

Press Release

Photos available here.

PARENTS, ADVOCATES, LEGISLATORS URGE NYS TO SHOW FAMILIES SOME LOVE WITH THE WORKING FAMILIES TAX CREDIT

Albany, NY – Today, the New York Can End Child Poverty coalition came together in support of the Working Families Tax Credit (S277B/A277B), which is estimated to result in a 13.4% reduction in children under the age of 18 living in poverty with a 19.6% reduction for those under 18 living in deep poverty. Speakers at today's press conference urged investment in the Working Families Tax Credit (WFTC),

a bold, statewide, and sustained commitment to reducing child poverty.

Child poverty in New York State exceeds the national rate, as it has for more than a decade. In 2022, over 18% of children in New York experienced poverty. Those rates are significantly higher in many areas around the state—some urban, some rural, some suburban. A robust, statewide solution to New York's child poverty problem is urgently needed.

Even for families above the poverty line, affordability is an ongoing challenge. For example: in a recent survey of Monroe County parents conducted by The Children's Agenda, 61% of parents with annual household incomes under \$100,000 reported rationing food until their next paycheck.

The Working Families Tax Credit proposal would provide nearly all New York families with additional income while removing inequities in current tax credits.

The proposed tax credit:

- Gives \$500 per child to every family, except for those earning the highest incomes
- Offers low- and middle-income families an average income boost of almost \$1,300
- Targets relief to lowest income earning families who could get up to \$1,600 per child in boosted income
- Offers quarterly payments: provides families with 4 checks so they can better plan their finances

With the enactment of the <u>Child Poverty Reduction Act</u>, New York State committed to cutting child poverty rates in half by 2033. Robust tax relief for New York's families, especially those earning the lowest incomes, is among the most effective and equitable ways for New York State to fulfill this commitment and support family economic security.

Speakers at today's event shared stories of how the Working Families Tax Credit will make New York State more affordable for all families, and the life-changing potential of robust tax credits, especially for families earning low incomes.

To learn more, see: <u>Schuyler Center's Fact Sheet on Tax Credits to Help Families Make Ends Meet</u>,
New York Immigration Coalition's <u>one-pager-Support The NY Working Families Tax Credit!</u> And the
<u>Working Families Tax Credit Calculator</u> – find out how much your family would get back.

[Additional background below, following quotes.]

Quotes:

"It's obvious to all of us who've been paying attention: working families are struggling to get by in New York," said **State Senator Andrew Gounardes**. "By streamlining and expanding existing tax credits, we can give families more support to afford essentials for their kids, whether that's clothes, diapers, or rent money to keep the roof over their heads. This Valentine's Day, let's show families the love by passing my Working Families Tax Credit."

"Under the Child Poverty Reduction Act, our state vowed to eradicate child poverty by 50% in 10 years; implementing the Working Families Tax Credit is one of the best tools to help us reach that goal. Increasing this credit and expanding it to every New Yorker, regardless of citizenship status is not only the right thing to do morally, it is one of the smartest policy decisions we can make. I look forward to working with the Schuyler Center, Senator Gounardes, and all of our partners to make the WFTC a reality this year," said **Assemblymember Andrew Hevesi.**

"I represent the City of Syracuse, which ranks #2 in the country for children living in poverty, and the issue poses challenges throughout the 48th District. While the federal programs have ended, our majority has worked hard to address this crisis through initiatives like enhancing the state's Child Tax Credit and funding free lunches for hungry students," said **Senator Rachel May**. "We need to take more steps to help working families in Central New York and the Finger Lakes make ends meet. We can do this by passing my SNAP bill, which would maintain a minimum monthly benefit of \$100 for families and make the \$50 million to curb poverty in Syracuse, Rochester, and Buffalo a recurring expenditure. I look forward to working with Governor Hochul and my colleagues in the Senate Majority to continue to lift more of our neighbors out of poverty."

"Too many children throughout our state live in poverty, including one in two in Rochester. It is our responsibility as legislators to ensure that every child has their basic needs met. The Mothers and Infants Lasting Change allowance would provide funds for expecting and new mothers for the many necessary expenses they face to start their children off on the right foot. Where this program has already been implemented, we've seen transformational change for New York children, giving needed

financial support to moms uplifting families out of poverty. I'm proud to carry this legislation in the Assembly and incredibly honored to have the support of my cosponsors in the legislature and our community partners throughout the state." – **Assemblymember Sarah Clark**

"With the expanded federal child tax credit, I could shop for my family every two weeks, instead of having to plan everything around once a month, which was much less flexibility. I could plan more and be more consistent. That makes me feel more sufficient and independent and also makes my kids feel that way, because it is true. A new State tax credit, like the Working Families Tax Credit, would help more families, like mine, experience more security and more stability," said Candace Cabral, parent advocate and member of the Child Poverty Reduction Advisory Council

"New York continues to allow 1 in 5 children to experience the hardships of poverty, yet we know which policies work to alleviate poverty. It is New York's obligation to enact those solutions. Robust tax relief, like the Working Families Tax Credit, is among the most effective and equitable ways for New York State to make meaningful progress toward ending child poverty statewide. A budget that includes the Working Families Tax Credit will help us achieve a vision for New York State in which families can not only afford to stay in New York but choose to stay and flourish here," said **Kate Breslin, Schuyler Center President and CEO**

"Supporting the whole child extends far beyond the classroom and long before a student enters a school building for the first time. Combatting childhood poverty is an education issue, and NYSUT is proud to stand with our partners to ensure all of our students and families, regardless of zip code or household income, are given foundations for success." - NYSUT President Melinda Person

