Since the Great Recession, New York State has made a steady, albeit slow and uneven, economic recovery. Last year, the State’s economy was ranked among the strongest in the nation (12th). In 2017, unemployment dropped to 4.8%. And, Wall Street has rebounded, with profits rising by 21% in 2016, and bonuses to stock brokers averaging $138,210. New York State is now home to more ultra-wealthy individuals (those worth more than $30 million) than any other state except California.

Yet, even as New York’s economic indicators have improved and many of its residents accrued tremendous wealth, the state fails to provide many of our children with the basic supports they need to grow, learn and thrive. As a result, more of our children live in poverty, suffer maltreatment, and struggle to succeed in school than in many other states. A greater percentage of New York children live in poverty than in 33 states, and only two states have a higher percentage of homeless students than New York. When other economic indicators are taken into account, like housing burden, New York’s child economic well-being ranking drops to 41st in the nation. In the area of child welfare, New York ranks near the bottom nationally on important safety and permanency measures. For instance, New York children are more likely to experience a recurrence of maltreatment than children in other states, and those in foster care are less likely to be placed quickly in permanent homes. New York’s high school graduation rate of 80% ranks among the bottom quartile of all states, and is lower than the national average of 83%.

New York has the knowledge and tools to do better by our children, and to provide them the stepping stones they need to set them on a path to achieving their potential. What our children need for a strong start is well-understood and non-controversial: strong and economically stable families; healthy bodies and minds; a home and community that shelters them from violence and stress; and a sound education that includes early learning opportunities. Proven ways to provide all our children those stepping stones include robust working family tax credits; quality affordable child care; strong public health systems; access to quality mental, dental and physical health care including developmental screenings and referrals; home visiting and other family strengthening that can prevent children from experiencing toxic stress; and equitable access to quality, culturally responsive education, including early education.

It is time for New York to make our children its number one priority – particularly this year when the state is facing real and significant budget challenges; challenges that will likely be made greater by expected federal cuts to education, health, and safety net programs.

The good news is the state has already begun laying a solid path to well-being for our children. In recent years, the state has enacted trailblazing policies to stabilize, support and strengthen families, including adopting the strongest paid family leave law in the country, raising the minimum wage, extending health coverage to 98% of the state’s children, and substantially expanding public pre-kindergarten. In 2017, the state turned its attention to the well-being of our youngest New Yorkers, launching two innovative initiatives – the First 1,000 Days on Medicaid and the New York State Board
of Regents’ Early Childhood Blue Ribbon Committee – to improve early childhood policies and processes in Medicaid, education and beyond. Both of these initiatives are cross-sectoral, and animated by the understanding that investments targeted to improve very young children’s physical and behavioral health, strengthen their families, and provide economic security can dramatically improve long-term outcomes for children into adulthood across realms. And both have made recommendations that, if well-implemented and fully funded, hold the promise of setting many of the state’s youngest residents on a path to good health, bright minds, and high educational and occupational achievement.

New Yorkers can and want to do better for our children. Here is an overview of the state of New York’s children, and recommendations for improving the well-being of all the state’s children.

I. The State of Our Children: Economically Stable Families

Paramount to improving child well-being is addressing the endemic poverty that so many of our children face. While nearly one quarter of all New York children live in poverty, that percentage is significantly higher among children of color and is concentrated in some communities. Thirty-four percent of Hispanic, 32% of Black, and 29% of American Indian children live in poverty, as compared to 13% of white children. What is more, even when parents work, children continue to live in poverty: 606,435 children, or 65% of children in poor families, have at least one parent who is employed at least part-time.10

Among the most severe impacts of poverty are homelessness and hunger. Nearly 150,000 New York students were identified as homeless during the 2016-17 school year, and 11,166 children 0-5 years old lived in New York City homeless shelters in December 2015.11 In fact, New York has the third highest percentage of homeless students in the nation. Poverty also causes many children to experience hunger. Nearly 20% of New York’s children faced food insecurity during 2015 – defined by reduced food intake and disrupted eating patterns.13

Poverty also contributes to long-term negative outcomes in all aspects of a child’s life. A child’s socioeconomic status is the strongest predictor of academic achievement14 and poverty is linked to cognitive deficits in children that can manifest as early as nine months of age.15 Impoverished children are much more likely to suffer from chronic health conditions like asthma and diabetes, and even transitory childhood poverty yields poorer health outcomes in adulthood.16 Building family economic security promises better outcomes and lower costs.

New York State has implemented many effective programs and services that help reduce poverty and ameliorate its impacts. However, the persistence and pervasiveness of poverty, homelessness, food insecurity and disparate educational and health outcomes for low-income children indicate that much remains to be done.

