

Chairman Grothman, Ranking Member Krishnamoorthi, and members of the Committee – thank you for the opportunity to be here.

Today, I'd like to make three main points.

First, federal investments in health, nutrition, housing, and other work supports for low- and very low-income people are both a moral and economic necessity. The major problem with our current approach is that we don't do enough to lift children out of poverty and give struggling families a path to the middle class.

Second, if you are interested in efficiency and cost savings, you are looking in the wrong place. The federal tax code is rife with loopholes, special subsidies, and giveaways that benefit the very wealthy and giant corporations with little or no discernable benefit to the public.

And third, it is indefensible to scapegoat the hardworking Americans who are striving everyday just to make ends meet while the ultra-wealthy and giant corporations have been given trillions in tax breaks and even as we speak, this Congress is currently proposing yet another round of tax handouts.

Investments in health care, nutrition, housing, and other work supports for low- and very low-income people pay enormous dividends—not only for those families, but for the entire U.S. economy.

Children who receive nutrition assistance have better health and lower health care costs their whole lives.<sup>1</sup> Children whose mothers receive WIC do better in school than children whose mothers did not.<sup>2</sup> Children of families who use rental assistance earn more as adults and are less likely to become single parents.<sup>3</sup> Boosting the incomes of very poor families through the Child Tax Credit results in more schooling, more hours worked, and higher earnings in adulthood for the children of those families.<sup>4</sup> And Medicaid expansion has resulted in better financial security for millions of people, lower eviction rates, lower costs for hospitals—especially rural hospitals—fewer premature deaths, and positive statewide economic impacts.<sup>5</sup>

These conclusions, and the many others like them, are drawn from hundreds of studies. These facts are not disputed. But you don't have to pore over studies to understand why these investments matter. You just need to talk to people who benefit from them.

Take the story of Zoe, for example. She is a young woman from Colorado who recently shared her story with The Arc of the United States. She completed a 4-year college degree, like so many other people her age, and is now applying to grad schools. Zoe has spinal muscular atrophy, or SMA, a genetic neuromuscular developmental disability. She relies on the caregiver support she receives through Medicaid in order to live independently while she pursues her education. For Zoe and the millions of other Americans who rely on Medicaid—1 in 5 Americans, in fact—slashing these programs would have devastating effects on their lives and livelihoods.<sup>6</sup>

We invest too little—not too much—in reducing poverty and providing pathways into the middle class. The federal government spent just 1.3 percent of Gross Domestic Product on “income supports” in 2024, down from 1.8 percent a decade ago and much lower than the average of 2 percent from the past 30 years.

Roughly 1 in 5 children in the United States is in poverty today. That’s twice the rate of other developed countries. 47.4 million people in this country are food insecure.<sup>7</sup> More than 770,000 are homeless,<sup>8</sup> and about 3.7 million report a form of housing insecurity.<sup>9</sup> These numbers are especially concerning, given that there are more working-age Americans in the labor force and working than at almost any time in modern history.

That’s why it’s a grave mistake—both morally and economically—to slash benefits and services for low-income people. And don’t be fooled. Adding bureaucratic red tape, narrowing eligibility requirements, or setting arbitrary limits all amount to the same thing: indefensible harm to poor families and our economy.

But there is another place in the federal budget that truly is bloated with wasteful costs, unnecessary subsidies, and counterproductive incentives: the tax code. Over the past quarter-century, Congress has repeatedly enacted trillions of dollars in tax cuts that disproportionately benefit the wealthy.

Consider the 40 percent reduction in the tax rate for massive corporations in 2017 under President Trump. That single giveaway is estimated to have cost roughly \$1 trillion already<sup>10</sup> and will cost trillions more over the next decade.<sup>11</sup> These corporations didn’t raise wages or create more jobs in response. They enriched their shareholders and executives.<sup>12</sup> That is the definition of wasteful spending.

Those who are quick to scrutinize the choices of a poor family receiving \$6 a day in nutrition benefits never get around to asking whether a giant corporation is doing what they promised to do with their billions in tax cuts—or whether they needed them in the first place.

The truth is that far too many Americans are struggling to make ends meet while those at the top get richer and richer. That’s why most Americans support investing more—not less—in supporting poor families.<sup>13</sup>

And that’s why it is surprising that Congress is considering spending another \$5 trillion or more—not on lowering health care costs or improving public schools or making life a little easier for struggling people, but instead on tax cuts that mostly benefit those at the top. It is hard to take seriously claims that we spend too much on poor families as policymakers write a budget that would take money out of their pockets and give it to billionaires. That’s not effective government. That’s highway robbery.

Anyone truly interested in improving efficiency and reducing waste should be appalled by efforts to scapegoat those living in poverty, while padding the pockets of the super wealthy.

