Ensuring Financial Security by:

Expanding and Strengthening Working Family Tax Credits

Supporting ESPRI

Local United Ways are leaders in understanding community challenges and raising resources to address those challenges. Our goal is to help individuals and families achieve and maintain independence, and expanding and strengthening tax credits is one important means of building financial stability and economic mobility.

To better understand challenges faced by individuals and families across the state, UWNYS and numerous local United Ways undertook a statewide study of the ALICE (Asset Limited, Income Constrained, Employed) population in NYS. ALICE looks that those individuals and families who are working but do not have sufficient income to pay for the basic necessities of housing, food, child care, health care and transportation. The ALICE Report shows there is a large number of New Yorkers, 3.2 million, or 45% of the overall population, that cannot afford the basic needs and lack sufficient income and resources. ALICE is the single mother who needs assistance with child care. ALICE is the father who is facing eviction. ALICE is the veteran who is facing legal problems as a result of active duty or having difficulty re-assimilating into the community.

In addition, local United Ways have been chosen to lead Empire State Poverty Reduction Initiatives (ESPRI) in nine of the sixteen designated cities, allowing each community the ability to coordinate a pilot program to alleviate poverty. These initiatives have common themes including increased investments in child care and workforce development opportunities, as well as overcoming the benefits cliff.

Through the data demonstrated in the ALICE Report, and the work completed by United Way’s in the ESPRI’s across the state, it is critical that New York’s working family tax credits be expanded and strengthened to ensure that New York individuals and families achieve financial stability and economic mobility.

### Federal Requests

- Increase the Federal EITC for non-child raising adults and lower the age of eligibility to 21.
- Expand Federal funding for the Emergency Food & Shelter Program – EFSP.

### 2020-21 Budget Requests

Expanding and strengthening New York’s tax credits by:

- Expanding the state’s child tax credit (Empire State Child Credit) to cover children under age four, and double the credit for young children.
- Expanding and strengthening the state’s Earned Income Tax Credit by increasing the percentage of the federal credit paid to families from 30% to 40%; and expanding the credit for young adults without children (under age 25) who are currently ineligible for either the federal or state credit.
- Doubling the amount of child care expenses creditable under the state’s Child and Dependent Care Tax Credit (CDCTC) to better reflect the true cost of care and enable more middle-income families to afford high-quality child care.

Providing continued funding for ESPRI to support innovations in poverty reduction.

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