

# SETTLEMENT HOUSE AMERICAN RESCUE PLAN IMPACT STUDY WAVE 1 REPORT



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A progressive leader for more than 100 years, UNH is stewarding a new era for New York's settlement house movement. We mobilize our members and their communities to advocate for good public policies and promote strong organizations and practices that keep neighborhoods resilient and thriving for all New Yorkers. UNH leads advocacy and partners with our members on a broad range of issues including civic and community engagement, neighborhood affordability, healthy aging, early childhood education, adult literacy, and youth development.

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# SETTLEMENT HOUSE AMERICAN RESCUE PLAN (SHARP) IMPACT STUDY WAVE 1 RESULTS

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# EXECUTIVE SUMMARY

*A report from Educational Alliance and United Neighborhood Houses.*

The American Rescue Plan Act (ARP) of 2021 provided \$1.9 trillion in aid and economic stimulus in response to the COVID-19 pandemic. Included in the legislation was a temporarily increased Child Tax Credit (CTC) of \$3,600 for each child younger than six and \$3,000 for each child aged 6–17, up from the previous maximum of \$2,000 per child.

The expanded CTC was historic for a number of reasons: it was made available to families who earn little or no income and regardless of immigration status. Notably, tax filers without a Social Security Number (SSN), including non-United States citizens, were newly allowed to claim the CTC on behalf of children with SSNs. The ARP also introduced advance payments of the CTC, which allowed families to receive a portion of the benefit as monthly installments of \$300 per young child and \$250 per older child from July 2021 through December 2021.

This monthly cash payment proved to be a key benefit by giving families flexibility in how to use the funds. As opposed to benefits distributed as in-kind transfers (e.g., housing assistance, SNAP), the CTC funds were directly distributed to families each month and could be used however they saw fit. This created a

valuable environment for documenting the impacts of regular, meaningful cash payments on child development and family well-being. Researchers at the [Columbia Center on Poverty and Social Policy](#) estimated that the American Rescue Plan and expanded CTC would slash the childhood poverty rate in half, with widespread social and psychological benefits for children and families.

More children live in poverty in New York than in 32 other states, with approximately 20 percent of children under five living below the federal poverty level.<sup>1</sup> To meet this need, New York relies on local community-based organizations contracted to provide supports and services, especially settlement house members of the United Neighborhood Houses (UNH) network, located across the state and concentrated in New York City. Serving families is core to the mission of settlement houses, which provide a wide range of community-based services including child care, education, food and housing security, mental health, language, and employment supports.

To better understand the ways in which settlement house families were able to use the expanded Child Tax Credit and to assess the ongoing unmet needs they experience, Educational Alliance, in partnership with

UNH and the National Center for Children in Poverty (NCCP), conducted a survey of 1,078 families participating in New York settlement houses. This project, the Settlement House American Rescue Plan (SHARP) Impact Study, investigates family experiences in New York State's settlement house network related to access and use of the CTC as well as extant needs among families.

The survey results underscore the extreme financial need of families with young children within the settlement house network – a population that should be central to antipoverty policies because of the negative, long-term impacts associated with childhood poverty. Among those surveyed, median income was below \$24,000 with 37 percent of respondents reporting household income less than \$15,000. For context, New York City's median income is \$32,000; the federal poverty threshold for a family of four in 2021 was \$26,500.

Given these circumstances, families with young children face significant challenges meeting basic needs including housing, utilities, food, and child care. As shown in the survey results, the additional predictable income made available through the CTC advance monthly payments was an immediate benefit to families. However, survey results also indicate the persistent ongoing needs families experience in providing for their children. These needs exist across socioeconomic strata, racial and ethnic groups, and affect families of varying composition. The expiration of fully refundable Child Tax Credit monthly payments in December 2021 increased the financial burden on families and presents significant risk for children in the lowest income households in New York City.

## KEY FINDINGS

Key findings from the SHARP survey include:

- There is a clear income gradient for CTC access: families making under \$25,000 annually were at least 13 percent less likely than those making over \$25,000 to obtain the CTC.
- Most families spent their CTC funds on food and other basic necessities: the majority of respondents (81 percent) reported spending the CTC in the month it was received. The top four categories of expenditures were food, clothing, rent, and utilities.
- Uncertainty around eligibility was disproportionately high among immigrant groups, though most families had heard of the CTC and received payments.
- The CTC payments came at a time when families were experiencing significant financial hardship. Of all survey respondents, 88 percent reported experiencing difficulty during the past month paying for basic needs like food, housing, medical care, and heating. In the previous six months, approximately 41 percent of families had postponed medical care to save money, and 81 percent cut back on food expenses to help make ends meet.
- Receipt of CTC payments temporarily alleviated financial hardship. Nearly all (98 percent) families reported that the Child Tax Credit was somewhat or extremely helpful in meeting their monthly expenses.

