasing access to better private health plans are good starts.

**New Child Care Spending and Programs**

**Paid Family Leave.** Consider first the President’s plan to implement a nationwide paid family leave program. Americans want paid family leave, and there has been a “tectonic shift” in employer-provided paid family leave benefits over the past few years as a result.

As the 2017 tax cuts and reduced regulations freed resources for companies, employers responded to workers’ desires by more than doubling their provision of paid family leave. According to the Society for Human Resource Management, the percent of companies providing paid maternity leave increased from 26 percent in 2016 to 55 percent in 2020, and the percent offering paid paternity leave jumped from 20 percent to 45 percent.

A federal government paid leave program would reverse this trend by cutting off the incentive for companies to add new paid family leave programs. Many employers that already have programs would reduce or eliminate their benefits and require workers to use the federal program instead.

It might seem as though a nationwide program available to everyone would be better than the current system in which some workers lack access, but the reality is that a one-size-fits-all government program would be restrictive, unresponsive, and less generous than existing employer-provided programs. Workers in Washington State found themselves waiting up to 10 weeks—during which some had to take out loans—before finding out whether they qualified for and then received benefits from the state’s paid family leave program.
The President’s proposal claims that a government paid family leave program is necessary because “[p]arental paid leave has been shown to keep mothers in the workforce, increasing labor force participation and boosting economic growth.” That is not the full picture, however. Some studies find that government paid family leave programs can have negative impacts on women’s labor market outcomes. For example:

- A study of New Jersey’s paid family leave program found that it reduced young women’s employment rates by an estimated 8 percent to 9 percent.\(^9\)

- A recent analysis of California’s paid family leave program using administrative data from the Internal Revenue Service (IRS) found that new mothers who used California’s government program had 7 percent lower employment and 8 percent lower annual earnings six years to 10 years after giving birth than new mothers who did not use the program.\(^10\) That study also has the surprising finding that California’s paid family leave program reduces women’s fertility rates.

- In Austria, researchers who examined six decades’ worth of pro-family policies including generous paid family leave and subsidized child care concluded that “the massive expansion of family policies has had surprisingly little effect on the long-run evolution of gender inequality. If anything, it made things marginally worse.”\(^11\) They estimated that women’s earnings would have been two percentage points higher relative to men were it not for the government’s family policies.

Moreover, despite their intent, government paid family leave programs are incredibly regressive.\(^12\) They tax all workers but predominantly benefit middle-income and upper-income families. In California, for example, high-income mothers are five times as likely to use the program as low-income mothers.\(^13\) In Canada, researchers found that low-income households “are consistently not receiving [parental leave] benefits, thus indicating class discrimination in leave benefit policy as a systemic and structural inequality.”\(^14\) Expansions intended to help low-income families in Norway “were costly, had no measurable effect on outcomes,” and “amounted to a pure leisure transfer, primarily to middle and upper income families.”\(^15\)

Moreover, an analysis of the FAMILY Act by the nonpartisan Congressional Budget Office (CBO) found that the act would amount to a restrictive and unfunded federal entitlement program.\(^16\) It is estimated that only 42
percent of workers who need to take leave would use the government program, yet the price tag would quickly shoot up to 240 percent of its stated cost. Either rationed benefits or tax hikes would be required.

When companies provide paid family leave, it is primarily their workers who pay the cost, including by helping to cover for their co-workers’ absences and by sacrificing other pay and benefits. But a federal program would tax all workers while primarily benefitting higher-income and dual-earner families at the expense of lower-income and single-earner families.

Most Americans believe that employers—not the government—should provide paid family leave. With 55 percent of companies already offering paid maternity leave and the coronavirus pandemic causing a further increase in employer-provided paid family and medical leave, now is not the time to cut off the growth in more flexible and generous employer-provided programs and replace them with a one-size-fits-all, restrictive, and costly government one.

**Government-Subsidized Child Care.** While recognizing the importance of parents being able to spend time with their newborn children through paid family leave, the Administration’s proposal simultaneously encourages parents not to stay home with their children by favoring center-based and government-run Pre-K over family care.

