

WHAT IS THE NEW YORK STATE CHILD POVERTY REDUCTION ACT?

A road map for achieving a bold poverty reduction goal.

In June 2021, New York State legislators declared their intent to cut child poverty in half in ten years. They laid out an ambitious goal and the beginning of a plan for meeting it.

Legislators' votes in support were near-unanimous, including Democrats and Republicans from rural, urban, and suburban communities that span the entirety of New York State. Governor Hochul signed the Child Poverty Reduction Act into law in late 2021.

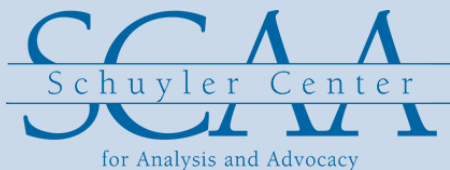
WHAT DOES IT MEAN FOR NEW YORK'S CHILDREN?

The Child Poverty Reduction Act commits New York State – by law – to taking actions that will significantly reduce the number of children living in poverty.

Every child should have the resources they need to grow up strong— health care, stable housing, a community of caregivers, nourishing food, and family economic security. Unfortunately, even in New York State, that is not the case for many of our children.

New York's child poverty rate is higher than 31 other states. In a state with vast wealth, poverty affects the lives of one in five New York children. In some communities – including Rochester and Buffalo – nearly half of all children are experiencing poverty. Historic and systemic inequities mean that a Black child is two times more likely to live in poverty than a white child.

If the promise of the Child Poverty Reduction Act is upheld, New York will be on the path to ending child poverty and prioritizing child and family wellbeing.



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WHAT WILL A LOWER CHILD POVERTY RATE MEAN FOR NEW YORK STATE?

New York's children are our children. Good public policy can ensure that children throughout the state, of every race, ethnicity, and background, have the tools they need to succeed, a cushion in hard times, and the resources to thrive.

THREE YEARS IN: WHAT HAPPENS NOW?

The Child Poverty Reduction Advisory Council, the State advisory body created under the Child Poverty Reduction Act, has met regularly since late 2022, reviewing data, and learning from experts, with the goal of developing evidence- and data-informed policy recommendations. ***The Council is expected to release its policy recommendations this fall, focusing on public policies that will help the state meet its 50% child poverty reduction goal by 2032.***

Our coalition is working to build strong and wide support for action on poverty. We expect that the Governor and legislature will, in 2025, implement significant policy and budget measures to reduce child poverty across New York State. New York certainly has the means to tackle child poverty – this is the moment to prove that it has the will.

ABOUT NEW YORK CAN END CHILD POVERTY

New York Can End Child Poverty is a coalition of organizations from across New York State working to improve long-term outcomes for children and families from households experiencing economic hardship. Allowing millions of New Yorkers to experience poverty, among them hundreds of thousands of children, with children of color disproportionately represented, is a policy choice, but is not inevitable. We are dedicated to advancing public policies that support children and families while reducing child poverty and inequity across New York State.



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CHILD POVERTY SOLUTION: REFUNDABLE TAX CREDITS

What are refundable tax credits?



Refundable tax credits provide flexible support to help families meet immediate needs and deliver long-term benefits. Research shows that **cash and near-cash benefits (such as tax credits) improve children’s health and educational outcomes, increase future earnings, and decrease costs in the realms of health care, child protection, and criminal justice.** One of the most powerful refundable tax credits is the Child Tax Credit, officially named the Empire State Child Credit here in New York.

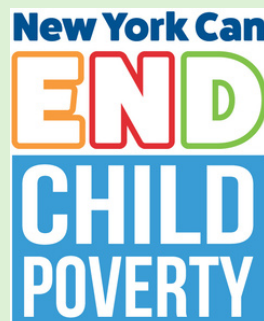
At a moment when, following years of high inflation, families across New York State are faced with record high food costs,ⁱ many are struggling to make ends meet. Refundable tax credits are particularly well-positioned to address affordability here in the Empire State.

We recently witnessed the dramatic ability of refundable child tax credits to reduce poverty rates. When the federal government temporarily expanded the federal child tax credit during the pandemic, child poverty dropped by nearly half nationally and in New York State.ⁱⁱ This additional income, paid through the expanded Child Tax Credit, helped families meet their needs and balance their budgets. In fact, studies show that families used the extra income for things like food, clothing, housing, and to pay down debt. All of which contributed to the overall decreases in child poverty that were apparent during the expansion of the federal Child Tax Credit.ⁱⁱⁱ What is more, recent studies have found that long-term societal benefits of a robust, refundable child tax credit outweigh costs ten to one.^{iv} This same study found that societal benefits of the credit do not fade over time, but rather that benefits continue to be seen for years after the initial investment.

