Improving Access to the Expanded Child Tax Credit Among Low-Income and Immigrant New York Families: Lessons Learned from the Settlement House American Rescue Plan Impact Study Wave 1 Participant Interviews

March 2023

Executive Summary

The economic impacts of the COVID-19 pandemic have disproportionately impacted low-income and immigrant families in New York City, who experienced higher rates of unemployment and had fewer government safety-net protections to rely on. The $1.9 trillion American Rescue Plan Act (ARPA) passed by Congress in March 2021 provided a number of critical income supports to help stabilize families’ incomes, including a temporary expansion of the federal Child Tax Credit (CTC). Immigrant parents without Social Security Numbers were also able to claim the expanded CTC for their eligible children if they had an Individual Taxpayer Identification Number (ITIN). Families received a portion of the credit as advance monthly cash payments of up to $300 for each dependent child under the age of 6 and up to $250 per older child from July 2021 through December 2021.

To better understand the ways settlement house families in New York used the expanded Child Tax Credit and to assess their ongoing unmet needs, United Neighborhood Houses (UNH) partnered with one of our members, Educational Alliance, and the National Center for Children in Poverty (NCCP) on the Settlement House American Rescue Plan (SHARP) Impact Study. As part of this project, the SHARP research team conducted a quantitative survey of 1,078 families from October through December 2021, with key findings from that survey culminating in a September 2022 report.

Following the initial Wave 1 quantitative survey, a number of respondents also participated in extended follow-up interviews in English, Spanish and Chinese, between February and August 2022. This brief summarizes findings from these interviews that underscore the findings in the first report, including the positive impacts of the CTC payments for those who received this benefit; the ongoing hardships and financial instability faced by low-income and immigrant families; and the barriers that these families faced with accessing the expanded CTC.
Key Findings:

- **CTC payments strengthened the economic and physical well-being of settlement house families during a time of widespread pandemic-related job loss and unemployment.** Payments enabled families to meet basic needs, pay their bills on time, buy more nutritious food, and even create a rainy-day savings fund.

- **Benefits of CTC were offset by historically high levels of inflation—especially around food costs.** Nearly every interviewed parent expressed concerns about rising food costs, the availability of healthy food, and the ability to feed their families in the long term. The high cost of food has led some parents to purchase cheaper, less nutritious food, travel farther for groceries; and seek emergency food assistance.

- **Low awareness of expanded CTC among low-income and immigrant families.**
  - 18 percent of respondents with household income of less than $25,000 a year reported that they had not heard of the expanded federal CTC in late 2021, three times higher than those with household income of more than $50,000 a year.
  - Hispanic and Asian respondents were six times more likely than White respondents to report that they hadn’t heard about the expanded CTC.
  - Follow-up interviews with parents in 2022 found that nearly a quarter of those interviewed did not receive the monthly CTC payments, and of those who didn’t receive these payments, half had not heard about the expanded CTC.

- **Families were wary of the expanded CTC and how this benefit worked.** Interviewed parents were uncertain and apprehensive about whether they would be allowed to keep the CTC payments. Some viewed these payments as a loan that they would need to pay back. Others were concerned about the impact of CTC payments on their citizenship status and access to public benefits, as well as the reduction in their lump-sum payment after filing their taxes.

- **CBOs and the government have important roles to play in getting the word out about tax benefits.** Parents offered a number of ideas to boost awareness and take-up of benefits like the expanded CTC, including the role of CBOs in outreach, advertisements in multiple languages on social media and popular messaging apps like WeChat, as well as through regular webinars and more traditional platforms such as ethnic radio, newspapers or television.

Recommendations

Despite the significant inroads that the expanded CTC made in reducing poverty, Congress failed to reinstate the expansion of the CTC and allowed it to expire in December 2021. With the expiration of the expanded CTC, the brief offers the following recommendations for New York City and State policymakers to increase awareness and take-up of existing public benefits among immigrant and low-income families; and offers recommendations for other solutions that will help alleviate the ongoing hardships faced by these families.

- **Invest in more targeted, multilingual outreach on public benefits.** The State and City should invest in more targeted outreach on tax benefits and other public benefits to immigrant New Yorkers in multiple languages across various platforms. Settlement houses are multi-service, neighborhood-based organizations who are viewed as trusted messengers by the families they serve; therefore, settlement houses are well-positioned to publicize tax benefits and other safety-net benefits to low-income and immigrant New Yorkers.
York families. The State should invest in flexible funding streams that enable settlement houses to bolster this essential work, such as the OCFS Settlement House Program.

