

PROGRESS LOST: HARDSHIPS PERSIST FOR NEW YORK FAMILIES AFTER THE END OF THE EXPANDED CHILD TAX CREDIT

RESULTS FROM WAVE 2 OF THE SETTLEMENT HOUSE AMERICAN RESCUE PLAN (SHARP) IMPACT STUDY

EXECUTIVE SUMMARY

For over a century, settlement houses in New York have provided supports and services to families that build a foundation for stronger, healthier communities where residents of all ages can thrive. In New York, United Neighborhood Houses (UNH) represents a network of neighborhood-based settlement houses throughout the State that together reach more than 770,000 people. Settlement houses serve New York families through programs such as early childhood education and care, afterschool, food assistance, public benefits enrollment, eviction prevention, and workforce training. The onset of the COVID-19 pandemic in spring 2020 exacerbated long-standing racial and socio-economic disparities across New York, devastating many of the low- and moderate-income neighborhoods served by settlement houses. Settlement houses were instrumental in addressing increased material hardships among low-income families impacted by high unemployment during the government-mandated shutdown, and with it, risk of eviction, food insecurity, and other serious threats to family stability.

Under the 2021 American Rescue Plan, federal Child Tax Credit (CTC) payments to families with children were significantly expanded to address the rise in pandemic-related economic hardship, with a portion of the CTC provided as a direct, unrestricted cash transfer each month for six months; the remainder was disbursed as a lump sum after tax filing. The advance portion of the expanded CTC provided up to \$300 per young child and up to \$250 per older child from July 2021 through December 2021. The American Rescue Plan's temporary expansion of the federal CTC was responsible for the largest decline in child poverty on record, lifting 2.9 million U.S. children above the poverty line in 2021.¹

Two years ago, UNH, Educational Alliance (a

UNH member), and the National Center for Children in Poverty (NCCP) collaborated to design the Settlement House American Rescue Plan (SHARP) study, to better understand how families served by New York's settlement houses were able to access and use the expanded federal CTC, as well as to assess the well-being of families during a period of widespread economic hardship. The goals of the SHARP study were two-fold: first, to inform antipoverty policies, interventions, and supports at all levels of government; and second, to drive programmatic decisions for community-based organizations within the UNH network.

SHARP is a mixed method study, with qualitative and quantitative surveys conducted over two waves. The first wave ("wave 1") of the SHARP study was conducted from October 2021 through December 2021 and surveyed 1,078 families within the UNH settlement house network. It included extended follow-up interviews with 25 of these families from January 2022 through August 2022. Results from the initial survey showed that that monthly CTC payments helped alleviate hardship for families and were essential in enabling them to meet basic needs like food, shelter, and clothing. The wave 1 survey results culminated in a September 2022 [report](#) and a March 2023 [brief](#) that focused on findings from follow-up interviews with survey participants. In addition, UNH released a standalone brief, [The Need to Strengthen the Economic Security of the Settlement House Workforce: Voices from the Field](#), which highlighted the financial precarity of settlement house staff due to government-contracted rates for wages.

As New York emerges from the pandemic era, some signs hint at increased economic stability. While still above pre-pandemic rates, the unemployment rate in New York City was

5.6 percent as of August 2023, down from the pandemic peak of 21.5 percent in May 2020. Statewide, the unemployment rate stands at 4.4 percent, down from the May 2020 peak of 16.7 percent. And yet, the economic recovery has not reached all New Yorkers: for many low-income families, hardships and financial precarity have persisted despite falling unemployment rates. Recent data released by the Census Bureau confirms the difficult reality faced by many families—child poverty more than doubled nationwide since the expiration of the CTC, with the child poverty rate rising from a historic low of 5.2 percent in 2021, to 12.4 percent in 2022, the largest single-year increase in child poverty on record.²

To better understand the existing needs facing New York’s families today, and the importance of community-based organizations that support them, researchers set out to speak with families and document their experiences. Summarizing findings from a second wave of SHARP surveys of 1,086 families during winter 2022-23, this report offers a report from the field about New York parents’ experiences providing for their families since the expiration of the expanded federal Child Tax Credit and distills these experiences into concrete policy recommendations to strengthen economic security for families.

FINDINGS FROM SHARP WAVE 2 RESULTS

1. Financial recovery remains precarious, as many families experience hardships including food insecurity, housing instability, and debt burdens.

Three years since the start of the pandemic, some parents have benefited from the ongoing, but uneven, economic recovery: 21 percent of parents reported being unemployed in wave 2, compared to 28 percent in wave 1. However, these gains are offset by persistently low-income levels of most settlement house families

and the ongoing material hardships they face:

- Nearly half (47 percent) of families reported that they earn less than \$25,000 a year.
- About 23 percent of respondents indicated that they had had a period of unemployment in the past year that exceeded three months; long employment gaps were more prevalent among Black and Latinx parents.
- Multiple hardships persist: 23 percent of SHARP parents indicated that they experienced at least three out of six hardships included in the survey (food, housing, utilities, childcare, healthcare, and “other needs”).

Many settlement house families continue to experience food insecurity and struggle with rising food costs:

- One third (33 percent) of parents had visited a food bank in the last seven days. Many parents reported that their families were dependent on food pantries; some even organized their schedules around standing in long lines for essentials to feed their children. Some noted in interviews that they were undocumented and had limited options for other emergency food assistance.
- Nearly one in four (23 percent) respondents reported that they were “sometimes unable to afford food for their children,” with an additional 10 percent reporting they were “often” or “always” unable to do so.

Housing insecurity is widespread among settlement house families, especially families of color:

- Nearly half (48 percent) of respondents said that it was hard to pay for their housing; Black and Latinx parents were more likely than other parents in the full sample to have reported experiencing housing-related hardships.
- Among those who rent their housing, 33

percent of respondents fell behind on their rent payments. More than half of Black parents who participated in the survey reported experiencing this hardship.

Many settlement house families are burdened by debt and unpaid bills:

Many interviewees in wave 1 indicated that they had spent all their savings during the first year or so of the pandemic, and then relied on credit cards or loans to pay for basic needs. In wave 2:

- More than half (51 percent) of SHARP respondents reported unpaid bills or debt, with 30 percent of all parents carrying higher amounts of debt than one year ago.
- More than one in five (22 percent) survey participants reported carrying more than \$10,000 in non-mortgage-related debt, such as credit card or student loan debt.
- Parents who experience multiple material hardships are also more likely to be burdened by non-mortgage debt; a parent reporting five hardships is 5.3 times more likely to hold more than \$10,000 in non-mortgage debt in comparison to a parent reporting no hardships.

2. Settlement house programs and staff provide critical supports to families.

Interviews with parents revealed how much families rely on programs at settlement houses for many essential services, including childcare, afterschool programs, food pantries, information seminars, benefits access, mental health services, job training, ESOL classes, parenting groups, and other vital supports.

3. Settlement house staff experience economic insecurity and material hardship:

One in eight (13 percent) SHARP survey respondents in wave 2 were employed as staff members at settlement houses, with many also

participating in programs themselves. As in wave 1, settlement house respondents in wave 2 reported low income and high rates of food and housing insecurity:

- Of full-time settlement house staff who reported household income in the wave 2 survey, 63 percent reported earning less than \$50,000 a year, a portion comparable to the full sample of parents.
- Roughly a third (34 percent) of settlement house staff respondents reported having visited a food bank in the previous seven days.
- More than a third (38 percent) of settlement house staff members reported two or more hardships (i.e. hardships related to food, housing, utilities, childcare, healthcare, and “other needs”).

4. Some families encounter barriers to accessing the CTC and other public benefits

It was clear from survey results that some parents did not access the CTC despite being eligible. Certain characteristics made receipt less likely, including:

- Having an income under \$25,000 or not having a bank account.
- Not knowing about the CTC expansion or believing they were ineligible for it.
- Wariness among immigrant parents about accepting benefits to which their U.S.-born children are entitled.

RECOMMENDATIONS

In response to the financial hardship facing families and the community-based organizations that help support them, the government must work to preserve, build, and expand policies and programs that strengthen the well-being and economic security of families in New York.

