

DEEPENING THE DIVIDE

H.R. 1 and the Feminization of Poverty | Report Brief

The federal tax and spending package known as H.R. 1, or the One Big Beautiful Bill Act (OBBBA), will have far-reaching effects on Colorado’s families—especially women. Together, these bills reshape access to Medicaid, SNAP, tax credits, and education supports. While billed as fiscal reform, the combined impact reduces health coverage, food assistance, and income stability for those already balancing low wages, caregiving responsibilities, and rising costs.

IMPACTS

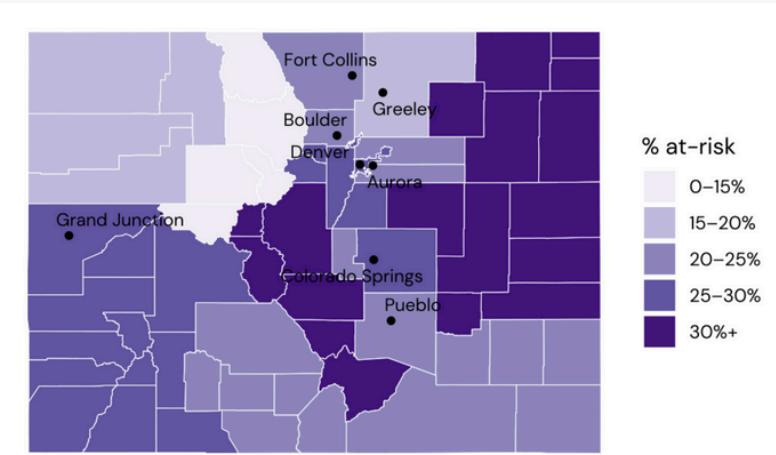
Medicaid

Before H.R. 1, Medicaid recipients faced no work requirements. The bill now mandates that many adults document at least 80 hours of work each month or lose coverage. In Colorado, roughly 245,000 enrollees fall under these new rules. About 130,900 people—including 65,300 women—are projected to fall short of the threshold. When factoring in administrative errors and red tape, as many as 41% of women on Medicaid could lose coverage.

Urban and Rural Medicaid Impacts

Risk of Medicaid loss under H.R. 1 is driven by low wages and unstable or seasonal work, not necessarily geography, though some places are hit harder than others. Working-class urban neighborhoods and rural economies (agriculture, tourism) face the highest risk, while affluent suburbs are largely insulated; in several mountain and southern counties, a much larger share of adults with Medicaid are at risk than in Front Range metros. Work requirement rules would widen existing inequities, especially for women, by layering strict reporting onto people with the least employment and administrative stability.

Figure: Percent of Adults on Medicaid at Risk of Losing Coverage by County, Colorado
Rural regions show the highest proportional risk of coverage loss under H.R. 1’s work requirements



Source: CFI analysis of 2023 PUMS microdata; IPUMS USA, University of Minnesota, www.ipums.org

Supplemental Nutrition Assistance Program (SNAP)

H.R. 1 also tightens SNAP work requirements, extending them to parents of teens and adults aged 54–64. Colorado will see about 65,000 additional recipients subject to new rules, placing an estimated 72,000 adults—38,000 of them women—at risk of losing food assistance. Research from Arkansas and Georgia shows such policies increase bureaucracy, not employment.



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Analysis conducted by Colorado Fiscal Institute for The Women's Foundation of Colorado.

TAX PROVISIONS

The impacts of OBBBA aren't limited to Medicaid and SNAP. Its tax provisions also shift who benefits from federal relief, favoring higher earners through deductions instead of refundable credits that reach low-income families.

Refundable credits benefit all eligible taxpayers, even those with little or no tax liability. Deductions, by contrast, reduce taxable income, and do little for filers already owing little or nothing. Many OBBBA "middle-income tax cuts" are structured as deductions, shutting out a large share of low-income women.

The OBBBA's new deductions—up to \$25,000 for tip income, \$12,500 for overtime, and \$10,000 for auto loan interest—sound generous but mostly benefit higher earners. Many low-income workers, especially women in tipped jobs, lack enough taxable income to claim the full value, while eligibility for overtime and auto deductions skews toward male-dominated industries. Women make up the majority of tipped workers in Colorado, reflecting national trends where about two-thirds of servers and other tipped employees are women.

FEDERAL VS. STATE CREDITS—AND HOW COLORADO LOST ITS OWN

The OBBBA makes the federal Child Tax Credit (CTC) permanent at \$2,200 per child (\$1,700 refundable) and keeps the \$500 Other Dependent Credit, which is nonrefundable. The Earned Income Tax Credit (EITC) and refundable CTC remain vital for low-income families, especially women.

Colorado supplements these with its Family Affordability Tax Credit (FATC), which boosts state EITC and CTC benefits—but only when General Fund revenue exceeds a growth trigger. Because Colorado's tax code conforms automatically to federal law, OBBBA's new deductions will shrink the state's tax base, reducing revenue enough to deactivate the FATC trigger. The result: In 2026–2027, working families lose thousands in state refundable credits, not by state choice, but as collateral damage from federal tax cuts favoring the wealthy.

EDUCATION PROVISIONS: HIGHER BARRIERS FOR WOMEN

Women hold two-thirds of student loan debt and make up most of the public education workforce, yet H.R. 1's education policies hit both groups hardest.

Student Loan Caps: Stricter limits on graduate, professional, and Parent PLUS loans, with a \$257,500 lifetime cap, plus fewer repayment options and the end of deferments (from 2027) increase repayment burdens, especially for women in lower-paying fields.

"Trump Accounts": Create \$1,000 tax-free accounts at birth for approved uses. While helpful in theory, the biggest long-term gains go to higher-income, male-headed households able to contribute regularly.

Voucher Expansion: A new federal tax-credit scholarship program redirects funds toward private schools, draining resources from public schools where 74% of teachers are women, and limiting aid to families who can already afford private tuition.



CONCLUSION

The result is a policy landscape that widens, rather than closes, inequities—asking women and low-income families to do more with less, while shifting resources upward and away from the programs that make economic security possible.