SCAA Schuyler Center for Analysis and Advocacy

# New York State Child Poverty Facts

## State of Child Poverty in New York: The Problem

Over 2 million New Yorkers, including 712,000 children, lived in poverty in 2019.

New York children are more likely to live in poverty than in 32 other states, with 18% (nearly one in five) experiencing poverty in 2019.

In calendar year 2020, a family of two adults and two children fell below the poverty threshold if their annual income fell below $26,246 or an equivalent of $2,187 per month.

The poverty rate approaches one in three among children of color and in some communities.

Due to structural and systemic racism, child poverty among New York State children of color approaches 30% and Black or African American children are more than twice as likely to live in poverty than their Non-Hispanic White peers.

The National Academy of Sciences, Engineering, and Medicine reports that nationally, the burden of child poverty is not equally distributed. Child poverty rates are much higher for Black children (18 percent) and Hispanic children (22 percent) than for non-Hispanic White children (8 percent). Rates are also much higher for children in immigrant families (21 percent) than for those in non-immigrant families (10 percent).

The COVID-19 pandemic led to high unemployment[1] statewide, which significantly increased the number of children living in poverty. The United Hospital Fund estimates an additional 325,000 NY children plunged into or near poverty between March and July 2020.

Research shows that this unacceptable level of child poverty costs New York over $60 billion a year.

Beyond the pandemic's role in increasing child poverty, it has long-term repercussions for all NY children. According to the United Hospital Fund, these consequences will result in an estimated $1.7 billion in additional costs to NYS over the next 50 years, plus an additional loss of $8.5 billion in annual income due to learning deficits associated with virtual/hybrid education disruptions.

New York State's Constitution says "The aid, care and support of the needy are public concerns and shall be provided by the state."

## The Impacts of Poverty

Notably, the younger the New York child, the more likely the child is to live in poverty. Twenty percent of New York children under the age of five live below the federal poverty level – at exactly the time in their development when they are most vulnerable to poverty's devastating impacts. Families with young children face poverty at greater rates than other families and the birth of a child is the leading trigger of "poverty spells" experienced by families.

[1] From April to August 2020, parental unemployment jumped to over 24% in the New York-Northern New Jersey-Long Island Metro area.

Stress and hunger can impair brain development, which occurs most rapidly when children are very young, and lead to lifelong deficits.

Strengthening family economic security benefits not only the current generation of children, but the next, because poor children are much more likely to grow up to be poor adults.

There is a relationship between poverty and poor health: children in poor families are approximately four times as likely to be in poor or fair health as children in families with incomes at or above 400% of the federal poverty level and lower-income children experience higher rates of asthma, heart conditions, hearing problems, digestive disorders, and elevated blood lead levels.

Income is strongly associated with morbidity and mortality across the income distribution, and income-related health disparities appear to be growing over time. At the same time, poor health contributes to reduced income, creating a negative feedback loop sometimes referred to as the health-poverty trap.

The American Academy of Pediatrics reports poverty is damaging to children's health. Children living in poverty are at a significant health disadvantage because of what being poor does to a variety of developing physiological systems. The AAP further notes that childhood poverty is associated with lifelong hardship and linked to multiple health problems that can be costly to treat and cause outcomes that can limit economic potential.

## The Solutions

Policy initiatives that supplement income and improve educational opportunities, housing prospects, and social mobility – particularly in childhood – can reduce poverty and lead to downstream health effects not only for low-income people but also for those in the middle class.

The National Academy of Sciences, Engineering, and Medicine's (NASEM) *Roadmap to Reduce Child Poverty* found that programs that alleviate poverty – either directly, by providing income, or by providing food, housing or medical care – have been shown to improve child well-being.

NASEM evaluated 10 program and policy options for reducing child poverty, including expanding the Earned Income Tax Credit (EITC); expanding child care subsidies; raising the federal minimum wage; implementing a promising training and employment program called WorkAdvance nationwide; expanding the Supplemental Nutrition Assistance Program (SNAP); expanding the housing choice voucher program; expanding the Supplemental Security Income (SSI) program; introducing a universal child allowance; introducing a child support assurance program that sets guaranteed minimum child support amounts per child per month; and increasing immigrants' access to safety net programs.

