

Tax Cuts Harm APA Women & Children
Issue Summary & Position Statement
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NAPAWF strongly opposes both the President's budget plan, which proposes to cut taxes by \$726 billion over the next 10 years, and the current tax-cut legislation proposed by Congress (the House proposes a \$550 billion tax cut and the Senate proposes a \$350 billion tax cut). NAPAWF believes the tax cuts will harm Asian Pacific American (APA) women and children, are socially irresponsible, and fail to advance the nation's best economic interests.

Bush's Tax-Cut Plan Eliminates Social Programs Essential to APA Women & Children

Bush's tax-cut plan eliminates social programs essential to many APA women and children. Asian immigrant women in California, for example, rely on welfare assistance and Medicaid. Of Korean, Cambodian, Chinese and Vietnamese adult recipients of the Temporary Assistance for Needy Families (TANF) in Los Angeles County, the majority are women. Southeast Asian immigrants in particular suffer the highest poverty rates, with 63% of Hmong, 51% of Laotians and 47% of Cambodians in California living in poverty.

The tax-cut plan requires Congress to eliminate \$265 billion in social program spending over the next ten years, including reductions in the Food Stamp Program, Medicaid, welfare benefits, and child nutrition programs. At the same time, the current tax-cut legislation offers little to no relief for 40 states currently grappling with historic budget deficits. State deficits have led to drastic measures and huge human costs, such as over 1,000 teacher layoffs in California, the closing of Head Start programs in Maryland, the elimination of public health programs in Oregon, and the reduction of 50,000 Medicaid beneficiaries in Missouri. APA women and children are being harmed by these drastic cuts in social programs.

Despite the model minority myth, which assumes that all APAs have achieved economic stability, over one-fifth of the APA population earns less than \$25,000. With the tax-cut plan, APA immigrant women are in a double-bind. Not only do these women have to worry about the elimination of their welfare and Medicaid benefits, but many must also worry that the tax-cut plan and huge state deficits will now reduce even further any chance they or their children may have at gaining access to job training, child care, ESL classes, and other programs that are crucial for their economic survival. Hundreds of thousands of APA women and children exist at the bottom of the socio-economic ladder--where hunger, illness, sweatshop labor, exposure to hazardous chemicals and even involuntary servitude are everyday realities. This tax-cut plan sends a message to them that they will continue to be marginalized and ostracized, and their needs will continue to be ignored. Rather than increasing funds for programs that would help APA women achieve real economic independence, President Bush proposes a dividend tax cut, estimating a loss of \$364 billion in overall tax revenue, that puts money back into the bank accounts of millionaires.

Tax Cuts Will Harm All Americans

Experts and researchers agree that the tax cuts will weaken the economy and will not lead to the creation of new jobs, as the President claims. In fact, more than 400 U.S. economists released a statement explaining that the tax-cut plan will not stimulate the economy and a group of 10

Nobel-laureate economists have publicly announced that few jobs if any will be created from eliminating dividend taxes. Even Chairman of the Federal Reserve Board, Alan Greenspan, told Congress recently that budget deficits resulting from lower taxes could damage the economy and were not necessary for economic growth.

So, who will benefit the most from the tax-cut plan? Those who need the least assistance. Although President Bush claims tax cuts benefit everyone, the wealthiest families are the true beneficiaries. The tax-cut plan mostly benefits those earning more than \$1 million annually, and puts more than \$86.5 billion back into the bank accounts of the top 5% of all income-earners annually when fully phased in. By 2010, the top 1% of all tax filers will enjoy 44% of the tax cut. Certainly those who need the most relief, namely working-class and low-income families, will not benefit from Bush's tax-cut plan. A married family with two children and \$20,000 in earnings would receive no benefits from Bush's economic package. Nearly eleven million families – one-fourth of all families with children – would receive no benefits from the proposed tax cut.

And who will suffer the most from the tax-cut plan? It is hard to say who will suffer the most, however, it is clear that women and children at the lowest rung of the economic ladder will suffer under Bush's tax cuts. Here are the hard facts.

Women represent a disproportionate percent of the low-income population; nearly two-thirds of the minimum wage workforce is female.

Women still make less than men for the same or comparable work. Specifically, U.S. born APA women's median weekly earnings were only 79% of the earnings of U.S. born white men.

Women are more likely to be single parents. In Los Angeles County, for example, female one-parent households represent 92% of the TANF recipients.

Thus, women are at greater risk for poverty than men and more women than men rely on government-funded health and human services such as medical, mental health, and economic services, all of which are slated for significant cuts. Any budget reductions in these areas will disproportionately impact women.

Economic Security is a Fundamental Right

The United Nations' Universal Declaration of Human Rights establishes that all human beings are born free and equal in dignity and rights, including the right to life, liberty, and security of person; the right to be free from hunger; and the right to have clothing, housing, and medical services. Bush's tax-cut plan and the current tax-cut legislation proposed by Congress include deep cuts in critical social programs, crippling social programs that are necessary to preserve the fulfillment of this U.N. Declaration. NAPAWF believes that the proposed reduction and elimination of critical social programs is not just a service delivery issue, but a denial of fundamental human rights. Therefore, NAPAWF opposes Bush's tax-cut plan and any variation of it currently proposed by Congress.

NAPAWF Recommendations

The following is a list of recommendations by which you, as a NAPAWF member and supporter, can take action to ensure that APA women and children are guaranteed the fundamental human right of economic security.

The Reauthorization of the welfare law (Temporary Assistance for Needy Families known as TANF) is set for December 2003. Proposed legislation does not increase TANF funding with inflation and increases the minimum work requirement rate from 30 to 40 hours. These and other measures disregard the massive state budget cuts, the unique issues affecting immigrant families, and the inaccessibility by many immigrants to the services and training, namely job training and ESL classes, offered by state TANF programs.

Currently, lawfully present pregnant women and children who entered the country after August 22, 1996, are barred from Medicaid and the State Children's Health Insurance Plan (SCHIP) for the first five years they are in the country. These restrictions were enacted as part of the 1996 welfare law. Support the Immigrant Children's Health Improvement Act which would provide lawfully present immigrant women and children with health coverage under Medicaid and SCHIP.

The Victims of Trafficking and Violence Protection Act of 2000 (HR 3244) was passed in October 2000. HR 3244 is a comprehensive trafficking law that prosecutes human traffickers for bringing women and children to the United States under false pretenses and forced into prostitution, domestic servitude, or bonded sweatshop labor. Of the estimated 50,000 women and children brought to the United States, approximately 30,000 are Asian. Though many advocates successfully lobbied for the passage of this bill, Congress has yet to authorize the \$26.5 million for its implementation. We need our members and supporters to advocate and ensure the promise of this funding to protect the lives and welfare of these women and children.

These are just a few of the issues affecting APA women. Please contact your representatives in Congress today, stating your opposition to the tax-cut plans and your support of key legislation to assist APA women and children.

NAPAWF is a non-profit organization committed to furthering social justice through grass-roots organizing and education. NAPAWF is particularly committed to advancing economic justice. NAPAWF proudly joins other organizations and progressive voices that oppose this tax-cut plan.