- Financial hardship is associated with psychological distress. Over half (52 percent) of respondents reported some level of anxiety and/or depression; these rates were highest among families experiencing significant financial challenges in the last six months.

## RECOMMENDATIONS

The findings from this study serve two key functions. First, they inform antipoverty policies, interventions, and supports at all levels of government. Second, information from the SHARP Study may be used to drive programmatic decisions for community-based organizations within the UNH network. Recommendations to inform policies that address child poverty in New York include:

### FEDERAL

- U.S. Congress must take action to pass economic legislation that can immediately help families and workers navigate high costs due to rising inflation and other causes. An automatic child allowance could permanently lift children out of poverty and would be a substantial investment in the lives and opportunities of New York’s children.

### STATE

- New York State must expand the Empire State Child Credit by increasing the credit amount available, including families with children under four years old, making it fully refundable for the lowest-income families.
- New York State can prevent family homelessness by passing Good Cause Eviction legislation. This would prevent

landlords from evicting residential tenants without good cause.

- State lawmakers should make long-term investments to expand access to high quality affordable child care by eliminating barriers that exclude families from care. This includes eliminating means testing and work requirements, making child care assistance available to immigrant families, and increasing nontraditional care hours for families who work on nights and weekends.

### CITY

- New York City must improve housing affordability and stability. To ensure all children live in stable and affordable housing, the City must work to strengthen protections for low- and moderate-income tenants, increase rent subsidies, and support families with proactive resources, such as eviction prevention and direct assistance.
- New York City must increase capacity in the child care sector to provide more extended day and extended year offerings for working families; and age down the system by increasing the number of infant-toddler seats. The City’s Pre-K and 3-K programs only operate from 8 am to 3 pm, and do not provide care in the summer months. Families needing care for a full day or year for 3 and 4 year-olds must pay for wrap-around hours, as the City lacks sufficient subsidized seats to provide extended care to all families that need it. Additionally, the City lacks child care capacity for infants and toddlers.

- New York City must increase funding to the Emergency Food Assistance Program (EFAP) to accommodate the increased costs of adding fresh food into the program and continued need. Food insecurity remains a key challenge for families in New York City, as the survey results demonstrated, and pandemic-related food assistance is drying up. By investing in programs like EFAP, the city can help alleviate food insecurity.
- New York City should expand free tax preparation services that can help identify benefits programs for which families are eligible and engage in more robust messaging campaigns to ensure all New Yorkers are aware of benefit programs. In particular, the City's expansion of the Earned Income Tax Credit enhancement presents new opportunities to conduct outreach that is inclusive of all families who would benefit.

***The findings from this study serve two key functions. First, they inform antipoverty policies, interventions, and supports at all levels of government. Second, information from the SHARP Impact Study may be used to drive programmatic decisions for community-based organizations within the UNH network.***

# INTRODUCTION: CHILDHOOD POVERTY AND THE CHILD TAX CREDIT

Poverty impacts childhood development in two important ways. First, poverty interrupts parents' ability to provide necessities that support healthy development and learning opportunities for children. In New York City, where an estimated 67 percent of households below the poverty line spend more than half their income on rent, many families have extremely limited time and resources to invest in their children's learning.<sup>2</sup> Second, poverty creates conditions for a stressful living environment that often result in significant long-term impacts on child brain development and well-being, particularly when children have constant exposure to poverty for long periods of time. Research in this area shows that when caregivers experience emotional distress related to economic need, it reduces parents' capacity to provide consistent and supportive environments for children.<sup>3,4</sup> In turn, low-income children start school with weaker cognitive ability and language skills than peers from higher-income families; in fact, differences in brain development in children experiencing poverty can be seen as early as nine months.<sup>5,6</sup> Because of the vast and rapid neurological development that happens in the first years of a child's life, poverty is most detrimental to children under six years old.<sup>7</sup>

Long-term, childhood poverty increases risks of experiencing health, social, and behavioral challenges and decreases opportunities for strong academic outcomes and subsequent opportunities to succeed in society. These combined disadvantages have significant long-term consequences in the lives of individual children, as well as larger costs to society. Children in poor families are more likely to be in poor health, with higher rates of asthma, heart conditions or disease, digestive disorders, elevated blood lead levels, and hearing difficulties.<sup>8</sup> Children who are born into or experience long periods of poverty are also more likely to live in poverty, which is associated with greater dependence on institutionalized supports. Researchers estimate that childhood poverty in the U.S. costs at minimum 4 percent of the annual GDP.<sup>9</sup> Furthermore, social science is clear that investments in reducing childhood poverty are cost effective because they reduce the larger social and economic costs of poverty.