Working Family Tax Credits

Modest income transfers to low-income families – particularly families with young children – can yield tremendous benefits for children and their families, including improved physical, emotional and behavioral health, higher educational attainment and increased future earnings.17,18 The benefits are particularly great – and most acutely needed – in families with very young children. This is the case because families with young children face poverty at
greater rates than other families, and because stress and hunger can impair brain development, which is most rapid when children are very young, and can lead to lifelong deficits. In fact, the birth of a child is the leading trigger of “poverty spells” experienced by families. And strengthening family economic security improves the lives not only of this generation of children, but the next, because poor children are much more likely to grow up to be poor adults.

In recent years, New York State has passed significant policies to bolster working family income by raising the State’s minimum wage and enacting Paid Family Leave. New York also offers robust working family tax credits including a state Earned Income Tax Credit (EITC), a state child tax credit, called the Empire State Child Credit, and a state child and dependent care credit. Each of these credits can significantly reduce family poverty particularly because, unlike in many other states, New York’s credits are fully refundable. This means the lowest income working families can receive the full credit to which they are entitled even if the credit amount exceeds the amount of taxes the family owes. Many New York families benefit from these working tax credits. In the 2015 tax year, more than one million New York families with children received the State EITC, which provides a maximum credit of $1,873. Nearly 1.5 million New York families with children received the Empire State Child Credit, with a maximum credit of $330 per child. More than 515,600 families received the State Child and Dependent Care Tax Credit (CDCTC). The maximum credit a family with one qualifying child can receive is $1,155 and $2,310 for two; beginning in the 2017 tax year, families with three or more qualifying dependents can receive substantially more in credit.

The recently passed federal tax overhaul will impact New York State’s Empire State Child Credit because the amount of credit a family can receive is tied to the family’s federal Child Tax Credit (CTC) claim, and the new federal tax law makes changes to the federal CTC. Specifically, New York’s Empire State Child Credit (CTC) provides taxpayers who file for the federal CTC a credit equal to 33% of the federal child tax credit or $100 per qualifying child, whichever is greater. Eligible families who do not file for the federal CTC, but are otherwise eligible for the state credit, can receive just $100 per qualifying child. Beginning in 2018, the maximum federal CTC will increase from $1,000 to $2,000 per child, with $1,400 of that being fully refundable (that is, available to low-income taxpayers who qualify for a credit that exceeds their income tax liability.) This will increase the maximum credit per child available under the NYS tax credit to $660 per child. At the same time, the new federal tax law changes filing requirements in a way that will foreclose many immigrant children – particularly DREAMERS (immigrant children brought to the United States without immigration authorization by their parents) – from qualifying for the federal credit. Because state credit eligibility is limited for families who do not file for the federal credit, this new federal provision will not only deprive these immigrant children from receiving the federal credit, it will limit their state credit to no more than $175 per child even if the family income would otherwise qualify them to receive the maximum credit of $660. (The new federal tax law makes no changes to the federal EITC or the CDCTC, and therefore has no impacts on New York’s version of these working family tax credits.)

More should be done to support families with children through tax credits. In particular, New York’s Empire State Credit contains a significant flaw: it excludes children under age four from eligibility – the very group that is most severely impacted by poverty, and would most benefit from receiving a credit. Working families would also benefit from an enhanced EITC and CDCTC. In addition, New York State filing requirements should be changed such
that hard working immigrant families can qualify for working family tax credits so that these young New Yorkers are put on a path to succeed and thrive. Finally, if the State’s working family tax credits were restructured such that families receive the credits throughout the year, rather than once a year at tax time, these credits could help families even more who often live paycheck to paycheck.

**Affordable, Quality Child Care**

For many New York families with young children, child care is their largest monthly bill. New York State ranks among the most expensive states for child care in the nation. The average cost for full-time center-based care is $15,000 a year for an infant, and more than $13,000 for a toddler, preschooler or school-age child. The average cost for full-time care by a family-based provider for an infant is almost $11,000 a year, and just over $10,000 for older children. As a percentage of household income, full-time center-based care for one infant would account for 57% of annual income for a single-parent family earning the median household income of approximately $26,300. It would account for 15.7% of a married-couple family earning the median income of $95,800. Notably, according to U.S. Department of Health and Human Services guidelines in effect until 2016, child care that costs more than 10% of a family’s income is unaffordable.

