



Testimony of

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Before the  
New York City Council  
General Welfare Committee

*Oversight: Poverty Trends in New York City*

December 12, 2011

Good afternoon. My name is Louise Feld and I am the Policy Associate for Food and Economic Security at Citizens' Committee for Children of New York (CCC). CCC is a 68-year-old independent, multi-issue child advocacy organization dedicated to ensuring that every New York child is healthy, housed, educated and safe. I would like to thank Chairs Palma and Vann, as well as the members of the General Welfare and Community Development Committees, for holding today's hearing to discuss poverty trends in New York City.

The most recent U.S. Census data report shows that poverty is a staggeringly large problem in New York City, and that it has increased throughout the course of the recession. New York City's poverty rate grew from 18.5% in 2007 to 20.1% in 2010,<sup>1</sup> when 1 in every 5 New Yorkers lived below the federal poverty line.<sup>2</sup> Further, many New York City residents struggled to feed their families, as 1.8 million New Yorkers turned to Food Stamps for help – an increase of about 680,000 people since 2007.<sup>3</sup> During that same period, the share of New York City families with children who received Food Stamps increased by 53%, reaching about 30%.<sup>4</sup>

As staggering as these New York City poverty statistics are, the data describing the status of our City's children in poverty is even starker still. In 2010, 1 in 3 New York City children lived below the federal poverty level. In fact, New York City's child poverty rate reached 30% in 2010, a 10.8% increase over the previous year and a 13.2% increase since the start of the recession in 2008.<sup>5</sup> When looking at individual communities and racial and ethnic groups we find even higher shares of child poverty. For example, in 2010, 47% and 53.4% of children in Brooklyn's Bedford-Stuyvesant and Brownsville neighborhoods, respectively, lived in poverty, as did 58.6% of children in the Bronx's East Tremont/Morrisania neighborhoods. Also in 2010, 39.7% of Latino children and 31.1% of Black children in New York City lived below the poverty line.

Further encompassed in New York City's 2010 child poverty rate, as shown below in Chart 1, is the share of New York City children who lived in "deep poverty," which is defined as half of the federal poverty level.<sup>6</sup> Last year, about 14% – or about a quarter of a million – New York City children lived in deep poverty.<sup>7</sup> The city-wide rate was exceeded in both Brooklyn and the Bronx, where 14.7% and 21.2% of children, respectively, lived in deep poverty.

Also important to recognize is the large share of children whose families were perched precariously above the federal poverty line. As shown in Chart 1, 13% of children lived between

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<sup>1</sup> U.S. Census Bureau, American Community Survey 1-Year Estimates, 2007, 2010; Citizens' Committee for Children 2011 analysis.

<sup>2</sup> In 2010, the Census's federal poverty level for a family of four was \$22,314.

<sup>3</sup> New York State Office of Temporary and Disability Assistance. Temporary and Disability Statistics. Available at <http://otda.ny.gov/resources/caseload/> (comparing December 2010 statistics with December 2007 statistics).

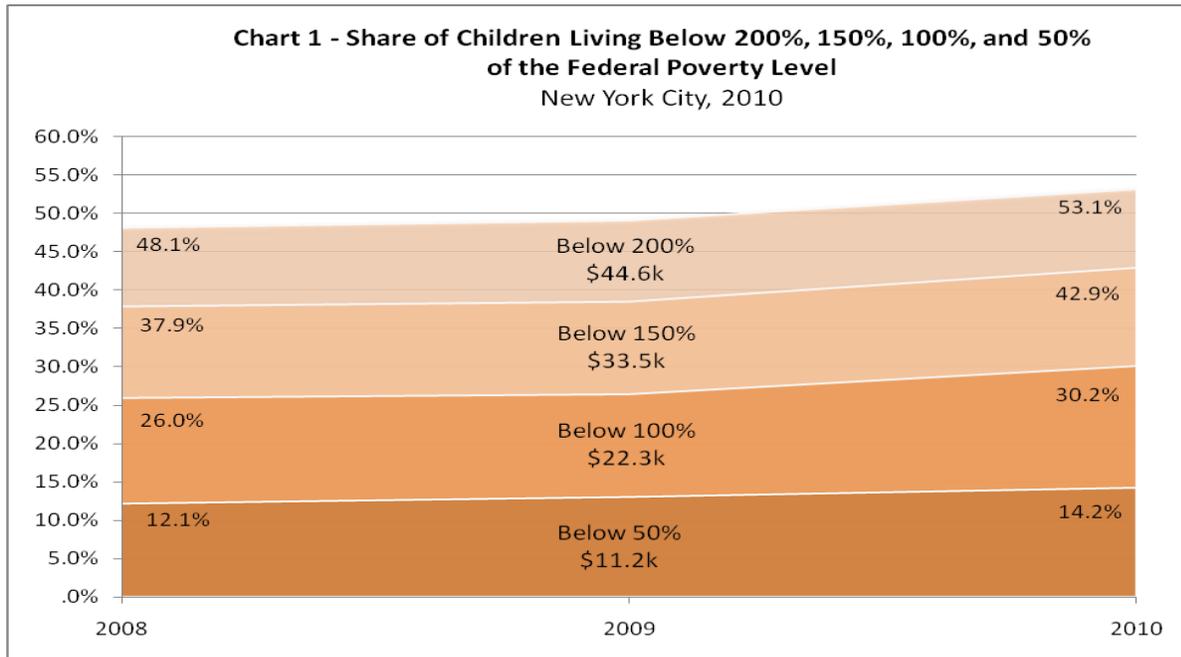
<sup>4</sup> U.S. Census Bureau, American Community Survey 1-Year Estimates, 2010; Citizens' Committee for Children 2011 analysis.

