

NYBOOST

*Give New Yorkers a **Bridge to Opportunity**
and **Outcomes STatewide***

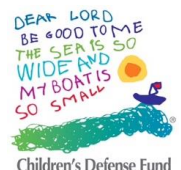
Reduce Child and Family Poverty by Strengthening Working Family Tax Credits

By orienting the state's tax code to benefit low-income families, children, and young adults, New York State can lead the nation and provide a roadmap for effective poverty reduction efforts.

2020-21 New York State Budget Recommendations

The 2020-2021 final enacted budget should contain the following investments to strengthen New York's EITC and child tax credit (the Empire State Child Credit) – both proven strategies for helping New Yorkers, particularly working families, move out of poverty and into economic security.

- ▶ Adopt the Governor's proposal to expand the Empire State Child Credit to cover currently excluded young children under age 4, and strengthen this proposal by, at a minimum, removing the ESCC's income phase-in. According to analysis Robin Hood conducted in partnership with Columbia University's Center on Poverty and Social Policy, New York State could ensure that 190,000 of the state's children experiencing deep poverty receive the full \$330 credit;
- ▶ Adopt a plan to incrementally increase the Empire State Child Credit for young children to \$1,000 and have it phase out in the same manner as it does for older children (at \$75,000/\$110,000 joint filer); and to increase the credit for older children to \$500; and
- ▶ Adopt a plan to incrementally expand the New York State Earned Income Tax Credit (EITC) to cover two currently excluded groups: young childless adults ages 18-24 and immigrant filers with Individual Taxpayer Identification Numbers (ITINs); and modeling the State EITC on the \$15 minimum wage instead of the \$7.25 federal minimum wage, a strategy that will reduce poverty and provide greater economic stability for New Yorkers.



NYS is Overdue to Take Steps to Reduce Poverty and Enable New Yorkers to Achieve Economic Security

Nearly 20%, or approximately 743,000 New York children live below the federal poverty threshold, (including approximately 260,000 children under age five), with that rate rising to nearly one in three among children of color.¹ Children under age five are most likely to experience poverty and are most vulnerable to its impacts. The consequences of poverty for young children include negative effects to physical and mental health, educational achievement, and diminished lifetime earnings. Many of our upstate cities have child poverty rates that hover around 50%.² The vast majority of children living in poor families – 67% – have at least one employed parent.³ These numbers are staggering and shameful, particularly in a state with a strong economy. New York State boasts the 14th strongest economy in the nation, yet we rank 39th in child economic well-being.^{4,5}

Another group that is over-represented among New Yorkers who live in poverty are young adults under age 25, 19% of whom live in poverty, far exceeding the 14% poverty rate for the state overall.⁶

In fact, the problems of income insecurity among New York children, families, and young adults is much greater than the poverty numbers would suggest. United Way of New York's ALICE Project has developed a measure to capture a largely hidden population: hardworking households earning more than the Federal Poverty Level, but not enough to afford the basic cost of living. United Way calls this population ALICE: Asset Limited, Income Constrained, Employed. While more than 14% of New York households fall below the poverty level, an additional 31% of New York households fall below the ALICE Threshold. Those percentages are higher for families of color, and, as noted above, among families with children and young adults.

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¹See The State of New York's Children: Data Book. Schuyler Center for Analysis and Advocacy. January 2019. <https://www.scaany.org/wp-content/uploads/2019/01/State-of-NY-Children-Data-Book-2019.pdf>

²U.S. Census Bureau. (2017). Children characteristics: 2012-2017 American Community Survey 5-Year Estimates. <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>. (Buffalo - 47.2%, Rochester - 51.9%, Syracuse - 46.7%)

³See The State of New York's Children: Data Book. Schuyler Center for Analysis and Advocacy. January 2019. <https://www.scaany.org/wp-content/uploads/2019/01/State-of-NY-Children-Data-Book-2019.pdf>

⁴Andy Kierszcz, Every US State Economy Ranked from Best to Worst. *Business Insider*. (March 15, 2018). <https://www.businessinsider.com/state-economy-ranking-q1-2018-2>;

⁵ Kids Count Data Center: A Project of the The Annie E. Casey Foundation. New York: Kids Count Overall Rank, and Kids Count Economic Well-Being Rank. (2018). <https://datacenter.kidscount.org/data/tables/9981-kids-count-overall-rank?loc=34&loct=2#detailed/2/34/false/37/any/19338>;
<https://datacenter.kidscount.org/data/tables/7246-economic-well-being-rank?loc=34&loct=2#detailed/2/34/false/37,871,870,573,869,36,868/any/14340>

⁶ Kids Count Data Center: A Project of the The Annie E. Casey Foundation. New York: Persons 18 to 24 in poverty. (2018). <https://datacenter.kidscount.org/data/tables/51-persons-18-to-24-in-poverty?loc=1&loct=1#detailed/2/34/false/37,871,870,573,869,36,868,867,133,38/any/337,338>