The economic impacts of the COVID-19 pandemic have been particularly devastating for low-income families who experienced higher rates of unemployment and had fewer safety net protections to rely on. To reach

these families, the federal American Rescue Plan Act of 2021 (ARP) extended a critical lifeline to families impacted by COVID-19 by providing \$1.9 trillion in aid and economic stimulus. With the specific intent to support families with young children and prevent catastrophic levels of child poverty, an important feature of the ARP was a temporarily increased Child Tax Credit (CTC) of \$3,600 for each child younger than six and \$3,000 for each child aged 6–17, up from the previous maximum per child benefit of \$2,000. In addition, newly expanded eligibility criteria made CTC funds available to families that were previously ineligible for benefits due to income or immigration status. Notably, very low-income families were newly allowed to claim a fully refundable CTC and tax filers without a Social Security Number (SSN), including non-citizens, were newly allowed to claim the CTC on behalf of children with SSNs. The ARP also introduced advance payments of the CTC, which allowed for most eligible families to receive cash payments in monthly installments of \$300 per young child and \$250 per older child from July 2021 through December 2021, providing immediate and direct relief to families with children.

A key benefit of the CTC was the spending flexibility it provided to families as a direct cash transfer. As opposed to benefits distributed as in-kind transfers (e.g., housing assistance, SNAP), the CTC offered flexible funds to be used by families as they saw fit. As reflected in the SHARP Study, when given freedom to identify the supports most critical to meeting their families' needs, recipients of the CTC advance cash payments overwhelmingly used the funds to pay for costs associated with housing, food, and other essentials. At the

same time, families had more room in their budgets to provide environments that are supportive of healthy childhood development: healthy food, regular child care, and stable housing.

Available data at the national level show that the expanded Child Tax Credit, with advance monthly payments and full refundability, had an immediate impact on child poverty.<sup>10</sup> Nationally, the monthly CTC payments lifted 3.7 million children above the poverty line in December 2021.<sup>11</sup> In January 2022, when the expanded credit had lapsed, child poverty spiked by more than 40 percent.<sup>12</sup>

Measures of poverty at the national level, however, do not fully reflect the experience of families in New York, where the cost of living is much higher than in most other places in the US.<sup>13</sup> In New York State, over three million children, or about 36 percent, were previously ineligible for the CTC prior to the expansion in 2021 due to low family income.<sup>14</sup> In New York, more children live in poverty than in 32 other states, with approximately 20 percent of children under five living below the federal poverty level.<sup>15</sup> In some communities in New York, child poverty among children of color is as high as one in three.<sup>16</sup> Beyond national-level reports on the impact of the child tax credit, relatively little is known about the extent to which expanded Child Tax Credit funds met New York families' basic needs, or the short- and long-term outcomes among children and adults that can be attributed to the Child Tax Credit.

# THE SHARP IMPACT STUDY

To better understand New Yorkers' experiences with the Child Tax Credit, Educational Alliance, in partnership with United Neighborhood Houses and the National Center for Children in Poverty (NCCP), examined impacts of the expanded Child Tax Credit among 1,078 families in New York's settlement house network. This project, the Settlement House American Rescue Plan (SHARP) Impact Study, investigates family experiences along four key themes:

- **Administrative Burden:** Are eligible families able to access CTC funds? What barriers to accessing the CTC exist for families of various backgrounds?
- **Use of CTC Funds:** In what ways did families incorporate the advance CTC payments into their monthly spending and/or saving practices?
- **Basic Needs:** Among families who accessed CTC funds, what need(s) were met vs. remained unmet?
- **Community-Based Mechanisms of Change:** What supports provided by settlement houses enhance positive outcomes among families?