Therefore, we urge the State and City to:

State

- Increase the value of the Empire State Child Credit and make similar tax benefit reforms as proposed in the Working Families Tax Credit;
- Increase State funding for the Settlement House program, which provides flexible support settlement houses can use to meet the needs of their local communities.
- Update the Cost of Living Adjustment (COLA) statute to include all state-contracted human services workers;
- Increase funding to State programs that address food insecurity, including Hunger Prevention and Nutrition Assistance Program (HPNAP), Nourish New York, and the Nutrition Outreach and Education Program (NOEP);
- Create a Statewide Universal School Meals program that builds on the \$134 million investment in the State FY 2023-FY 2024 budget;
- Create a “SNAP for All” food benefit for New Yorkers who are ineligible for SNAP due to immigration status, following California’s lead;
- Improve access to affordable childcare by working to eliminate barriers to care, including elimination of means testing and work requirements, decoupling the hours a parent works from the hours when childcare is available to them, and including a childcare subsidy for undocumented families who are excluded from many public childcare programs, following the lead of the Promise NYC program;
- Invest in a wage floor of \$21 an hour for the State-contracted human services workforce so that this workforce can continue to address urgent needs in their communities;
- Strengthen housing stability by passing

robust tenant protections and by building more affordable housing.

City

- Create and fund a comprehensive wage and benefit schedule that is compatible to similarly qualified City and State government employees. This can be done through passing and funding Intro 510 (Stevens), which would create a prevailing wage schedule for human services workers;
- Improve pay parity between the CBO-contracted early childhood education workforce and their government counterparts;
- Increase investment for Promise NYC, so that undocumented children who are excluded from the City’s contracted programs and vouchers can access publicly subsidized early care and education;
- Invest in programs that address food insecurity for families, including the Community Food Connections program, the Council’s Food Pantry initiative, and NYCBenefits.

INTRODUCTION: OVERVIEW OF THE WAVE 2 SURVEY AND PARENT AND FAMILY CHARACTERISTICS

Informed by responses collected during interviews from wave 1, the questionnaire for the second wave of surveys (“wave 2”) was expanded to include additional questions on food insecurity, housing instability, pandemic-era employment, and debt.

Survey respondents in wave 2 were recruited in two ways: a) by inviting wave 1 respondents who were interested in participating again, and b) through 11 of the original 17 settlement houses who agreed to recruit parents. The quantitative survey was open from October 2022 through January 2023; and follow-up interviews for a subgroup of wave 2 respondents were conducted from January 2023 through April 2023. The wave 2 sample survey included 1,086 parent respondents from families with 2,235 children. More than 350 of these respondents participated in both waves of the survey.³

Both settlement house participants and staff were included in the sample.⁴ All study materials, including surveys, recruitment emails, and posters, were provided in English, Spanish, and Simplified Chinese. Spanish-speaking and

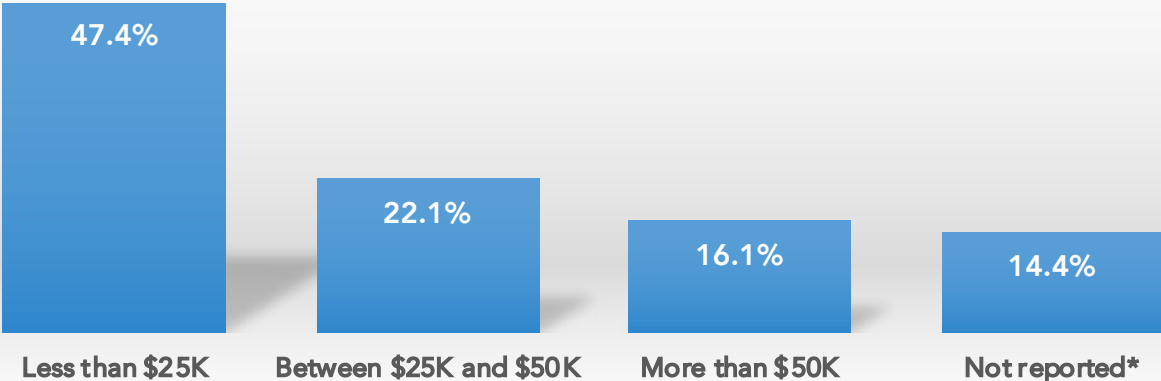
Mandarin-speaking interviewers joined the research team in order to conduct the extended follow-up interviews in an inclusive manner.

PARENT AND FAMILY CHARACTERISTICS

In both waves, survey samples were similar across most demographic characteristics, making comparisons across the two timepoints (late 2021 and late 2022) feasible. In wave 2, the survey respondents included 1,086 parents with 905 children under six years of age and 1,330 children between six and seventeen years old. For more detailed information on characteristics of the sample, see Appendix A.

As in wave 1, the largest group of parents reported household income under \$25,000, with roughly one-quarter reporting income between \$25,000 and \$50,000. Approximately one in six individuals reported income over \$50,000 (see Graph 1). Educational attainment levels were also very similar to wave 1; approximately one in four

Graph 1: Income Levels for SHARP families, wave 2



* Most of those who did not report income have characteristics similar to those with income under \$25K.

parents did not complete high school, one in four parents attained high school completion or a GED, about one quarter attended some college, and the other quarter had completed a bachelor's degree or higher degree (see Graph 2).

More than half of parents in the wave 2 sample (58 percent) were born outside of the U.S. About 27 percent took the survey in Chinese, and 14 percent took it in Spanish. Almost 38 percent indicated that they were of Hispanic or Latinx origin, and 36 percent reported that they were East Asian. Almost one in five (18 percent) were Black parents, and 16 percent were White. While the SHARP survey did not ask parents about their immigration status, parents volunteered that they were currently undocumented during extended follow-up interviews.

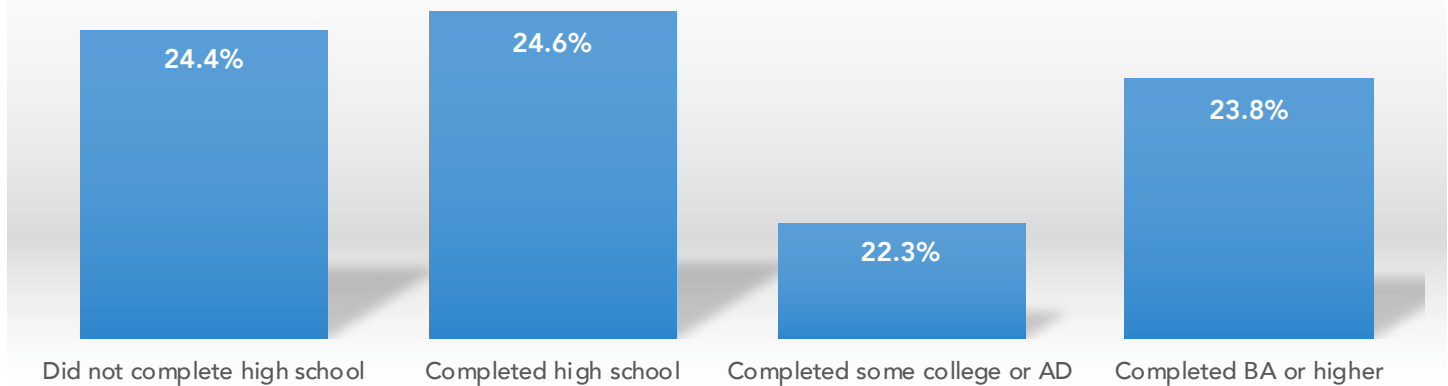
Additional characteristics include:

- Roughly two-thirds (67 percent) of respondents indicated having full-time or part-time employment, and approximately 21 percent reported being unemployed.
- Almost one in five (19 percent) survey respondents reported having at least one child with a disability; 10 percent indicated that they were disabled themselves; some parents (4 percent) reported that their spouse or partner was disabled. More than one in four families included at least one family member with a disability.

