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December 6, 2019

Honorable Andrew M. Cuomo Governor of New York Executive Chamber State Capitol Albany, New York 12224

Dear Governor Cuomo,

On behalf of the undersigned **child and family advocates**, **social justice organizations**, **child and family serving agencies**, **business and faith leaders**, we urge you to **prioritize reducing child poverty** in your 2020-2021 Executive Budget – and beyond.

New York children are more likely to live in poverty than in 31 other states.¹ This is not a new trend. For more than a decade, the percentage of New York children living in poverty has stagnated at about 20%. And, due to structural inequities, child poverty among New York children of color has long exceeded 30%. In some New York communities, the child poverty rate exceeds 50%.²

Currently, 743,000 New York children live in poverty, ³ with an additional 795,000 children residing in low-income households living between 100 and 200% of the poverty level.⁴ That's over 1.5 million New York children living in families struggling to pay rent, heat their homes, get transportation, and feed their children. Notably, the younger the child, the more likely the child is to experience poverty, with babies and toddlers under age three experiencing poverty at the highest rate (23.4%), exactly when they are most vulnerable to poverty's impacts.⁵

With the 11th biggest economy in the world (just after Canada),⁶ and a \$175 billion annual budget, New York certainly has the means to tackle child poverty. Instead, New York leaders have made the <u>choice</u>, year after year, to allow hundreds of thousands of New York children to experience poverty. And they have repeatedly made that choice even though it is now well understood that experiencing poverty as a child can cause devastating and enduring harm to children's physical and mental health, educational success, and future earnings.

We urge you to make a different choice this year by taking the following, **bold** steps:

1. Set a target and a plan to cut child poverty in half in New York by 2030. Growing evidence from peer nations and states shows that coordinated anti-poverty initiatives can drive a nation, state, or community to dramatically reduce child poverty. Setting a target and a coordinated plan will help ensure the state does not fall prey to pressure to balance the budget by diverting funds from one child poverty-reducing program to bolster another.

The United Kingdom set a target of reducing child poverty 50% in 10 years, 1999 to 2009.⁷ It achieved this target by using short- and long-term evidence-based strategies, including working family tax credits.⁸ Last year, California set a target of reducing child poverty by 50% in 20 years.⁹ It will be using multiple evidence-based strategies, including a young child tax credit, to meet its target¹⁰

- 2. Implement evidence-based strategies each year to set New York on a path to reducing child poverty and moving families into economic stability. To significantly reduce child poverty, New York will need to make substantial investments in numerous, complementary strategies over a number of years. This year, the State should begin by implementing two proven strategies it is positioned to advance, recognizing that these strategies alone will not suffice; the state must also prioritize policies that create more affordable housing, expand access to transportation, reform New York's criminal justice system, among many others:
 - A. <u>Orient the state's tax code to benefit low-income families, children, and young adults by</u> <u>expanding and strengthening refundable tax credits.</u>

As a first step, New York should strengthen the Empire State Child Credit by (1) removing the Credit's phase-in so that it is available to the state's poorest children, and acts more like a child allowance; (2) establishing a \$1,000 young child credit to give the most help to babies and toddlers who are most likely to live in poverty and are currently excluded from the state's child tax credit; and (3) expanding the existing Credit to \$500 for children four and older.

Robust child allowances are the most effective strategy for reducing child poverty. The landmark 2019 *Consensus Study Report: A Roadmap to Reducing Child Poverty* by the National Academies of Sciences, Engineering, and Medicine found that a \$250 per month child allowance for low-income children could, by itself, reduce child poverty nationally by more than 40%. If New York were to provide a \$1,000 credit for young children, adding that to the \$2,000 per child federal child tax credit, tens of thousands of young, low-income NY children would receive the equivalent of an allowance equal to \$250 per month.¹¹

Creating a young child tax credit in New York through our Empire State Child Credit would have the added benefit of providing much needed support to immigrant families ineligible to access many other supports – including the federal child tax credit – as New York's child tax credit is structured such that it is available to many hard-working immigrant families. It would also reach those families experiencing deep poverty who are excluded from the federal child tax credit (which begins to phase-in at \$2,500 of income).¹²

B. <u>Substantially increase New York's investment in high-quality child care.</u>

Child care expenses are a leading contributor to family poverty and economic instability. Nationally, one-third of low-income families who pay for child care for their young children are pushed into poverty by child care expenses.¹³ Lack of access to child care causes many parents – overwhelmingly women – to drop out of the workforce for longer periods of time, sharply reducing family income for the period the caregiver is out of the workforce, and lowering future earnings and retirement savings.¹⁴

The Governor's Child Care Availability Task Force has been meeting regularly for a year, and is seriously considering ambitious reforms to move the state toward providing universal access to high quality, affordable child care. But that won't happen overnight. It is critical that the state make substantial, building block investments to enable more families to access high quality care this year.