The government’s role should be to help create environments in which families can pursue the choices that they desire instead of the choice that the government desires—which appears to be both to maximize tax revenues and measured economic output by having all parents work full-time and to maximize the government’s role in raising children. There is tremendous personal and societal value to having parents stay home with children, and it is wrong for government policies to suggest that income provided for the family is the measure of a mother’s (or a father’s) worth.

While most single-parent households do not have the option of having one parent stay home, many two-parent households prefer to have one parent stay home full-time or part-time to care for children, and those families should not have to subsidize the child care costs of other families while also sacrificing their potential incomes to stay home and invest in their children.

Many policymakers claim that child care subsidies are an investment, yielding a positive return, but they are more likely to increase government tax revenues than children’s and families’ well-being.

When Quebec established a government-subsidized $5-per-day child care program, it caused a 14.5 percent increase in the number of mothers of young children working outside the home (and, thus,
higher tax revenues), but researchers also found “striking evidence that children are worse off in a variety of behavioral and health dimensions, ranging from aggression to moto-social skills to illness. Our analysis also suggests that the new childcare program led to more hostile, less consistent parenting, worse parental health, and lower-quality parental relationships.” In addition, teens exposed to the program had significantly higher rates of crime and anxiety and lower levels of health and life satisfaction.

In the U.S., an analysis of a smaller-scale program similarly found that child care subsidies may undermine family well-being. The authors noted that “child care subsidies are associated with worse maternal health and poorer interactions between parents and their children,” including increased anxiety, depression, parenting stress, and physical and psychological aggression by mothers toward their children.

There is also the fact that limiting government subsidies to child care providers that implement incredibly costly and unhelpful new standards and apply government-dictated curriculums and inclusion programs will only further drive up child care costs and limit the supply of providers. Shifting the cost of child care away from families who use it and onto those who do not will not make it more affordable: It will just unfairly redistribute incomes based on personal choices that families make.

While many families choose to keep their children at home and family-based care is generally best for children, the reality is that many families either need to or choose to send their children to some type of preschool or child care. Finding the type of care that they desire at a cost that they can afford can be incredibly difficult. Added regulations and government subsidies are not the solution to families’ child care challenges as they will drive up costs, limit choices, and unfairly shift the burden to families who do not use child care.

Unprecedented Education Spending and Massive New Government Programs

The American Families Plan is unprecedented in scope, spending a stunning $748 billion on education, including the spending on child care discussed above. That figure includes funding for universal preschool, “free” community college, and an expanded school meals program, among other subsidies. If they become law, the spending and new programs in the plan would significantly increase federal intervention in and control of education.
Universal Preschool. The American Families Plan would spend an astounding $200 billion on “free” universal preschool for all three-year-old and four-year-old children. Yet universal preschool has yielded similar findings to large-scale child care subsidies. Although the Biden Administration’s American Families Plan claims that children benefit academically from preschool, the rigorous research suggests otherwise.

For example, researchers at Vanderbilt University who evaluated Tennessee’s “model” Pre-K program for low-income children found that the program failed to produce any sustained benefits for children and actually had some negative effects. Although children participating in the Pre-K program initially showed some positive results, those effects quickly reversed course: “First grade teachers rated the TN-VPK children as less well prepared for school, having poorer work skills in the classrooms, and feeling more negative about school. It is notable that these ratings preceded the downward achievement trend we found for VPK children in second and third grades.”

The Biden plan also claims that “[e]vidence shows that a dollar invested in high-quality early childhood programs for low-income children will result in up to $7.30 in benefits, including increased wages, improved health, and reduced crime.” This figure is misleading as it is derived largely from a study (the Perry Preschool Project) that was conducted in 1962 with just 58 children in the treatment group. Perry’s findings have never been replicated—the hallmark of rigorous social science research—and the $7-to-$1 return-on-investment figure comes from the fact that Perry participants were less likely than the control group to have been arrested five or more times by age 40. This is hardly a ringing endorsement of the promise of preschool.

As the Brookings Institution’s Russ Whitehurst has cautioned, “Perry was an intensive, expensive, multi-year, hothouse program carried out 50 years ago with less than 100 black children in Ypsilanti, Michigan. The mothers stayed at home and received home visitation. The control group children had no other preschool services available to them.” Whitehurst goes on to note that the findings “demonstrate the likely return on investment of widely deployed state pre-K programs for four-year-olds in the 21st century to about the same degree that the svelte TV spokesperson providing a testimonial for Weight Watchers demonstrates the expected impact of joining a diet plan.”