Thus, child care is unaffordable for nearly all middle- and low-income New York families. And, for low-income working parents, child care often causes them to face unbearable choices, for example choosing between leaving their children with unreliable caregivers or cutting their work hours, resulting in their reliance on welfare or a fall into poverty or even homelessness. In federal fiscal year 2016, New York invested more than $806 million in State and federal dollars subsidizing child care for low-income families, helping more than 192,000 children (in 120,000 families) access child care. While this investment is significant, it is estimated that approximately 80% of low-income New York families who could benefit from subsidized child care do not have access due to inadequate investment. And, the 2017-18 State budget included a $7 million cut to child care subsidies, meaning approximately 900 fewer families will be able to access subsidies this year.

New York State needs a clear plan to provide equitable access to quality child care for all New York children and working families, and a family sustaining income for child care providers. While we work on a long-term plan, it is critical that the state increase investment now to shore up short-term stability for child care providers and the subsidy system. Because expanding access to child care would support New York economic development efforts, in addition to reducing child poverty and strengthening families, the state should direct a portion of the billions of dollars invested in economic development – much of which is funneled through the Regional Economic Development Councils – to child care.

**II. The State of Our Children: Healthy Children, Healthy Families**

A child’s healthy development is dependent upon the environment, including the people, surrounding them.

New York is a leader across the nation in assuring health coverage for children and parents – covering nearly 98% of children and 90% of parents, yet racial disparities in health outcomes are stark. Statewide, 7.79% of babies are born at low birthweight. However, while 6.3% of white
babies are born at low birthweight, nearly double that – more than 12% – of Black babies are born at low birthweight.32 And while 9.6% of mothers of white babies receive inadequate prenatal care, that percentage doubled for mothers of babies of color: 23.5% for mothers of Black babies; 20.6% for mothers of American Indian/Alaska Native babies; and 17.8% for mothers of Hispanic babies.33 These disparities underscore that while New York has made health coverage a priority, children and their parents in some communities do not always receive what they need for a healthy start.

Emotional and mental health is as important as physical health in the early years of a child’s life. Studies have demonstrated the long-lasting impacts toxic stress and early adversity can have on a person’s life. The well-known Adverse Childhood Experiences research has shown that adverse experiences in childhood – including experiencing parental depression or substance abuse; suffering or witnessing abuse; or living in poverty – can negatively impact a person’s physical health, mental health and job retention long into adulthood.34 In New York, nearly half (45.3%) of all children have at least one Adverse Childhood Experience.35

Among the most severe stress children suffer is maltreatment. In 2015, more than 69,000 New York children experienced abuse and/or neglect.36 More than 16,000 children were in foster care in New York State in 2016, and children of color are disproportionately represented in the foster care system.37 Of the 16,000 children in care, more than 40% were Black, while only 15% of the general child population are Black. In comparison, 23.3% of children in foster care were white, while 48% of the general child population are white.38

And, when children and youth enter foster care in areas outside of New York City, they are placed far too often into group homes, rather than with relatives or into family-based foster homes. In fact, 30.5% of children admitted into foster care in 2016 were placed into a congregate care setting, and 24.6% of children in foster care December 31, 2016 were living in congregate care.39 In comparison, the national average is closer to 14%.40 While congregate care plays an important role in the foster care system, research shows improvements in permanency and well-being outcomes when children are placed with a family.41

As this data makes clear, too many children around the state continue to face adversity, with potential consequences that could impact those individuals, as well as their communities and the state generally, long into the future.

Keep Health Insurance Coverage Strong for New Yorkers

New York has long been a leader in children’s health coverage, and has enthusiastically and thoroughly implemented the Affordable Care Act (ACA) and Medicaid expansion. Ten percent of New York parents and 2.4% of children remain uninsured.42 New York has developed a robust State health exchange, the New York State of Health (NYSoH), and continues to vigorously promote enrollment in exchange products, the Essential Plan (the ACA’s Basic Health Plan), Medicaid, and the Children’s Health Insurance Program (CHIP). The President and Congressional majority have, during 2017, made significant efforts to radically reduce Medicaid and eliminate the Affordable Care Act. Federal leaders have also failed to reauthorize funding for the CHIP program, putting funding for health coverage for hundreds of thousands of New York children at risk.
Evidence shows numerous and lasting benefits – in health, well-being, and education – for children who have health insurance coverage compared to those who do not have coverage. And because child well-being is so intricately connected to parental well-being, parental coverage has benefits for children, families and communities.

The State should prioritize robust coverage for the health of all New Yorkers and ensure we continue to lead in children’s coverage.