The 45 UNH-member settlement houses in New York State play a key role in providing a wide range of community-based services focused on child care, education, food access, housing security, mental health, education, language, and employment supports. The population of over 765,000 served annually by over 20,000 settlement house staff across more than 600 locations reflects the rich racial, ethnic, linguistic, and socioeconomic diversities among New Yorkers. The majority of UNH network members offer strengths-based family support services embedded in the community that have long been viewed as a critical component of antipoverty interventions. Each of the settlement houses participating in the SHARP Impact Study provided some form of support relating to the Child Tax Credit. These included education campaigns to increase awareness of the CTC, information detailing ways to access the CTC, and/or free tax preparation services.

This report provides a summary of findings from Wave 1 surveys conducted in winter 2021. Subsequent waves of data collection in summer 2022 and winter 2023 will detail long-term family experiences relating to the Child Tax Credit.

# METHOD

Participants in this study included families who participate in settlement house services who were eligible to receive Child Tax Credit funds (i.e., have at least one child aged 0-17 they claim as a dependent). Recruitment began in September 2021 and involved a sample of settlement house participants and staff. The research team contacted each of the 45 settlement houses to inform them of the project; 17 sites ultimately agreed

to participate in Wave 1 of data collection. Participating sites forwarded an email invitation to potentially eligible adults that included a link to an online questionnaire hosted by the Qualtrics survey platform. All survey materials were available in English, Spanish, and Simplified Chinese. The survey was released in October 2021 and closed in December 2021.

# PARTICIPANTS

A total of 1,855 individuals accessed the SHARP questionnaire; 1,078 met eligibility criteria and submitted complete surveys. This sample was both racially and ethnically diverse; 45.8 percent identified as Hispanic, 17.7 percent identified as East Asian, 17.6 percent identified as Black/Afro-Caribbean/African American, and 12.9 percent identified as White. Other respondents identified as “Other” (6.5 percent), Arab/Middle Eastern/North African (4.3 percent), South Asian (3.5 percent), Multiracial (2.5 percent), American Indian/Alaska Native (1 percent,) and Native Hawaiian/Pacific Islander (0.4 percent).

The median income within this sample was below \$24,000, approximately a third less than the New York City-wide median income of \$32,000. Additionally, 37 percent of respondents reported household income of less than \$15,000; the federal poverty threshold for a family of four in 2021 was \$26,500.<sup>17</sup>

Key additional characteristics of the sample include:

- A majority of respondents (65.9 percent) were between ages 20 and 44. Most respondents were female (85.1 percent). A significant proportion of respondents were married (44.4 percent). More than half of respondents indicated that their youngest child lives with two parents (56.3 percent).
- Nearly three-fifths, (57.7 percent) of respondents indicated that they were born outside of the U.S. (580 respondents).
- About 28 percent of the survey sample indicated that they had not completed high school; 22.6 percent of respondents had either completed a GRE or received a high school diploma; 22.5 percent had completed either some college or an Associate’s degree and 27 percent had completed

a Bachelor's or higher degree. These numbers indicate significantly lower levels of educational attainment, on average, among parent respondents in the sample in comparison to recent census estimates of educational attainment.<sup>18</sup>

- Our survey sample reflected high rates of unemployment: 29 percent of single-parent respondents and 24 percent of respondents in two-parent

households reported being either unemployed or furloughed. After taking into account information respondents provided on their spouse's employment status, it is evident that in approximately 15 percent of households neither parent was employed in full-time or part-time work. For comparison, New York City's unemployment rate in December 2021 was about 7.4 percent.<sup>19</sup>

## *The Settlement House American Rescue Plan (SHARP) Impact Study investigates family experiences along four key themes:*

- 1. Administrative Burden*
- 2. Use of Child Tax Credit Funds*
- 3. Basic Needs*
- 4. Community-Based Mechanisms of Change*

# THEME 1:

## ACCESS AND ADMINISTRATIVE BURDEN

The survey inquired about respondents' knowledge, receipt, and use of the Child Tax Credit (CTC) and extended to questions about tax preparation. Of all respondents, 64 percent reported receipt of the CTC, 23 percent reported no receipt, and 12.9 percent were unsure of whether their family had received the CTC. This is generally in line with national rates of access among eligible families.

Among CTC recipients, a slightly smaller proportion of respondents born outside of the U.S. received the CTC, compared to respondents born inside the U.S. (61.9 percent vs. 69.0 percent, respectively). Only 14.1 percent of respondents had not heard of the CTC at the time of the survey, though respondents born outside of the U.S. were 2.5 times more likely to not have heard of the CTC than respondents born inside the U.S. (18.8 percent vs. 7.4 percent).