- **Expand and increase the value of New York’s Empire State Child Credit, including for families with children ages 0-4 and noncitizens, through a Working Families Tax Credit.** Introduced as legislation by Senator Gounardes (S.277) and Assemblymember Hevesi (A.4022A), the Working Families Tax Credit would streamline two existing State tax credits—the Empire State Child Credit and the state Earned Income Tax Credit—into one program and provide cash assistance to New York’s neediest families. The Working Families Tax Credit would include eligibility for families with children under age 4; allow the lowest-income families to receive the largest credit; and would be paid out quarterly, providing families with four payments per year instead of one annual lump-sum payment.

- **Create a food benefit for New Yorkers who are ineligible for SNAP due to immigration status.** To alleviate food insecurity among undocumented immigrant children and families, New York State should create and fund a standalone program for undocumented New Yorkers covering all ages that would provide food benefits similar to SNAP. We urge the State’s Child Poverty Reduction Advisory Council to lead efforts to develop this program model in New York.

- **Increase funding for State emergency food assistance programs to address food insecurity.** To ensure that settlement houses and CBOs can help meet the demand for food pantries and other emergency food assistance from low-income and undocumented immigrant families, 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, as well as 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 emergency food system. We also urge the State to maintain funding for the Nutrition Outreach and Education Program (NOEP), which funds public outreach and education around participation in SNAP and promotes participation in WIC, and school meals and summer meals.

- **Expand child care assistance for immigrant families.** The State should work toward eliminating citizenship requirements that currently exist for certain extended day/year public child care programs. We urge the State to provide direct funding for community-based organizations to help undocumented families access subsidized child care. This approach was taken by New York City in its FY 2023 budget, with the provision of $10 million that was recently distributed to four nonprofits, including three UNH settlement house members, to provide childcare vouchers to low-income undocumented families with children.

- **Strengthen housing stability by passing Good Cause eviction.** We urge the State to pass Good Cause Eviction legislation S3082 (Salazar)/A5573 (Hunter), which would prevent tenants from unwarranted evictions and help them challenge unconscionable rent increases.
Introduction

Compared to the rest of the country, New York State and City were hit hardest by job loss related to the COVID-19 pandemic. Among the 20 largest U.S. cities, New York lost the greatest share of jobs—11.8 percent—between February 2020 and April 2021, nearly three times the decline in jobs at the national level.¹ The economic impacts of the COVID-19 pandemic have disproportionately impacted low-income and immigrant families, who experienced higher rates of unemployment and had fewer government safety-net protections to rely on.²

Against this backdrop of widespread financial hardship, the $1.9 trillion American Rescue Plan Act (ARPA) passed by Congress in March 2021 provided a number of critical income supports to help stabilize families’ incomes, including a temporary expansion of the federal Child Tax Credit (CTC). The ARPA legislation authorized a temporary increase in the maximum CTC amount of $2,000 per child to $3,600 a year for each dependent child under the age of 6 and $3,000 for each child between the ages of 6 and 17. Immigrant parents without Social Security Numbers were also able to claim the expanded CTC for their eligible children if they had an Individual Taxpayer Identification Number (ITIN). Under this expansion, eligible parents did not have to wait until after they filed their next tax return to receive payments—families received a portion of the credit as advance monthly cash payments of up to $300 per young child and up to $250 per older child from July 2021 through December 2021. These advance payments provided families with flexibility in how they chose to use funds, compared to other benefits distributed as in-kind transfers, such as housing subsidies or SNAP. Furthermore, the expanded federal child tax credit was fully refundable, which meant that the lowest-income families could still receive the maximum amount regardless of their earnings or employment status. For the first time, families with zero earnings became eligible for the credit, encompassing families who were unable to work due to disability, caregiving responsibilities, or other reasons.

Research has shown that poverty can negatively impact children’s physical health and socio-emotional development, as well as their academic performance. Poverty interrupts parents’ ability to provide necessities for their children and can exacerbate their emotional distress, which reduces their capacity to maintain a consistent and supportive environment for their children.³ However, evidence has repeatedly demonstrated that economic security programs such as the Child Tax Credit reduce poverty, and improve children’s long-term health, educational and employment outcomes.⁴ The impact of the expanded federal CTC on poverty reduction was historic—the Census Bureau reported that the expanded CTC kept three million children out of poverty in 2021, and the child poverty rate plummeted to its lowest-level ever in 2021.⁵ In New York City, the expanded CTC also cut child poverty by more than 30 percent in 2021 and kept roughly 120,000 children out of poverty.⁶ Overall, the temporary expansion of the federal CTC in 2021 benefited nearly 40 million families in the U.S, including an estimated 2.2 million families in New York State.⁷ Furthermore, the expanded CTC helped strengthen food security—Robin Hood’s most recent Poverty Tracker report found that families with children were 21 percent less likely to visit food pantries in the months that they received the monthly CTC payments.⁸

To better understand the ways settlement house families in New York used the expanded Child Tax Credit and to assess their ongoing unmet needs, United Neighborhood Houses (UNH) partnered with one of our members, Educational Alliance, and the National Center for Children in
Poverty (NCCP) on the Settlement House American Rescue Plan (SHARP) Impact Study. As part of this project, the SHARP research team distributed an online questionnaire hosted by the Qualtrics survey platform to families within the UNH settlement house network from October through December 2021. Ultimately, 1,078 families met the eligibility criteria and submitted complete surveys. The key findings from that quantitative survey were released in a report in September 2022.