Unfortunately, despite the clear poverty-fighting power of the Child Tax Credit, the expanded credit was allowed to lapse, and poverty rates rebounded to previous levels.

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What change is needed to make tax credits work better for children and families?

As New York works to achieve the goal of cutting our child poverty rates in half, and New Yorkers across the state struggle to afford the basic cost of living, we must focus on increasing the power of the Empire State Child Credit. The State recently acted to strengthen the credit by expanding eligibility to include children under the age of four (who were previously excluded).^v However, much more can be done to permanently and broadly bolster the Empire State Child Credit so it can better support all New York children. Here's how:



Increase the credit amount to have a more meaningful impact on families' lives. Currently, NY's child tax credit has a maximum of \$330 per child annually.^{vi} Increasing this to \$1,500 would reduce child poverty by more than 23%



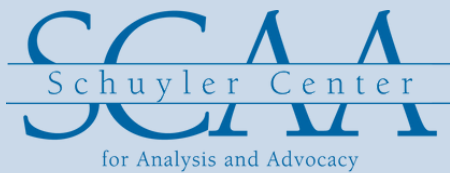
Include the lowest-income families with children. Due to a minimum earning requirement,^{vi} families with the lowest incomes are prevented from receiving the full credit.



Index the tax credit to inflation. The Empire State Child Credit is not currently indexed to inflation, so the value of the credit has diminished over time, even as expenses have risen.

What will this mean for New York's children?

An expanded Empire State Child Credit, if increased to \$1,500 would, reduce child poverty across New York State by 23%, lifting tens of thousands of children out of poverty, and providing an additional income boost to working and middle-class families statewide.



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CHILD POVERTY SOLUTION: HOUSING VOUCHERS

What are rental assistance vouchers?

Statewide, more than 100,000 New Yorkers experiencing homelessness sleep in a shelter or on the street on any given night, and thousands more sleep doubled up with friends and family in overcrowded units.ⁱ

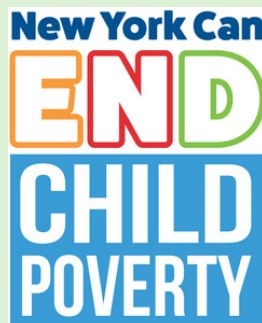


Millions more New Yorkers and their children experience housing instability, including many who live on the brink of homelessness. Across New York State, nearly two in five (approximately 3 million) households are rent-burdened, paying more than 30% of their income on housing, and one in five (approximately 1.5 million) are severely rent-burdened, spending more than 50% of their income on housing each year.ⁱⁱ High levels of rent burden can push any household into housing instability, but this risk is especially severe for New York's lowest-income families who may be only one missed paycheck or unexpected expense away from falling behind on rent.

Research shows that rental assistance vouchers, which subsidize housing costs for low-income families, reduce homelessness and housing instability,ⁱⁱⁱ improve outcomes for children,^{iv} improve academic performance,^v and promote beneficial outcomes for family well-being, including halving intimate partner violence.^{vi} Federal Housing Choice Vouchers (HCVs) reduce the poverty rate for recipients by 43%^{vii} and provide long-term benefits to households that previously experienced homelessness.^{viii} However, despite the wealth of evidence about the positive and immediate effects of rental assistance for children and families, some households are ineligible for HCVs. Even among HCV-eligible households, only one in four receive HCVs because the program is not an entitlement.

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What change is needed to make rental assistance work better for children and families?

New York should create its own rental assistance program to serve income-eligible renting households (50% AMI) not currently receiving HCVs or other rental vouchers. Like other vouchers, the program would cover the difference between the rent (up to 108% of the Fair Market Rent) and 30% of household income. Unlike other vouchers, the program should be available to households regardless of immigration status.

An effective program should be an entitlement to ensure that all low-income renting households receive the critical housing supports they need.

What will this mean for New York's children?



A statewide rental assistance program available to all unsubsidized renting households below 50% AMI would cut child poverty by nearly 16% statewide (15.7%). **The program would move 250,000 New Yorkers, including 82,000 children out of poverty.**



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CHILD POVERTY SOLUTION: CASH ASSISTANCE

LOW-INCOME FAMILIES NEED CASH ASSISTANCE TO REDUCE CHILD POVERTY

What is cash assistance?



