



UnidosUS Principles for 2025 Tax Reform: Strengthening America's Economic Future Through Tax Policy that Works for Working Families

At a time when families across America are feeling the pressure of rising costs, smart tax reform can deliver immediate relief while building lasting pathways to prosperity. Latinos*, who make up nearly 20% of the U.S. population, [contribute an impressive \\$3.2 trillion annually to the economy](#) and represent 78% of the net new workforce additions between 2020 and 2030, maintaining the highest workforce participation rate in the nation. Their economic advancement through well-designed tax policy will generate cascading benefits for all Americans — driving increased consumer spending, business creation, homeownership and tax revenue that strengthens our entire economy.

UnidosUS, the nation's largest Latino advocacy organization, has worked for decades to advance economic opportunities for over 62 million Latinos in the United States. Our community's demonstrated work ethic, entrepreneurial spirit and growing economic influence position us to help power America's next chapter of growth — if supported by tax policies that reward our communities' determination and expand access to opportunity.

Core Principles for Effective Tax Reform

Expand Pathways for Families with Low Wealth to Build Assets

The [2017 tax law exacerbated wealth disparities](#) by directing 40% of its tax cuts to the top 5% of individuals and favoring high-income earners and corporations all while Hispanics only own 4% of total household wealth. In fact, in 2021, one in seven Hispanic households had no wealth or were in debt and in 2022, their median wealth was \$62,000, compared to \$284,000 for white families. To help families with no or low wealth, Congress can reform the tax code in ways that prioritize prosperity for

* The terms "Hispanic" and "Latino" are used interchangeably by the U.S. Census Bureau and throughout this document to refer to persons of Mexican, Puerto Rican, Cuban, Central and South American, Dominican, Spanish, and other Hispanic descent; they may be of any race.

Latinos and low- to moderate-income people and families. And, given that buying a home is a key avenue to building wealth, homeownership barriers that Latinos disproportionately face should be addressed through targeted tax incentives that help build savings and benefit first-time buyers and low-income workers.

Strengthen Support for Working-Class Families with Children

Nearly half of Latino households include children under 18, representing more than [one in four U.S. children](#). Unfortunately, [22% of them live in poverty](#), a rate nearly three times that of white children. Reforming the tax code to reduce poverty among Hispanic families, including those of mixed immigration status, is essential for safeguarding children's well-being and achieving long-term economic and societal gains. Federal tax credits, especially for [low-income families](#), play a vital role in alleviating poverty, as they benefit the bottom 40% of earners. Tax reforms that support child raising, college students and health coverage access can further reduce poverty while yielding future dividends — higher graduation rates, better health outcomes and increased earnings and tax revenues.

Targeted Tax Relief Without Undermining Public Programs the Working Class Rely On

The tax advantages for the wealthy in the 2017 tax law resulted in reduced tax revenues. A tax overhaul that threatens deep cuts to government programs that help working class families afford health insurance coverage, enable them to put food on the table or pay rent each month is counterproductive and is wealth stripping for families just starting to build assets.

These principles reflect both sound economic policy and American values — rewarding work and child rearing, supporting families and creating opportunity. By implementing tax reforms aligned with these goals, we can strengthen working families today while building a more prosperous economy for all Americans tomorrow.

About UnidosUS

UnidosUS is a nonprofit, nonpartisan organization that serves as the nation's largest Hispanic civil rights and advocacy organization. Since 1968, we have challenged the social, economic and political barriers that affect Latinos through our unique combination of expert research, advocacy, programs and an [Affiliate Network](#) of more than 300 community-based organizations across the United States and Puerto Rico. We believe in an America where economic, political and social progress is a reality for all Latinos, and we collaborate across communities to achieve it.

For more information on UnidosUS, visit www.unidosus.org, or follow us on [Facebook](#), [Instagram](#), [LinkedIn](#) and [X](#).