Of those who did not receive the CTC, two thirds (65.5 percent) reported income less than \$25,000; nearly 60 percent reported being born in a country other than the U.S.; 56 percent spoke a primary language other than English; and 36 percent had not completed high school.

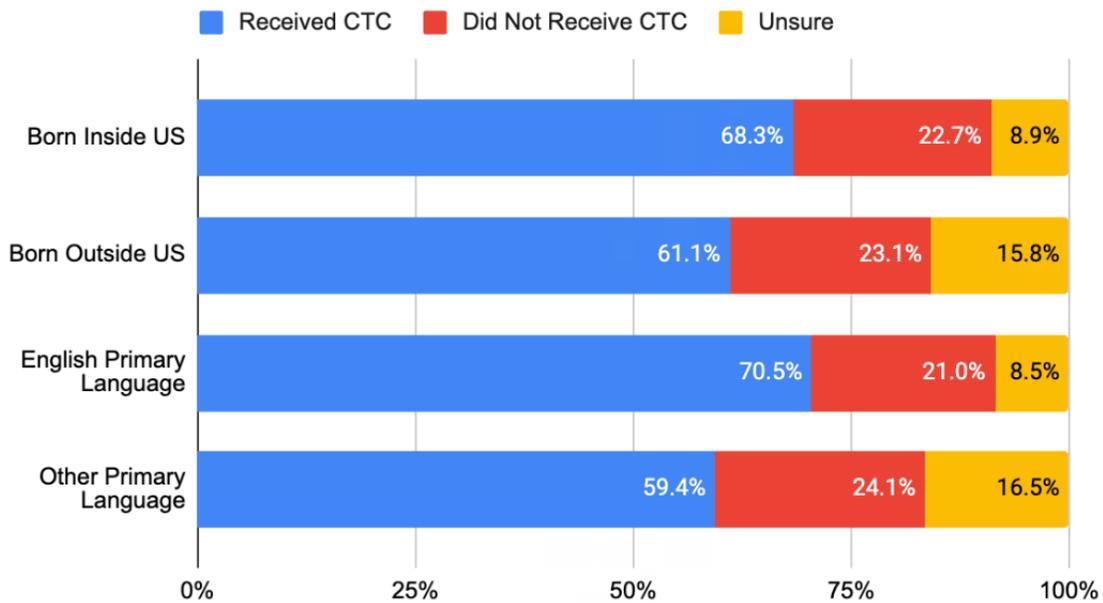
A central area of inquiry for this study focused on the barriers that exist among eligible

families in accessing the Child Tax Credit. We found that meaningful differences exist in access for those born in the United States—who were more likely to access the CTC than those born outside the U.S.—and for individuals who speak English as their primary language, who accessed the CTC at a higher rate than those whose primary language is not English. Figure 1 provides an overview of reported barriers among these groups.

Compared to those born inside the U.S., respondents born outside the U.S. were less likely to receive the CTC (61.1 percent vs 68.3 percent) and more likely to be unsure about their CTC status (15.8 percent vs 8.9 percent). Likewise, those who spoke a language other than English at home were less likely to receive the CTC (59.4 percent vs 70.5 percent) and more likely to be unsure of their CTC status (16.5 percent vs 8.5 percent).

Concerns over eligibility appear to be the most significant barrier to accessing the Child Tax Credit among our sample: 45.4 percent of the respondents who did not expect to receive the CTC last year indicated that they were unsure about their eligibility. Among respondents who did not receive the CTC last year, respondents who were born outside of the U.S. were more likely to be unsure about their eligibility than respondents who

Figure 1. Barriers to Accessing the Child Tax Credit



were born inside of the U.S. (50.4 percent vs 38.4). This is largely consistent with other studies showing lower rates of access among immigrants and communities of color.<sup>20</sup>

When asked how they completed their taxes in 2020, 59 percent used a paid tax preparation service; 17 percent used a free tax prep

service; 16 percent completed their taxes on their own, and 8 percent received assistance from a friend or family member. For individuals who are not income-eligible to file taxes, the IRS developed an online portal to apply for the CTC as a tax “non-filer.” Twenty individuals in this study indicated that they accessed the Non-Filer tool.