In fact, the Biden plan, through structure and delivery, is more likely to resemble the failing Head Start program than high-quality preschool options. The federal Head Start program, a relic of the Lyndon Johnson
era, is likely the closest analog to any new or expanded federal preschool program. Head Start’s track record does not inspire confidence when it comes to new and expanded federal provision of preschool.

In 2012, the U.S. Department of Health and Human Services released a scientifically rigorous evaluation of Head Start, tracking five thousand three-year-old and four-year-old children through the end of third grade. It found that the program had little to no impact on parenting practices. Additionally, it did not have much impact on the cognitive, social-emotional, and health outcomes of participants.25

**Federal School Meals.** During the COVID-19 pandemic, federal bureaucrats extended taxpayers’ responsibilities for the cost of free school meals for all students—even children from middle-income and upper-income families. This month, the Biden Administration once again extended the period during which all students can access free school meals meant for children from disadvantaged families.26 Once-temporary provisions to accommodate student needs during the pandemic are becoming permanent. With the American Families Plan, the Administration is proposing to expand school meals yet again, making children from wealthier families eligible for welfare services. The Administration wants to transform school meal options such as the Summer EBT (Electronic Benefits Transfer) Demonstration project, another school meal program that federal lawmakers designed for children from low-income families, into entitlements for all children.27

The American Families Plan also proposes to expand the Community Eligibility Provision (CEP) of the National School Lunch Program, one of the most wasteful federal plans in Washington.28 Federal auditors found more than $800 million in improper services that the lunch program provided in fiscal year 2019 alone. Like the EBT expansion, the CEP expansion would turn a federal assistance program for children from low-income families into an entitlement for middle-income and upper-income students. For years, federal officials have improperly interpreted the CEP and included students who are not eligible for other forms of welfare assistance.29

The Biden Administration’s proposal would abandon federal meals’ original intent, which was to help children in need by using resources meant for these students on students from upper-income households.

**Teacher Training.** The Biden plan would also increase spending in the elementary and secondary space through a new $9 billion program to “train, equip and diversify American teachers.”30 Training and preparing future educators is the domain of schools and school districts, not the federal government. Moreover, teacher training programs have a poor record of
success. Research shows that there is little to no difference in student academic achievement between teachers who are certified through a college of education, alternatively certified, or uncertified altogether. The $9 billion is therefore not likely to be an effective use of limited taxpayer resources.

Federal taxpayers already finance tens of billions annually in federal funding for higher education, a portion of which supports university-based colleges of education. Of the estimated 600,000 would-be teachers who were enrolled in teacher preparation programs in 2018, more than 70 percent were enrolled in traditional college-based preparation programs. At the same time, Title II, part A of the Elementary and Secondary Education Act is already dedicated in large part to teacher and principal training, spending more than $2 billion annually to those ends. An additional $9 billion in taxpayer spending on teacher training dwarfs current spending in this area, is an inappropriate federal undertaking, and is unlikely to improve teacher effectiveness or student academic outcomes.

“Free” Community College and Additional Higher Education Subsidies. The American Family Plan would finance unprecedented new higher education subsidies, particularly in the community college realm. It includes an unprecedented $109 billion proposal to finance two years of “free” community college, available to first-time students and “workers wanting to reskill.” Here too, the proposed spending is a questionable investment.

According to the U.S. Department of Education, just 20 percent of students who begin community college each year complete their program within 150 percent of the standard time. Even after factoring in transfers to four-year colleges, the completion rate stands at just 34 percent for community college students. The proposal seeks to improve these statistics by sending an additional $62 billion to community colleges to increase retention and completion. After decades of lackluster outcomes, more federal spending is unlikely to improve performance.

