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Contact: Communications Office  
(202) 224-4515

## **BAUCUS LOOKS TO TAX REFORM TO HELP BOOST ECONOMIC OPPORTUNITY FOR YOUNG AMERICANS**

*Finance Chairman says Tax Reform Can Improve Economic Opportunity, Secure the American Dream*

**Washington, DC** – In a Senate Finance Committee hearing today, Chairman Max Baucus (D-Mont.) said tax reform should boost economic opportunity and help secure the American Dream for young people and future generations. The goal, Baucus said, should be to ensure every American child has a fair shot at a rich and full life.

**“Americans just want their children to have a fair shot at earning a good living and succeeding in life. Tax reform can open the doors of opportunity for the next generation,”** Baucus said. **“Children need a high quality education, and they need skills to be successful. By reforming our tax code to improve economic opportunity and help those in need, we can strengthen the American Dream.”**

Baucus noted that children’s future incomes are tied more closely to their parents’ income in America than in many other countries. In the United States, he added, a child born to a family in the top ten percent of earners is 23 times more likely to end up financially well-off than a child born in the bottom ten percent. And while the U.S. used to lead the world in college graduation rates, Baucus said, it now ranks 16<sup>th</sup> of 34 nations, just above Estonia, Poland and Chile.

Many of the tax code’s provisions meant to improve economic opportunity, like the exclusion for employer-provided child care, disproportionately tend to benefit children from wealthier backgrounds. Others, like the earned income tax credit and the child tax credit, give low-income parents an incentive to work and help them provide for their children. In 2010, the earned income tax credit lifted three million children out of poverty.

In a [recent address](#) at the Bipartisan Policy Center, Baucus outlined [his vision for tax reform](#) and highlighted opportunity as one of his four goals, along with jobs from broad-based growth, competitiveness and innovation. Baucus said a lack of economic opportunity hampers growth and undermines the American dream. Tax reform, Baucus said, needs to widen opportunity and refocus education tax benefits to give assistance to those in need, boost shared growth and build more of a meritocracy.

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