***A total of 1,078 individuals who met eligibility criteria accessed the SHARP Impact Study questionnaire across 17 settlement house communities in New York.***

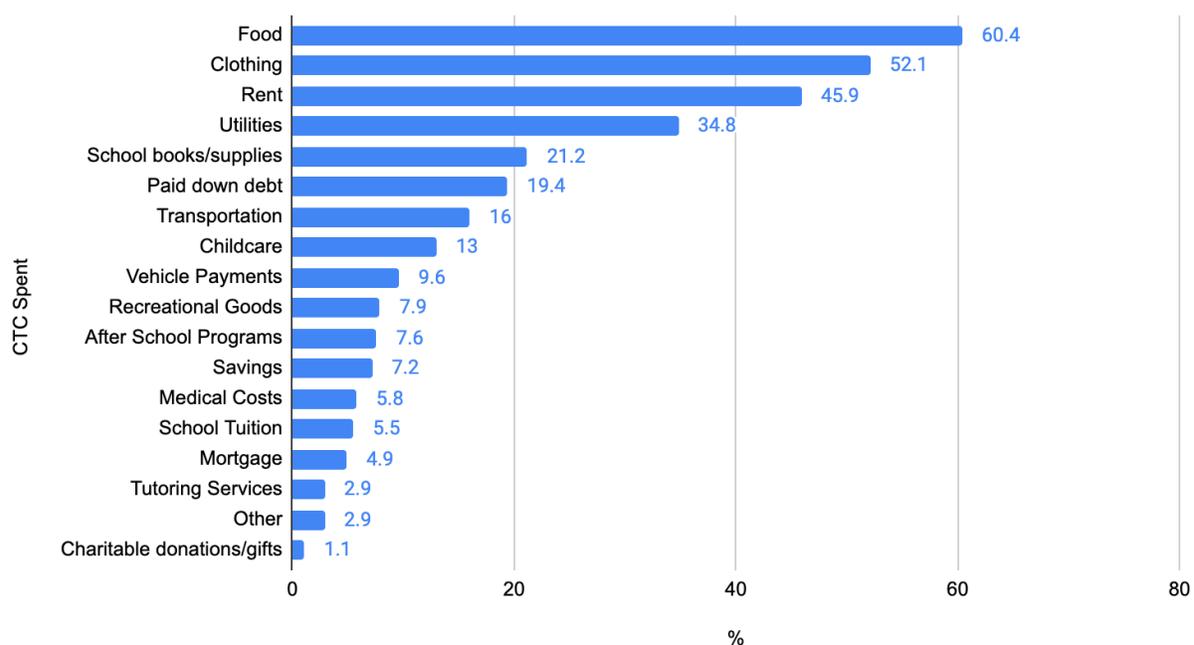
# THEME 2: USE OF CHILD TAX CREDIT FUNDS

Another focus of the survey was determining ways that families spent and/or saved Child Tax Credit funds. Nearly all (98 percent) families reported that the Child Tax Credit was somewhat or extremely helpful in meeting their monthly expenses. More than 8 out of every 10 families (81 percent) who received the Child Tax Credit spent those funds within 30 days of receipt. Nearly half (47 percent) of families used funds to meet their basic needs such as food, housing costs (rent, mortgage), utilities, or clothing. About two in every five families (38 percent) reported using the Child Tax Credit to pay existing debts (e.g., relating

to credit card, rent, and/or education), while 15 percent reported primarily saving the Child Tax Credit. Figure 2 below provides a detailed summary of CTC spending by category (note: this item was “select all that apply”). Notably, 90.4 percent of respondents answered that they spent their CTC funds mostly on basic necessities such as food, clothing, rent, utilities, school supplies, or school tuition.

No statistically significant differences emerged in CTC spending patterns among families with young children (i.e., at least one child under six) versus the sample at large.

Figure 2. How were Child Tax Credit Funds Spent?



# THEME 3:

## MATERIAL HARDSHIP AND ONGOING NEEDS

A common theme that emerged was the significant ongoing financial needs among settlement house families across New York, particularly given the widespread economic impacts of the COVID 19 pandemic. In the past six months, 51.4 percent of families reported that their household income decreased and 88.6 percent of families indicated that they are currently experiencing financial problems. Eighty percent of respondents indicated that they ran out of cash in the last six months, including 31 percent who said that this occurred “often.”

Families who reported receiving the Child Tax Credit were also asked what expenses were most difficult to meet in the past month (i.e., during a period when they were receiving CTC funds). Here, housing emerged as the most consistent basic need that families struggled to meet (52 percent of families) despite CTC assistance, followed by utilities (38 percent), food (31 percent), child care (13 percent), and healthcare (8.7 percent). When asked how helpful the Child Tax Credit was in meeting their families’ monthly expenses, 98 percent of respondents indicated that it was somewhat/very/extremely helpful.

