# Donald Trump Offers a 4-Point Plan for Working Families

Tuesday evening in Philadelphia, Republican presidential candidate Donald Trump unveiled four proposals he said were part of his innovative economic plan to "bring federal tax policies in line with the needs of today's families."

As his campaign noted prior to the speech, his plan "is not for the wealthy but rather provides the biggest benefit to working- and middle-class families." In a statement released prior to the speech, the campaign stated:

> *This plan is needed because child care expenses are one of the largest expenses in many families, complicating a family's decision on how to care for young children. The Trump reforms will allow a family to make the choice of whether a parent should work outside the home or not without bias from the tax code. Having employed and empowered thousands of women at every level throughout his entire career, Donald Trump understands the needs of the modern workforce.*

The four proposals are:

1. Rewrite the tax code to allow working parents to deduct from their income taxes child care expenses for up to four children and elderly dependents.

- The deduction is available for taxpayers who take the standard deduction as well as itemize deductions, and will be capped at the average cost of care for the state of residence. Individuals earning more than $250,000 (or $500,000 if filing jointly) will not be eligible for the deduction. For a family earning $70,000 per year in the 12 percent tax bracket with $7,000 in child care expenses, the deduction would reduce taxes by $840 per year.

- The plan will offer child care spending rebates to lower-income taxpayers through the existing Earned Income Tax Credit (EITC). This could mean almost $1,200 per year per eligible family.
- Mr. Trump’s plan will ensure stay-at-home parents will receive the same tax deduction as working parents, offering compensation for the job they’re already doing, and allowing them to choose the child care scenario that’s in their best interest.

2. Create new Dependent Care Savings Accounts (DCSAs) so that families can set aside extra money to foster their children’s development and offset elder care for their parents or adult dependents. These new accounts are available to everyone, and allow both tax-deductible contributions and tax-free appreciation year-to-year-unlike current law Dependent Care Flexible Spending Accounts (FSAs), which are available only if it is offered by an employer and does not allow balances to accumulate.

- When established for a minor, funds from a DCSA can be applied to traditional child care, after-school enrichment programs and school tuition-contributing to school choice. To help lower-income parents, the government will match half of the first $1,000 deposited per year.
- When established for an elderly dependent, a DCSA can cover a variety of services, including in-home nursing and long-term care.

3. Provide regulatory reform to promote new family-based and community-based solutions, and also add incentives for employers to provide child care at the workplace. The ability to set aside funds will be particularly helpful to women, low-income workers and minorities, who are statistically more likely to reduce time working outside the home in order to provide unpaid care.

4. The Trump plan will guarantee six weeks of paid maternity leave by amending the existing unemployment insurance (UI) that companies are required to carry. The benefit would apply only when employers don't offer paid maternity leave, and would be paid for by offsetting reductions in the program so that taxes are not raised.

So how would it work? How does this plan "pay for itself" without raising taxes? The Trump camp released the following explainer:

> *The child care plan is part of the comprehensive tax, trade, energy and regulation reform plan proposed by Donald Trump at the Detroit Economic Club. More details about his tax plan will be discussed later this week at the New York Economic Club. The child care plan itself can more than be offset by additional growth. About two-thirds of the entire Trump tax reform program will offset by the increases in economic activity that accompany pro-growth tax reform, better trade deals, regulatory and immigration reform, and unleashing American energy. The remaining one-third will be offset by minor changes in the current trajectory of spending for federal agency operations, excluding Defense, Veterans, Social Security and Medicare. …*
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> *[T]he benefits provided by the Trump child care plan are in addition to the benefits available under current law. Current programs do not serve the large numbers of families that would benefit from the Trump plan, but if a family finds that it benefits more from existing programs, they would still be available. The only restriction would be that the same child care spending cannot be used for multiple benefits programs—no double-dipping. …*
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> *The cost to an employer of hiring should not be affected by this fully-offset policy, so the employer should not view hiring women as adding to their costs of Unemployment Insurance. Further, employers in a competitive marketplace*

*should not eliminate existing maternity care benefits to instead take advantage of the UI system. The UI benefit would only equal what would be paid to a laid-off employee, which is much less than a workers' regular paycheck. This should prevent abuse while providing a safety net for the sake of the health of mother and child.*

The speech was immediately met with a chorus of applause from Republican members of Congress. Here are some of the reactions from Republican women in the House of Representatives on Tuesday evening:

