



The Time is NOW for New York to Cut Child Poverty in Half

The **Child Poverty Reduction Act** S.2755-C (Ramos)/A.1160-C (Bronson) provides the vehicle to set New York on a path to cut child poverty in New York State. This legislation establishes the Child Poverty Reduction Advisory Council tasked with developing a plan to cut New York's child poverty rate in half over 10 years. The Council will evaluate specific policies and their impacts on child poverty, including racial disparities, make new recommendations with benchmarks and timelines, and release reports to make sure that New York meets its goal.

Specifically, a timeline, inclusive of yearly benchmarks, will be developed and published by the Advisory Council. Policy proposals reviewed by the Advisory Council will include, but will not be limited to:

- Strengthening and expanding New York's Earned Income Tax Credit to align with the state's minimum wage; cover filers using Individual Taxpayer Identification Numbers (ITINs) and young, childless adults; and distribute quarterly payments.
- Expanding and strengthening New York's child tax credit to include young children and eliminate the minimum income threshold.
- Expanding work training and employment programs.
- Increasing access to subsidized housing vouchers.
- Expanding access to subsidized childcare.

BACKGROUND

The need for intentional, focused attention on addressing child poverty in New York is urgent, and overdue. Prior to the pandemic, over [2 million](#) New Yorkers, including **712,000 children**, lived in poverty; a New York child was more likely to live in poverty than in [32 other states](#). Since the pandemic hit New York, the challenges facing children in New York have grown.

- By July 2020, the COVID economic downturn had pushed 325,000 [additional](#) New York children into poverty or near poverty.
- Due to structural and systemic racism, child poverty among New York State children of color approaches 30% and Black children are more than twice as likely to live in poverty than their non-Hispanic white peers.

FEDERAL STIMULUS WILL SERVE AS A LIFELINE FOR MANY NEW YORK FAMILIES IN 2021

At least for the coming year, New York has real support from the federal government to turn the tide on child poverty. On March 11, 2021, the [American Rescue Plan Act](#) was signed into law, arguably the most consequential investment in the nation's children in a generation. It is expected to [significantly reduce child poverty in New York](#), and across the [nation](#) in the coming year.

One policy contained in the American Rescue Plan that will move the needle decisively on child poverty is the bill's dramatic expansion of the federal **Child Tax Credit**. Specifically, it will increase the maximum credit from \$2,000 to \$3,600 for young children and \$3,000 for older children; make the credit fully refundable, so children in the lowest income families can receive

the maximum credit; and remove the lower income threshold, so families with little or no income will qualify. These are transformational reforms.

THE AMERICAN RESCUE PLAN CANNOT—ALONE—TACKLE CHILD POVERTY IN NEW YORK

Unfortunately, the American Rescue Plan’s enhanced Child Tax Credit leaves out immigrant children without a Social Security Number. These children include immigrants who arrived without authorization: many are Dreamers who did not receive DACA, and many are children of essential workers. That is an estimated **72,000 of our New York children left behind.** These same children and families were cut out of the first round of stimulus checks, and the current one, along with many other family supports.

The other shortcoming of the federal child tax credit expansion: it lasts **just one year.** One year is not enough time to reduce child poverty in a way that improves the lives of children and families long-term. As we approach 15 months of pandemic living, children and families continue to suffer the impacts of the economic downturn:

- 10% (765,377) of New York adults reported that they are not current on rent or mortgage payments and have slight or no confidence that their household can pay next month’s rent or mortgage [on time](#) (March 2021).
- 24% (321,413) of New York adults reported that they are not current on rent or mortgage and [eviction or foreclosure](#) in the next two months is either very likely or somewhat likely (March 2021).
- 31% (4,095,779) of New York adults reported it has been somewhat or very difficult to pay for [usual household expenses](#) during the coronavirus pandemic (March 2021).
- 8% (934,011) of New York adults reported there was “sometimes” or “often” [not enough to eat](#) in their household in the last 7 days (March 17-29, 2021).

THE TIME IS NOW TO PASS THE NEW YORK CHILD POVERTY REDUCTION ACT

If New York is serious about ensuring an equitable recovery, one that prioritizes the New Yorkers who have worked on the front lines of this pandemic; the families and communities that have suffered the most, the time is now to pass the Child Poverty Reduction Act. Without it, there is real danger that as the federal relief funds run out, the enhanced benefits expire; as wealthy New Yorkers return to “normal” life with even more money in their pockets; that low-income families will be left to languish, or slip back into poverty, and New York’s high child poverty rate will persist, or even grow.

On the other hand, if we pass the Child Poverty Reduction Act, New York will become the first state in the nation to publicly commit to cutting child poverty in half, and will develop the tools to do so. We have federal funds and support to jump start this effort. There is no time to delay.