

**POVERTY
TRACKER**

CENTER ON
POVERTY &
SOCIAL POLICY
at Columbia University

CPRC
Columbia
Population
Research
Center

ROBIN HOOD

MONITORING POVERTY AND WELL-BEING IN NYC

ANNUAL
**THE STATE OF
POVERTY AND
DISADVANTAGE**
IN NEW YORK CITY
VOL. 5

WINTER 2023

Acknowledgements

This report would not be possible without the support and partnership of Robin Hood. We are especially grateful to all members of the Robin Hood team who provided feedback and support in the production of this report. We also would like to thank all of the Poverty Tracker interviewers at Columbia University, past and present — we would not be able to say much without their excellent work.

Poverty Tracker research group at Columbia University

Chantal Bannerman, Tara Battersby, Lily Bushman-Copp, Chloé Cargill, Tingyi Cao, Daniel Castillo, Eunho Cha, Sophie Collyer, Lolita Colon, Genesis De Los Santos, Natalia Espinoza, Jill Gandhi, Qin Gao, Irwin Garfinkel, Janira Gayle, Elizabeth Gonzalez, Sonia Huq, Alannis Jáquez, Yajun Jia, Anastasia Koutavas, Laura Landetta, Jianan Li, Jessica Liou, Xiaofang Liu, Morgan Lyons, Matthew Maury, Gema Mercado, Ronald Mincy, Angie Moran, Kathryn Neckerman, Camilo Rincon, Annie Rose, Schuyler Ross, Daniel Salgado, Erika Shanahan, Ao Shen, Camille Smith, Stacie Tao, Julien Teitler, Desiree Velez, Jane Waldfogel, Kahlen Washington, Nicholas Wilkinson, Christopher Wimer, Ho Yan Wong, Christopher Year, Rosie Pingxin Zhou

Suggested citation

Poverty Tracker Research Group at Columbia University (2023).

The State of Poverty and Disadvantage in New York City, Volume 5. Robin Hood.

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INTRODUCTION AND KEY FINDINGS

On December 14, 2020, the first COVID-19 vaccine was administered in a Queens hospital, which at that point had cared for more than 100,000 COVID-19 patients.¹ Like many innovations that have left a mark on society, the development and distribution of the COVID-19 vaccine would have been impossible without significant government investment. But government policy in 2021 also made unprecedented investments directly in people — and children in particular.

Passed in March 2021, the American Rescue Plan (ARP) Act provided income supports to families across the country through stimulus checks, increased Unemployment Insurance benefits, expanded nutrition benefits, and the historic (but temporary) expansion to the Child Tax Credit (CTC), among other measures. These investments were aimed at offsetting hardships and stabilizing incomes in the near term as well as averting the consequences that exposure to income instability has in the long run. As a result of these investments, the national poverty rate fell to a historic low despite the economic turmoil brought on by the pandemic.²

In this report, the fifth volume of the State of Poverty and Disadvantage in New York City, we use the latest data from the Poverty Tracker to examine how New Yorkers fared in 2021 amid the turbulence brought on by the pandemic and with these significant expansions to government policy. We examine income poverty, material hardship, and health problems, measuring the prevalence of these forms of economic disadvantage, how they varied across subgroups, and the overlap between them. We also highlight the effects of the historic expansion to the CTC on families with children, finding that the monthly payments increased family incomes, reduced children’s exposure to material hardship, and had no effect on parents’ labor force participation.

Our results demonstrate the significant progress made in the fight against poverty and hardship in 2021, as well as continuing challenges: the city’s poverty rate remained well above the national average, and substantial disparities, particularly along racial and ethnic lines, persisted. The results underscore both the importance of national policy in the lives of New Yorkers and the key role that state and city governments play in responding to local needs.

