



# THREATS TO CARE AND FAMILY SUPPORT

CAREGIVING AND FAMILIES

## Impacts of the OBBB on Women and Families | November 2025

In July 2025, President Trump signed the [Republican-led H.R. 1](#), the “One Big Beautiful Bill” (OBBB) into law. The new law is a sweeping tax and spending package that forgoes trillions in federal revenues to award tax cuts to the wealthy while stripping essential care and protections from women and families. While implementation of the OBBB’s wide-ranging provisions will be staggered in the coming months and years, the threat to women’s economic security and well-being is both imminent and far-reaching across each of the Institute for Women’s Policy Research’s (IWPR) [Federal Policy Solutions to Advance Gender Equity](#) four priority areas.

This policy brief focuses on the OBBB’s impacts on women’s [caregiving and families](#), specifically on the issues outlined in IWPR’s [Promoting Access to Care](#) and [Tax Credits for Families](#) policy briefs. Millions of women face exorbitant costs for care and find it difficult, if not impossible, to pay for quality care for their children, elders, and loved ones with disabilities. What families need are meaningful public investments to tackle the care crisis, stabilize the care workforce, and expand access to quality care. Instead, the new law will only further compound the ongoing caregiving challenges that families face and exacerbate the additional financial burdens and uncertainty heightened by the recent federal government shutdown—the longest in US history.

### The OBBB Child and Care Tax Provisions Harm Women and Families:

- Fail to make child and care tax credits refundable or expand subsidies to adequately support low income families, focusing instead on benefiting businesses and higher-income earners, and promoting an anti-immigrant agenda.
- Cut \$1.4 trillion from crucial health care, food assistance, and higher education programs that women, as well as the care workforce, rely on to support their families.
- Take critical investments away from women seeking financial security to provide tax cuts for the wealthy, which will stall economic growth and have long-term negative impacts on the financial security of families and the nation.

## OVERVIEW

Women's concentration in lower-paying jobs, increased likelihood of being a family breadwinner, and outsized responsibility for unpaid caregiving all contribute to financial instability and lead to higher poverty rates for themselves and their families. This is especially true for women of color, who are more likely to be in low-paid jobs, face higher gender wage gaps and discrimination, and are more likely to live in poverty. But when women have a stable foundation, they can make real gains in the economy.

## HARMFUL OBBB TAX PROVISIONS AND PROGRAM CUTS

The OBBB threatens the future economic well-being of women, particularly women of color, and the nation's overall economic stability. Analysis from the [Washington Center for Equitable Growth](#) finds that the increasing role of women as breadwinners is essential to supporting family incomes and maintaining US economic security. Refundable tax credits for families—available as a refund even if you do not owe any federal taxes—can play a role in alleviating poverty among women and their families, fostering upward mobility, and enabling women to contribute to the country's mutually shared economic growth.

Key OBBB provisions that put the economic security of women, families, and the nation at risk include:

- **Failing to expand the Child Tax Credit (CTC) to support low-income families and restricting access to the credit, particularly for mixed-immigration status families.** The OBBB made the 2017 Tax Cuts and Jobs Act (TCJA) changes to the CTC permanent, increasing the base credit for each qualifying child from \$2,000 to \$2,200 in 2025 and adjusted to inflation thereafter. However, the [Bipartisan Policy Center](#) notes that, as the CTC is not fully refundable, the increased credit amount may do little to aid many of the low-income families who owe little to no federal taxes. Families with an adjusted gross income under \$26,000, for instance, are estimated to receive the same credit amount regardless of the increase.

As tracked by [IWPR's State Policy Action Lab](#), 17 states and Washington, DC, provide some families with a child tax credit in addition to the federal CTC. According to the [National Conference of State Legislatures](#), 12 of these are fully refundable. Further, the new law imposed additional criteria to be eligible for the federal CTC: In addition to a valid Social Security number (SSN) for the child, as required under the TCJA, the new law now requires a valid SSN for the taxpayer claiming the child. According to the [Tax Policy Center](#), an estimated 500,000 children in families who would otherwise be considered eligible may lose access to the credit as a result of the new requirement. As discussed by the [National Immigration Law Center](#), this provision excludes the millions of immigrants who regularly pay taxes in the US via an Individual Taxpayer Identification Number (ITIN) from claiming the CTC—even if their child has a valid SSN.

- **Expanding child care subsidies that primarily benefit higher-income earners and businesses.** These new provisions fall far short of meeting the needs of women and their families. As discussed by the Tax Policy Center, the Child and Dependent Care Tax Credit (CDCTC) is a nonrefundable credit; like the CTC, many low-income families who owe little or nothing in income taxes won't receive the credit. In addition, the CDCTC can't be claimed by a single parent with no earnings, even if that single parent is a student or has a disability, or by a married couple if neither has earnings, even when due to being a student or having a disability.

**40% of adults in the US are currently providing unpaid care to aging or disabled family members or loved ones.**

Additionally, while the OBBB raised the cap on how much employees can set aside tax-free for care expenses from \$5,000 to \$7,500, only employees fortunate enough to work for companies providing access to a dependent care flexible spending account (FSA) have access to this benefit. According to the [US Bureau of Labor Statistics](#), fewer than 50 percent of all employees have access to a dependent care FSA through their employer. The law also expanded the tax credit known as "45F" for businesses that provide child care to their employees. Analysis by the [Tax Policy Center](#) found that, despite increasing the benefit and making the types of expenses and facilities that may qualify more flexible, as a nonrefundable credit, 45F is still only available to businesses that owe taxes. Nonprofits and businesses not turning a profit can't benefit from the credit.