Most families surveyed reported cutting back on purchases in order to save money in the

past six months. For example, 42.7 percent of respondents sold possessions to make ends meet during this period to save money, and 40.6 percent postponed medical care for themselves or their children. Families reported spending less in each of the following categories (by percent of respondents):

- **Clothing:** 87 percent
- **Food:** 81 percent
- **Household Utilities:** 78 percent
- **Transportation:** 77 percent
- **Social activities/entertainment:** 88 percent

Respondents were asked about current receipt of other public benefits (including any from the Emergency Rental Assistance Program). Of all respondents, 47 percent reported receiving Medicaid, CHIP, or public health insurance, 37 percent reported receiving SNAP or EBT (i.e. food stamps), and 11 percent reported receiving a public housing benefit, including Section 8 or a housing voucher. Over 26 percent indicated they receive no additional public benefits. On average, for most programs, those parents who reported CTC receipt were more likely to report receipt of other benefits than non-recipients.

# THEME 4:

## COMMUNITY-BASED MECHANISMS OF CHANGE AND THE ROLE OF SETTLEMENT HOUSES

Strengths-based family support services that are embedded in the community are a critical antipoverty intervention. Serving families is core to the mission of settlement houses; across New York, UNH-member settlement houses deliver a range of community-based services, including food and housing resources, connection to benefits and entitlements, early childhood education and care, youth development programming, and mental health and behavioral supports. Much of this work is funded through contracts with New York City and State. State and local governments partner with settlement houses to deliver these essential services because they are trusted messengers with content expertise and deep connections to their communities.

In addition to the significant financial concerns families have, as discussed above, the survey findings revealed several areas social service providers, and settlement houses especially, are well-positioned to address but may lack sufficient government funding to do so. These needs can be grouped into three general categories: mental health, workforce

development, and access to benefits. Together, this group offers a framework for targeting government resources specifically through community-based providers, including settlement houses:

**High-quality mental health supports.** Over half of the sample in Wave 1 screened for some level of identifiable anxiety or depression, a rate significantly higher than the incidence within the general population.<sup>21</sup> Financial and material challenges are consistently associated with mental health distress, and yet nearly a third of New York City residents live in an area considered a mental health care Health Professional Shortage Area.<sup>22</sup> Greater investment in the mental health workforce is needed to ensure all settlement houses can offer these services, and that mental health professionals are paid a family-sustaining wage.

**Workforce development and investments in good jobs.** A significant percentage of respondents in Wave 1 indicated holding two or more jobs despite overall household income

at or below the poverty line. Many settlement houses provide workforce readiness training or open opportunities for adults to meet family expenses through a single, stable job. Policymakers should work to expand policies that improve job quality and raise wages, while also increasing investment in community-based workforce development programs.

**Access to benefits.** Wave 1 findings indicated that among those who did not receive the CTC, 45 percent responded that they were

unsure about their eligibility. As a trusted source of information, settlement houses are instrumental in educating families about the range of benefits available to them and helping families access benefits. Local governments should do more to leverage community-based organizations in multi-lingual public education and outreach campaigns about available benefits and supporting individuals in accessing them.

***The SHARP Impact Study revealed several areas social service providers, and settlement houses especially, are well-positioned to address but may lack sufficient government funding to do so: mental health, workforce development, and access to benefits.***

# RECOMMENDATIONS

Understanding the characteristics of families served by settlement houses and their experience of advanced monthly payments through the Child Tax Credit provides a basis for advocating for policy changes to lift children out of poverty. With 22 percent of children in New York City who live below the federal poverty line and many more whose families struggle to make ends meet daily, the impacts of child poverty are long-term and far-reaching.<sup>23</sup> By prioritizing child poverty reduction, elected officials and policy makers can target efforts that will benefit children and families in the short term and reduce larger social and economic costs that are associated with child poverty.

The recommendation most closely aligned with the findings of this study would be a federal investment in a permanent child allowance that replicates the expanded Child Tax Credit of 2021, as discussed below. However, additional recommendations at the state and local levels serve to address some of the most persistent unmet needs that were identified by families in the course of this survey, specifically housing, food assistance, and child care.

## FEDERAL

- U.S. Congress must take swift action to pass economic legislation that can immediately help families and workers navigate high costs due to rising inflation and other causes. No other policy or program can be activated as

quickly to address the current economic needs of workers and families as the expansions to the CTC and the EITC that were included in the American Rescue Plan.