- **U.S. Rep. Diane Black (R-Tenn.):** "Child care is a growing part of the family budget, but middle-class Americans are continuing to get squeezed in the Clinton-Obama economy. Donald Trump's child care proposal will help provide relief and certainty in these challenging economic times by making targeted reforms to our tax code that are both pro-growth and pro-family. This is a far more serious and substantive plan than Hillary Clinton has put before the voters, which demonstrates Mr. Trump's commitment to addressing the issues facing working families across this country."
- **U.S. Rep. Vicky Hartzler (R-Mo.):** "Donald J. Trump unveiled a balanced, conservative plan that allows families to help offset the rising costs of child care. Not only does Mr. Trump's plan help working parents, but it also gives benefits for parents who chose to stay-at-home with their children. Unlike one-size-fits-all plans proposed by Democrats, Mr. Trump's innovative plan ensures parents have options that fit their needs when it comes for caring for their children."
- **U.S. Rep. Cynthia Lummis (R-Wyo.):** "Mr. Trump's plan is a serious and balanced approach that will make it easier for American families to afford quality child care. Rather than empowering Washington, Mr. Trump will focus on providing regulatory reform to promote new family-

based and community-based solutions, and also add incentives for employers to provide child care at the workplace. This thoughtful proposal shows a Trump Administration will be a pro-family administration."

- **U.S. Rep. Marsha Blackburn (R-Tenn.):** "Donald J. Trump released a smart, conservative plan to bring federal policies in line with the needs of working families across the nation. His plan includes reforms to ensure women do not have to choose between work and family as well as ensuring that if a parent does decide to stay home to care for their children, they are not unduly penalized by the federal tax code. Mr. Trump's forward-looking plan is yet another example that he is the only candidate in this race who has a plan to deal with the top issues facing Americans."
- **U.S. Rep. Renee Ellmers (R-N.C.):** "Donald Trump's new child-care plan allows families to balance work and parenting while maintaining conservative principles. Mr. Trump's plan also gives benefits for those who choose to stay home to take care of their children, meaning parents do not have to make the heart-wrenching choice between staying home to care for a child and putting food on the table. This innovative plan shows Mr. Trump cares for families, giving much-needed options and benefits for those with children."

After the speech, the Trump campaign also pointed out how its plan offers another substantial difference between the two major-party candidates. Democratic presidential nominee Hillary Clinton, they point out, doesn't offer as comprehensive a plan.

They laid out three key points:

- Hillary Clinton does not have a plan to provide relief to most Americans faced with high child care costs. She claims she wants to cap a family's child care expense at 10 percent of income, but provides no details. The Trump plan would provide relief to every working- and middle-income earner who has child care expenses. For example, the Trump plan would reduce taxes by $840 per year a family for earning $70,000 per year in the 12 percent tax bracket with $7,000 in child care expenses; Hillary Clinton's plan would provide no relief to this family.

- Hillary Clinton prefers institutional child care that does not meet the needs of workers in rural areas or who have schedules that require working on a night shift or on call. The Trump plan would give states the flexibility to establish standards that fit the needs of state residents without compromising quality.
- Hillary Clinton would force businesses to pay for 12 weeks of fully paid family leave at their expense. The Trump plan proposes 6 weeks of partial pay through the existing Unemployment Insurance system, fully paid for within the program.

The following is the complete transcript of Trump's speech:

> *Thank you. I want to applaud my daughter, Ivanka, for her work and leadership on the issues facing working moms in our country. She has been deeply invested in this since long before the campaign began, and I am so grateful for her work and efforts on this proposal which I will be outlining today.*
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> *I want to also take a moment to recognize Congresswoman Cathy McMorris Rodgers, Chairwoman of the House Republican Conference and a mother of three small children, who has been such a leader on these issues.*
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> *We are also joined tonight by some amazing members of Congress in our audience: Congresswoman Blackburn, Lummis, Black and Ellmers.*
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> *Our campaign is about ideas. We're about solutions. I've travelled all over the country in recent weeks offering*

*detailed plans to make life better for you and your family.*

*I've outlined detailed proposals for providing school choice, reforming our tax and regulatory code, lifting restrictions on American energy, rebuilding our military, changing our foreign policy, fixing our immigration policy and keeping our country safe.*

*Right now, our politicians have locked our country into endless fights about small and petty things. I'm asking the nation to lift our sights and to imagine what we can accomplish if we work together, trust each other and put the needs of our own citizens first.*

*We must break our ties with the failed and bitter politics of the past and pursue a future where every American is honored and respected.*

*We have to reject the arrogance of Washington, D.C., that looks down on everyday hardworking people. Too often, those who have power have disdain for the views, beliefs and attitudes of those who don't have political power.*

*Those in leadership must put themselves in the shoes of the laid-off factory worker, the family worried about security or the mom struggling to afford child care.*

*That means we need working mothers to be fairly compensated for their work, and to have access to affordable, quality child care for their kids.*

*We want higher pay, better wages and a growing economy for everyone.*

*These solutions must update laws passed more than half a century ago when most women were still not in the labor force. Today, nearly 2 in 3 mothers with young children have jobs.*

*For many families in our country, childcare is now the* *single largest expense—even more than housing.*