- **Cutting \$1.4 trillion from crucial health care, food assistance, and higher education programs that women, as well as the care workforce, rely on to support their families.** Despite increasing the deficit by \$3.4 trillion over the next 10 years (as projected by the [Congressional Budget Office](#)), the OBBB includes \$1.1 trillion in cuts to Medicaid and the Affordable Care Act (ACA), \$186 billion to the Supplemental Nutrition Assistance Program (SNAP), and nearly \$300 billion to higher education and the student loan repayment system. Programs like Medicaid, ACA, and SNAP provide critical support to families as well as to members of the care workforce, more than 76 percent of whom are women, according to forthcoming research from IWPR. According to [Georgetown University's Center on Children and Families](#), 28 percent of child care workers rely on Medicaid for health insurance. Additional [PHI](#) research finds similar rates for direct care workers, with 31 percent relying on Medicaid and 26 percent relying on SNAP. A recent [National Association for the Education of Young Children](#) survey shows that as child care workers lose their health care and see their food and education costs rise, even those who want to do the work won't be able to afford to stay in the sector. Further, according to [KFF](#), prior to the passage of OBBB, Medicaid covered approximately 61 percent of all long-term care services in the US.

The cuts and expanded work requirements will mean reduced spending for home care and a continued shortage of direct care professionals and long-term care provided in people's homes and communities, including nursing homes, hospitals, rural health facilities, and other short- and long-term care facilities. In addition to increasing health burdens on the individuals in care, such a shift places further pressure on women, particularly women of color, who [IWPR](#) research shows are more likely to spend more time than men providing unpaid care for children or older adults.



The share of women living in poverty is **2X** the rate for child care workers than for all workers.



## WHAT THE RESEARCH SAYS

- For too many people, care remains inaccessible and unaffordable. According to the [Department of Labor \(DOL\)](#), **US families spend between 8.9 percent and 16.0 percent of their median income on full-day care** for even a single child. Additional [DOL](#) data show that, in many US counties, the median cost of infant care is higher than the median cost of rent.
- It is widely acknowledged that child care is essential to our families and the economy. However, child care workers are still not adequately compensated. According to [MDC](#), **the share of women living in poverty is twice the rate for child care workers than for all workers**. [IWPR](#) research found that wages for child care workers are so low that they cannot afford center-based care for their own children.
- An [IWPR](#) study found that 73 percent of adults believe it is important for Congress to pass legislation expanding access to affordable, high-quality child care and investing in early childhood education. Further, **65 percent of adults say child care should be a top priority for the federal government to address**.
- According to [IWPR](#), **88 percent of adult care workers in home settings and 85 percent in institutional settings are women**. As highlighted by [The Century Foundation](#), one in five child care workers and 20 percent of nursing home workers are immigrants.
- According to the [KFF](#), one in five adults in the US receives ongoing support and care for the daily tasks that allow them to live independently, such as eating, dressing, and assistance with mobility. [RAND](#) reports that **40 percent of adults** in the United States, or 105.6 million people, **are currently providing unpaid care to aging or disabled family members or loved ones**.
- According to the [American Time Use Survey](#), in 2023–24, over 11 million women provided elder care at least several times a week, if not on a daily basis. [AARP](#)'s survey of family caregivers finds that **women are more likely to provide constant care (22 percent) than men (16 percent)** and estimates that about 24 percent of all caregivers spend more than 40 hours a week to provide care. The average daily time spent across all women who provided care at least several times a week also came close to a full-time working week of 5.6 hours per day, according to a forthcoming [IWPR](#) working paper.

The OBBB fails to make child and care tax credits refundable or expand subsidies to adequately support low-income families, focusing instead on benefiting businesses and higher-income earners, and promoting an anti-immigrant agenda.

## POLICY SOLUTIONS

As long as the OBBB remains current law, it is critical that advocates and Congress remain committed to continued oversight of its implementation to monitor its impact and mitigate harm where possible. **It will be equally crucial to build support for policy solutions that seek to advance economic equity and security for women and families—not undermine these goals.** Such data-driven policy solutions include:

- Passing an expanded CTC that is accessible to the lowest-income families, including restoring eligibility for children with ITINs, irrespective of the status of their parents or caregivers.
- Enacting a permanent expanded Earned Income Tax Credit.
- Increasing access to existing programs that support child care for families, including increasing funding for Head Start and Early Head Start and the Child Care Development Fund.
- Investing in a publicly funded child care and early learning infrastructure and system that helps kids learn and grow in a safe and stimulating environment staffed by a supported and well-compensated workforce, particularly prioritizing historically underserved communities.
- Promoting care options beyond traditional 9-to-5 work hours for care, since many working parents or parenting students require care outside these times.
- Advancing access to care for older adults and adults living with disabilities through public investments in community-based care. This includes policies focused on recruiting and retaining professionals to this critical workforce, such as through promoting better pay, job quality, and opportunities for advancement for care workers.
- Supporting policies that enable working adults to balance professional and care responsibilities, including paid family and medical leave and paid sick and safe leave.



For more Federal Policy Solutions to Advance Gender Equity, visit [iwpr.org/federalpolicyagenda](https://iwpr.org/federalpolicyagenda).

For state-level data on women and legislative developments, visit IWPR's State Policy Action Lab (State PAL) at [statepolicyactionlab.org](https://statepolicyactionlab.org).