The policy successes of 2021 do not, however, represent a new status quo. Many of the policies enacted under the ARP — including the expansion to the Child Tax Credit — were temporary. Despite the long fight in the U.S. Congress to reinstate the CTC expansion,³ monthly payments ceased in January 2022. The rollback of the monthly payments resulted in an immediate and sharp increase in the national monthly poverty rate: the number of U.S. children in poverty rose by nearly 4 million from December 2021 to January 2022.⁴ The results presented here, and those we have published over the last year, thus do not represent a “new normal.” Instead, they show how policy can improve economic well-being when policymakers choose to use and to bolster the most effective anti-poverty tools at their disposal and to invest in people and children across the city, state, and country.

¹ Guarino, Cha, and Witte, “The Weapon That Will End the War.”

² Creamer et al., “Poverty in the United States: 2021.”

³ Matthews, “Who Killed the Expanded Child Tax Credit?”

⁴ Parolin, Collyer, and Curran, “Absence of Monthly Child Tax Credit Leads to 3.7 Million More Children in Poverty in January 2022.”

KEY FINDINGS



Citywide trends in income poverty, material hardship, and health problems in New York City

INCOME POVERTY



In 2021



18%

of adult New Yorkers



15%

of children in New York City



LIVED IN POVERTY.

This is the **LOWEST ANNUAL CHILD POVERTY RATE OBSERVED IN THE POVERTY TRACKER DATA**, which began collecting child poverty data in 2017.

The stable rates of poverty (18% to 18%) between 2019 and 2021 — in the midst of the pandemic and economic turmoil — are a testament to the efficacy of historic, though temporary, policy interventions.



In recent years

government policy played a greater role in cutting poverty than in the years preceding the pandemic. In 2021, government transfers and tax credits cut the adult poverty rate in New York City by 44% and the child poverty rate by 68%.

**KEEPING CLOSE TO
1 MILLION ADULTS AND 574,000 CHILDREN
ABOVE THE POVERTY LINE.**

MATERIAL HARDSHIP



It is not only those living below the poverty line who struggle to make ends meet:
**MATERIAL HARDSHIP IS EVEN MORE WIDESPREAD THAN POVERTY,
 BUT 2021 ALSO SAW A COURSE CHANGE.**

Between 2015 and 2020,



**ROUGHLY ONE IN THREE
 ADULTS FACED MATERIAL HARDSHIP**

In 2021,



**THIS FELL TO
 ONE IN FOUR**

Declines in the share of children in families facing
 material hardship were even more pronounced,
FALLING FROM 36% IN 2020 TO 26% IN 2021.



HEALTH PROBLEMS AND PSYCHOLOGICAL DISTRESS



In all years from 2015 to 2021, roughly
ONE IN FIVE ADULT NEW YORKERS FACED A HEALTH PROBLEM,
 defined as reporting poor health or having a work-limiting health condition.



Disparities in income poverty, material hardship, and health problems in New York City

Poverty, material hardship, and health problems are not equally distributed across demographic groups, and **POLICY PLAYS A ROLE IN CREATING AND MITIGATING INEQUITIES.**



Latino New Yorkers were **TWICE AS LIKELY** to live in poverty compared to white New Yorkers (24% vs. 12%), and rates were similarly elevated among Asian and Black New Yorkers (20% and 21%, respectively).

Differences in the levels of disadvantage among New Yorkers were also present by location, with experiences of all forms of disadvantage being **HIGHEST IN THE BRONX.**



In 2021, economic disadvantage was significantly more common among Asian, Black, and Latino New Yorkers than among white New Yorkers, pointing to **STRUCTURES OF INEQUALITY THAT REPRODUCE ECONOMIC DISADVANTAGE AMONG RACIAL AND ETHNIC LINES.**



WOMEN EXPERIENCED HIGHER RATES of all forms of disadvantage (poverty, material hardship, or health problems) than men, and histories of gender-based income and social inequality may provide some explanation for these significant differences.



New Yorkers born outside of the U.S. also faced significantly **HIGHER RATES OF POVERTY AND HARDSHIP** than U.S. born residents, but a **LOWER PREVALENCE OF HEALTH PROBLEMS.**





Overlapping experiences of disadvantage in New York City

FORTY SIX PERCENT OF NEW YORKERS FACED AT LEAST ONE FORM OF DISADVANTAGE (poverty, material hardship, or health problems) in 2021, meaning disadvantage was far too common. But this also declined from years prior.