Focus on the Early Years

The first 1,000 days of life present a crucial period of opportunity to support optimal development that has lifelong consequences, since a child’s brain develops more rapidly in the first three years than in any other period. Positive experiences – nurturing, engagement, nutrition, stability – help build a strong foundation that can ensure the capacity to withstand future challenges. This early period of a child’s life is important, not just for their physical health and development, but is also a critical period in terms of cognitive and emotional development. And interventions that help to ensure healthy development and reduce childhood adversity in the early years have been shown to contribute to better physical and mental health.

In those first 1,000 days, most New York children are seen by a pediatrician or family physician, making the health system an important entry point and opportunity to direct families to other resources to support their child’s health and development. If we do a good job in the first 1,000 days, we can expect improved school readiness and reading and better health outcomes that will last a lifetime.

During 2017, New York’s Medicaid agency and Department of Education coordinated intentionally cross-sectoral processes with an array of stakeholders to develop policy recommendations that focus on investing in children, families, and communities in the early years to improve health and education and lower future expenditures.

The State should commit to ensuring a strong start in life for all New Yorkers, and ask all State and local agencies to examine how we can strengthen our state with smart investments now in the first 1,000 days of every New Yorker. The Governor and Legislature should include funding associated with the First 1,000 Days on Medicaid and Blue Ribbon Committee on Early Childhood recommendations in the 2018-19 State Budget.

Family-Oriented Approaches

The health and mental health of parents and caregivers significantly influences the health and development of children. Quality maternity care and behavioral health care for caregivers is critical for setting children on an equal footing toward lifelong health.

Maternal, infant and early childhood home visiting can significantly ameliorate the negative impacts of adverse experiences, and prevent further toxic stress. Home visiting programs work with families in their home, providing coaching for parents, monitoring children’s healthy development, connecting families to resources and setting children on the path to school readiness. While New York makes some significant investments in home visiting, it is not enough to reach all potentially eligible families. In fact, it is estimated our evidence-based
programs are serving only about 5% of low-income families with young children. In order to better support families with young children, New York should work to strengthen home visiting – both through funding and through coordination between programs, State agencies and other local services that build strong, integrated supports for families.

To ensure families are supported to minimize toxic stress, the state should explore opportunities to invest in community-based primary prevention. In fact, a promising model of primary prevention is being implemented in New York City. In 2017, New York City awarded funds for three new community-based Family Enrichment Centers – welcoming families regardless of child welfare involvement – which will focus on building family resilience and stability by providing an array of supports that reinforce economic mobility, parenting skills, positive relationships, housing, child development and education, community engagement and supportive advocacy. This demonstration project should serve as a model to the rest of the state of how we may work to strengthen families and communities, and prevent child abuse and neglect.

The State should strengthen and expand proven maternal, infant and early childhood home visiting and consider replicating the Family Enrichment Centers, should they prove successful, to help more families thrive together. The State should work with medical and behavioral health providers, payers, families, and community-based organizations to ensure that families are connected to mental health and other essential services.

Building Strong Families and Preventing Child Welfare Entry

Models like New York City’s Family Enrichment Centers provide supports to families before there is any risk to the child’s safety and well-being. This approach allows families to receive the supports and referrals they need to help avoid adversity and reduce risk to the child. However, New York State’s investment in this type of primary prevention has been frozen since 2008. New York does invest in secondary prevention – those services available to families after a child welfare case has been opened with the local district. While the funding for preventive services is uncapped, thereby allowing counties the flexibility to spend according to need, the state share of this funding stream has been reduced from 65% (as is written in statute) to 62% for the last nine years. This cost-shift puts strain on already-stretched counties. While New York is a national leader in its investments in these services – quite possibly contributing to the decline in the foster care census – we lack strong data on the types and effectiveness of services or number of children/families served.

The State should make increased investments in primary prevention and restore the State share of preventive/protective funding to 65%, as is written in statute. It should also report publicly on the use of preventive funding.

Safe, Stable, Appropriate Homes for Children & Youth in Foster Care

When children and youth enter foster care after being removed from their families, the State, represented by the local social service districts, has a responsibility to ensure those children receive the appropriate services and supports that contribute to positive outcomes for the children. Children should be placed appropriately – with relatives, when possible and appropriate, or in family-based foster care, with group, or congregate care, the latter being the least favored option. Research shows children generally do better when placed with a family,
with improvements in permanency and well-being outcomes. While congregate care plays an important role in the child welfare system in meeting the needs of certain children and families, it is not a setting that should be overused, particularly for extended periods.