Following the initial quantitative survey (Wave 1), a number of respondents also participated in extended follow-up interviews between February and August 2022. This brief summarizes findings from these qualitative interviews that underscore the findings in the first report, including the ongoing hardships and financial instability faced by low-income and immigrant families that have been exacerbated by pandemic-related job loss and record-high inflation. This brief will also provide more detail on the barriers low-income and immigrant families faced with accessing the expanded CTC, as well as the need for greater clarity around claiming this and other benefits.

To protect the confidentiality of qualitative survey participants, identifying information was removed from these interviews, including names of people, places and organizations. Of the 25 participants interviewed, more than three-quarters (76 percent, 19 participants) were immigrants, while 24 percent (6 participants) were born in the U.S. More than half (13 participants) noted that English was their primary language, followed by Spanish (28 percent, 7 participants), and Chinese (20 percent, 5 participants).

Despite the significant inroads that the expanded CTC made in reducing poverty, Congress failed to reinstate the expansion of the CTC and allowed it to expire in December 2021. When monthly payments ceased in January 2022, the number of children nationwide living in poverty increased to nearly 4 million. Congressional Democrats attempted to restore the expanded CTC, but the measure did not make it into the $1.7 trillion federal spending package that was signed into law by President Biden at the end of 2022. With the expiration of the expanded CTC, the brief offers recommendations for New York State and City policymakers to increase awareness and take-up of existing public benefits among these populations; and offers recommendations for other permanent solutions that will help alleviate the ongoing hardships faced by immigrant and low-income New Yorkers.

As New York City emerges from the pandemic and navigates a changed landscape of historic need across a wide range of issues, we must be guided by a deeper understanding of the ongoing economic challenges facing low-income and immigrant families. Furthermore, as New York City struggles to address the needs of more than 50,000 asylum seekers who have arrived since spring 2022, it is necessary to identify the barriers that immigrant families face in accessing critical benefits and supports that can bolster their economic well-being. In addition to the first wave of quantitative and qualitative surveys of settlement house families, UNH along with Educational Alliance and NCCP is conducting a second wave of surveys, to provide more detail on the long-term experiences of families related to the Child Tax Credit, especially immigrant families who were the least likely to access the expanded CTC.
Recap of findings from the SHARP quantitative survey

As documented in the September 2022 SHARP Impact Study, we found that the CTC payments helped temporarily alleviate hardship for most of the 1,078 families we surveyed. Nearly all families (98 percent) reported that the CTC was helpful in meeting their monthly expenses. CTC payments were also essential to helping families meet basic needs and pay off existing debts: 60 percent of respondents used the CTC payments for food, and nearly half used them for rent. About two in every five families used the payments to pay existing debt related to credit cards, rent and/or education.

Even though the CTC payments helped alleviate hardship, many families still reported that they were struggling with ongoing financial precarity, and high levels of food and housing insecurity. When surveyed during October through December 2021, 52 percent of families reported that their household income had decreased; and the vast majority said that they were experiencing financial problems. Housing insecurity was especially prevalent among families receiving the CTC, with more than half reporting challenges with paying for housing in the past month. Despite CTC assistance, nearly a third of families also struggled to afford the cost of food.

At the same time, the quantitative survey revealed that there was inequitable access to the expanded CTC. Under the CTC expansion, tax filers without a Social Security Number, including non-U.S. citizens, were able to claim the federal CTC on behalf of children with Social Security Numbers. Yet, the quantitative survey found that immigrant families and those who spoke a language other than English at home were less likely to receive the CTC and more likely to be unsure about their eligibility for the CTC: 61 percent of foreign-born respondents received the expanded CTC, compared to 68 percent of those born in the U.S.; and only 59 percent of those who spoke a language other than English received the CTC, vs. 71 percent of those who indicated English was their primary language.

Findings from qualitative interviews

CTC payments strengthened the economic and physical well-being of settlement house families

As we found from the quantitative survey, parents interviewed for the qualitative survey who received the CTC payments reported that the payments were essential to their families’ economic, physical and mental well-being during a time of widespread unemployment. The payments enabled them to meet basic needs like nutritious food, rent, clothing and transportation, as well as pay their bills on time and even create a rainy-day savings fund.

“[The CTC payments] went mostly for food and clothing and supplies for school,” said Sara, mother of two. “I could buy more fruits and vegetables when we were getting it. And we were able to save some money as well, which was amazing. Prior to that, we were having difficulty saving money. So that money also was very beneficial to saving some money for times like now. We don’t have jobs right now.”