- A child allowance program should be automatic, predictable, and untethered to a work requirement. While enrollment in the CTC through the IRS was not difficult, educating families about the expanded, advance payments took effort. To ensure families benefit, enrollment should be automatic, such as at the birth of a child or when interfacing with government programs in some other way (for example, when claiming a child on an income tax return or receiving SNAP benefits). Having a predictable source of cash support on a monthly basis, rather than a single lump sum at tax time, allows families to budget the additional money into their monthly spending and use it as they best see fit. Lastly, our sample shows that families benefitting from the expanded CTC are employed, and many had more than one job; a work requirement is an onerous stipulation on a benefit meant to reduce child poverty.

## STATE

- New York State must expand the Empire State Child Credit by increasing the credit amount available, including families with children under four years

old, making it fully refundable for the lowest-income families.

- Prevent family homelessness by passing Good Cause Eviction legislation. This would prevent landlords from evicting residential tenants without good cause.
- State lawmakers must improve access to affordable child care by working to eliminate as many barriers as possible to accessing care. This includes removing means testing and work requirements, making child care assistance available to immigrant families, expanding nontraditional care hours for families who work on nights and weekends, and increasing reimbursement rates for providers that work with families experiencing homelessness. Reforms passed in the New York State FY23 Budget are a good step toward fixing a broken system, but more needs to be done to make child care truly accessible and affordable for families.

## CITY

- In support of the #JustPay campaign, New York City must establish a wage floor of no less than \$21 per hour for all City-contracted human service workers, with annual cost-of-living adjustments on human service contracts, and a comprehensive wage and benefit schedule to bring parity to salaries earned by government employees in similar positions.
- New York City must expand access to programs like the Emergency Food Assistance Program (EFAP). It is clear that families in New York continue

to struggle to make ends meet and food insecurity remains an ongoing challenge, as documented in the survey findings. By increasing access to food assistance, the City can help ensure families have access to fresh, affordable food in their neighborhoods particularly as pandemic food relief programs expire.

- New York City must address housing affordability and stability. Even with the monthly CTC assistance, 52 percent of families consistently struggled to pay for housing, highlighting the housing insecurity that many families face, and the need to provide more assistance for low-income renters with children. To ensure all children live in stable and affordable housing, the City must:
  - Support families with proactive resources, such as increased rent subsidies, eviction prevention and direct assistance.
  - Strengthen protections for low- and moderate-income tenants by directing resources to organizations that fight unfair housing evictions
  - Fully implement Local law 53, which provides funding for education and outreach to anyone at risk of eviction of their right to free legal counsel and representation in housing court.
- New York City must increase capacity in the child care sector to provide more extended day and extended year offerings for working families; and age down the system by increasing the number of infant-toddler seats. The

City's Pre-K and 3-K programs only operate from 8 am to 3 pm and do not provide care in the summer months. Families needing care for a full day or year for 3 and 4 year-olds must pay for wrap-around hours, as the City lacks sufficient subsidized seats to provide that extended care to all families that need it. Additionally, the City lacks child care capacity for infants and toddlers.

- New York City should expand free tax preparation services that can also help identify benefits programs for which families are eligible. Nearly 60 percent of families in this study paid for tax preparation services. The City should provide more free tax preparation services that can also screen individuals for other benefits such as SNAP, WIC, and Medicaid, designed to lift

Americans out of poverty. By engaging families through institutions they trust – schools, faith communities, local community-based organizations – the City can ensure that more individuals are connected with benefits and supports for which they are eligible. Additionally, New York City must engage in more robust messaging campaigns to ensure all New Yorkers are aware of the reliability and availability of free tax prep programs. Especially with the City's recent expansion of the Earned Income Tax Credit to as many as 800,000 New Yorkers, the City must target education and outreach campaigns in multiple languages to ensure these families know about the availability of benefits and how to access them.<sup>24</sup>

***By prioritizing child poverty reduction, elected officials and policy makers can target efforts that will benefit children and families in the short term and reduce larger social and economic costs that are associated with child poverty.***

# ENDNOTES

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# SHARP STUDY

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Chinese American Planning Council

Cypress Hills Local Development Corporation

Goddard Riverside Community Center

Grand St Settlement

Henry Street

Hudson Guild

Kingsbridge Heights Community Center

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Project Hospitality

Red Hook Initiative

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