Experiences of **SEVERE HOUSING, BILLS, AND FOOD HARDSHIP** were largely concentrated among low-income New Yorkers and those in poverty.

FINANCIAL AND MEDICAL HARDSHIP were most common among low-income New Yorkers and those in poverty, but also elevated among moderate-income New Yorkers.



Hardship persists across the income distribution but is most common among those **LIVING BELOW 200% OF THE POVERTY LINE**.



Below 200% of the poverty line

Low-income New Yorkers and those facing material hardship were also more likely to have health problems.

WORK-LIMITING HEALTH CONDITIONS were more than twice as common among low-income New Yorkers and those in poverty versus higher-income New Yorkers.



2X low-income New Yorkers and those in poverty

Roughly **40% OF NEW YORKERS** facing multiple forms of material hardship had a work-limiting health condition, and more than **50% OF NEW YORKERS** facing food hardship also faced health problems.



Spotlight: The effects of the 2021 monthly Child Tax Credit on child and family well-being

The ARP expanded the federal CTC by increasing the credit value, delivering it in monthly installments, making it fully refundable, and eliminating the credit phase-in so that low-income families were eligible for the same credit as those with higher incomes.

Under current law, the credit is partially refundable and phases in with earnings, and these parameters leave low-income families ineligible for the full credit.

By making the CTC available to nearly all children living in poverty, its temporary expansion under the ARP redressed substantial disparities in access to the full CTC: under prior and current law, one in three children in New York State were (and are) ineligible for the full credit, but the ARP temporarily filled this gap.

The additional income from the expanded CTC payments translated to substantial declines in material hardship among New York City's families with children in the period when payments were delivered.

Overall, the CTC payments led to a roughly 10% reduction in the risk of any hardship, multiple hardships, and financial hardships among families with children in the Poverty Tracker sample.

Reductions in these forms of hardship among families in poverty were even larger. We find a 14% reduction in the risk of hardship overall, a 23% reduction in multiple hardships, a 39% reduction in financial hardship, and a 19% reduction in food hardship associated with the monthly payments.

Families with children were also 21% less likely to visit food pantries in the months that they received the monthly CTC payments, and those in poverty were 33% less likely.

We find no evidence of reduced parental labor force participation associated with the monthly CTC payments.

Experiencing material hardship in childhood has been found to negatively impact children's physical health and development, socioemotional behavior, and educational attainment. This evidence clearly shows that the CTC significantly reduced the risk of exposure to hardship and — temporarily — offset some of the long-term risks for children that are associated with economic deprivation.

GUIDE TO THIS REPORT

In SECTION 1, we focus on three types of disadvantage: income poverty, material hardship, and health problems (including psychological distress), and we present trends since 2015 for each type of disadvantage.

In SECTION 2, we analyze how these experiences differ for New Yorkers of different demographic groups.

In SECTION 3, we spotlight the effects of the monthly Child Tax Credit payments of 2021 on experiences of families with children, looking specifically at hardship, need for emergency food assistance, and parents' labor force participation.

In SECTION 4, we examine overlapping experience of disadvantage among New Yorkers, again looking at poverty, material hardship, and health problems.



Citywide trends in income poverty, material hardship, and health problems in New York City

HIGHLIGHTS

INCOME POVERTY



- In 2021, 18% of adult New Yorkers and 15% of children in New York City lived in poverty. This is the lowest annual child poverty rate observed in the Poverty Tracker data, which began collecting child poverty data in 2017.
- The stable rates of poverty (18% to 18%) between 2019 and 2021 — in the midst of the pandemic and economic turmoil — are a testament to the efficacy of historic, though temporary, policy interventions.
- In recent years, government transfers and tax credits played a larger role in cutting poverty compared to the years preceding the pandemic. In 2021, these cut the adult poverty rate in New York City by 44% and the child poverty rate by 68%, keeping close to 1 million adults and 574,000 children above the poverty line.