- 13 percent of respondents were settlement house staff, in comparison to 11 percent of respondents in the wave 1 sample.

- More than one in three parents (37 percent) were single parents in wave 2, a slight decrease from 40 percent of the parent respondents in wave 1. Of these single parents, nine in ten were women, two in five were born outside of the U.S., and most reported income under \$25,000.

Graph 2: Education Levels of SHARP respondents, wave 2



FINDING 1: DESPITE SOME ECONOMIC GAINS, RECOVERY REMAINS PRECARIOUS FOR MANY SETTLEMENT HOUSE FAMILIES AND HARDSHIPS PERSIST.

The SHARP survey results show improvements in unemployment since 2021, but unemployment rates in both waves of the SHARP survey were four times higher than the New York City unemployment rates at the time: 21 percent of wave 2 respondents reported being unemployed in late 2022 (compared to a citywide unemployment rate of 5 percent in December 2022), down from 28 percent in late 2021 (in contrast to a citywide unemployment rate of 7 percent in December 2021). Fewer respondents reported unemployed spouses or partners: 7 percent had an unemployed spouse/partner, down from 12 percent in late 2021.

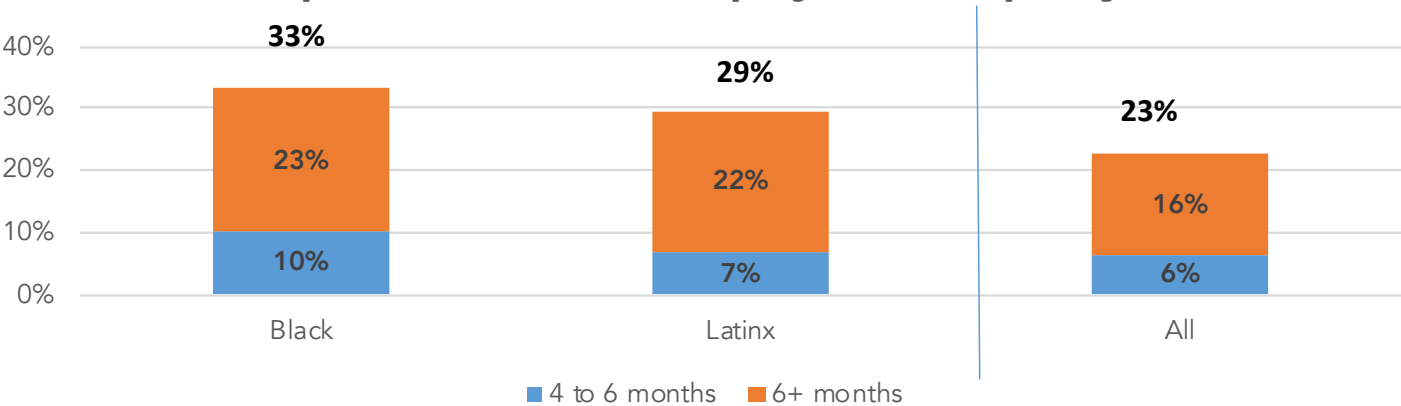
While most of the families surveyed reported low household incomes, of the more than 350 parents who participated in both waves 1 and 2, more than half reported higher household income levels in late 2022 than they did in late 2021. Most of those with increased incomes were among those reporting less than \$25,000 in 2021.

At the same time, many survey participants experienced significant disruptions to their

employment during the pandemic: about 23 percent indicated that they had had a period of unemployment in the past year that exceeded three months. Long employment gaps were more prevalent among Black and Latinx families; a third of Black parents reported that they were unemployed for more than three months in the past year and 29 percent of Latinx respondents experienced a similarly long employment gap (see Graph 3). These gaps in employment may have led some to borrow heavily to make ends meet.⁵

Economic burden due to inflation was a common theme in interviews. Even as more parents reported being employed, and some indicated earning higher incomes, inflationary costs of goods made parents feel less secure and stretched their income in challenging ways. As documented in the 2023 New York City True Cost of Living, it is estimated that 65 percent of New York City households with children under five had inadequate income to meet their basic expenses for housing, food, transportation, and childcare. For New York City households

Graph 3: Total time unemployed in the past year



led by single mothers, the rate of income inadequacy increased to 86 percent.⁶ Of course, employment alone cannot guarantee self-sufficiency, particularly amidst rising expenses due to inflation and New York City's high cost of living.⁷ SHARP interview participants reflected this challenging reality, as many parents work multiple jobs yet still struggle to meet their basic needs. In several interviews, parents described circumstances in which they rushed between multiple jobs, worried about neglecting their children, yet still struggling to pay for basic needs for their families. As one participant noted, "It's the system. It's like no matter how hard you work, or how much you make, you can never catch up."

In 2022-2023, hardships remained pervasive for families. The SHARP survey listed six specific hardships - food, housing, utilities, childcare, healthcare, and "other needs" – and asked parents to identify which ones their families were experiencing. A parent could indicate more than one hardship. Even among the 16 percent of survey participants who reported household income greater than \$50,000, well over half of these parents reported at least one hardship; almost as many reported at least one indicator of food insecurity; and more than

one in three reported at least one indicator of housing insecurity. Almost one in five of this group reported having visited a food bank in the previous seven days. Approximately 23 percent of respondents indicated three or more hardships, up from 22 percent who did so one year earlier.

FOOD INSECURITY

Rising food costs prompted the addition of new questions in the wave 2 survey to measure food insecurity. Results from surveys suggest serious challenges for settlement house families in this area:

- More than a third of respondents noted that they had difficulty affording food in the past month.
- A third of respondents reported that they were unable to afford food for their children, including 10 percent who said that they were "often" or "always" unable to do so.

Insufficient access to food was a problem for 61 percent of parents surveyed. When asked to describe the food in their households in the past

Mei lives with her disabled husband, infirm in-laws, and three children, paying expenses almost entirely from her single salary as an assistant teacher. With a rent increase, rising food costs, and utility costs, Mei finds herself unable to afford enrichment or entertainment activities for her children. With multiple hardships, the family is constantly making difficult trade-offs in order to stay afloat.

As one example, Mei describes her food shopping strategies: "Now I don't have much money to buy too much food at once, so I have to go and buy a little bit every day or two. And things are much more expensive, so I have fewer choices.... My kids usually like to eat eggs, milk, and bacon, but now bacon is also expensive, so we basically don't eat it anymore and just eat noodles." – Mei, mother of three

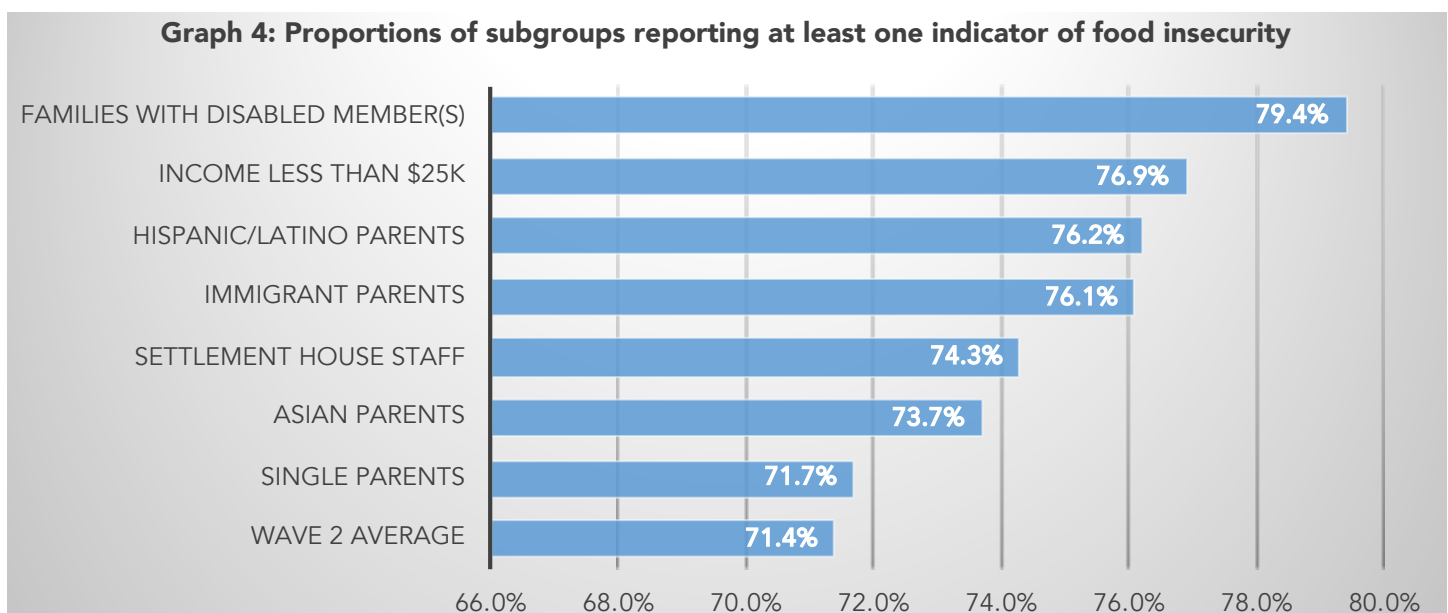
seven days, 47 percent of parents responded “Enough food but not the types we like”; and 14 percent responded “sometimes” or “often” not enough.