<sup>5</sup> Id.

<sup>6</sup> In 2010, half of the federal poverty level for a family of four was slightly above \$11,000.

<sup>7</sup> U.S. Census Bureau, American Community Survey 1-Year Estimates, 2010; Citizens' Committee for Children 2011 analysis.

100 and 150% of the federal poverty line in 2010.<sup>8</sup> Many of the families of these children were just a lay-off or medical emergency away from financial disaster.<sup>9</sup>



Source: U.S. Census Bureau, American Community Survey 1-Year Estimates, 2010; Citizens' Committee for Children 2011 analysis. Income levels noted in chart refer to a family of four.

In light of the above data, it is clear that services that support and sustain low-income children and families, such as after-school programming, early childhood, and child care, must be protected. These critical services do not just contribute to the social and emotional growth and academic achievement of New York City children, but also function as an economic engine, both enabling parents to remain engaged in the workforce and providing many jobs to New Yorkers. CCC therefore urges the Council to continue its work to protect quality social service programming for New York City children and families in the impending CFY 13 budget, because these services are significant forces in the fight against poverty.

In addition, low-income New Yorkers desperately need a new housing subsidy program. While CCC had concerns about New York City's Advantage rental subsidy program and its ability to effectuate housing stability for low-income families, the loss of federal and state funds for Advantage, and the subsequent elimination of the program itself, has compounded the homelessness problem in our City. Now that there is essentially no rental subsidy program, the number of families with children in homeless shelters, which now stands at 8,479 (almost 17,000 of whom are children)<sup>10</sup>, continues to increase, as does the length of time children remain in the shelter system. Such housing instability negatively impacts children's schooling, community

<sup>8</sup> Id.

<sup>9</sup> In addition to the above data, in November 2011 the Census released national poverty data using an alternative "Supplemental Poverty Measure." As SPM data is not yet available on the City or State level, it will not be discussed herein. However, it bears noting that the national data demonstrates that social safety net programs, such as SNAP and EITC, function to lift families above the poverty level.

<sup>10</sup> Daily Report, New York City Dept. of Homeless Services, Dec. 5, 2011.

ties, and mental health. Moreover, subsidy programs make financial sense, costing approximately \$1000 per month, as compared to the \$3000 per month cost of shelter. CCC therefore urges New York City decision-makers to work with the Governor and other State officials to create and support a new housing subsidy program for homeless families.

Also in need of protection is the Summer Youth Employment Program (SYEP). SYEP must be funded so that the many slots lost because of recent years' budget cuts can be restored. SYEP provides New York City's youth with not only their first jobs and workplace experience, but also affords them an opportunity to financially assist their families. Moreover, SYEP contributes to communities' economic stability because youth use the money that they have earned to make purchases in local stores. We therefore request that the Council continue to support this invaluable program. We also ask DYCD to explore the inclusion of youth less than 18 years of age in the SYEP savings account pilot program, which will help these new members of the workforce establish bank accounts and a basic level of financial literacy.

A discussion about programs and services to address poverty in New York City should also include an examination of the role of the Administration's Center for Economic Opportunity (CEO). In 2006 – prior to the start of the Recession – the Mayor established the CEO in order to implement innovative ways to reduce our City's already-substantial problem of poverty. To achieve this goal, the CEO crafted pilots and supported programs specifically aimed at the working poor, families with young children, and young adults. The newly-created Young Men's Initiative targets young Black and Latino men, and therefore attempts to broaden the CEO's work with this last group.

The CEO is affiliated with several progressive tax policy and asset-development programs that CCC appreciates because they represent creative and effective efforts to promote economic security for working families. For example, working families in New York City that file their tax returns can take advantage of the City Earned Income Tax Credit (EITC) and Child Care Tax Credit (CCTC), in addition to the tax credits that exist on the federal and state level. These tax credits are incredibly important because they supply cash refunds to working families, which in turn provide those families with a significant economic boost and a potential opportunity to save money and develop assets. CCC therefore suggests that the City's Department of Finance continue to mail pre-populated tax returns to potentially qualified households that failed to previously claim the EITC, because this practice informs working families about the program and encourages their participation. Further, CCC hopes that the City tax credits will be made more robust, so that working families can reap even greater benefits. For example, the City's EITC could be deepened from 5 to 10% of the federal EITC, and the CCTC could be expanded to include the cost of care arrangements for families with children up to age 13.

