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CONTACT: Tiffany Lankes, communications director for The Education Trust–New York

716-225-1961, tlankes@edtrustny.org

Despite significant child poverty, New York lags behind other states in providing tax credit relief to families of young children

Raising NY coalition calls on New York State to expand the Empire State Child Credit to help more families escape poverty

NEW YORK – As New York continues its economic recovery amid the ongoing pandemic, the Raising NY coalition calls on state leaders to expand the Empire State Child Credit to help reduce the number of children living in poverty.

New York was among the first states in the nation to offer a child tax credit and once led the country in its generous, fully refundable family tax credits, primarily the Empire State Child Credit. But New York has quickly fallen behind as other states have instituted more generous credits in the wake of the COVID-19 pandemic.

The state's slide has happened even as New York's largest cities post some of the highest child poverty rates in the nation. Statewide, nearly one in five children (18%) lived in poverty in 2020 just prior to the onset of the COVID-19 pandemic. That rate is even higher for Black children (28%) and Latinx children (25%) children.

In Syracuse and Rochester, nearly half of children live in poverty.

“We know that the communities already impacted by significant child poverty rates continue to be disproportionately impacted by economic hardship during the pandemic,” **said Dia Bryant, executive director of The Education Trust–New York.** “Now more than ever, families of young children need

resources and support from our state’s leadership, and expanding the Empire State Child Credit so more families can access it is a crucial first step.”

Income transfers to families—even modest ones—can improve outcomes for children in all areas of well-being, including improved physical, emotional, and behavioral health, higher educational achievement and higher future earnings.

New York can ensure the Empire State Child Credit effectively reaches all eligible families by making the following changes:

- Include all children from birth to age 4;
- Increase the per-child credit amount;
- Eliminate the income phase-in;
- Increase access to the Empire State Child Credit.

New York State can also improve family access to the credit by:

- Proactively verifying eligibility and paying the credit to families automatically, without families needing to file a tax return, as prescribed in a proposal in the 2020-21 Executive Budget.
- Improving public education on the availability of the credit;
- Expanding free tax filing assistance programs;
- Partnering with family-serving programs, such as home visiting, WIC, and pediatric medical practices, to support outreach and enrollment in the ESCC for those who are eligible;
- Partnering with organizations who work directly with marginalized communities, such as the New York Immigration Coalition, Office of New Americans, Family Enrichment Center, food pantries and others to ensure that families with an ITIN are receiving the credit.

“Raising NY’s data-driven work confirms what a recent analysis highlighted in *The New York Times* has shown: expanding tax relief for families is directly linked to poverty reduction,” **said Senator Jeremy Cooney, sponsor of S.5866, which would expand the tax credit.** “By including young children and increasing the amount available to low-income households, my proposed amendment to the Empire State Child Credit would increase the benefit for approximately 45,000 children in Monroe County, lifting about 2,400 children out of poverty, 1,650 of whom reside in the City of Rochester. I look forward to partnering with Raising NY and coalition partners in the upcoming legislative session to advance this legislation and improve quality of life for Greater Rochester.”

“The child tax credit has proven to be one of the most effective tools in lifting children and families out of poverty,” **said Assemblymember Andrew Hevesi, chair of the Children and Families Committee and sponsor of A.3146-A, which would expand the tax credit.** “However, in New York State it falls woefully short of this potential. We have the opportunity to change that by expanding the benefit to children aged 0-4, increasing the benefit amount, and providing the maximum credit to the lowest income children.”

“No child is born destined to live in poverty,” **said Larry Marx, CEO of The Children’s Agenda.** “The fact that 48% of children in Rochester do live in poverty—as do so many others in New York State—is a failure of public policy. New data show a decline in U.S. child poverty over the past 25 years, thanks to strengthening the Child Tax Credit and Earned Income Tax Credit. We know what works; the only question is if we have the political will to act. And while many things can wait, children can’t. The time to strengthen the Empire State Child Credit is now.”

“New York’s child tax credit fails those who need it most—it is not available for children under four years old, does not reach those with the lowest incomes, and is not enough to make a meaningful difference in families’ lives,” **said Kate Breslin, president and CEO of Schuyler Center for Analysis and Advocacy.** “Thoughtful tax policy, coupled with other social safety net initiatives, can reduce child poverty. Last year, New York State committed itself to reducing child poverty by 50% in the next eleven years; among the tools to achieve that goal should be a robust Empire State Child Credit.”

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About Raising NY

Raising NY is a diverse statewide coalition of parent, early childhood, education, civil rights, business, and health organizations dedicated to increasing the number of children who are on track for school readiness. Learn more at RaisingNY.org.