For some subgroups, the proportion of parents responding positively to at least one measure of food insecurity was somewhat higher than the average for the full sample (71 percent). For example, 79 percent of families with at least one disabled family member indicated some level of food insecurity (see Graph 4).

Almost all parents described careful strategies around food buying, such as eating less meat, stretching ingredients, eating more leftover meals, and making compromises around nutrition. It became apparent that some parents were doing one or more of the following: at times, not eating in order to make sure their children could eat; ceasing to purchase certain nutritious, but more expensive, food items; or relying on less expensive but unhealthy fast-food meals to make their food budgets stretch. Almost one in three (33 percent) of parents had visited a food bank in the last seven days. During the follow-up interviews, parents often described their families’ dependence on food pantries. Some organized their weekly activities, even work schedules, in order to stand in long lines for

essential food items. A few parents attempted to visit pantries so often that their attendance was monitored and limited by supervisors.

Graph 4: Proportions of subgroups reporting at least one indicator of food insecurity



Isabella and her husband, both immigrants, lost their jobs during the pandemic, and had to borrow money to avoid eviction. Now, they work full-time to provide for their two small daughters. They have stopped renewing SNAP benefits, fearful that receipt will jeopardize their work visa applications. They go to every food pantry available to them, and shop strategically.

“Things have been really expensive recently. And honestly, before you were able to buy a lot with \$20 and now it’s very, very difficult. The eggs and milk, everything has gone up in price, you know. Now what we buy is only what we need.”

Asked about what she eats most in the current circumstances, Isabella said, “I eat what is available. And if there’s nothing, then I don’t eat anything.” When asked about what support she would most like to receive in the present, Isabella mentioned that she would like a way to get better food for her family. “The first thing that I could think of is to get any type of help when it comes to food. Right now, we’re doing okay with the [debt] payments and the rent.” And she explained that she feels they are, in fact, doing well compared to others in their community, describing a broader sense of continued disruption and acute need. “It is still considered by us the COVID pandemic era, and I know a lot of people that say they are not getting back to normal and everything. But if you think about it, COVID is our new normal. So there are a lot of things that they still have to change, especially with inflation and everything going up. I think [the expanded Child Tax Credit] is a good benefit, but I think it needs to be expanded to help more people. You’d be surprised how many families are homeless or don’t have anything to eat for their kids. I’ve seen a lot of parents on the street asking for money.”

HOUSING INSTABILITY

Many parents are still negotiating the lingering effects of pandemic-related unemployment. Assistance provided by settlement houses in applying for housing subsidies is especially important. In her interview, Isabella mentioned

that she and her husband, with help from their local settlement house, managed to access ERAP funds, which may have prevented her family from becoming homeless.

Isabella’s story illustrates how one kind of hardship can lead to another. Her family’s

challenges in paying rent and affording food are clearly intertwined, and as the hardships multiply, parents incurring debt becomes another common theme.

Since a number of parents in wave 1 interviews mentioned increased rent and difficulties with landlords, the wave 2 survey included several additional questions designed to uncover more information about families' housing needs. Overall, compared to wave 1, there was some improvement in housing instability among families in wave 2. In wave 1, approximately 23 percent of families indicated they were living doubled-up with others or in temporary housing or shelters, compared with about 9 percent who were unstably housed in wave 2. However, more than half (55 percent) of SHARP parents in wave 2 indicated housing insecurity on at least one measure of the survey, and 48 percent reported difficulties with paying for housing costs in the past month.

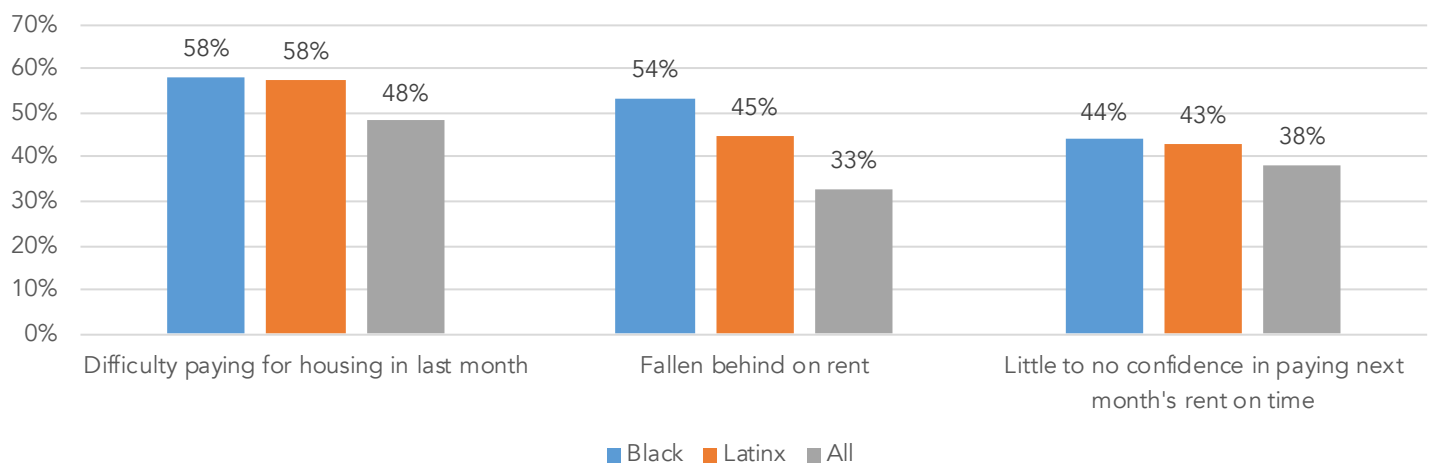
In addition, survey data showed that among families who rent their housing:

- One in 10 reported being threatened with eviction in the past six months, with eviction risk highest among Black parents (18 percent).
- Black and Latinx parents were more likely than the full sample to experience housing-related

hardships: 64 percent of Black parents and 58 percent of Latinx parents surveyed said that they struggled to pay for housing in the past month, compared to just under half of parents in the full sample. Furthermore, in contrast to 33 percent for the full sample, more than half of Black parents who rent their housing have fallen behind on their rent payments.

In follow-up interviews, many parents spoke of anxiety over rent increases. They discussed not having current leases on apartments, struggling to earn enough to pay back rent arrears from the first years of the pandemic, or having to move in with relatives and not being able to earn enough to rent a home of their own.

Graph 5: Share of respondents experiencing hardship



Benita, a mother of three children, lost her steady job of many years and was then evicted during the first year of the pandemic. She and her family had to move in with relatives. She now works four jobs to make ends meet but does not have her own apartment.

“Even though COVID was happening, and no one was supposed to get evicted, you’d be surprised how many people were getting evicted and put out of their house in the middle of COVID because they couldn’t pay their bills.”

