

Child Poverty in New York State



New York State's Children are Struggling

- A child is born into poverty every 10 minutes in New York State.
- 1 in 5 children (925,000) in the state live in poverty, with an annual income below \$16,600 for a family of three.
- More than 480,000 children in New York State live in extreme poverty – less than half the poverty level; that is equal to a family of three living on less than \$23 a day.
- Another 968,000 children in New York State live in low-income families, with incomes between \$16,600 and \$33,300 for a family of three.
- New York State has the greatest income gap between its wealthiest and poorest residents in the nation.

Despite its wealth, there are nearly 1 million poor children in New York

Race/Ethnicity	Total Children	Poor Children	Percent Poor
All Children	4,467,961	925,501	20.7%
White Children	2,412,556	285,310	11.8%
Black Children	844,931	287,841	34.1%
Latino Children	889,758	301,983	33.9%
Asian Children	268,768	52,691	19.6%

Why Poverty Matters

Every year a child spends growing up in poverty will cost an estimated \$11,800 in lost future productivity over his or her working life. Poor children are:

- 1.6 times more likely to suffer death in infancy;
- 2.7 times more likely to lack a regular source of health care;
- 2 times more likely to repeat a grade;
- 3.5 times more likely to drop out of school; and
- Half as likely to finish a four-year college.

The vast majority of these children live in working families. More than half (56%) of New York's children under age six live in families where both their parents work. As employers scale back health and other benefits that in the past provided their workers' families with support beyond their paycheck, an increasing number of low-income families are unable to meet their children's basic needs, much less put aside savings for a better future.

Despite the need, programs designed to support low-income families are being underutilized. More than \$1 billion in federal funding is being lost to families and local communities in New York State.

Earned Income Tax Credit (EITC)

The Earned Income Tax Credit (EITC) can be worth thousands of dollars to low-income workers, yet many are not claiming the credit when they file their taxes. New Yorkers are losing out on \$312 million every year in EITC refunds. For families that do receive the EITC in New York, 73 percent find it necessary to use paid tax preparers, paying over \$173 million in fees. One in five EITC filers in the state use Refund Anticipation Loans (RALs) - extremely short-term, high-interest loans borrowed against their expected refunds. These loans are unnecessary and potentially risky; New York families lost almost \$34 million to RALs in 2004.

Food Stamps

The Food Stamp Program ensures low-income families access to a more nutritious diet and does more to alleviate hunger and malnutrition than any other program. In New York, 634,658 children received Food Stamps in 2004. Only 53 percent of all eligible New Yorkers receive Food Stamps – losing out on \$917 million in federal benefits each year.

Health Insurance

New York's public health insurance programs keep families healthy and working and provide the only opportunity for millions of New Yorkers to have health insurance. Despite the gains made in recent years, 469,000 children in New York are uninsured, even though more than 70 percent are eligible for public coverage. The majority of these children live in working families that do not have access to employer-sponsored coverage. Public health insurance is a lifeline for 3.5 million New Yorkers including 2 million children.

Child Nutrition

Child nutrition programs like the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), School Breakfast Program, School Lunch Program, Summer Food Service Program and the Child and Adult Care Food Program ensure that children have daily access to the healthy, nutritious meals they need in order to thrive and perform well in school. Despite evidence that shows that good nutrition is critical for healthy child development, these programs are all under utilized and thousands of New York's children are going hungry.

Low Participation Rates Hurt Both Families and Communities

Increased participation in these programs brings new resources from the federal government into local economies. Full participation in the EITC and food stamps alone would bring well over a billion dollars in federal funding to families and their communities throughout the state.

- For every additional 1,000 people who file for the EITC, an extra \$2 million in federal and state funds would flow into a community a year.
- For every additional 1,000 households enrolled into the Food Stamp program, a county will receive approximately \$1.4 million in federal funds a year.
- For tens of thousands of working families, these supports are the difference between surviving and falling over the edge.

Give New York's Children a Fair Start in Life. Recommendations

We can do better. There are ways to increase utilization of these supports for families.

- Educate families about the availability of tax credits and public benefit programs.
- Simplify and streamline application and enrollment procedures.
- Invest in accessible community-based enrollment opportunities.
- Coordinate public benefit programs to increase enrollment and retention.
- Invest in the development of local community tax coalitions which can operate Volunteer Income Tax Assistance (VITA) sites.