MATERIAL HARDSHIP



- It is not only those living below the poverty line who struggle to make ends meet: material hardship is even more widespread than poverty, but 2021 also saw a course change. Between 2015 and 2020, roughly one in three adults faced material hardship. In 2021, this fell to one in four.
- Declines in the share of children in families facing material hardship were even more pronounced, falling from 36% in 2020 to 26% in 2021.

HEALTH PROBLEMS AND PSYCHOLOGICAL DISTRESS



- In all years from 2015 to 2021, roughly one in five adult New Yorkers faced a health problem, defined as reporting poor health or having a work-limiting health condition.

Launched in 2012, the Poverty Tracker surveys a representative sample of New Yorkers several times throughout the year, providing critical information on the dynamics of poverty and other forms of disadvantage in the city. Unlike other surveys, the Poverty Tracker explores how New Yorkers experience poverty and material hardship over time, rather than in a single day, month, or year.

And the Poverty Tracker focuses on more than just income poverty. Annually, the study collects all data necessary to measure three forms of economic disadvantage: income poverty, material hardship, and health problems. We use these measures to understand how certain disadvantages, or multiple, overlapping disadvantages, make it harder for New Yorkers to get by. Here, we examine trends in these key indicators of economic disadvantage between 2015 and 2021 for adults in New York City and for children (where possible). We start by discussing income poverty, then turn to material hardship, and close with health problems. In each section, we provide additional information on how we define and measure these indicators.



INCOME POVERTY IN NEW YORK CITY

MEASURING POVERTY: THE SUPPLEMENTAL POVERTY MEASURE (SPM)

Every September, the U.S. government releases the latest results on national poverty using the Official Poverty Measure (OPM). The OPM was developed in the 1960s and compared families' total before-tax cash income with a poverty line, or threshold. The threshold was defined as three times the cost of a minimally adequate food budget during that time. With the exception of some minor adjustments, this measure has only been updated annually to account for changes in inflation.

Over time, this formula has become increasingly outdated. Food costs have become less important in family budgets, while things like housing and child care have become costlier. A focus on before-tax cash income ignores benefits that many families receive through the tax system, such as the Earned Income Tax Credit, or in noncash form, such as food stamps or housing vouchers. Importantly, the poverty threshold under the OPM does not vary with costs of living, particularly housing costs, which are notoriously high in New York City.

The SPM improves the measurement of poverty on all of these fronts. The poverty threshold is based on contemporary spending on food, as well as on other necessities like clothing, shelter, and utilities. The poverty threshold in places like New York City is also higher given its higher-than-average housing costs, and the threshold is different for renters and homeowners. In 2021, the SPM threshold for a two-adult, two-child family of renters in New York City was \$39,950. In the SPM, tax credits and noncash benefits are also counted as income, and for families who incur them, medical, work, and child care costs are subtracted from income. The Poverty Tracker collects all the requisite data necessary to directly calculate the SPM in its sample of New Yorkers, and this data forms the basis of our income poverty statistics.

The Poverty Tracker measures poverty in New York City using the SPM. The New York City government also tracks trends in the city's poverty rate using the NYCgov Poverty Measure. There are slight differences between the construction of the SPM and the NYCgov Poverty Measure, thus they produce slightly different annual poverty rates. The differences between the NYCgov Poverty Measure and the SPM are discussed in the NYCgov Poverty Measure annual report.⁵