With the rising costs of food and other necessities, Benita is not hopeful about finding a home of her own again. “I’ve tried multiple times to file to get my own apartment. But these days, you get stopped. They won’t call you because your income is a certain amount.”

More than three years after the beginning of the pandemic, Benita and her family are still living “doubled up,” and she is still scrambling to care for her children. “I literally work four jobs to feed my kids. I’m a delivery person. I’m a security guard. I’m a part-time cook, and I’m [a] schedule coordinator for a moving company. Just to be able to manage.” She finds it taxing to travel from job to job, working during whatever hours employers need her, and finds that she needs to pay for taxis or ride-shares to get from one location to the other as quickly as she is needed.

DEBT BURDEN AND UNPAID BILLS

Many interviewees in wave 1 indicated that they had spent all of their savings during the first year or so of the pandemic, and then relied on credit cards or other forms of debt to pay for basic needs. To better understand this troubling pattern, the wave 2 survey included questions about parents’ debt. The responses revealed that more than half (51 percent) of SHARP respondents reported unpaid bills or debt, with 30 percent of all parents carrying higher amounts of debt than one year ago. Furthermore, 21 percent of parents owe more than \$10,000 in non-mortgage-related debt.

Many parents who reported very low levels of household income are carrying high amounts of debt of various kinds, while experiencing cumulative material hardships at the same time. Several characteristics strongly predicted that a family would hold more than \$10,000 in non-mortgage debt: being Hispanic or Latinx increased the likelihood by 1.6 times, and holding a college degree increased it by 1.7 times. However, each additional hardship increasingly predicts the likelihood of that parent carrying more than \$10,000 of non-mortgage related debt, underscoring the nature of cumulative hardships. As an example, a parent reporting five hardships is five times more likely to hold

more than \$10,000 in non-mortgage debt in comparison to a parent reporting no hardships.

The SHARP survey included several questions that screened parents for potential anxiety and depression. In wave 2, 18 percent screened for moderate or severe anxiety or depression.

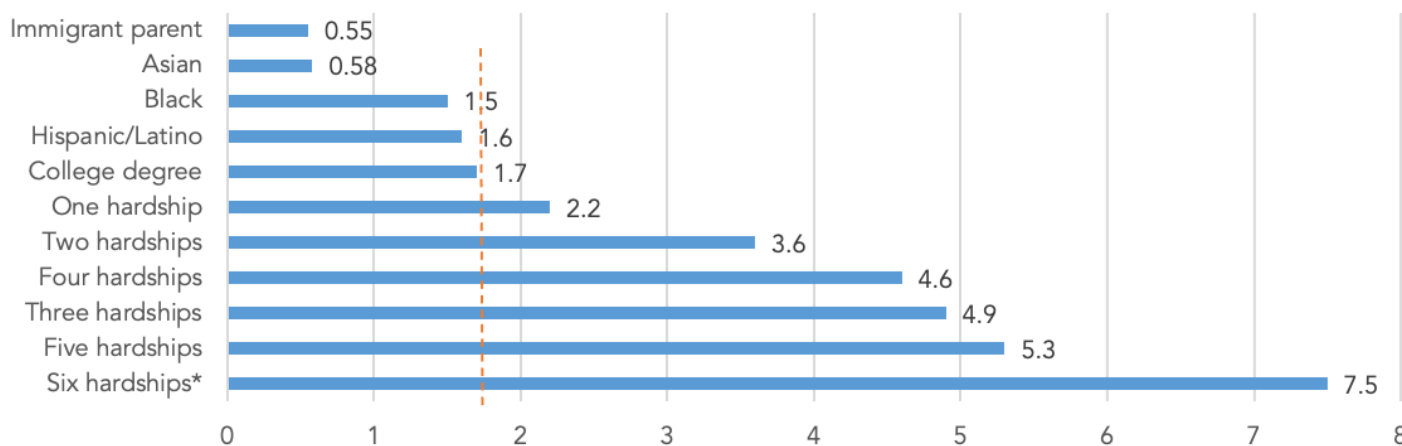
Certain factors seemed to be associated with mental health challenges. As the number of hardships experienced by households increased, the share of positive screenings for anxiety and/or depression also increased. Other factors including race, parenting a disabled child, or carrying more than \$10,000 in non-mortgage debt, were also associated with anxiety or depression.

Mei, introduced earlier, lives with her in-laws, disabled husband, and three children, paying expenses almost entirely from her single salary as an assistant teacher. The family has Medicaid but receives no other benefits.

“My job is relatively stable, but my pay is low, only \$15, and I have to file taxes. Basically, after taxes, it’s only \$12 an hour. My husband, because he has to take care of the kids if they are sick or on school break, then he can’t go out to work. It’s not too easy for him to find cash work these days. There are very few jobs that suit his timing, because the children will be out of school at two o’clock, so he can’t work after that.”

Mei reported an extremely high level of debt on her survey, and when asked about it she replied, “Now that the economy is bad, everything is more expensive, and the landlord has raised the rent. But I still have the same job and my salary is still the same, so it is inevitable to have more debt after not having the CTC. We usually use credit cards But this is only for a month. This month you borrow, and the next month you will have to pay back. [It’s] a dead-end cycle.” -Mei, mother of three.

Graph 6: Likelihood of family having more than \$10K in non-mortgage debt



Benita, the mother of three children including one disabled teen, works four jobs to take care of her family. She perseveres despite the twin setbacks of having lost both her long-time job and her home in the early stages of the pandemic and enduring multiple persistent hardships.

Having recently been diagnosed with “panic attacks,” Benita was seeking mental health supports for both herself and her children and shared: “Sometimes people don’t just need money. People need support, support sessions and stuff like that. Sometimes people need mental counseling just to get past some trauma that they’ve experienced.”

FINDING 2: NEW YORK'S SETTLEMENT HOUSES PROVIDE CRITICAL SUPPORTS

Interviews with parents revealed how much families rely on programs at settlement houses for essential services including childcare, food pantries, benefits access, mental health referrals, job training, ESOL classes, parenting groups, legal aid, tax filing expertise, “Know Your Rights” seminars for immigrants, and other vital supports. Parents described attentive phone calls by settlement house workers following up with them during lockdown, as well as flexible services designed to support isolated parents and children through the unusual challenges of that time. In particular, parents have long relied on childcare within settlement houses.⁸

Cecilia is a parent who participated in both waves of the study and provided two interviews. She works full-time as a senior case manager assisting with benefits enrollment in a settlement house serving thousands of participants. A mother to four young adults and one teen, she lives in Section 8 housing and has Medicaid, although she earns “too much” to be eligible for other benefits. She received the monthly payments and lump sum tax refund for the expanded Child Tax Credit. She has participated in financial planning sessions at her own settlement house.

Cecilia is a parent who participated in both waves of the study and provided two interviews. She works full-time as a senior case manager assisting with benefits enrollment in a settlement house serving thousands of participants. A mother to four young adults and one teen, she lives in Section 8 housing and has Medicaid, although she earns “too much” to be eligible for other benefits. She received the monthly payments and lump sum tax refund for the expanded Child Tax Credit. She has participated in financial planning sessions at her own settlement house.

Working sometimes as many as ten hours in a day, Cecilia helps her clients specifically with benefit applications but also provides them with referrals to mental health and legal services. She tells some of her clients about classes they can take in financial literacy and other topics. Individuals who come to her office are typically experiencing a range of challenges. As she says, “we help anyone from any of the five boroughs, and we help them with a lot of problems.”

“Those [food stamps] are supplemental normally, right? You should be able to use more money apart from that to pay for groceries. And most of the people are living on the food stamps. Many are going to food pantries to supplement.”

