

# Statement by Secretary of the Treasury Janet L. Yellen on the American Families Plan



April 28, 2021

Tonight, President Biden placed education and caregiving squarely where they should be in our national discussion – as core elements of a strong economy.

Historically, childcare and other social programs to help families haven't been seen as crucial investments underpinning American growth and productivity. But this is a failure of perspective.

A healthy U.S. economy requires a vibrant labor market with high rates of participation. Raising U.S. rates of participation to levels comparable to those of other advanced nations requires widespread change in our labor policies. Indeed, there are many reasons for why U.S. labor force participation lags, but an undeniable one is the lack of support for people as they raise children and care for older relatives. Funding policies that help children and families will boost labor force participation and productivity, resulting in an improvement in the standard of living.

This is the President's vision: To recognize that our work lives – and our family lives – are inextricably linked, and if we want to improve one, then we must improve the other.

The President pays for these investments by addressing another historic challenge: the country's unfair tax code. Over the next decade, the American people are expected to lose out on \$7 trillion in revenue, in large part because some of the highest earners aren't reporting their actual income. In addition to strengthening compliance, the plan will also close capital gains loopholes and treat investment earnings the same as wages for high-income taxpayers.

*A fairer tax code in exchange for a higher quality of life for most American families?* There are some economic trade-offs that are tough calls. This is not one of them.

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