The plan would also spend over $80 billion on the federal Pell Grant program (nearly tripling spending, which currently stands at $29 billion). This would increase the maximum Pell Grant award by $1,400 per student, from $6,495 to $7,895. Pell Grants are grants to income-eligible students to offset the cost of tuition and do not have to be repaid. The plan would also spend $46 billion in additional funding on Historically Black Colleges and Universities (HBCUs); Tribal Colleges and Universities (TCUs); and such other institutions as Hispanic-serving institutions, Asian American and Native American Pacific Islander–serving institutions, and other minority-serving institutions (MSIs).
Through all of the proposed higher education subsidies, from “free” community college to increases in Pell funding, the Biden Administration is pursuing initiatives that would subsidize rising costs rather than pursuing policies that would actually address the drivers of college cost increases.

**Permanent Expansion of Obamacare Subsidy Increases**

The American Rescue Plan, the $1.9 trillion bill that President Biden signed into law in March 2021, includes a $40 billion expansion of Obamacare. That expansion expires in December 2022. President Biden is now proposing to make those increases in federal Obamacare subsidies permanent.

Most of this new spending would be used to increase subsidies—payments from the federal government directly to insurance companies—for people who already have subsidized coverage. Much of the rest would go to people in the top two income quintiles who were made eligible for government subsidies for the first time by the American Recovery Plan. Most of those who would receive subsidies already have health insurance.

The CBO determined that the law will reduce the number of uninsured by only 1.3 million. It also indicated that if this expansion were made permanent, some employers will stop offering coverage because their employees could get government-subsidized Obamacare policies.

The Obamacare expansions are a costly and unjustified government incursion into health care that neither appreciably reduces the number of uninsured nor boosts economic recovery. They also could threaten employer-sponsored coverage for millions of Americans, forcing them into Affordable Care Act plans that generally have narrower networks, higher cost-sharing, and higher deductibles than their job-based insurance.

**Permanent Expansion of the Welfare State**

President Biden is proposing that two major means-tested welfare programs be permanently expanded. First, the Administration would extend the expansion of the refundable child tax credit program until 2025. This change is depicted by the Biden Administration as providing tax relief to families; in reality, most of the proposed cost would send unconditional monthly welfare checks to families who owe no income tax. Second, the Administration would increase the refundable Earned Income Tax Credit (EITC), also a cash welfare check, for childless workers.
These proposed changes would make existing problems in the welfare state worse by undermining work and marriage. These very expensive and harmful proposals should be rejected. Otherwise, we will see fewer low-income Americans rise and flourish.

**Second-Largest Expansion of the Welfare State in U.S. History.** The Biden plan would provide an estimated $78.6 billion per year in welfare checks to families with children who owe no income tax and $7.3 billion per year in EITC welfare checks to childless workers. This would constitute the second-largest expansion of means-tested welfare entitlements in U.S. history. In constant dollars, its annual cost would dwarf the initial costs of Medicaid, food stamps, and Aid to Families with Dependent Children (AFDC). Only Obamacare would be more expensive. The 10-year cost would be at least $890 billion.

The left is selling this policy based on the misperception that the U.S. has an inadequate welfare system that needs to be greatly expanded. In fact, the U.S. spends $1.1 trillion per year on means-tested welfare. In 2018, before the COVID-19 recession, the U.S. spent nearly $500 billion on means-tested cash, food, housing, and medical care for poor and low-income families with children. This is seven times the amount needed to eliminate all child poverty in the U.S. The Biden proposal would add another $78.6 billion in cash welfare to children on top of the nearly $500 billion in current spending.

**Child Allowance That Will Discourage Intergenerational Mobility.** The proposed policy would permanently change the child tax credit into unconditional welfare checks. The refundable child tax credit used to require work. Families with no earnings were not eligible for benefits; to encourage work, benefits increased as work increased. The Biden plan would eliminate the need to work or prepare for work.

Advocates claim that this unconditional welfare check will reduce child poverty. In fact, this allowance is more likely to take more parents out of the workforce, increase single parenting, and lead to fewer children experiencing intergenerational upward mobility.