Cecilia’s description of the support that the expanded CTC payments provided for parents is noteworthy in the context of adult mental health; a number of parents described the benefit as a “relief” that helped them to manage their stress while it was in effect. A recent study measuring impacts of the expanded CTC on low-income parents found a significant reduction in symptoms of anxiety for parents that was greater for parents of color than for non-Hispanic, white parents.⁹

In fact, from the earliest days of the settlement house movement in the late 19th century, settlement houses have provided – and continue to provide – essential programs within their communities: child care, public health programs, English and adult literacy classes, and programs that connect people to the workforce. Today, many settlement houses have adapted programming to adjust to the changing demographics of their surrounding communities, yet the core mission of helping families thrive in their community remains central to the work of settlement houses to this day. With a combined budget of over \$1 billion and more than 750 sites throughout New York State, UNH member settlement houses reach over 770,000 people each year.

Traditionally, settlement house staff lived in the buildings where programming was offered to the community, fostering a deeper neighborhood connection. This practice continues today, with many settlement house staff with deep roots in the communities they serve. The close, community-centered nature of settlement houses is enhanced by the dedicated staff who work with clients and members, as discussed in the finding below.

FINDING 3: SETTLEMENT HOUSE STAFF CONTINUE TO EXPERIENCE MATERIAL HARDSHIP

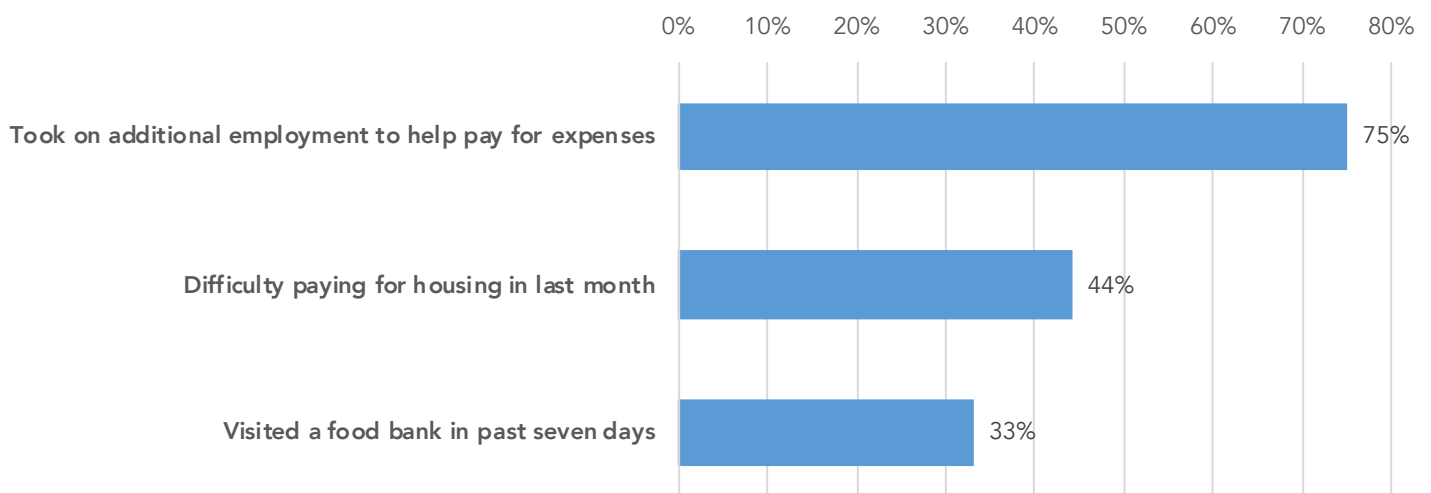
UNH settlement house members employ more than 20,000 people, many of whom are women of color from the low- and moderate-income communities that they serve. Approximately 13 percent of SHARP survey respondents in wave 2 were employed as staff of a settlement house, many of whom also access programs, either for themselves, their children or their family members.

It is important to note here that, like other survey participants, settlement house workers also face challenges meeting their families' needs. Of full-time settlement house staff who reported household income in their wave 2 surveys, 63 percent reported earning less than \$50,000 a year, a proportion comparable to the full sample of parents.

- Three-quarters of settlement house staff respondents said that they took on additional employment to help pay for expenses (75 percent), including 28 percent who said that they did this "often" or "very often."

- 40 percent of settlement house staff respondents said that they "often" or "always" ran out of cash within the last six months.
- Almost three in four settlement house staff respondents reported at least one indicator of food insecurity. A third of this group reported having visited a food bank in the previous seven days.
- 43 percent of those who work as settlement house staff owed back rent; 22 percent owed more than \$10,000 in non-mortgage-related debt and, among those with debt, nearly half reported carrying more debt now than they did one year ago.

Graph 7: Share of settlement house staff experiencing hardship



Helen, a settlement house staff worker and divorced mother of two children, was interviewed only once, during wave 2. She lives with her children and her two parents, who do not work but are able to contribute to the household through their small pensions. She continues to rely on her settlement house for many supports, including childcare. Helen now receives SNAP and is certain she received the monthly Child Tax Credit payments in 2021.

Helen is a settlement house staff member who helps participants to learn about programs and access benefits. She describes her household's food and housing insecurity:

"We determine what food to eat according to the price[s]. If a child asks to buy something expensive, I'll always say no. For example, eggs are very expensive these days, so we rarely buy them.... So, we eat eggs no more than once a week. We usually eat fruits and vegetables. My children are growing up, so we buy meat. Not the healthiest food, but the food that can fill up our bellies."

"The apartment has been sold several times, the landlord has changed several times, and after the latest changes, the current landlord stopped signing a lease with us. We don't have a lease for a long time now, so the current landlord can evict us at any time. I'm quite worried that they will evict us."

FINDING 4: SOME FAMILIES ENCOUNTER BARRIERS TO ACCESSING THE CTC AND OTHER PUBLIC BENEFITS

As documented in results from the wave 1 survey released in 2022, the benefits of the expanded Child Tax Credit helped families purchase everyday necessities, like food, rent payments, and childcare. Some parents experienced barriers to accessing the CTC. It is likely that they face similar barriers to accessing other public benefits as well.

A comparison of wave 1 and wave 2 survey data demonstrates that some characteristics made receipt of the CTC less likely:

- Having an income of less than \$25,000, being a Latinx immigrant parent, or being unbanked were strongly predictive of not receiving the CTC.
- Being a Latinx immigrant parent, or being unbanked, were associated with lower rates of receipt of some other benefits, including SNAP.
- A few parents did not know about the CTC expansion or believed that they were not eligible for it. One mother remarked, “I thought I heard it was not for people like us.”
- Some immigrant parents expressed fears about accepting benefits to which their U.S.-born children were entitled. One mother said, “If you are receiving benefits like food stamps or rental

assistance or getting any cash assistance, it would be difficult for you to get your [work visa renewed].”

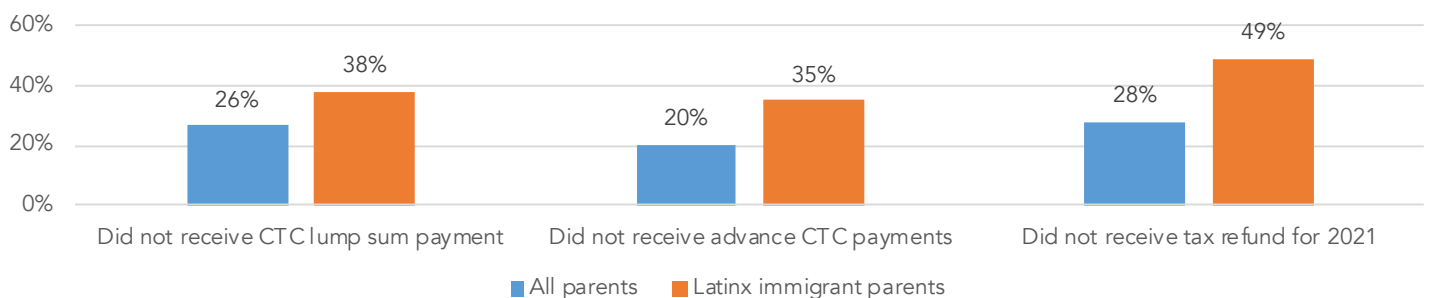
- The application process for benefits is daunting for many. A settlement house worker explained, “These benefits application program[s] should be more inclusive. Most benefits applications are now in English only. If they can be translated into different languages, then everyone can apply.”