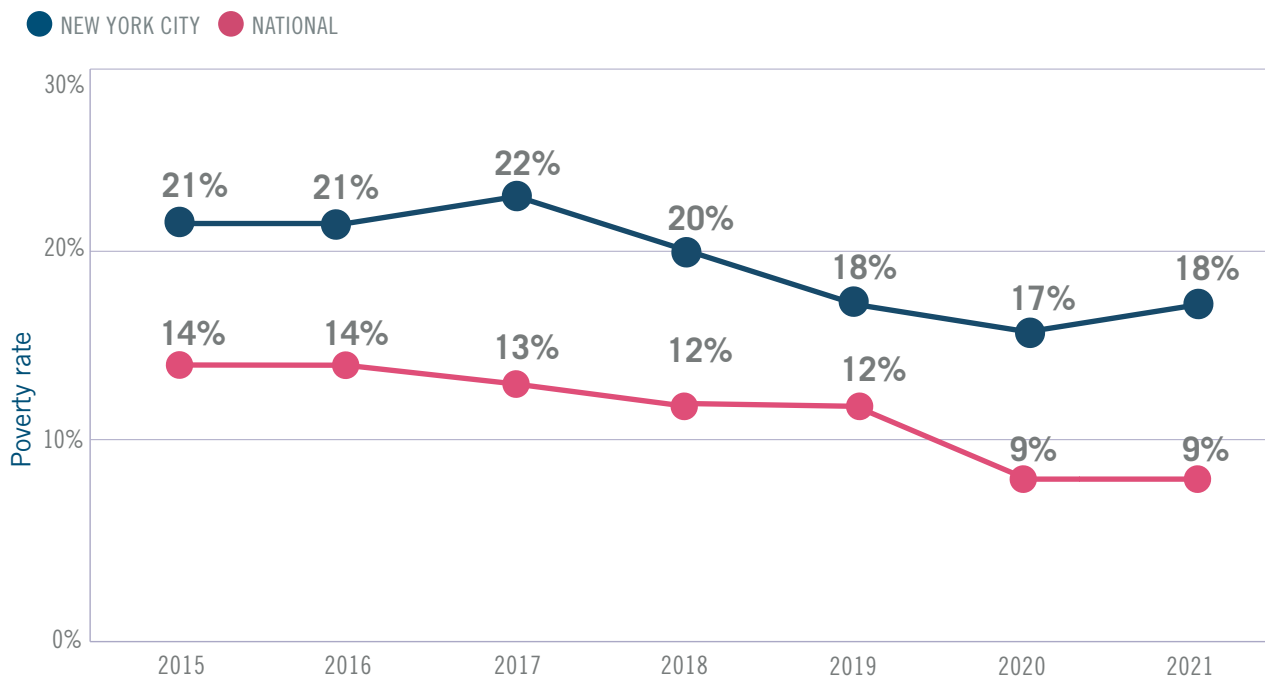
⁵ Learn more about the NYCgov Poverty Measure at <https://www1.nyc.gov/site/opportunity/index.page>.

In 2021, 18% of adult New Yorkers and 15% of children in New York City lived in poverty. This is the lowest annual child poverty rate observed in Poverty Tracker data since 2017.

More than 20% of New York City adults lived in poverty in each year between 2015 and 2017, but the poverty rate began to decline in New York City and nationally in 2018 (Figure 1.1; see the text box for discussion of the Poverty Tracker's income poverty measure). One might be surprised that the poverty rate did not increase in 2020 and 2021, but as we discuss below, government policy played a significant role in preventing the poverty rate from rising in these years and actually led to stable poverty rates from 2019 to 2021.

Figure 1.1

Adult poverty rates in New York City and nationally (2015–2021)



Source: New York City results based on annual Poverty Tracker survey data, all Poverty Tracker cohorts. National results based on authors' calculations using the Current Population Survey, retrieved from IPUMS-CPS, University of Minnesota, www.ipums.org.