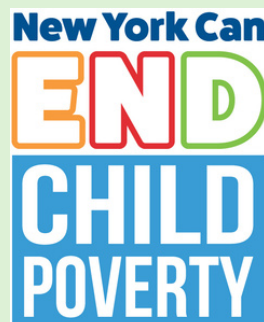
For many decades, New York State has provided cash assistance to low-income New Yorkers, funded by local, State, and federal TANF (Temporary Assistance for Needy Families) funds. This assistance, known as the “Cash Assistance” program, is intended to enable families to fulfill their basic cash needs, including for soap, detergent, diapers, clothing for growing children, and transportation.

The existing Cash Assistance program provides inadequate assistance. The amounts allotted to families have not been increased in 12 years and relegate many families to a state of deep poverty (less than 50 percent of the Federal Poverty Guidelines). Throughout the state, a family of two (parent and one child), receives \$252 per month, plus \$39.50 for utility expenses. Families can supplement assistance with work income, but the rules about which working families qualify and how much they can save, leave many families out. Where a family is sanctioned for an adult allegedly failing to follow employment rules, the amount is reduced by half, or the case is closed. The result is that children suffer even more.

NEW YORK MUST DO BETTER FOR CHILDREN AND FAMILIES BY ADOPTING REFORMS TO THE CASH ASSISTANCE PROGRAM

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What is Needed:



Substantial increases in the level of benefits, with ongoing index to inflation so families do not have to wait another 12 years for an amount that helps them meet their basic needs. A 100% increase in benefits level would bring the level for a family of two to approximately \$500 per month. The Urban Institute determined that such an increase would decrease child poverty in New York State by 18 percent.

Companion changes that would increase long-term economic stability of low-income families receiving Cash Assistance include:



Allow low-wage, working families to access Cash Assistance (at reduced levels). Participation in the Cash Assistance program is often the only way to access child care, employment services, and even housing assistance. Allowing more working families to participate in the program, at reduced levels of assistance to account for work income, will increase long-term stability.

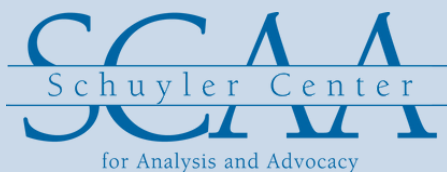


Eliminate the Cash Assistance resource limit. Many other states, ranging from Massachusetts to Alabama, have done this. This change helps families grow their savings and build long-term economic stability.



Implement Cash Assistance Sanction Reform Statewide. New York City did this in 2015, and the whole state should also benefit. The changes help prevent sanctions against families and end them more quickly.

New York's Children Cannot Wait for These Common-Sense Reforms. We know New York can do better to support children and families across the state, and address child poverty through sensible policy.



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CHILD POVERTY SOLUTION: FOOD ASSISTANCE FOR ALL

New York State Must Ensure that Low-Income Children Are Eligible for Food Assistance Regardless of Immigration Status



Many non-citizen children live in families Ineligible for Federal Food Assistance (Supplemental Nutrition Assistance Program/SNAP).

Since 1996, Congress has excluded many non-citizens from participation in SNAP, an essential safety net program, regardless of whether they are recognized as lawfully present in the U.S. New York State once had a program to ensure these children would not go hungry, but it was discontinued in the early 2000s. As a new generation of new arrivals make New York State their home -- just as waves of immigrants have for centuries -- it is time for New York State to ensure children do not go hungry in the Empire State.

New York must ensure that all families can provide nourishment for their children

Across New York State, nearly 65,000 households with children are currently excluded from participating in SNAP due to their family's immigration status.

New York must create a Food Assistance Program that fills in the gaps left by federal SNAP regulations. This program would ensure New York children who are excluded from SNAP receive comparable assistance for the purchase of food. New York has done it before and can do it again. The impact of this program would go beyond reducing child poverty (the Urban Institute estimates by 1.6 percent), it would help make New York State's ideals of racial equity and a welcoming home for all a reality.

New York Children Need Food Assistance Now

Children across New York State who are excluded from the SNAP program need assistance now to ensure they have access to the food and nutrition benefits they need. No child in New York State should go hungry, no matter their zip code, their family income, or their parents' country of origin.

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