Latinx immigrant parents are most likely to experience barriers to accessing the CTC and other benefits.

Latinx immigrant parents were 2.6 times more likely than the average parent to report not receiving the lump sum payment of the expanded CTC or any tax refund. As shown in Graph 8 below, approximately 38 percent of Latinx immigrant parents surveyed in wave 2 said that they did not receive the CTC lump sum payments from filing taxes, in contrast to just over a quarter of parents in the full sample.

Interviews with some of these parents indicated that, as in wave 1, many remained either unaware of the benefits or of their families’ eligibility for it. Others were concerned about

Graph 8: Share of respondents



how receiving these benefits might impact their immigration status: *“How am I going to give my information? How am I going to give my name? What if they come for us, and we don’t have documents, and then they’re going to charge us? You know, it’s something that I’ve heard a lot that the people think that they’re going to charge their kids later on for the help that their parents receive.”*

The absence of a bank account was strongly predictive of not receiving the CTC lump sum benefit (or any tax refund). Latinx/Hispanic immigrant parents were twice as likely as the full sample to lack a checking or savings account: 43 percent of Latinx/Hispanic immigrant parents responded “no” when asked in the wave 2 survey if anyone in their family had a checking or savings account, compared to 22 percent of the full sample.

RECOMMENDATIONS

Despite a historic reduction in child poverty in 2021, the latest Census Bureau data showed a reversal of these gains after the expiration of the expanded CTC. Data from wave 2 of the SHARP study confirmed that many families within the UNH network of settlement houses still aren't reaping the benefits of an improving economy—families continue to struggle with low incomes, financial precarity, debt burdens and unpaid bills, persistent food and housing insecurity, and difficulties accessing tax credits and other public benefits. These challenges are especially widespread among families of color within the UNH network and include many front line staff. The following recommendations provide policymakers with a list of policies and programs that will help strengthen the safety net for low-income families in New York.

New York State

- **Increase value of Empire State Child Credit and make similar tax benefit reforms as proposed in the Working Families Tax Credit.** After an essential expansion to the Empire State Child Credit for families with children under age 4 in the FY 2023-2024 State budget, the State must pass the Working Families Tax Credit (WFTC) (S.277B(Gounardes)/A.4022B(Hevesi)), which would streamline existing State tax credits into one program and provide cash assistance to New York's neediest families. The WFTC, which will be implemented over a five-year period, would increase the maximum credit to \$1,600 per child after five years, indexed to inflation, with the lowest-income families receiving the largest credit. Regardless of income, the WFTC provides a \$500 credit per child. The WFTC will be paid out quarterly, providing families with four payments per year instead of one annual lump-sum payment, and is available to all New Yorkers regardless of citizenship status. The WFTC is projected to reduce child poverty by at least 13 percent.
- **Increase State funding for the Settlement House program.** Funds allocated through this program provide innovative and flexible support to settlement houses to adapt funding streams to meet the needs of their local communities. Contracted by the Office of Children and Family Services (OCFS), the program has not seen its funding increased in over a decade, while community needs are on the rise.
- **Invest in a wage floor of \$21 an hour for the State-contracted human services workforce so that this workforce can continue to address urgent needs in their communities.** The State FY2023-24 Enacted Budget included 4 percent COLA across human service agencies, but this falls short of what is needed to provide a living wage for this sector. To strengthen the economic security of the human services workforce, the State should support a wage floor of \$21 an hour for all State-contracted human services workers, as laid out in S.8749 (Ramos).
- **Update the COLA statute to include all state-contracted human services workers.** The statute on human service COLAs is out-of-date and does not include all current programs contracted out by State agencies, meaning that some State-funded human service workers continue to be left behind, including domestic violence, afterschool, and supportive housing programs. This can be remedied through S.7793 (Persaud)/A.8437 (Hevesi).
- **Increase funding to State programs that address food insecurity.** The State should increase funding for the Hunger Prevention and Nutrition Assistance Program (HPNAP), which provides funding for food banks, food pantries, soup kitchens, and emergency shelters. The State should also bolster funding for Nourish New York, which has been a valuable source of funding for New York State farmers and

producers to get fresh, local food into the food assistance system. Furthermore, the State should maintain funding levels for the Nutrition Outreach and Education Program (NOEP), which funds public outreach and education around participation in SNAP and promotes participation in WIC, school meals, and summer meals. Finally, in response to the expiration of expanded federal SNAP food assistance benefits, the State should raise the minimum SNAP benefit to \$100 per month, above the current \$23 per month, to fill the gap left by the federal government.

- **Create a Statewide Universal School Meals program.** Building on the \$134 million investment in the FY 2023-FY 2024 year's budget to expand free school meals, the State should create a Healthy School Meals for All program, as laid out in S.1678A(Hinchey)/A.1941(González-Rojas). The program would be modeled after the successful NYC universal school meals program.
- **Create a "SNAP for All" food benefit for New Yorkers who are ineligible for SNAP.** New York State should follow the lead of California, by creating a SNAP for All program for New Yorkers who are ineligible for SNAP due to immigration status, as laid out in S.7692 (Salazar)/A.5933 (González-Rojas), which would analyze how to create such a program in New York State.
- **Improve access to affordable childcare by working to eliminate barriers to care.** The State should eliminate means testing and work requirements, decouple the hours a parent works from the hours childcare is available to them, and include a childcare subsidy for undocumented families who are excluded from many public childcare programs, following the lead of the Promise NYC program;
- **Strengthen housing stability by enacting robust tenant protections and by building more affordable housing.** Statewide policies

are needed to protect New York tenants from unwarranted evictions and extreme rent increases.

New York City

- **Create and fund a comprehensive wage and benefit schedule that is compatible to similarly qualified City and State government employees.** This can be done through passing and funding Intro 510 (Stevens), which would create a prevailing wage schedule for human services workers.
- **Improve pay parity between CBO-contracted early childhood education workforce and their government counterparts.** The main obstacle for hiring and retaining settlement house staff in early childhood education programs is low salaries that are not at parity with salaries for similar positions at the DOE. A recent report from the Day Care Council of New York found that a certified early childhood educator in a CBO may earn only 53 percent of what a similarly experienced certified teacher earns in a DOE public school.
- **Increase investment for Promise NYC so that undocumented children excluded from City's contracted programs and vouchers can access publicly subsidized early care and education.** Promise NYC was a beacon of support for asylum seeking and undocumented families in meeting their need for subsidized childcare. The need for the program has exceeded the original number of 600 contracted slots. Promise NYC was renewed for FY 2024 with \$16 million in funding. However, the budget allocation still falls short of addressing the demand for the program.
- **Invest in programs that address food insecurity for families, including the Community Food Connections program and the Council's Food Pantry initiative, and NYC Benefits.** There must be increased government investment in food pantries, including through City government programs such as the NYC Council's Food Pantries Initiative and HRA's Community

Food Connection program (formerly known as the Emergency Food Assistance Program); in addition to full funding for NYC Benefits which provides essential community outreach funding for CBOs to provide benefits outreach to neighbors in need.

APPENDIX A: PARENT AND FAMILY CHARACTERISTICS IN THE SHARP STUDY'S SURVEY SAMPLES FOR WAVES 1 AND 2

This table provides a quick view of differences in characteristics and responses from all respondents in the SHARP sample across waves 1 and 2.