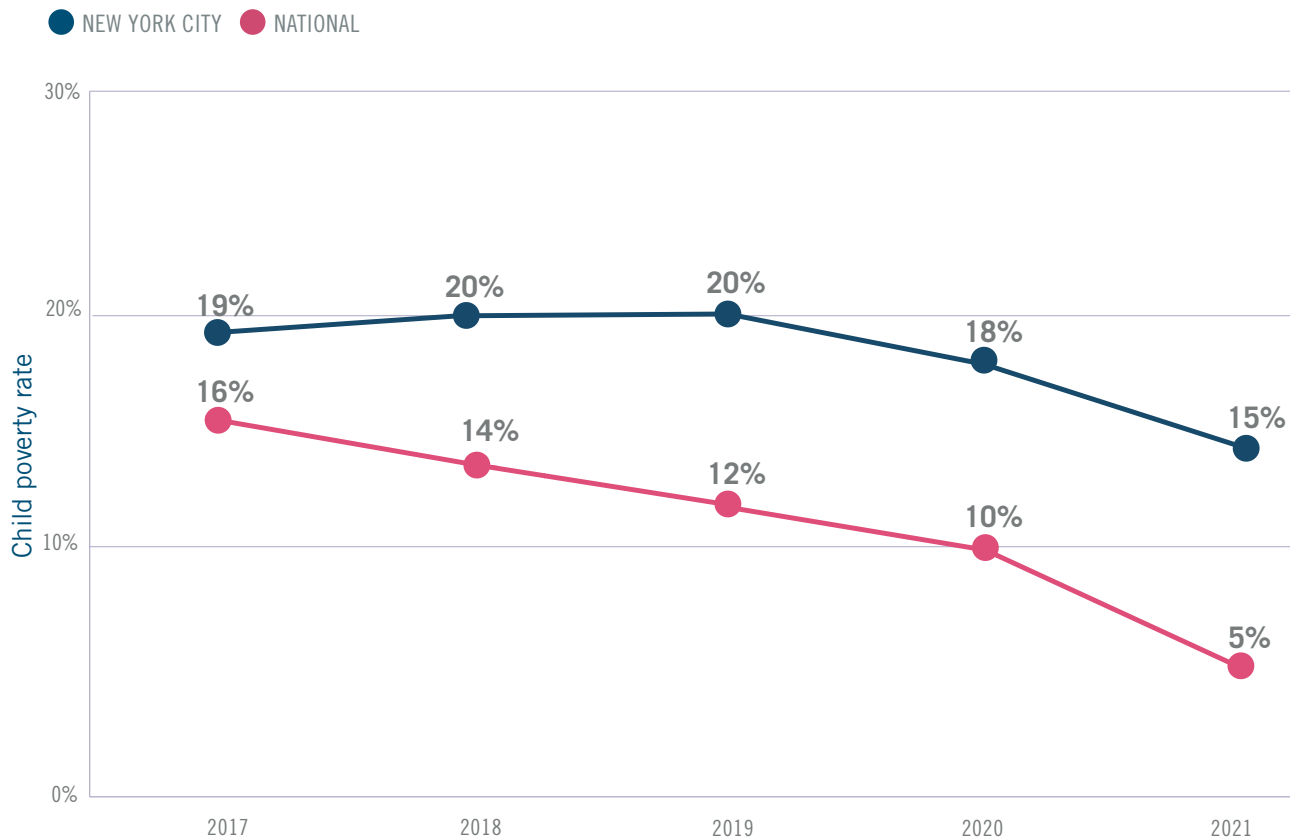
Note: See Appendix B for discussion of 2020 results.

Nationally, the child poverty rate has been persistently high, with more than one in ten children across the country living in poverty before the pandemic; in New York City, child poverty was (and remains) even more prevalent (Figure 1.2). But 2021 saw a historic reduction in child poverty at the national and local level. With expansion of the Child Tax Credit and the other substantial supports provided in 2021, the child poverty rate in New York City fell to 15%. This is the lowest child poverty rate in New York City across all years for which the Poverty Tracker can provide estimates. Nationally, the child poverty rate also reached a historic low of 5.2%.⁶

⁶ Creamer et al., "Poverty in the United States: 2021."

Figure 1.2

Child poverty rates in New York City and nationally (2017–2021)



Source: New York City results based on annual Poverty Tracker survey data, all Poverty Tracker cohorts. National results based on authors' calculations using the Current Population Survey, retrieved from IPUMS-CPS, University of Minnesota, www.ipums.org.

Note: See Appendix B for discussion of 2020 results.

The stable rates of poverty between 2019 and 2021 — in the midst of the pandemic — are a testament to the efficacy of government policy interventions.