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<sup>1</sup> Steven Carlson and Joseph Llobrera, “SNAP Is Linked With Improved Health Outcomes and Lower Health Care Costs” (Washington: Center on Budget and Policy Priorities, 2022), available at [www.cbpp.org/research/food-assistance/snap-is-linked-with-improved-health-outcomes-and-lower-health-care-costs](http://www.cbpp.org/research/food-assistance/snap-is-linked-with-improved-health-outcomes-and-lower-health-care-costs).

<sup>2</sup> Margot I. Jackson, “Early childhood WIC participation, cognitive development and academic achievement,” *Social Science & Medicine* 126 (2015): 145–53, available at doi:10.1016/j.socscimed.2014.12.018.

<sup>3</sup> Raj Chetty and others, “The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment,” *The American Economic Review* 106 (4) (2016): 855–902, available at doi:10.1257/aer.20150572.

<sup>4</sup> Chuck Marr and others, “EITC and Child Tax Credit Promote Work, Reduce Poverty, and Support Children’s Development, Research Finds” (Washington: Center on Budget and Policy Priorities, 2015), available at [www.cbpp.org/research/eitc-and-child-tax-credit-promote-work-reduce-poverty-and-support-childrens-development](http://www.cbpp.org/research/eitc-and-child-tax-credit-promote-work-reduce-poverty-and-support-childrens-development).

<sup>5</sup> Madeline Guth and others, “The Effects of Medicaid Expansion under the ACA: Studies from January 2014 to January 2020” (San Francisco: KFF, 2020), available at [www.kff.org/medicaid/report/the-effects-of-medicaid-expansion-under-the-aca-updated-findings-from-a-literature-review/](http://www.kff.org/medicaid/report/the-effects-of-medicaid-expansion-under-the-aca-updated-findings-from-a-literature-review/).

<sup>6</sup> The Arc of the United States, “Video: Zoe Shares How Medicaid Affects Her Life,” March 1, 2024, available at [https://www.youtube.com/watch?v=1VQRr5TGtPY&list=PL9ehQ7w4Tze1tYg9YTjlpZeB2lfxox\\_Di&index=11](https://www.youtube.com/watch?v=1VQRr5TGtPY&list=PL9ehQ7w4Tze1tYg9YTjlpZeB2lfxox_Di&index=11).

<sup>7</sup> Matthew P. Rabbitt and others, “Household food security in the United States in 2023 (Report No. ERR-337)” (Washington: U.S. Department of Agriculture, Economic Research Service, 2024).

<sup>8</sup> Tanya de Sousa and Meghan Henry, “The 2024 Annual Homelessness Assessment Report (AHAR) to Congress” (Washington: The U.S. Department of Housing and Urban Development, 2024), available at [www.huduser.gov/portal/sites/default/files/pdf/2024-AHAR-Part-1.pdf](http://www.huduser.gov/portal/sites/default/files/pdf/2024-AHAR-Part-1.pdf).

<sup>9</sup> Julie Pagaduan, “Millions of Americans Are Housing Insecure: Rent Relief and Eviction Assistance Continue to Be Critical” (Washington: National Alliance to End Homelessness, 2021), available at [endhomelessness.org/wp-content/uploads/2021/11/HousingInsecurity-Brief-November-2021.pdf](http://endhomelessness.org/wp-content/uploads/2021/11/HousingInsecurity-Brief-November-2021.pdf).

<sup>10</sup> The Joint Committee on Taxation, “Estimated Budget Effects of the Conference Agreement for H.R. 1, The “Tax Cuts and Jobs Act” (2017), available at <https://www.jct.gov/publications/2017/jcx-69-17/>.

<sup>11</sup> The Office of Management and Budget, “Budget of the U.S. Government for Fiscal Year 2025” (2024), available at [https://bidenwhitehouse.archives.gov/wp-content/uploads/2024/03/budget\\_fy2025.pdf](https://bidenwhitehouse.archives.gov/wp-content/uploads/2024/03/budget_fy2025.pdf).

<sup>12</sup> Patrick J. Kennedy and others, “The Efficiency-Equity Tradeoff of the Corporate Income Tax: Evidence from the Tax Cuts and Jobs Act.” Working Paper (2024).

<sup>13</sup> Pew Research Center, “Americans’ Views of Government’s Role: Persistent Divisions and Areas of Agreement” (2024), available at [www.pewresearch.org/wp-content/uploads/sites/20/2024/06/PP\\_2024.6.24\\_role-of-government\\_REPORT.pdf](http://www.pewresearch.org/wp-content/uploads/sites/20/2024/06/PP_2024.6.24_role-of-government_REPORT.pdf).