CTC payments also contributed to families’ well-being by enabling them to afford more nutritious, healthier foods. Helena, a mother of two, noted: “I was able to buy for my son, who is diabetic,
healthier foods, more protein. These were foods that I couldn’t afford to buy him prior to the [tax credit] coming in.”

During a time of pandemic-related job loss and unemployment, the monthly CTC payments improved the financial stability and mental well-being of low-income families within the settlement house network, allowing them to purchase basic necessities for their families.

“The money started coming in at a time when I wasn’t working, so that was my only source of income. I was able to live off of that little bit of income for that time. Most of it went to food, and my toddler was always growing out of clothes. And it helped me with transportation. Things that we definitely needed. There was a lot less stress because I knew I could depend on that money coming.”

-- Sally, a mother of three.

Benefits of CTC were offset by historically high levels of inflation—especially around food costs

The quantitative findings revealed that many low-income and immigrant families faced ongoing economic hardship even while receiving monthly CTC payments, especially around housing and food insecurity. With the exception of the Excluded Workers’ Fund, undocumented New Yorkers have been excluded from most federal, state and local pandemic relief and have been forced to turn to food pantries to fill in the gaps. During the qualitative interviews, parents noted that the monthly CTC payments were still inadequate for addressing the scale of the economic downturn created by the COVID-19 pandemic and for paying off larger bills like the rent. Tori, a single mother of one child, noted that while the expanded CTC helped, these payments were “pretty nominal fee by the standard of living in New York,” and expressed her frustrations at being unable to save up monthly payments for rent. “The biggest difficulty was that you’re getting such small amounts [from the CTC payments] that by the time you try to save up enough to pay off a large bill, like the rent, you can’t. You’re just constantly trying to save, but then you have other bills, and by the time you finally get enough saved, you have another bill. You are stuck trying to imagine how to make $300 stretch to somehow pay off $1,300 of rent.”

The quantitative survey revealed that many parents within the UNH settlement house network were food insecure and struggled to afford food: despite CTC assistance, nearly a third of families responding to the quantitative survey said that they struggled to afford the cost of food. The qualitative interviews confirmed these findings, with nearly every interviewed parent expressing concerns about rising food costs, the availability of healthy food, and the ability to feed their families in the long term. The high cost of food has led some parents to purchase cheaper, less nutritious food; and to travel farther for groceries. Joanna, a single mother of six children, noted that the loss of school meals impacted her family’s food budgets, noting that “the children were eating at home three meals every day instead of breakfast and lunch at school.” Due to inflation and higher food costs, the ability to afford nutritious food was a concern for Joanna and other parents interviewed. Joanna reported that “Now I cannot afford the organic, I cannot buy them the nice fruits that they might enjoy. Those things are just out of my reach. And the vegetables that I see sometimes, they do not seem as fresh and as healthy as they did before, but sometimes they are all I can get for them.” Joanna was also making other spending tradeoffs, including “buying cheaper cuts,” and traveling from Manhattan to the Bronx for cheaper groceries that can stretch further.
In some cases, food insecurity is a daily concern, forcing parents like Wanda, a mother of three, to seek emergency food assistance during working hours and risk her job security:

“Food has been a consistent worry for me. Very consistent. People say, ‘Oh, you’re lucky because you have a job.’ OK, yes, I am lucky to have a job. But the job does not pay enough for our living every day. So I’ve been worried every single day. The settlement house called me last week inviting me to go pick up a bag of groceries. But I had to either leave work or not come to work because the hours they want me to come for the food, it was inappropriate for my job. But I had to get those groceries, so I left my job and risked making my boss very angry with me. What can I do?”

--Wanda, mother of three

Sally, a mother of three, reported that she worried about running out of food and was forced to rely on a food pantry weekly after her food stamp benefits ran out: “By the third week of the month I am worried about running out of food. The food stamps run out. So you have to make a plan, and you go to the pantry every Wednesday to get more food.”

Job loss and reduced hours were more common among non-English-speaking immigrant parents, heightening financial instability

As shown in the chart below, our quantitative survey findings showed that immigrant parents had lower incomes and educational attainment levels compared to their non-immigrant counterparts—62 percent of immigrant parents earned less than $25,000 a year, compared to 47 percent of non-immigrant parents. More than a third reported that they did not complete high school, which can limit access to higher-paying employment. Furthermore, immigrant parents were two times more likely than parents born in the U.S. to be employed in part-time positions, contributing to their financial precarity.

Source: Educational Alliance and UNH tabulations of Wave 1 quantitative survey data from the SHARP study.

