

# President Biden's Plan Harms Families and Undermines Work

**Expanding the Welfare State.** President Biden's proposal, if made fully permanent as Democrats in Congress want, would be the second-largest expansion of the welfare state in U.S. history, dwarfing the initial costs of Medicaid and food stamps. These spending proposals include delinking welfare from work, turning the child tax credit into unconditional welfare checks, and making childless workers eligible for the earned income tax credit (EITC). These policies will lead to more families trapped outside the workforce and reverse bipartisan reforms from 1996 that reduced poverty dramatically and won the vote of then-Senator Joe Biden.

**Government-Paid Family Leave.** Government-paid family leave programs are incredibly regressive: They tax all workers while primarily benefiting middle-income and upper-income families. A federal program will only destroy the explosive growth that has occurred in more flexible and generous employer-provided programs. Some government programs have made it harder for mothers and fathers to use their private family leave, with work e-mail being cut off out of fear of violating the law. This hurts workers' ability to choose how to manage their leave.

**Taxpayer-Subsidized Child Care.** Added regulations and government subsidies will only drive up costs, limit choices, and insert politicians into child-raising. Moreover, the policy devalues the sacrifices of families who have one parent stay home to raise young children.

**Undermining Parents' Ability to Find Jobs at Higher Wages.** The Biden plan contains flawed tax policy including proposals to increase the tax on capital gains and dividends to a total of 43.4 percent for households with incomes of more than \$1 million, which would reduce

investments needed to create jobs for Americans—making it harder for children to grow up in a home with the example of at least one working parent.

## UNFAIR GOVERNMENT HANDOUTS TO SPECIAL INTEREST LOBBIES AND THE RICH

**Federal School Meals.** With the Biden plan's expansion of free school meals, wealthier families will be eligible for welfare services. Such a change abandons the program's original intent: helping children in need.

**Permanent Expansion of Obamacare.** The plan makes permanent the Obamacare temporary subsidy expansions passed in March 2021. This gives taxpayer subsidies to rich people for the first time, sends bigger checks to insurance companies that raise prices to cover the cost of government mandates, and will neither appreciably reduce the number of uninsured nor boost economic recovery.

**Teacher Training.** Preparing and training future educators is the domain of schools and school districts, not the federal government. This plan envisions an inappropriate federal undertaking that spends exponentially more (\$9 billion) on teacher training than ever before and is unlikely to improve students' academic outcomes. This also reward unions, which have repeatedly stood against the reopening of schools during COVID-19 despite evidence showing that it is safe to reopen them.

**Government-Funded Preschool.** The American Families Plan spends \$200 billion on a new universal preschool plan that through its design and delivery will resemble the failed Head Start program. Government preschool programs have been tried and have always yielded negligible or negative results. This proposal would expand the reach of teachers'

unions and controversial government curricula into the lives of three- and four-year-olds while driving out more personally tailored and family-oriented preschool options.

**“Free” Community College and Higher-Education Subsidies.** The proposals for “free” community college and increased Pell funding will subsidize rising costs rather than pursue policies that would actually address rising costs and student needs.

#### HOW CONGRESS CAN REALLY HELP FAMILIES

- **Build** on the success of work-based welfare reform to help more Americans overcome poverty. Start by removing marriage penalties within the welfare system and providing taxpayers with a clear accounting of the \$1.1 trillion already spent each year on 89 existing welfare programs.
- **Don’t devalue the sacrifices of** two-parent families who make a financial sacrifice so one parent can stay home and raise young children. Let parents, not bureaucrats, decide how to care for children.
- **Increase** access to more flexible and generous employer-provided paid family leave by maintaining low taxes and reduced regulations and by implementing the Working Families Flexibility Act.
- **Let** families and individuals apply existing subsidies to the private health coverage of their choice while eliminating cost-increasing federal mandates.
- **Make** Head Start funds portable, following eligible children to the school of their choice; **eliminate** the Community Eligibility Provision of the National School Lunch Program; **amend** the Higher Education Act to limit borrowing; and **make space** for private lending to reemerge and innovate.
- **Prevent** tax increases on American families by making the lower tax rate and other pro-growth policies of the Tax Cuts and Jobs Act permanent.

*For more information, read Heritage’s Backgrounder [here](#).*