



STATEMENT: Hochul Budget Must Expand Empire State Child Tax Credit to Better Support Families with Children and Reduce Racial Disparities in Child Poverty

April 27, 2023

This week, the [Center for Women’s Welfare](#) for [The Fund for the City of New York](#) and [United Way of New York City](#), [released an alarming report](#) that found 50% of New York City families do not earn enough to meet their actual cost of living. The number jumps to a staggering 86% for single parents.

It’s not only New York City where families are struggling: [United Way of the Greater Capital Region’s 2023 ALICE report](#) paints a similar picture statewide. According to that report, 74% of single female-headed households with children are unable to afford the costs of living, adjusted for geographic contexts across New York State. In 2019, 17% of children in NYS were living below the Federal Poverty Level. United for ALICE data shows another 35% - more than twice as many - growing up in hardship, in households unable to afford the cost of living.

New York’s Empire State Child Tax Credit has the potential to help families who are struggling, but there are significant flaws that must be addressed in this year’s state budget. Currently, children ages 0 to 3 and the lowest income families are entirely excluded from the Empire State Child Credit, despite overwhelming evidence that direct cash assistance to families substantially reduces child poverty.

It is being reported that the final budget will include an expansion to include babies and children ages 0-3. The undersigned organizations, all powerful and trusted leaders in efforts to end child poverty in New York State, underscored the critical need for this expansion as well as the inclusion of families in deep poverty:

“Governor Hochul and the New York State legislature must address the deep and growing affordability crisis affecting New York’s families by taking budget action to include babies and toddlers 0 to 3 years old in the Empire State Child Credit, along with

families living in deep poverty. This critical age expansion was included in both the Senate and Assembly one-house resolutions, and the amount included in the Assembly proposal is nearly enough to both include children under four and remove the minimum income requirement and phase-in. We are optimistic about reports that the credit will be expanded to include ages 0-3, and we urge inclusion of families in deep poverty as well.

“It is unconscionable that New York is consistently ranked in the bottom third of the entire country for its high rates of child poverty. One in five New York children live in poverty, with Black and Latinx children more than twice as likely to live in poverty than white children in our state. An analysis by the Columbia University Center on Poverty and Social Policy found that, before the pandemic, Black and Hispanic children were 1.75 and 1.6 times, respectively, more likely than their white counterparts to be excluded from the Empire State Child Credit because of the minimum income requirement. Removing the income requirement is vitally important to eradicating racial inequities embedded in New York State’s tax code.

“Currently, parents of babies and toddlers and families with the lowest incomes receive no child tax credit assistance from New York State. At the same time, other proposed initiatives like the Film Tax Credit expansion ballooned to three times the cost of including our youngest children in the Empire State Tax Credit. For New York’s most at-risk families, child tax credit dollars mean diapers for their children, baby formula, and rent paid. As the cost of living continues to climb, Governor Hochul can make our state more affordable – while reducing New York’s stark racial disparities in child poverty – by putting cash into the hands of her constituents through a stronger Empire State Child Credit.”

American Academy of Pediatrics-NYS
Children’s Defense Fund-New York
Citizens’ Committee for Children
Community Service Society of New York
Families Together in New York State
Prevent Child Abuse NY
Robin Hood
Schuyler Center for Analysis and Advocacy
The Children’s Agenda
The Education Trust-New York
United Way of the Greater Capital Region
Westchester Children’s Association