The onset of the pandemic led to widespread concern about how families would get by in the midst of sweeping layoffs and constraints on work due to lockdowns, school closures, and disruptions in child care. But important policy interventions in 2020 and 2021 aimed to provide stability in uncertain times. These included stimulus checks, expanded Unemployment Insurance and Supplemental Nutrition Assistance Program (SNAP) benefits,⁷ and, in 2021, the historic expansion to the Child Tax Credit under the ARP. We detail the extensive set of policy reforms enacted in 2021 under the ARP in Table 1.1. We note that the ARP complemented several other policies in place, such as the eviction moratorium, that also helped guard New Yorkers against hardship in 2021.

⁷ See our last annual report for additional details on the poverty-reducing policies implemented in 2020 through the Families First Coronavirus Response Act (FFCRA), the Coronavirus Aid, Relief, and Economic Security Act (CARES), and additional federal policies. Poverty Tracker Research Team at Columbia University, "The State of Poverty and Disadvantage in New York City, 2020."

Table 1.1

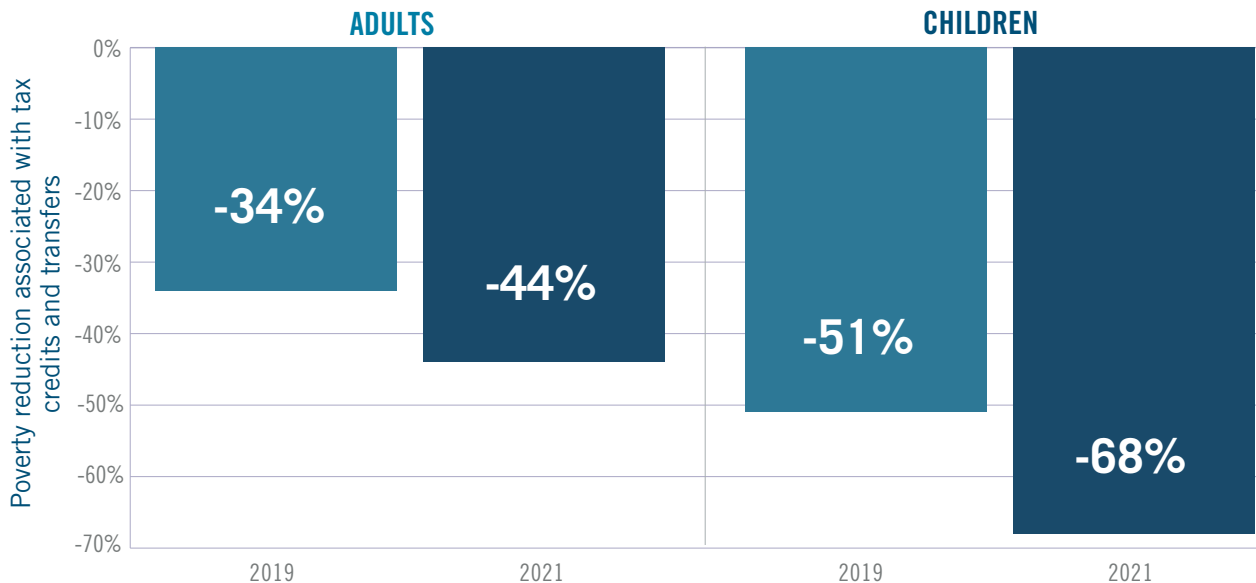
Components of the 2021 American Rescue Plan

<p>CHILD TAX CREDIT</p> <p>Made the CTC fully refundable and temporarily increased amounts from \$2,000 to \$3,000 for children ages 6 to 17 and \$3,600 for children under age six.</p>	<p>EARNED INCOME TAX CREDIT</p> <p>Expanded the EITC for childless workers by tripling the amount from around \$540 to \$1,500 and expanded eligibility by removing the age cap on older workers and including younger workers aged 19 to 24.</p>	<p>ECONOMIC IMPACT PAYMENTS</p> <p>EIPs of \$1,400/adult and \$1,400/child for families with incomes below \$75,000 (single filers), \$112,500 (heads of household), and \$150,000 (joint filers).</p>
<p>RENTAL ASSISTANCE</p> <p>Provided an additional \$21.55 billion in funding for Emergency Rental Assistance.</p>	<p>SNAP & P-EBT</p> <p>Continued the 15% increase to all SNAP benefits and expanded the P-EBT program.</p>	<p>UNEMPLOYMENT INSURANCE</p> <p>Extended the \$300 per week supplement to federal Unemployment Insurance (UI) through early September 2021.</p>