The qualitative interviews revealed that, in addition to dealing with inflation and the high costs of living, non-English-speaking immigrant parents were grappling with reduced hours or loss of
employment during the pandemic. Parents working in the informal child care/caregiving sector lost their jobs or were employed in part-time positions with unpredictable hours. In some cases, parents had to take on another job to make ends meet. Many experienced unstable employment and large fluctuations in household income.

**Low awareness of expanded CTC among low-income and immigrant families**

As referenced earlier, the expanded CTC did not reach all families equally. Responses to the quantitative survey show that the lowest-income families, immigrant families and those who spoke a language other than English at home were less likely to receive the CTC and more likely to be unsure about their eligibility for the CTC. Yet these families had significant need for the expanded CTC payments.

When it came to awareness of the expanded CTC, the quantitative survey responses highlight that respondents in the lowest-income group (less than $25,000 in annual household income), as well as immigrant, Hispanic and Asian respondents, were least likely to be aware of the CTC expansion in late 2021, when they responded to the survey. Eighteen percent of respondents with household income of less than $25,000 a year reported that they had not heard of the expanded federal CTC in late 2021, three times higher than those with household income of more than $50,000 a year. Furthermore, Hispanic and Asian respondents were six times more likely than White respondents to report that they hadn’t heard about the expanded CTC.

![Share of Wave 1 quantitative survey respondents who remained unaware of the CTC expansion in late 2021](chart)

Source: Source: Educational Alliance and UNH tabulations of Wave 1 quantitative survey data from the SHARP study.

Of the 25 parents interviewed for the qualitative portion of the SHARP study, nearly a quarter (six parents) reported that they did not receive monthly CTC payments. Of these six parents, three were also unaware of the expanded CTC at the time they were interviewed. Each parent who reported lack of awareness of the expanded CTC or of not receiving the monthly CTC payments was Spanish-speaking. Parents who were unaware of the expanded CTC expressed regret for not knowing about this benefit, noting that these monthly cash payments would have made a big difference, especially when it came to medical bills related to contracting COVID-19. Maria, a mother of two, noted: “No, I was not aware of this program. Actually, I really could have used it
because we all got very sick during the pandemic. My daughter’s father had to go on a ventilator. At the hospital, they gave me a check of $1,000 for my rent. That’s the only help I got. And some food that was sent to me in quarantine.”

Other research has confirmed low levels of awareness and receipt of the expanded CTC among low-income and immigrant parents compared to those born in the U.S. Data from the Urban Institute’s December 2021 Well-Being and Basic Needs survey found that adults in low-income families (those with incomes at or below 200 percent of the federal poverty level), were more likely to report that they did not receive the expanded CTC and that they did not think their household was eligible for this benefit.\(^\text{11}\) A national survey of parents conducted the week before the first round of the advance monthly CTC payments were disbursed found that while 90 percent of U.S.-born parents knew about the expanded CTC, three quarters of immigrant parents were aware of the credit.\(^\text{12}\) A recent study of California families found that being Hispanic and speaking Spanish at home are associated with greater risk of not receiving the CTC.\(^\text{13}\) Another case study in Boston found that immigrant families continued to face barriers in learning about and claiming their tax benefits.\(^\text{14}\)

**Families were wary of the CTC and how this benefit worked**

Since families received the advance CTC payments as automatic direct deposits into their bank accounts through the Internal Revenue Service, some may have been unfamiliar with that way of receiving aid, especially families who haven’t filed a recent tax return or those without bank accounts. An estimated 250,000 families in New York City haven’t filed a recent tax return,\(^\text{15}\) and 11 percent of households in the City lack a bank account.\(^\text{16}\)

During the qualitative interviews, a number of parents expressed confusion about the expanded CTC and mistrust of how the benefit worked. Parents interviewed for the qualitative survey were uncertain and apprehensive about whether they would be allowed to keep the CTC payments, with some viewing these payments as a loan that they would need to pay back.

> “Some of the people in my community were actually afraid to obtain the CTC payments because they didn’t know if it was something they were going to have to pay back at some point, which I felt could happen too. So I never actually used the money that they provided to me. I actually saved it up somewhere so that we could pay it back if we needed to. I mean, some people were afraid to spend it. Honestly, some people just didn’t know. Some people spent it and then worried they would need to take another job if, down the line, they needed to pay it back.”

---Carla, mother of three

Another parent, Luisa, a mother of one, noted “I am doubtful about it because if it is more of a loan and I would have to pay it back, then I would rather not take it. I would prefer to save little by little. I would not like to be in debt.”

There was also concern about a reduction in the lump-sum payment that parents were accustomed to receiving after filing their taxes, with some parents unaware that the receipt of the advance monthly CTC payments would result in a lower tax refund. One parent noted that a lower
tax refund may create hardship for families who had expected the full amount: “I don’t think that a lot of people understood that the child tax payments that were being sent out would be deducted from your tax credit for the year. A lot of people thought it was an addition to the normal tax credit. That’s one thing that I wish had been explained a little bit better, because I’m sure a lot of people are going to be surprised. If you’re used to receiving $4,000 or $5,000 in refund, and now you get half of that but you’ve budgeted for the full amount, it’s going to create hardship.”

