Statement: Leaders Must Take Crucial Step to Include Lowest-Income Children in NYS Child Tax Credit

April 29, 2023

We urge our leaders to create the robust child tax credit that New York’s families need.

New York is so close to a child tax credit that reaches families with the most need – and that goal is reachable with this year’s state budget.

Governor Hochul announced on Thursday that the budget will include an expansion of New York’s child tax credit to include babies and children ages 0-3, a group that has been excluded from the credit since 2006. Correcting this puzzling omission will reach 900,000 children who would have been left out otherwise. By expanding the child tax credit to include the youngest New Yorkers, our leaders will have strengthened an important tool in reducing child poverty.

To make New York State’s child tax credit as inclusive as possible, we need to end the exclusion of children experiencing deep poverty by removing the phase-in that applies to the lowest income families.

Currently, children in the lowest-income families receive only a partial credit because their household is in the phase-in (i.e. earn too little), representing 27% of children in families with incomes below $110K. These are the children who would benefit the most from this credit. A family making $7,000 shouldn’t receive a smaller credit than one making $70,000. An analysis by Columbia University Center on Poverty & Social Policy found that Black and Hispanic children were 1.75 and 1.6 times, respectively, more likely to be excluded from the Empire State Child Credit because of the income requirement than their white counterparts.
It’s not too late for Governor Hochul and Legislative leaders to finish fixing the flaws. Combined, these actions will help realize the powerful poverty-fighting potential of New York’s child tax credit. We’re almost there.

This week, the Center for Women’s Welfare for The Fund for the City of New York and United Way of New York City, released an alarming report that found 50% of New York City families do not earn enough to meet their actual cost of living. The number jumps to a staggering 86% for single parents.

It’s not only New York City where families are struggling: United Way of the Greater Capital Region’s 2023 ALICE report paints a similar picture statewide. According to that report, 74% of single female-headed households with children are unable to afford the costs of living, adjusted for geographic contexts across New York State. In 2019, 17% of children in NYS were living below the Federal Poverty Level. United for ALICE data shows another 35% - more than twice as many - growing up in hardship, in households unable to afford the cost of living.

The undersigned organizations, all powerful and trusted leaders in efforts to end child poverty in New York State, urge action in this year's budget to reach children in the lowest-income families

- American Academy of Pediatrics-NYS
- Children’s Defense Fund-New York
- Citizens’ Committee for Children
- Community Service Society of New York
- Families Together in New York State
- New York Immigration Coalition
- Prevent Child Abuse NY
- Robin Hood
- Schuyler Center for Analysis and Advocacy
- The Children’s Agenda
- The Education Trust-New York
- United Way of the Greater Capital Region
- Westchester Children’s Association