The *Roadmap* identified robust child allowances as among the most effective strategy for reducing child poverty. According to the report, a $250 per month child allowance for low-income children (phasing out between 300 and 400% of poverty) could, by itself, reduce child poverty nationally by more than 40%.

Earned Income Tax Credits (EITC) reduce poverty and increase income for working families. The EITC has been linked to positive health outcomes, particularly for infants and mothers, and studies show greater health improvements happen when larger, more generous EITC benefits are available.

The Center on Poverty and Social Policy at Columbia University has modeled the impacts entitlement reforms, eliminating the Low Income Home Energy Assistance Program (LIHEAP), and expanding the Child Tax Credit.

## Precedent and Progress

**A Success Story: The United Kingdom reduced its child poverty rate by 50% between 1999 and 2007-08.** The Prime Minister announced that the government would work to reduce child poverty in 1999. They used long-term targets: reduce child poverty by 25% in 5-6 years, 50% in 10-11 years, and eradicate it in 20-21 years with quarterly goals.

In 2010, Parliament passed the Child Poverty Act, which required measurements and targets for relative poverty, combined low-income and material deprivation, persistent poverty, and absolute poverty.

- Relative poverty: family income is below 60% of the median
- Combined low income and material deprivation: family income is below 70% of the median and the child is living in material deprivation
- Persistent poverty: children experience long periods of relative poverty
- Absolute poverty: children live below an income threshold

The UK government created a Child Poverty Unit among its executive agencies, a Social Mobility and Child Poverty Commission for independent monitoring, an All-Party Parliamentary Group on Poverty (similar to an issue-driven Caucus) which developed a Children's Manifesto of recommendations on reducing child poverty, and required local governments to conduct needs assessments of children living in poverty.

The UK's child poverty reduction policies:

- In-work tax credits
- Incentives for parents to work, including support for child care costs, the right to request flexible work, and welfare-to-work programs
- Improving employment earnings via a minimum wage guarantee and skills agenda
- Early education and early years programs
- Child-centered agenda

Transferable themes for the United States:

- High political commitment from politicians and civil servants
- Clear lines of accountability for delivery
- Anti-poverty strategies were developed alongside economic policy
- Creation of dedicated institutions or systems of governance
- An all-hands approach at the government level, high levels of coordination across government
- Involvement of external stakeholders in implementation
- Effective monitoring and review to maintain momentum and ensure objectives are met

**California:** Assembly Bill 1520 was signed into law in 2016 and directed the convening of a task force comprising a statewide coalition of child welfare organizations, health and human services advocates and local elected officials to examine the public economic, educational, social services, healthcare and human services programs in California. As a result of this examination, the Task Force was tasked with issuing a report outlining new potential policies that will serve as a roadmap to uplifting California's most vulnerable children.

In the report, which released November 2018, the Task Force further defined its goals as ending deep child poverty as soon as possible and reducing overall child poverty by 50%.

2019 wins following the End Child Poverty California movement:

The final California budget allocates almost $5 billion toward investments called for in the State Lifting Children and Families Out of Poverty Task Force's End Child Poverty Plan:

- Early Care and Education: 10,000 new full-day preschool slots
- Eight weeks paid family leave with 90% wage replacement for low-income Californians
- Black Infant Health and Perinatal Equity Initiative Investment
- CalEITC Tax Credit doubled for low-income workers (and ensures that families working minimum wage jobs don't get penalized)

2020 wins:

- Undocumented families are included in the California EITC program and $1,000 Young Child Tax Credit beginning CY2021
- Two End Child Poverty California Senate bills passed the State Senate with bipartisan support
  - SB 1103: Workforce Support Services – addresses barriers to completing career training programs like lack of child care, long commutes, and unpaid training programs
  - SB 1409: CalEITC Tax Credit Auto-Filing Pilot for Families with Low Incomes: Would assist families who are not required to file taxes but eligible for the CalEITC and Young Child Tax Credit

**Connecticut:** In the Spring of 2004, the Connecticut legislature enacted Public Act 04-238 that established a Child Poverty Council charged with recommending strategies to reduce child poverty in the state by 50% within ten years. In June 2015 the council was sunsetted, but there were some significant pieces of legislation passed prior to that:

- Implemented a state EITC in 2011
- Established the Office of Early Childhood to provide a comprehensive, collaborative system for delivering improved programs and services to children 0-5 years old and their parents

**Delaware:** In 2007, Delaware established The State of Delaware Child Poverty Task Force and tasked it to develop a plan to cut child poverty in half within a decade. The Task Force developed a report of findings and initial recommendations in 2009 but was ended soon afterwards. The recommended actions to reduce poverty by 50% over ten years were not achieved; child poverty in the state has increased.