Foster families – both relative and non-relative – provide an important service to the state and to their communities by stepping in to provide care for a child when their biological parents are unable to do so. They are the State’s partners in ensuring that children are safe, healthy and able to thrive. It is critical that the State support counties in recruiting, retaining, strengthening and supporting quality foster parents so when entry into foster care becomes necessary for a child, they’re supported in the best possible placement.

What is more, we can, and must, do more to ensure supports for children in the care of relatives. In many counties around the state, formal relative foster care is under-utilized, while direct placement – the placement of a child with a relative outside of foster care – is more frequently used. Utilizing direct placement instead of foster care deprives kinship families of the financial supports that accompany foster care. While all families may not need or want to enter into foster care, it is critical that families are aware of their options, and of the financial implications of their decisions.

The State should work to ensure that all foster families – including kin – are supported so that more children are placed in family-based care, and may thrive in their placement.

III. The State of Our Children: Educational Foundations

Upon entering elementary and middle school, New York children struggle to reach proficiency, with significant disparities between students of different races and ethnicities. Only 40% of students test as “proficient” on both 3rd - 8th grade ELA and math assessments, and that number is considerably lower for Black (29% for ELA, 24% for math) and Hispanic (29% for ELA, 27% for math) students. And while the high school graduation rate overall is 80%, for Black and Hispanic students that percentage drops to 68%. New York State has made historic investments in pre-kindergarten (Pre-K). Currently, the state makes full-day Pre-K seats available to 91,000 four-year-olds. However, much of this investment has been in New York City, resulting in universal access to full-day Pre-K for four-year olds across New York City. This historic achievement is a significant step toward reaching New York State’s goal of providing universal access to full-day Pre-K for all four-year olds. However, that goal is far from being realized in the rest of the state where 79% of four-year-olds (81,500) are denied the opportunity to attend full-day Pre-K.

Quality Full-Day Pre-K and Child Care

It is well established that educational achievement gaps appear long before children reach Kindergarten and can become evident as early as age 9 months. One out of three children in New York State start Kindergarten already behind in basic skills. This school-readiness gap becomes an achievement gap that can persist throughout a child’s school career and beyond. As a result, low-income and other at-risk children are:

- 25% more likely to drop out of school;
- 40% more likely to become a teen parent;
• 50% more likely to be placed in special education;
• 60% more likely to never attend college; and
• 70% more likely to be arrested for a violent crime.48

Access to high-quality child care and Pre-K are companion investments that together are the bedrock of the State’s efforts to ensure that every child is ready to succeed in school. Child care programs offer year-round services, serve babies and toddlers, and thus meet the needs of many working families for year-round, extended-day services. Quality child care and Pre-K together boost school readiness and expand economic opportunities across New York by keeping children learning and parents earning.49

As noted above, the state is far from reaching all children and families who would be eligible for child care subsidies. This lack of access has dual impacts on families – limiting parents’ ability to work, while simultaneously preventing many children from accessing high-quality early learning opportunities.

To ensure strong foundations for education and enable parents to work, the State should prioritize, and substantially increase investment in affordable, high-quality child care for all families that need it, and realize the promise of universal access to Pre-K across the state. Last year’s meager investment of $5 million resulted in just 479 new full-day seats for 4-year-olds, leaving more than 81,000 4-year-olds outside New York City without access to full-day Pre-K.

IV. Conclusion

Our children need investment now; they cannot wait for more robust economic growth, a better budget outlook, or different federal leadership. Every budget that skimps on keeping children healthy, strengthening families, and building family economic security deprives more of our children the stepping stones they need to reach their full potential. This harms not only our children, but also threatens the future economic health and success of our state.


(In 2017, New York was ranked 41st in the nation for child economic well-being is measure by considering: percent of children in poverty; percent of children whose parents lack secure employment (no full-time, year-round work); percent of children in households with a high housing cost burden; percent of teens not in school and not working (ages 16-19). http://www.aecf.org/m/resourcedoc/AECF-KIDSCOUNTIndex-2012.pdf)


January 8, 2018, from https://www.tax.ny.gov/pit/credits/eitc.htm

23 2015 data. Received from the Department of Taxation and Finance (Nov. 2017). On file at the Schuyler Center.


29 Prior to 2017, the U.S. Department of Health and Human Services determined that the benchmark for child care affordability was no more than 10% of family income. https://www.npr.org/2016/10/22/498590650/u-s-parents-are-sweating-and-hustling-to-pay-for-child-care. That guidance is no longer found on the agency’s website.

30 Center for Children’s Initiatives. When Families Eligible for Child Care Subsidies Don’t Have One: A Case Study. https://docs.wixstatic.com/ugd/1ee85d_38a5c87804324296aa6879aa7dee47b7.pdf