In the Covid stimulus package enacted early in 2021, Congress increased the current annual “child credit” from its current level of $2,000 per child under 17 years of age annually to $300 monthly checks for children under six and $250 monthly per child ages six–17. This is on top of any aid they already receive from food stamps; Medicaid; the Women, Infants, and Children program; housing; and Temporary Assistance for Needy Families (where nominal work requirements are frequently not enforced).
If passed, these new welfare checks will set back the progress this country has made against child poverty. This policy will reverse the positive outcomes that came out of the 1996 bipartisan welfare reform. Before the 1996 reform, Aid to Families with Dependent Children operated exactly as the Biden plan would operate: providing monthly cash payments without expecting low-income recipients to work or prepare for work.

Before the reform, work among the parents on the program was very low: nearly nine in 10 families were workless, leading to most families being stuck in long-term poverty. The majority of families received AFDC benefits for more than eight years. Unwed births rose year-over-year for decades. One of every seven American children was on the program. And all of this made intergenerational child poverty worse.

For this reason, Republicans led the way to transform the safety net—with the signature of President Bill Clinton and the vote of then-Senator Joseph Biden. For the first time, recipients had to work or prepare for work to receive cash benefits.

We know the results. While the left claimed that poverty would increase, we witnessed the exact opposite.

- Dependence on welfare declined for the first time in a half-century.
- Employment rose, particularly among single mothers who did not graduate from high school.
- Child poverty, which had been static for decades, fell sharply—especially among black children.

The U.S. experience with unconditional aid is clear: Subsidizing non-working families generally leads to more families trapped outside the workforce. The policy will also subsidize single parenthood, especially among teens, thereby undermining the chance that children will be raised by a mature married mother and father. Any of these results will lead to fewer children experiencing social success and upward mobility. The plan would also provide the new monthly cash grants to illegal immigrants who have U.S.-born children.

**EITC for Childless Workers That Will Not Reduce Poverty or Increase Work.** Today, the EITC primarily targets low-wage parents with children to support. However, the Biden plan would expand the EITC for workers with no children to support. It would raise cash
grants for these childless workers from roughly $530 per year to nearly $1,100 per year. This would cost an additional $7.3 billion in cash grants each year.

Supporters claim that the proposed expansion of the EITC would reduce poverty and encourage employment for low-income adults without children. Yet most of the recipients of this EITC expansion would not be poor: Most would have low individual earnings simply because they worked little in a typical year. Contrary to claims made by advocates, this EITC expansion would not increase work. Experiments expanding EITC to adults without children in New York City and Atlanta failed to reduce poverty or significantly increase employment. The policy would simply increase spending without achieving its alleged goals; it is simply an expensive waste of money.

Tax Increases Hurt Families

Continuing this Administration’s harmful tax-and-spend ideology, to finance this plan, President Biden proposes tax hikes that would harm the economy. The fact sheet announcing the American Families Plan misleadingly claims that the President’s new welfare spending proposals amount to “tax cuts for America’s families and workers.” In reality, the plan includes significant increases in the taxes paid by America’s families.

The White House even attempts to claim that the proposal is “tax reform.” However, the proposal would only make the tax code more complicated and increase burdensome taxes—goals that are exactly the opposite of true tax reform.

These tax increases would also come in addition to tax hikes on corporations proposed as part of President Biden’s “American Jobs Plan.” However, if enacted, those tax increases would be entirely shouldered by individuals and families. All business taxes are passed on to people and are borne by workers with lower wages, shareholders with lower shares of profits, and consumers with higher prices. A review of the economic research by the Heritage Foundation’s Adam Michel “shows that workers bear a majority of the economic burden of the corporate income tax in the form of lower wages. Labor bears between 75 percent and 100 percent of the cost of the corporate tax.”

**Discouraging Investment by Increasing Taxes on Capital Gains and Dividends.** The Biden plan would nearly double the tax on capital gains and dividends to 39.6 percent (the same as the rate for normal income) for households with incomes of more than $1 million. Including the Obamacare 3.8 percent “net investment tax,” the top rate on capital gains would reach
43.4 percent. When state taxes on capital gains are factored in, the tax rate for investment income would top 50 percent in 13 states.\textsuperscript{56}

The tax code is already biased against investment and savings by taxing it twice.\textsuperscript{57} Instead of increasing taxes on investment, Congress should be lowering or eliminating the double taxation of capital gains and dividends.