Parents were also concerned about the impact that the CTC payments would have on their access to other public benefits, and their citizenship status. This sentiment may reflect the lingering impact of the “public charge” rule that the Trump administration implemented in 2020, which had considered use of noncash public benefits, such as SNAP, Medicaid, and housing assistance, in applications for green cards or temporary visas. The rule was halted in March 2021 after the Biden administration stopped defending the rule, but a recent study found that immigration concerns continue to deter immigrant families with children from safety-net programs.

Families experienced challenges with accessing other public benefits

In addition to the expanded federal CTC, immigrant parents described difficulties with accessing other public benefits like SNAP at the time of their interview in 2022. Farah, a mother of three, noted: “I was worried because I did not get any food stamps, and we were running out of food. They said, ‘You can call the number,’ but the number was not working. You can’t reach anyone. And then I went in person and they told me, ‘I’m sorry we cannot send the card to your new address, you will have to come back.’ So this was a really, really hard situation.” Another parent noted her application for SNAP benefits had been rejected but was never told the reason for the denial.

Reflections from surveyed parents on improving tax benefit awareness and outreach

The parents we surveyed provided ideas to boost awareness and take-up of benefits like the expanded CTC. Mei, a mother of two, noted that CBOs can play an important role in getting the word out about tax credits and other benefits, including through social media and Internet-based platforms.

“I think the community-based organizations should go to every school, or places with children, to hand out flyers or hang posters, so more people would know. And I think more Internet-based activities would help. They could use each community’s social media platforms. The Chinese community like using WeChat, and the Americans like using Twitter. They can publicize on social media and distribute the information. Usually we get a lot of benefits information in this way.”

---Mei, mother of two

Parents suggested that monthly webinars in multiple languages and dialects on tax credits and other benefits could also be helpful in getting the word out. Ada, a mother of three, noted: “They could create a monthly webinar that people could join with just some of the basic information, and have it in multiple languages, especially Spanish. A lot of these resources are technically translated, but they’re not translated in a way that speaks to the community. You know, they’re in
Spanish, but in just one dialect, even though within the community there are so many different dialects. So communicating in a way that reaches more people would be important."

Advertisements on tax credits in multiple languages on more traditional platforms like ethnic radio, newspapers or television could reach older immigrant New Yorkers who may not be digitally literate or social-media savvy: Brian, a father of one, noted: "We have an older generation in the Latino community who are eligible. They are grandparents who are raising children, and they usually don’t know that they’re eligible. And they don’t know how to use computers or social media, so they need other kinds of help to learn about this." Mayra, a mother of three, emphasized the importance of television commercials in multiple languages in helping get the word out: “We need commercials on the TV to explain it in Spanish and English to families, because a lot of parents are calling me because they are confused. They say, ‘When I file my taxes, are they going to not give me any credit for my children?’

Parents found government-hosted websites and phone lines to be inaccessible. One parent suggested making the website language simpler and easier to understand. “The government should have been clearer,” observed one parent. “Their website is not very clear and customer friendly. A lot of people don’t understand the jargon that’s used.” Another parent noted, “I would say that the government needs to set up a phone line that is not artificial intelligence but a real person, so that people can discuss the tax credit...And people are running in circles. This is what has made it difficult for them to receive this help. Even now it’s more and more difficult. There’s a lot of people we need to educate. And I think that if they were opening helplines for all the people who’ve had this issue, that would be better.”

### Recommendations

Due to the high cost of living and persistent inflation, families in New York City face difficult choices in making ends meet each month. Many families who are connected to settlement houses are immigrants, have less formal education, and/or earn low incomes. These families in particular benefit from policies like the temporary expansion of the federal CTC, which has proven to be an innovative approach to reducing child poverty through unrestricted monthly payments. However, despite the positive impacts of the additional income from these advance payments, these monthly payments did not fully address all of the ongoing challenges that families experience. In the initial SHARP study, we found that among low-income and immigrant families who received the expanded federal CTC, families interviewed reported experiencing food insecurity and underemployment or loss of employment that made it difficult to make ends meet. Further, we found that immigrant families in particular were more likely to miss out on tax benefits for which they are eligible.