We look forward to working with you to reducing child poverty in New York to enable more of our children, our families, our communities – to thrive.

cc: Sheila Poole, Commissioner, NYS Office of Children and Family Services Michael Hein, Commissioner, NYS Office of Temporary and Disability Assistance Roberta Reardon, Commissioner, NYS Department of Labor Howard Zucker, Commissioner, NYS Department of Health Renee Rider, Executive Director, NYS Council on Children and Families Melissa DeRosa, Secretary to the Governor Paul Francis, Deputy Secretary for Health and Human Services Kerri Neifeld, Assistant Secretary for Human Services

Respectfully yours,

Adirondack Birth to Three Alliance Alliance for Quality Education Center for Children's Initiatives Center for Family Representation Chenango United Way Child Development Council of Central New York, Inc. Children's Aid of New York City Children's Defense Fund-New York Citizens' Committee for Children of New York City of Cortland Committee for Hispanic Children and Families Cortland Chamber of Commerce Cortland County Family YMCA Council of Family and Child Caring Agencies Early Care and Learning Council **Education Trust-New York Fiscal Policy Institute** MercyFirst Neighborhood Trust Financial Partners New York State Council of Churches Northern Rivers Office of the Monroe County Public Defender Prevent Child Abuse New York Rochester-Monroe Anti-Poverty Initiative Schuyler Center for Analysis and Advocacy Sheltering Arms Children and Family Services SUNY Cortland Child Care Center The Adoptive and Foster Family Coalition of New York The Children's Agenda

The Financial Clinic

United Neighborhood Houses

United Way of Buffalo and Erie County

United Way of Dutchess-Orange County

United Way of Greater Oswego County

United Way of New York City

United Way of New York State

Westchester Children's Association

Western New York Women's Foundation

YMCA of Ithaca and Tompkins County

YWCAs of New York State

Associate Professor Eunju Lee, Ph. D, School of Social Welfare, University at Albany

³ Kids Count Data Center: A Project of the Annie E. Casey Foundation. New York: Children 100% of poverty. 2018. <u>https://datacenter.kidscount.org/data/tables/43-children-in-poverty-100-percent-poverty?loc=34&loct=2#detailed/2/34/false/37,871,870,573,869,36,868,867,133,38/any/321,322</u>

⁴ https://datacenter.kidscount.org/data/tables/47-children-below-200-percent-

poverty?loc=34&loct=2#detailed/2/34/false/37,871,870,573,869,36,868,867,133,38/any/329,330

⁵ The State of New York Babies. State of Babies Yearbook 2019. Created by: *Zero to Three, Child Trends, and Think Babies*. <u>https://stateofbabies.org/data/#/New_York</u>

⁶ Laura McCamy. 11 mind-blowing facts about New York's economy. April 24. 2019. <u>https://markets.businessinsider.com/news/stocks/11-mind-blowing-facts-about-new-yorks-economy-2019-4-1028134328#new-york-s-economy-is-almost-the-same-size-as-canada-s-1</u>

⁷ Natalie Branosky. A Look Back at the UK Child Poverty Target: Transferable Themes for the United State. *First Focus on Children*. April 2015. <u>https://firstfocus.org/resources/report/a-look-back-at-the-uk-child-poverty-target-transferable-themes-for-the-united-states</u>

⁸Rohan Mascerhenas. How Britain Cut Child Poverty in Half in Ten Years. *Russell Sage Foundation*. May 11, 2012. <u>https://www.russellsage.org/news/how-britain-cut-child-poverty-half-ten-years</u>

⁹ Jeff Daniels. California Plan Aims to Slash State's Child Poverty Rate in Half by 2039. *CNBC*. April 11, 2019. https://www.cnbc.com/2019/04/11/california-plan-aims-to-slash-states-child-poverty-rate-in-half-by-2039.html

¹⁰ Governor signs AB 91, Loophole Closure and Small Business and Working Families Tax Relief Act of 2019. *Website of California Representative Autumn Burke*. July 3, 2019. <u>https://a62.asmdc.org/press-releases/20190703-governor-signs-ab-91-loophole-closure-and-small-business-and-working</u>

¹¹ Consensus Study Report: A Roadmap to Reducing Child Poverty. *National Academies of Sciences, Engineering, and Medicine*. February 2019. <u>https://sites.nationalacademies.org/DBASSE/BCYF/Reducing_Child_Poverty/index.htm</u> pp. 158-164.

¹² IRS Publication 972. For Use in Preparing the Child Tax Credit. 2018. <u>https://www.irs.gov/pub/irs-pdf/p972.pdf</u>

¹³ Mattingly, M. J. and C. T. Wimer. (Spring 2017). Child Care Expenses Push Many Families Into Poverty. Carsey Research, National Fact Sheet #36. *University of New Hampshire, Carsey School of Public Policy*. <u>http://scholars.unh.edu/cgi/viewcontent.cgi?article=1303&context=carsey</u>

¹⁴Doerer, K. "How much does it cost to leave the workforce to care for a child? A lot more than you think." *PBS News Hour*. (June 21, 2016). <u>http://www.pbs.org/newshour/making-sense/how-much-does-it-cost-to-leave-the-workforce-to-care-for-a-child-a-lot-more-than-you-think/</u>

¹ Kids Count Data Center: A Project of the Annie E. Casey Foundation. State rankings by children in poverty. 2018. <u>https://datacenter.kidscount.org/data/tables/43-children-in-</u>poverty?loc=1&loct=2#ranking/2/any/true/37/any/322

² U.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%)