Analysis from the Tax Foundation shows that this tax increase would actually reduce federal revenue by $133 billion over the next decade because the high taxes would disincentivize people from realizing gains and paying the tax.\textsuperscript{58} This policy would reduce the size of the economy, reduce wages, and cost jobs.\textsuperscript{59}

**Elimination of Stepped Up Basis: A “Second Death Tax.”** The President would increase the tax burden on property left by deceased relatives to the next generation. Under current law, when the owner of a piece of property passes away and transfers it to an heir, the cost basis of the property is stepped up to its current fair market value for the purposes of capital gains taxation.

The President’s proposal would eliminate the stepped up basis for assets that are asserted to have a gain of $1 million or more. The fact sheet claims that there would be “protections” for “family-owned businesses and farms” but provides no details.\textsuperscript{60}

A major problem with repealing stepped up basis is its actual implementation. It could be difficult or even impossible to go back in time and correctly assess the original value of an old asset. A similar policy was in law for a short period in the 1970s but was quickly repealed. Even The New York Times called it “unfair and impossibly unworkable.”\textsuperscript{61}

The proposal has been decried as a “second death tax.”\textsuperscript{62} Instead of burdening families when a loved one passes away, Congress should repeal the death tax.\textsuperscript{63} Repealing stepped up basis would harm American families attempting to live the American dream by leaving their next generation better off.

**Carried Interest Taxation Not a “Loophole.”** The Biden proposal would change the tax treatment of carried interest, decried as a “loophole” by the White House, and increase the tax burden on much-needed investments at a time when the economy is beginning to recover.

Some investment managers are compensated with earnings from investments, which helps to incentivize the manager to invest well. Because the carried interest comes from gains on investments, it is taxed the same as other capital gains are taxed.\textsuperscript{64} The Tax Cuts and Jobs Act increased the length of time that carried interest must be held to three years from one year. This proposal would pick winners and losers and hurt investment.
Hiking the Top Marginal Rate. The Biden plan would increase the top marginal tax rate for individuals to 39.6 percent from the current 37 percent rate. This proposal is premised on the mistaken notion that high earners do not “pay their fair share” of taxes. However, the U.S. tax code is already extremely progressive. In 2018, the top 1 percent of earners brought home 21 percent of income and paid 40 percent of all federal income taxes. Meanwhile, the bottom 50 percent earned 12 percent of income but paid 3 percent of income taxes. In recent years, according to data from the CBO, the progressivity of the tax code has increased.

Tax Enforcement That Empowers IRS Bureaucrats to See Your Bank Account. The President’s fact sheet states that the federal government “would require financial institutions to report information on account flows” on the bank accounts of American citizens. Implementing this proposal would be an invasion of privacy.

The proposal would also provide an additional $80 billion for the Internal Revenue Service, nearly doubling the funding for the agency in an effort to ramp up tax enforcement efforts. As The Heritage Foundation has written about tax enforcement:

All taxpayers should, of course, pay the taxes that they legally owe. The best way to ensure compliance with the law would be to simplify the tax code, making compliance less complex, and to reduce incentives for avoidance by reducing the tax burden. However, the President’s plan would instead further complicate the tax code and make compliance even more costly.

The White House claims that increased IRS tax enforcement would increase revenues by $700 billion, an estimate that is questionable at best.

What Congress Should Do

Instead of spending $1.8 trillion in taxpayer resources, redistributing those funds to inappropriate and ineffective benefits that the federal government creates, approves, and controls, Congress should stop the federal spending spree and focus on making existing funding work better for American families. Specifically, Congress should:

• Make it easier for families to use existing child care subsidies at the provider of their choice, including friends and family care.
• Eliminate unnecessary child care regulations that limit the number of child care providers, prohibit flexible options, and drive up costs, all without improving the quality of care.\textsuperscript{71} 

• Help to increase Americans’ access to more flexible, accessible, and generous employer-provided paid family and medical leave by maintaining the low taxes and reduced regulations that contributed to a doubling of the percentage of companies providing paid parental leave over the past four years.\textsuperscript{72} 

• Enact universal savings accounts so that workers can save in a single, simple, and accessible account to use toward any and all life events without penalties or double taxation.\textsuperscript{73} 

• Allow low-income private-sector workers to choose between paid time off and overtime pay, as the Working Families Flexibility Act would provide.\textsuperscript{74} 

• Enable greater access to private disability insurance to cover maternity leave and workers’ own medical leaves. 