"It is long past time that New York start addressing pervasive child poverty. We have some of the highest child poverty rates in the nation, particularly in our upstate cities, where nearly half of all children are living below the federal poverty line. Research has clearly shown that increasing child tax credits is one of the best ways to help families escape poverty. We know what works, now we just need the political will to make it happen," said **Ron Deutsch, Director of New Yorkers for Fiscal Fairness.**

"The working families tax credit is a commonsense solution to make our tax code fairer and to ensure that more families can make ends meet. <u>United Way of New York City's 2023 New York City True Cost of Living report</u> highlighted that 50% of working-age New Yorkers, and especially parents, are struggling with the undue financial burden of everything from childcare to transportation to food. By addressing the inequities in the federal child and earned income tax credits, this bill provides much

needed relief for 3 million families in New York by putting up to \$1,600 directly into their pocket," said Abdullah Younus, Vice President of Government Relations at United Way of New York City

"I encourage the State Legislature to pass the Working Families Tax Credit. This specific bill would help me because as a single mom, every penny is spent on ensuring that my child, Leo, has a chance to have a fulfilling childhood with all of his needs met," said **Amy Lee Funes, Parent Leader in the Early Childhood Policy & Advocacy Lab at The Education Trust—NY**

"We heard directly from families on the front line of poverty in Westchester County, reliance on SNAP benefits and food pantries, difficulties in securing stable housing and navigating healthcare systems is challenging. Families throughout New York need holistic solutions like the Working Families Child Tax Credit. Increasing income for families and removing administrative barriers are effective poverty-fighting tools. As a member of CPRAC I look forward to making WFTC a reality this year." Allison Lake, Executive Director Westchester Children's Association and member of the Child Poverty Reduction Advisory Council.

"The pressure on working families is building every day that we don't act to bring needed relief across New York State," said **Peter Gannon, President & CEO of United Way of the Greater Capital Region**. "We know these credits work to create economic opportunity for families and with the inclusion of the Working Families Tax Credit in this year's budget, we can create a more equitable New York that increases incomes of three million households — lifting the youngest New Yorkers out of poverty."

"New York State has the opportunity to significantly reduce child poverty by enhancing tax-credits and expanding eligibility to include families with the lowest incomes regardless of immigration status; passing the Housing Access Voucher Program, increasing the cash and shelter allowances and establishing a Healthy School Meals for All program statewide. We are grateful to leaders in the State Legislature for championing investments in children and families that help our children, economy, and society thrive," said Juan Diaz, Policy and Advocacy Associate at Citizens' Committee for Children of New York

"We know what kids need most and what works best," said Larry Marx, CEO of The Children's Agenda. "Child poverty, inadequate and unstable housing, untreated medical conditions – these are not failures of children or families. They are failures of our systems. One of the most effective and efficient ways of helping children thrive is by keeping more of their families' hard-earned money in their pockets. The Working Families Tax Credit does precisely that. New York has the resources to support children in a way that will help meet all of their needs. The only question is if we have the political will."

Background:

To learn more, see: <u>Schuyler Center's Fact Sheet on Tax Credits to Help Families Make Ends Meet</u>, New York Immigration Coalition's one-pager <u>Support The NY Working Families Tax Credit!</u>

- New York families need relief. Meaningful, refundable tax credits for families, like the
 Working Families Tax Credit, can provide that relief, enabling families to meet
 immediate needs and deliver long-term benefits. Extensive 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.
- The proposed NYS Working Families Tax Credit, S277B/ A277B, will streamline the state Earned Income Tax Credit (EITC), Empire State Child Tax Credit (ESCC), and the dependent exemption (DE) to provide working families with increased support while streamlining duplicative tax benefits.
- To make New York more affordable for all families, and fulfill the State's child poverty reduction commitments, the State must act this year to expand and strengthen its tax credits for families.
- New York State's design of tax relief for families currently limits their power to reduce child poverty and entirely excludes many children whose families are unfairly burdened with taxes and in the most dire need of economic support.
- There is powerful recent evidence confirming the effectiveness of child tax credits: The 2021 pandemic expansion of the federal Child Tax Credit—which increased the credit, particularly for low-income families, and paid it out monthly—dramatically and quickly cut child poverty nearly in half nationally and in New York State. Congress allowed the expanded federal child tax credit to expire, ending that relief for families. As a result, in 2022, nearly all but the wealthiest New York families with children paid more in taxes; many of the state's lowest income families received no federal or state child tax credit.
- In 2021/2022, the New York State Legislature passed, and the Governor signed, the <u>Child Poverty Reduction Act</u>, committing the State to reduce child poverty by 50% over 11 years, with attention to racial equity. With this law, New York joined a small handful of states leading the way on poverty-fighting legislation. Enactment of the Child Poverty

Reduction Act clearly signals that our state will no longer tolerate having two in five children experiencing severe economic hardship.

- Providing tax relief for low-income families is a matter of equity. Financial hardship disproportionately impacts children and families of color. In fact, Black children in New York State are more than twice as likely to live in poverty as their white peers.
- The NYS Working Families Tax Credit fills many of the gaps of the current state Earned Income Tax Credit and Empire State Child Credit, such as:
 - o Including minors who are 17 years of age
 - o Including families regardless of citizenship status
 - Eliminating the phase-in, allowing those with the lowest income to receive the largest credit
- The **Working Families Tax Credit** would also increase the credit provided to all families by:
 - o Increasing the maximum credit of \$1,600 per child
 - o Providing a \$500 minimum credit per child regardless of income
 - o Eliminating the cap on the number of children eligible to receive a credit
 - o Indexing the above dollar amounts to inflation