In addition, CCC would like to see the expansion of initiatives aimed at increasing low-income families' abilities and opportunities to save. For example, the \$ave NYC pilot capitalized on the use of a cash refund from an EITC tax return and the incentive of a 50% match to encourage and support low-income New Yorkers' establishment and maintenance of savings accounts. This pilot was conducted with a small number of New Yorkers who were reached through their receipt of tax preparation assistance at a handful of IRS Volunteer Income Tax Assistance

(VITA) sites.<sup>11</sup> A 2009 Department of Consumer Affairs evaluation of the \$ave NYC program stated that the pilot demonstrated “strong and promising findings” that low-income individuals can and will save, and that there was “demand” for such projects.<sup>12</sup> CCC would recommend scaling up this pilot, so that more New Yorkers can participate. Similarly, CCC wishes to see the development and incentivization of a child-specific savings account, such as the “kindergarten to college” model currently being implemented in other localities, such as San Francisco, and piloted through a CFED partnership with five New York City KIPP charter schools.

CCC also urges the City to grow and further develop programs created to both improve the financial literacy of economically vulnerable youth and young adults, and increase their opportunities to develop assets and job skills. CCC applauds initiatives such as the Youth Financial Empowerment Program, which provides youth aging out of foster care with matched Individual Development Accounts and savings education, and the Young Adult Internship Program (YAIP), which includes a paid internship and financial literacy training. Unfortunately, these valuable programs reach only a fraction of the many New York City young adults and adolescents who face the daunting task of entering adulthood on unstable economic footing, and therefore must be expanded. Further, we hope that the inclusion of YAIP in the YMI indicates a willingness to invest in such expansion.

There are many CEO-affiliated, non-savings-related programs and services that we also want the City to protect and expand. Specifically, programs aimed at low-income families with young children and adolescents have been incredibly beneficial for their recipients, and therefore should not only be supported, but also funded so that their capacities can be increased. For example, the Nurse-Family Partnership (NFP), which targets women during pregnancy and provides services and supports for mother and child through the child’s second birthday, has been proven to improve maternal and child health, and to reduce the likelihood that children will end up in foster care or commit a crime.<sup>13</sup> Also exemplary are the 6 Department of Health and Mental Hygiene-administered, CEO-affiliated school-based health centers, which help improve the health of low-income adolescents by easing their ability to access needed health services and providing them with reproductive and sexual health information, counseling, and services. Notably, the demonstrated positive outcomes from both of these forward-thinking programs result in long-term savings on other services, such as healthcare and child welfare. We therefore want to see the protection of these, and similar CEO programs, in coming budget discussions.

On a related note, CCC appreciates the CEO and Council-supported efforts to increase access to healthy, high-quality, affordable foods in our City’s low-income food deserts. The establishment of the position of Food Policy coordinator, as well as the Green Cart and Healthy Bodegas initiatives, all demonstrate a recognition that severe food access issues exist, and are taking a

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<sup>11</sup> The VITA program is an IRS program designed to offer free tax preparation to low to moderate-income individuals.

<sup>12</sup> New York City Department of Consumer Affairs, Office of Financial Empowerment. The \$ave NYC Account: Innovation in Asset Building. Research Brief. August 2009.

<sup>13</sup> While NFP suffered cuts on the State level, another home visitation program, the Department of Health and Mental Hygiene’s Newborn Home Visiting Program (NHV), was drastically reduced in the City budget. NHV is run out of City District Public Health Offices. Among the many services NHV offers new mothers in targeted high-poverty districts are a home visit to conduct an environmental and safety screening, and referrals for services related to lead abatement, window guards, and breast feeding assistance.

serious toll on the health and well-being of New Yorkers in high-poverty communities. Initiatives that help increase healthy food access are incredibly important for the health of children, adults, and communities, in both the short- and long-term. We therefore ask for continued support and growth of these programs that call attention to, and explore ways to tackle, the problem of food deserts.

Despite our appreciation of many CEO initiatives, CCC respectfully suggests that CEO programs alone are insufficient to address the expansive and increasing poverty in New York City that recent Census data illustrate. The CEO programs reach only a select few of the rapidly growing number of individuals, children, and families who struggle with financial insecurity and need extra supports to meet their basic needs. With the release of the Mayor's Preliminary Plan just two short months away, we cannot emphasize enough how important it is to fully fund the previously-mentioned social services that have proven critical to the development and education of low-income children and families, as well as to protect investments in proven CEO initiatives.

Thank you for this opportunity to testify.