	Wave 1 Respondents	Wave 2 Respondents
SAMPLE SIZE	1078	1086
Total # of children <6	749	905
Total # of children ages 6 to 17	1334	1330
PARENT CHARACTERISTICS		
Income		
<i>Under \$25K household income</i>	53.6%	47.4%
<i>Between \$25K and \$50K household income</i>	26.6%	22.1%
<i>Above \$50K household income</i>	14.9%	16.1%
Education		
<i>Did not complete high school</i>	27.8%	24.4%
<i>Completed high school</i>	22.5%	24.6%
<i>Completed some college or AD</i>	22.4%	22.3%
<i>Completed BA or higher</i>	23.7%	23.8%
Language		
Took survey in Simplified Chinese	27.0%	27.0%
Took survey in Spanish	17.7%	13.7%
Primary language at home is not English	53.3%	51.5%
Born Outside of US	58.7%	57.7%
Employment		
Employed, either full-time or part-time	69.8%	74.9%
Not working	29.1%	17.5%
Spouse not working	12.1%	7.1%

Wave 1 Respondents

Wave 2 Respondents

HOUSEHOLD CHARACTERISTICS

Reported at least one child under 6	50.0%	57.5%
Single parent family	40.0%	37.1%
Grandparent as Guardian (Wave 2 Only)	n/a	6.3%
Unbanked Households (Wave 2 Only)	n/a	21.6%

DISABILITY STATUS

Child is disabled	20.7%	18.7%
Parent is disabled	10.1%	9.8%
Spouse or significant other disabled	4.01%	4.1%
At least one family member is disabled	28.6%	26.4%

ARP BENEFITS RECEIVED**CTC Lump Payment**

Received	n/a	29.8%
Did Not Receive	n/a	26.4%
Unsure of Receipt	n/a	30.5%
ERAP (at any point in time)	4.8%	8.7%

HOUSING**Living Situation**

<i>Living in Own Apartment</i>	70.2%	90.1%
<i>"Doubled up" in dwelling</i>	22.4%	6.4%
<i>Living in temporary or group shelter</i>	1.6%	2.6%
Landlord has threatened eviction in the past 6 months	n/a	9.0%

FOOD INSECURITY (WAVE 2 ONLY)**Food Eaten at Home**

<i>"Enough of the kinds of food we like to eat."</i>	n/a	38.8%
<i>"Enough but not the kinds of food we like."</i>	n/a	46.5%
<i>"Sometimes not enough."</i>	n/a	12.1%
<i>"Often not enough."</i>	n/a	2.2%

Affording Food for Children

<i>"Often" or "always" unable to afford</i>	n/a	9.8%
<i>"Sometimes" unable to afford food</i>	n/a	22.9%
Visited Food Bank (Past Week)	n/a	32.4%

Wave 1 Respondents

Wave 2 Respondents

FINANCIAL HARDSHIP

“Hard” or “Very Hard” to Pay for Basic Needs	30.1%	30.7%
Hard to Pay: Food	29.9%	33.6%
Hard to Pay: Housing	51.9%	48.2%
Hard to Pay: Utilities	38.1%	34.0%
“Always” or “Often” Run Out of Cash at End of Month (last 6 mos.)	79.4%	39.1%

HOUSEHOLD DEBT

Unpaid Bills or Debt	n/a	50.7%
Higher Debt than a Year Ago	n/a	29.9%
More than \$10k in Debt	n/a	23.8%

Types of Debt

Back Rent	n/a	42.3%
Credit Card	n/a	36.6%
Unpaid Utility Bills	n/a	31.3%
Borrowed from friends or family	n/a	28.0%
Student Loans	n/a	23.0%
Overdue Mortgage Payments	n/a	19.7%

MENTAL / EMOTIONAL WELL-BEING

Screening for Anxiety/Depression:	17.3%	18.5%
Moderate or Severe	15.4%	16.9%
Sub-Screen for Depression	23.7%	22.9%
Sub-Screen for Anxiety		

SHARP STUDY PARTNERS AND PARTICIPANTS



BronxWorks

Center for Family Life in Sunset Park

Chinese American Planning Council

Cypress Hills Local Development Corporation

Goddard Riverside Community Center

Grand Street Settlement

Henry Street Settlement

Hudson Guild

Kingsbridge Heights Community Center

Ocean Bay Community Development Corporation

Project Hospitality

Red Hook Initiative

Sunnyside Community Services

Syracuse Northeast Community Center

Union Settlement Association

University Settlement Society of New York

ACKNOWLEDGEMENTS

This report has been co-authored by Educational Alliance and UNH, including a research team contributing to analysis of the quantitative and collected data collected in waves 1 and 2, including:

- Karen Chatfield, Ph.D., Principal Investigator (NCCP)
- Christian Morales, Ph.D., Consulting Researcher
- Caterina Pisciotta, Consulting Researcher
- Abraham Arriaga
- Sian Auer
- Tingyi Cao
- Jierui Ou
- Jackie Weinland
- Shuxuan Zhao
- Elizabeth Bird, Director of Public Policy, Educational Alliance
- Irene Lew, Senior Research Analyst, UNH

We acknowledge the participation of the many settlement house parents and staff members who provided the data we have studied, as well as the interviewers who worked with us on this project.

We thank other researchers who have contributed their ideas and time to the Study's design and foundation. Chief among them is Andrew Cavanaugh, Ph.D., who created the Study and found funding for it. Also, for their review and contributions to survey design, we thank Sheila Smith, Ph.D., of NCCP, members of Columbia University's Center on Poverty and Social Policy, and members of New York University's Institute for Human Development and Social Change (IHDSC), in particular, Angela Trude, Ph.D.

Finally, we thank the Educational Alliance and United Neighborhood Houses for supporting this work and collaborating with us, including Molly Murphy, Elizabeth Bird, Lynn Appelbaum, and Irene Lew.

ENDNOTES

¹ <https://www.census.gov/library/stories/2022/09/record-drop-in-child-poverty.html>

² Koutavas, Anastasia; Christopher Yera; Sophie Collyer; Megan Curran; David Harris; & Christopher Wimer. 2023. "What Would 2022 Child Poverty Rates Have Looked Like if an Expanded Child Tax Credit Had Still Been in Place?" Poverty and Social Policy Brief Vol. 7 No. 3. Center on Poverty and Social Policy, Columbia University. Access at: <https://www.povertycenter.columbia.edu/publication/2023/what-2022-child-poverty-rates-would-have-looked-like>

³ Under the rules of the SHARP Study's IRB guidelines, the stories from settlement house participants in this report have been de-identified to protect participant confidentiality. Names and family configurations do not represent those of actual interviewees.

⁴ For both waves, all respondents were provided with a \$25 Target gift card after completing the survey, and those who participated in follow-up interviews received \$50 in Target gift cards. Participating settlement houses received \$1,000 payments for each wave of recruitment.

⁵ Lens, V., Gamalski, K., Bushman Copp, L. and Pisciotta, C. 2023. "Work and Education After the Pandemic: Who Was Left Behind?" Access at: https://www.robinhood.org/wp-content/themes/robinhood/images/poverty-tracker/pdfs/POVERTY_TRACKER_REPORT39.pdf

⁶ Kucklick, A, L. Manzer. 2023. Overlooked and Undercounted: Struggling to Make Ends Meet in New York City. Center for Women's Welfare and the Fund for the City of New York. https://www.fcny.org/wp-content/uploads/2023/04/NYC2023_TCL.pdf

⁷ Kucklick, A, L. Manzer. 2023. Overlooked and Undercounted: Struggling to Make Ends Meet in New York City. Center for Women's Welfare and the Fund for the City of New York. https://www.fcny.org/wp-content/uploads/2023/04/NYC2023_TCL.pdf

⁸ In both waves of the survey, there was significant underreporting in the parents' responses about their settlement house participation, with only 54% reporting recent participation in any programs and just 19% reporting use of settlement house childcare. Even though a great many parents were recruited into the survey through their children's early care or afterschool programs at settlement houses, quite a few seemed not to understand that this entailed "participation." Interviews with parents revealed that many parents did not understand that the programs they or their children participate in are actually sponsored by settlement houses. For some parents, a "settlement house" meant a place where one would be housed; even re-phrasing to ask about participation in programs at "community-based organizations" were not immediately clarifying.

⁹ Batra, A., Jackson, K., & Hamad, R. (2023). Effects Of The 2021 Expanded Child Tax Credit On Adults' Mental Health: A Quasi-Experimental Study: Study examines the effects of the expanded Child Tax Credit on mental health among low-income adults with children and racial and ethnic subgroups. *Health Affairs*, 42(1), 74-82.