*Yet, very little meaningful policy work has been done in this area—and my opponent has no child care plan.*

*Many Americans are just one crisis away from disaster—a sick kid, a lost job, a damaged home. There is no financial security.*

*But that will all change under our pro-family, pro-child, pro-worker plans I am outlining tonight. Before going any further, I want everyone watching on TV right now to go to to read the full plan.*

*The first part of my child care plan allows every parent or family in America—including adoptive parents and foster parent guardians—to deduct their child care expenses from their income taxes.*

*They will be able to fully deduct the average cost of child care for their state, from birth through the age of 13.*

*Because of the way the benefit is capped and structured, our plan will bring relief to working and middle-class families.*

*The deduction also applies to elder care, capped at a $5,000-dollar deduction per year.*

*Importantly, our policy also supports mothers who choose to stay at home, and honors and recognizes their incredible contributions to their families and to our society. Families with a stay-at-home parent will be able to fully deduct the average cost of child care from their taxes.*

*For low-income individuals who have no net income tax liability, we will offer an expanded Earned Income Tax Credit (EITC) in the form of a child care rebate. Working parents can get an expanded EITC benefit that equals up to half of their total payroll tax—a major relief for low-income parents. This translates to as much as an extra*

*$1,200 dollars in EITC benefits for working families.*

*Next, our plan allows every parent in America to open up a Dependent Care Savings Account. Families can contribute up to $2,000 dollars a year to these accounts completely tax free. Crucially, unlike the flexible spending accounts that exist today, these accounts will be available to all Americans—you won't have to depend on your employer to provide them.*

*Immediate family and employers can also contribute to a dependent account, each of which is designated for a specific child, including an unborn child.*

*The money that is put into these accounts can also be spent not only on child care, but also on child enrichment activities. Additionally, the funds in these accounts do not expire at the end of the year—they don't revert to employers or to the Treasury. Instead, the funds rollover—so while only $2,000 dollars can be contributed each year, unspent sums can accumulate and create substantial savings.*

*These savings can then be used by parents to help give their kids school choice, and will thus contribute to the school choice reforms I outlined last week.*

*The funds will remain in the account until the age of 18. Whatever still remains at that time can be used to help offset the costs of higher education.*

*For low-income individuals, the federal government will provide matching funds—if parents contribute $1,000 dollars, the federal government will provide a $500 dollars match. To help low-income families reach these targets and save money, we will put a box on federal income tax forms allowing these parents to have their Earned Income Tax Credit funds directly deposited into their Dependent Care Savings Accounts.*

*These Dependent Care Savings Accounts can also be set up to provide care for elderly dependents.*

*Our plan also includes much needed regulatory reform to incentivize private sector solutions. The new funds offered by our plan will create a new market for innovative childcare solutions.*

*But to make sure these solutions are available, especially in low-income and rural communities, we must reduce regulations that favor large institutional care facilities. We will allow the states to make the decisions that are right for them.*

*In this era of the sharing economy, we want parents to be able to access lower-cost, competitive and innovative solutions at the click of a button—including services like nanny-sharing. Our plan would also cover care provided by relatives and grandparents.*

*Our plan includes incentives for more employers to offer on-site childcare as well. This can often be a good solution for many working parents, and can save them up to 30 minutes of commute time. Currently, only 7 percent of employers provide these services. Our plan will expand tax deductions for employers, allow companies to pool resources to provide shared child care services, and remove needless requirements that have prevented employers from using the credit.*

*Finally, our plan offers a crucial safety net for working mothers whose employers do not provide paid maternity leave. This solution will receive strong bipartisan support and will be completely self-financing. By recapturing fraud and improper payments in the unemployment insurance program, we can provide six weeks of paid maternity leave to any mother with a newborn child whose employer does not provide the benefit. This maternity leave will be paid straight out of the unemployment insurance fund and, again, this safety net* *will be completely paid for through savings within the program.*

*There are more reforms and solutions in our child care plan, and you can review them all on the website.*

*On Thursday, I will outline my full economic plan, which is completely paid for through economic growth and proposed federal budget savings. Together, our tax, trade, regulatory and energy policies will add trillions in new deficit-lowering growth.*

*These are the kinds of solutions I want to bring to the White House as your president. It’s time to free ourselves from the baskets that politicians try to put us in, and instead to work together—not as Republicans or Democrats—but as Americans, to achieve real, positive results for the American people.*

*While my opponent slanders you as deplorable and irredeemable, I call you hard-working American patriots who love your country, love your families and want a better future for all Americans.*

*It’s time to end the rule of special interests and to begin the rule of the American people.*

*It’s time to stop fighting over the smallest words and to start dreaming about the great adventures that lie ahead.*

*It is time to believe in America.*

*Together, we will make our country strong again.*

*We will make our country prosperous again.*

*And will make our country great again for everyone.*