Today, in the absence of federal support for a permanent expansion of the CTC, New York State and City must expand access and address barriers to learning about and claiming tax benefits, as well as other safety-net benefits, particularly among low-income and immigrant families. Furthermore, the end of pandemic-related emergency SNAP benefits in March 2023 will likely lead to a spike in food insecurity on the City's low-income families. The following are a set of recommendations to increase awareness and take-up of public benefits, as well as to alleviate the ongoing hardships faced by immigrant and low-income New Yorkers.
1) **Invest in more targeted, multilingual outreach on public benefits.** Low awareness and misinformation around the expanded federal CTC were identified as barriers for immigrant New Yorkers in accessing this benefit. The State and City should invest in more targeted outreach on tax benefits and other public benefits to this population in multiple languages across various platforms. Our qualitative interviews with parents revealed that awareness and take-up of benefits like the expanded CTC could be improved through advertisements in multiple languages on social media and popular messaging apps like WeChat, as well as through regular webinars and more traditional platforms such as ethnic radio, newspapers or television.

Settlement houses are well-positioned to publicize tax benefits and other safety-net benefits through hosting in-person webinars and conducting in-person and online-based outreach to low-income and immigrant New York families, as well as hosting free tax preparation services. As multi-service, neighborhood-based organizations, settlement houses are deeply embedded into the fabric of their communities, have bilingual staff, and are viewed as trusted messengers by the families they serve. Settlement houses have been a lifeline and critical resource for many low-income and immigrant families throughout the COVID-19 pandemic in meeting basic needs, as well as providing assistance with applying and enrolling in safety-net benefits like SNAP and Medicaid. In addition to enrollment into eligible benefits, settlement houses also provide other necessary services such as child care, afterschool programming, tax preparation, adult literacy and legal services. The State should invest in flexible funding streams that enable settlement houses to bolster this essential work, such as the OCFS Settlement House Program.

In 2021, New York City’s Department of Consumer and Worker Protection worked with settlement houses and community-based organizations across the City to get the word out about how to claim the credit. More recently, New York City recognized the role of settlement houses in benefits access, as 15 UNH settlement house members were selected as subcontractors for the City’s new NYBenefits program, which will bring together City agencies and CBOs to expand access to benefits in the communities they serve through outreach, engagement, application assistance, and case management. The State should make similar investments into benefits access programming at CBOs across the State.

2) **Expand and increase the value of New York’s Empire State Child Credit, including for families with children ages 0-4 and noncitizens, through a Working Families Tax Credit.** Currently, the State’s Empire State Child Credit provides up to $330 annually in tax relief to income-qualifying parents for each child, so long as their children are at least four years old. This is a glaring omission: by excluding infants and toddlers, the current credit fails to support new or growing families. New York State must expand the Empire State Child Credit by increasing the credit amount available and including families with children under four years old. UNH estimates that roughly 368,000 children under the age of four would be newly eligible for the Credit through this expansion.

This could be accomplished through the State budget and the creation of a Working Families Tax Credit. This credit would streamline two existing State tax credits into one program and provide cash assistance to New York’s neediest families. First, the Working Families Tax Credit would replace the Empire State Child Credit and include eligibility for families with children under age 4; it would also increase the value of the credit on a sliding scale based on income and number of children to between $500 and $1,500 per child, with the lowest-income families receiving the largest credit. Additionally, the new credit will be paid out quarterly, providing families with four
payments per year instead of one annual lump-sum payment. As we highlighted earlier in this brief, the advance payments provided flexible cash for families, allowing them to budget the additional money into their monthly expenses and use it to best meet their needs. Second, it would replace the state Earned Income Tax Credit to permit access for noncitizens who file tax returns in New York. This investment should model legislation introduced by Senator Gounardes (S.277) and Assemblymember Hevesi (A.4022A). It is estimated to cost $2 billion, while also expected to reduce child poverty statewide by at least 13 percent and provide long-term social and economic benefits.

3) **Create a food benefit for New Yorkers who are ineligible for SNAP due to immigration status.**

The federal government allows states to administer programs to supply food benefits in lieu of SNAP to noncitizens who do not qualify for SNAP benefits, although these programs require states to front the cost without federal support. In June 2022, California became the first state to provide undocumented residents over age 55 with state-subsidized food assistance benefits, approving $35 million through the 2022-23 state budget to expand benefits to this population; the funding is expected to increase to $113.4 million annually in 2025-26 and reach about 75,000 undocumented Californians aged 55 and older. New York State, however, does not provide a benefit to noncitizens in lieu of SNAP. This is troubling given that undocumented immigrant children are more likely to experience food insecurity and hunger. To alleviate food insecurity among this population, New York State should create and fund a standalone program for undocumented New Yorkers covering all ages that would provide food benefits similar to SNAP. We urge the State's Child Poverty Reduction Advisory Council to lead efforts to develop this program model in New York and help reduce food insecurity among undocumented immigrant children and families.