• Allow existing funds for the Head Start program to be portable, following eligible children to a private preschool provider of choice. 

• Devolve decisions around existing education programs generally, and teacher training provisions in Title II specifically, to the states through policies in proposals such as the Academic Partnerships Lead Us to Success Act. 

• Eliminate the Community Eligibility Provision of the National School Lunch Program so that free meals go only to students in need; until then, the U.S. Department of Agriculture should interpret the provision properly. 

• Amend the Higher Education Act to allow colleges to limit borrowing, helping students to exit school with lower levels of debt. 

• Make space for private lending to reemerge and for innovative higher education financing options such as income share agreements to flourish by reducing federal subsidies, including eliminating the
federal PLUS loan program (both the Parent PLUS and Grad PLUS components), and reforming accreditation to enable students to pay for individual courses and courses of study that are more applicable to the job market.

- **Ensure** that Americans can access the doctor they trust without bureaucrats in the way. Rather than give more money to insurance companies in ways that decrease choices, increase costs, and offer limited access to doctors (as Obamacare does), Congress should replace the failed program with one that sends dollars to individuals to apply to the coverage of their choice, eliminating cost-increasing federal mandates, while also directing funds to the states to help the sick.

- **Build** on the success of a quarter-century of work-based welfare reform to help more Americans overcome poverty and attain greater well-being. Work-capable welfare recipients should be required to work or prepare for work as a condition of receiving assistance. Policymakers should also remove the substantial marriage penalties within the welfare system. Children born to and raised by a married mother and father are about 80 percent less likely to be poor compared to children in single-parent homes. Rather than adding more spending and benefits to the welfare system, policymakers should also provide taxpayers with a clear accounting of the existing 89 welfare programs, including nearly $500 billion spent on means-tested cash, food, housing, and medical care for poor and low-income families with children.

- **Prevent** tax increases on American families by permanently extending the lower tax rates and other pro-growth policies of the Tax Cuts and Jobs Act.

**Conclusion**

The President suggests that his plan is intended to help American families. In reality, however, it will undermine them. Under the plan, the federal government would take more of Americans’ incomes and then redistribute the money in the form of benefits that politicians—not families—create, approve, and control. Such an approach would create new problems for families, leaving them with fewer opportunities
and less control over their circumstances. The plan would also fail to address the real problems in child care, education, family leave, and health care.

A better, different approach is needed. Lawmakers who want to help families should reject the leftist laundry list in the American Families Plan and pursue reforms that would empower, not cripple, American families. As Senator Tim Scott (R–SC) stated in his response to President Biden’s address to a joint session of Congress on April 28, “The beauty of the American dream is that families get to define it for themselves.”

True policy reforms should support family formation and stability. Eliminating marriage penalties in our welfare system, encouraging flexibility in work and child care, and offering more education options and access to better private health plans are good starts.

Rachel Greszler is Research Fellow in Economics, Budget, and Entitlements in the Grover M. Hermann Center for the Federal Budget, of the Institute for Economic Freedom, at The Heritage Foundation. Lindsey M. Burke, PhD, is Director of the Center for Education Policy and Mark A. Kolokotrones Fellow in Education, in the Institute for Family, Community, and Opportunity, at The Heritage Foundation. Marie Fishpaw is Director of Domestic Policy Studies Department, of the Institute for Family, Community, and Opportunity. Matthew D. Dickerson is Director of the Grover M. Hermann Center for the Federal Budget, of the Institute for Economic Freedom, at The Heritage Foundation.

Endnotes

35. Figures do not include Social Security or Medicare, which provide support to those who are elderly or disabled, respectively.
40. Table B-46, “Distribution of Length of Time on AFDC,” in “Section 8. Aid to Families with Dependent Children and Related Programs (Title IV-A),” 1996 Green Book, p. 505.
52. “Fact Sheet: The American Families Plan.”
53. Ibid.
59. Ibid.
60. “Fact Sheet: The American Families Plan.”
66. Ibid.
68. “Fact Sheet: The American Families Plan.”
79. Ibid.