**Kansas:** The Governor's Task Force on Reducing Childhood Poverty was established in 2012 and made recommendations around education, employment, and family composition. A big focus of the recommendations was work requirements for SNAP, reducing out-of-wedlock births, and public relations campaigns and highlighting the importance of marriage and fatherhood. The Task Force is no longer active.

**Maine:** Based on a significant push from organizations and businesses who coalesced under the Invest in Tomorrow Campaign established in 2017 to cut child poverty in half within a decade, the state passed two significant bills:

- An Act to Reduce Child Poverty by Leveraging Investments so Families Can Thrive (LIFT) Act: identify measures and data of child and family economic security; eliminate the "gross income test" for TANF, improve access to the Parents as Scholars program, and streamline eligibility for Transitional Medicaid.
- An Act to Secure Transitions to Economic Prosperity for Maine Families and Children: increases support for postsecondary education and workforce development as well as quality early care, reduces benefits cliff families face when transitioning off TANF, increase transitional food assistance for families transitioning off TANF.

**Minnesota:** A Commission to End Child Poverty by 2020 (and cut child poverty in half by 2014) was established in 2007 but is no longer active. The commission recommended increasing the minimum wage, expanding tax credits, integrating and making uniform public services and programs, and enhancing early childhood education.

A follow up article was written in 2019, "But the year 2020 – the deadline set in the commission's report and title – is only nine months away, and nobody who took part in that project nor anyone working within the Legislature or in the non-governmental organizations that work to advocate for the poor thinks the goal can be met."

- A few measures were implemented from the report, but they didn't substantially decrease the poverty rates:
  - State minimum wage increase in 2014 but still behind Minneapolis/St. Paul increases
  - Expanded Medicaid via the ACA
- In 2019 the state increased the Minnesota Family Investment Program (basic welfare grant) by $100 a month per family, the first increase since 1986
- Also in 2019, two of the original commissioners introduced a package of bills to significantly increase the minimum wage to $16, double the working family tax credit, eliminate the waiting list for child care assistance and raise the MFIP again by $300. Those bills are still in committee in the House and Senate.

**Oregon:** Gov. Kate Brown convened a Children's Cabinet in 2017 to "identify the highest priority concerns and existing gaps in services for working families and children who live in poverty." The cabinet produced a report in 2018, The Children's Agenda, prioritizing ending child homelessness, increasing health insurance and mental health access, increasing quality and affordable child care, expanding quality education from preschool and up, and safely reducing the need for foster care.

**Vermont:** The Vermont Child Poverty Council was established in 2007 and was tasked with coming up with a plan to cut child poverty in half within a decade. The Council sunset in 2017 but was reauthorized by the Vermont legislature in 2018 and renamed the Advisory Council on Child Poverty and Strengthening Families. The final report was released in December 2017.

## Additional Resources

The Center on Poverty and Social Policy at Columbia University undertakes research and data analysis and examines policies that can make a difference in addressing poverty.

National Academy of Sciences, Engineering, and Medicine (NASEM) 2019 Report: A Roadmap to Reducing Child Poverty

The National Center on Children in Poverty, housed at Bank Street Graduate School for Education, engages in state level and national data tracking focusing on childhood well-being.

The Center for Law and Social Policy (CLASP) created a comprehensive listing of State Poverty Task Force Recommendations in March 2011. These are not specifically about child poverty, but cover many recommendations that would affect child poverty.

The American Academy of Pediatrics created a spreadsheet of State Child Poverty Commissions, Councils, and Task Forces, their active dates, and any reports or plans they produced.

City and state efforts to eliminate child poverty from End Child Poverty US.

Center on Budget and Policy Priorities 2015 Research: EITC and Child Tax Credit Promote Work, Reduce Poverty, and Support Children's Development

The American Academy of Pediatrics has released a policy statement on child poverty and has other resources on its website.