4) **Increase funding for State emergency food assistance programs to address food insecurity.**

To ensure that settlement houses and CBOs can help meet the demand for food pantries and other emergency food assistance from low-income and undocumented immigrant families, 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. HPNAP allows program participants to use funds to cover overhead administrative costs and education and technical assistance on how to source, prepare and offer culturally and religiously responsive food to participants through the existing food safety/training curriculum. 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 emergency food system and fuel local economies. We also ask that the State keep Nourish NY and HPNAP funding, applications, and administration separate to maintain the integrity and intention of both the programs. We urge the State to maintain funding for the Nutrition Outreach and Education Program (NOEP), which funds public outreach and education around participation in SNAP and promotes participation in WIC, and school meals and summer meals.

5) **Expand child care assistance for immigrant families**

All New York families should have equitable access to affordable early childhood education regardless of their immigration status. The State should work toward eliminating citizenship requirements that currently exist for certain extended day/year public child care programs. Due to restrictions on certain funding sources, the only public child care programs for children are 3-K and Pre-K (in New York City), and federal Head Start. This leaves a major gap in care for undocumented immigrants across the State, including the nearly 44,000 asylum seekers that
have arrived in New York City since spring 2022. UNH supports legislation that would eliminate these care barriers. We urge New York State to enact S.8962 (Brisport)/A.10385 (Cruz), which would eliminate unjust and burdensome work documentation requirements that stand between low-income New York families and their ability to access child care assistance. This bill calls on the State to make reasonable efforts to obtain federal funding for child care expenses, prohibits limiting authorized child care services based on proof of immigration status, and authorizes self-attestation as an approved form of verification of employment status and income.

We urge the State to provide direct funding for community-based organizations to help undocumented families access subsidized child care. This approach was taken by New York City in its FY 2023 budget, with the provision of $10 million that was recently distributed to nonprofits to provide child care vouchers to low-income undocumented children. Under the City’s new Promise NYC program, four providers, including three settlement houses, have contracted with the City to implement the child care voucher program in each of their respective boroughs. The providers have been charged with screening and selecting families in need of child care support. The 6-month program is expected to serve 600 children citywide for the remainder of the school year from January through June 2023.

6) Strengthen housing stability by passing Good Cause eviction
Both the quantitative and qualitative surveys highlighted the need to strengthen the housing stability of New York families in the face of rising housing costs. We urge the State to pass Good Cause Eviction legislation S3082 (Salazar)/A5573 (Hunter), which would prevent tenants from unwarranted evictions and help them challenge unconscionable rent increases. An estimated 1.6 million renter households statewide (nearly half the State’s renters) would gain new coverage under good cause eviction protections.

7) Advocate for federal investments in a simplified tax filing tool. As national policy experts analyze and consider the larger lessons learned from the temporary expansion of the CTC, a deeper understanding of the value of providing benefits through the tax code is emerging. And yet, particularly for low-income individuals, the complexity of filing taxes itself inhibits this group from accessing tax benefits they are owed. Because the expanded CTC was fully refundable, families whose incomes were low enough that they were not required to file taxes could access the benefit through a simplified filing tool authorized by the IRS. Simplified filing required only basic information without the need to report income or provide documents. This proved to be essential in helping low-income families—many of whom had not filed taxes before—access the CTC.

With the lapse of the expanded federal CTC, there are currently no tax benefits that can be claimed without the need to disclose income. Yet the effectiveness of offering an automatic benefit through the federal tax system is a promising mechanism for many reasons. With the right investments, the IRS could reform the tax filing process to better prioritize the needs of low-income families and individuals. This includes embracing design principles that streamline the tax-filing process such as using existing IRS data to provide pre-populated forms and building a platform that is human-centered, multi-lingual, and built for use on a mobile device. New York State can advocate for these improvements at the federal level, and work to incorporate them within its own jurisdiction as well.
This report is co-authored by the staff of United Neighborhood Houses (UNH) and Educational Alliance (EA), including:

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United Neighborhood Houses (UNH) is a policy and social change organization representing 46 neighborhood settlement houses, including 40 in New York City, that reach over 765,000 New Yorkers from all walks of life. 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.

Educational Alliance (EA) brings together and partners with diverse communities in Lower Manhattan, offering individuals and families high-quality, multi-generational programs and services that enhance their well-being and socioeconomic opportunities. A nonprofit beacon of hope for over 130 years, Educational Alliance believes in the power of communities to lift up people of all ages and turn strangers into neighbors. Our network of community centers and community-based programs in Lower Manhattan offer high-quality, affordable education programs, health services, and diverse cultural enrichment right where New Yorkers live, work, learn, and raise their families. We make the city a brighter, friendlier and more supportive place. Guided by Jewish values, Educational Alliance celebrates the differences and individuality every person brings when they walk through our doors because we know that there is more that connects us than keeps us divided. We invite you to join us as we partner with our neighbors, strengthen our city, and pave the way for more generations of New Yorkers to live enriched and fulfilling lives – because you belong here.

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9 Of the 1,078 survey participants in the SHARP study's first wave, 25 participated in extended follow-up interviews.


