

Cash Transfers for Children

2025

Introduction

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Anti-poverty cash transfer program: History

- War on Poverty over 60 years
- Social Security expansions in late 60s/early 70s reduce senior poverty
- Federal child tax credit (CTC) created in 1997
- NYS child tax credit established in 2006
- Child poverty cut in half in 2021 by Federal-level action
- Government sponsored commissions
 - Federal – National Academy of Sciences (NAS)
 - California
 - New York
- New York taking State-level action to reduce child poverty

CTC: Federal-level updates since 2024

- Current credit maximum \$2,000 per child (\$1700 refundable)
 - Refundability increased from \$1600 to \$1700 for 2025 due to indexing
- Eligibility varies by family status, number of children, earnings, with minimum income requirement preventing low-income families from getting full credit
 - Single filer with one kid needs nearly \$25k to get full credit
 - Joint filers with four kids need closer to \$50k to get full credit
 - ¼ of children “left behind” as result - disproportionately children of color, households headed by women, young children, rural children, rural families
- What may be coming this year

CTC: State-level updates since 2024

- 15 states and the District of Columbia now have child tax credits
 - 12 state credits are refundable
 - Values range from lows of \$310 per child to highs of \$4,400 per child with five states providing credits at or above \$1,000 per child
- Several states expanded their credits in recent years, including NYS
 - New York's proposed changes for 2025 would make it the sixth state with refundable credit at or above \$1000 per child

NYS: Child Tax Credit changes

- In 2023, expanded credit to include children under 4 years old
- In 2024, provided supplemental payment to all recipients
- In 2025, Executive Budget proposes to further increase/expand CTC
 - Decouple from 2017 Federal pre-TCJA law
 - Increase credit to \$1000/child for children age 0-4 starting 2025
 - Increase credit to \$500/child for children age 4-16 starting 2026
 - Remove minimum income so lowest-income families can get full credit
 - Apply gradual phaseout of 1.65% to reach more families with some credit

NYS: Current CTC vs proposed changes

	State	Age Eligibility	Maximum Credit Value	Full/Partial Refundability
1	Colorado	0-5	\$4,400 per child	Full
		6-16	\$2,400 per child*	
2	Minnesota	0-17	\$1,750 per child	Full
3	California	0-5	\$1,196 per household	Full
4	Oregon	0-5	\$1,150 per child	Full
5	New Jersey	0-5	\$1,000 per child	Full
6	Vermont	0-5	\$1,000 per child	Full
7	New Mexico	0-16	\$706 per child	Full
8	Maryland	0-5	\$500 per child	Full
9	Massachusetts	0-12	\$440 per dependent	Full
10	D.C.	0-5	\$420 per child	Full
11	New York	0-16	\$330 per child	Partial
12	Maine	0-16	\$310 per child	Full

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4	Oregon	0-5	\$1,150 per child	Full
5	New York	0-3	\$1000 per child	Full
		4-16	\$500 per child	
6	New Jersey	0-5	\$1,000 per child	Full
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Analysis prepared by the **Institute on Taxation and Economic Policy (ITEP)**, 2024 <https://sfo2.digitaloceanspaces.com/itep/APPENDIX-A-Refundable-State-Child-Tax-Credits-2025.pdf>

*Colorado amounts are a combination of their state CTC plus the CO Family Affordability Tax Credit, <https://tax.colorado.gov/income-tax-topics-family-affordability-tax-credit>, <https://tax.colorado.gov/income-tax-topics-child-tax-credit>

Pregnancy/birth grants: Overview

- Supported by science on brain development and data showing importance of cash transfers at youngest ages
- Would offset high cost of giving birth and raising a newborn
- Common in other countries
 - All OECD countries provide pregnancy assistance except USA and 2 others
- Some have pregnancy grants, some have birth grants, others have both
- Federal-level child credit proposal from 2023 included birth grant
- Harris/Walz campaign proposal from 2024 included \$6000/infant
- Several pilots and some local policies, but none implemented statewide

NYS: BABY Benefit

- NYS proposed poverty-focused pregnancy/birth grant in the form of the BABY Benefit (Birth Allowance for Beginning Year) for New Yorkers who receive Public Assistance
- Provides \$100/month during pregnancy beginning when pregnancy is verified and another \$1,200 at birth to assist with first-year expenses
- Was previously \$50/month, only available from the fourth month of pregnancy to birth and received for an average of three months
- Projected to assist thousands of pregnant women and families on PA
- If enacted, NYS would be national leader, with BABY Benefit helping to further reduce child poverty

NYS: Considerations for expanding transfers

- To help these programs go further, NYS could:
 - Consider additional increases in value of credits/benefits in future years
 - Consider expanding eligibility and delivery to Medicaid pregnancy services
 - Adjust age eligibility to reach more children and families with more assistance
 - Monitor outcomes from BABY Benefit and explore expansion beyond PA
 - Index assistance to CPI-U
 - Admin reforms making credit easier to access (websites, apps)
 - Simplify and streamline enrollment processes, forms, requirements, etc.
 - Outreach, including more hands-on assistance

Conclusion

- Questions?
- Thank you