

February 27, 2023

Representative Aisha Gomez
Chair, House Taxes
House of Representatives
St. Paul, MN

Dear Chair Gomez,

As the President and CEO of the Women's Foundation of Minnesota, I write to express our support of the Great Start Child and Dependent Care Tax Credit and the Child Tax Credit in HF1858. We thank the Governor and Lt. Governor for their priorities on families, especially those pushed to the margins, in their budget and tax bill.

For 40 years, the Women's Foundation has invested more than \$45 million in communities across the state, and advanced policy so women, girls, and their families can thrive. With the Center on Women, Gender, & Public Policy at the Humphrey School, we produce the state's leading research on the well-being of women and girls every two years. That data shows that we continue to have stark disparities when it comes to families' ability to access care for their children.

Women are the center of families. For the more than 50% of working mothers who are the primary breadwinners in families in Minnesota – and 74% of Black mothers and 77% of Indigenous mothers – we know access to safe and affordable child care is essential. Low-income workers and Black, Indigenous, and women of color are more likely to have to reduce their work hours or leave the workforce because of caregiving responsibilities.

To provide high-quality childcare at affordable price, Minnesota needs a strong ecosystem that includes a broad spectrum of policy and funding solutions. We must strengthen the care workforce, which is predominantly led by women, while increasing rates and creating more access to CCAP and other programs that make care affordable for families. The Great Start Child and Dependent Care Tax Credit is an important part of the child care ecosystem and will allow more families to afford the child care they need.

The Child Tax Credit in Minnesota will help create financial security for families across the state and alleviate poverty. The credit allows parents to afford the essentials, such as paying bills and school expenses, investing in savings, and paying for childcare. Childhood poverty correlates with negative long-term outcomes, so we must do all we can to alleviate the burdens of meeting basic needs to prevent expensive and dire consequences.

Our research shows that Black and Indigenous families and communities of color are more likely to face poverty in Minnesota and lack the financial resources to keep up with the cost of living. This is particularly true for families with a single mother who is the head of her household. The median income for a mom with two kids in Minnesota puts the cost of living out of reach for nearly 90% of those families; 30% are living below the poverty line. When we disaggregate the data, the numbers are even more stark. For a family headed by a Black mom, 45% live in poverty, as do 51% of Latina moms and 62% of Indigenous moms. We need to do more for our Minnesota families. While we continue to address the wage gap resulting from employment segregation, low wages, and lack of access to business ownership, we need the Child Tax Credit to lift families from poverty.

Income as It Relates to Cost of Living and Poverty, by Race

White and Asian American married couple families are the only two-child Minnesota families that have median income levels exceeding the state cost of living.

	Two-parent family with 2 children Cost of living: \$91,032			Single mother with 2 children Cost of living: \$83,724		
	Median income	% with income below cost of living	% below poverty line	Median income	% with income below cost of living	% below poverty line
White	\$120,000	31%	3%	\$44,841	85%	18%
Asian	\$100,000	45%	7%	\$41,492	75%	22%
Black	\$55,484	81%	14%	\$22,297	98%	45%
Latina/o	\$47,400	70%	19%	\$24,000	98%	51%
Native American	\$67,660	56%	25%	\$7,700	100%	62%
Total	\$112,227	36%	4%	\$36,222	89%	27%

CWGPP analysis. Cost of living estimate from the MN DEED, 2020 (includes full-time child care costs). Income data from American Community Survey, 2015-2019.

Minnesota should be a place where all families and communities thrive. We urge you to include Great Start Child and Dependent Care Tax Credit and the Child Tax Credit in your omnibus tax bill along with the progressive tax policies in HF1858. Thank you for your work to make Minnesota a more equitable state.

Thank you,



Gloria Perez
 CEO & President
 Women’s Foundation of Minnesota