These policies kept the poverty rate from rising sharply in 2020 and 2021. In a typical year, government transfers and tax credits reduce the adult poverty rate by roughly a third and the child poverty rate by roughly half, moving more than 360,000 children and 630,000 adults above the poverty line (Figure 1.3 and Table 1.2). But the expansion of government policy in 2020 and 2021 resulted in a greater share of New Yorkers being kept out of poverty relative to earlier years (Figure 1.3). In 2021, government transfers and tax credits cut the adult poverty rate in New York City by 44% and the child poverty rate by 68%. (See the text box for discussion of how we estimate the effect of government transfers and tax credits on the poverty rate.)

Figure 1.3

Poverty reduction associated with tax credits and government transfers (2019 and 2021)



Source: Annual Poverty Tracker survey data, all Poverty Tracker cohorts.

Note: Due to pandemic-related data constraints, we do not show effects for 2020. See Appendix B for additional details.

The effects documented in Figure 1.3 point to the efficacy of swift government action, which ensured that the pandemic did not lead to a sharp increase in the poverty rate and demonstrated the power of public policy in tackling persistently high poverty rates even in more stable times.

Government transfer and tax credits kept more than 574,000 children and close to 1 million adults above the poverty line in 2021.

Table 1.2 translates the percent reductions in poverty associated with government transfers and tax credits depicted in Figure 1.3 to the number of New Yorkers kept out of poverty by these policies in 2019 and 2021. We see that in both years, these policies kept a substantial number of New Yorkers out of poverty, but the 2021 policy expansion expanded their impact: in 2019, these policies kept 993,000 New Yorkers (adults and children) above the poverty line, but in 2021, this number rose to close to 1.6 million adults and children. These policy expansions also offset a significant increase in the poverty rates, which we see in the pre-tax/transfer poverty rates.

Table 1.2

Number of New York City adults and children kept out of poverty in 2019 and 2021

	2019		2021	
	Adults	Children	Adults	Children
Pre-tax credit/transfer, rate	28%	41%	33%	48%
Pre-tax credit/transfer, count	1,832,000	710,000	2,219,000	842,000
Post-tax credit/transfer, rate	18%	20%	18%	15%
Post-tax credit/transfer, count	1,202,000	347,000	1,232,000	268,000
% change from credits and transfers	-34%	-51%	-44%	-68%
People kept out of poverty	-630,000	-363,000	-987,000	-574,000

Source: Annual Poverty Tracker survey data, all Poverty Tracker cohorts.

Note: New York City Population size based on the American Community Survey data from the U.S. Census Bureau, see: <https://www.census.gov/quickfacts/newyorkcitynewyork>.

How do we evaluate the effects of government policy on poverty rates?

The Poverty Tracker measures poverty in New York City using the Supplemental Poverty Measure, an improvement on the official poverty measure that allows us to isolate the impact that various policies have on the poverty rate. We assess the impact of government policy on poverty by identifying how many New Yorkers would be living in poverty when we do not include tax credits and government transfers as part of their income,⁸ and then again when we do include these income sources. The former gives us the “poverty rate before tax credits and government transfers” and the latter the “poverty rate” as it is commonly reported. For brevity, we refer to the poverty rate before tax credits and government transfers as the “pre-tax/transfer poverty rate.”⁹ The difference between these two rates translates to the effect of government policy on the poverty rate.

⁸ Note that income is totaled at the family level and compared to a poverty threshold that is adjusted for family size.

⁹ This is the poverty rate before accounting for the tax credits and government transfers discussed in the text box.

What policies, tax credits, and government transfers are counted when evaluating the effect of government policy on the poverty rate?

The results in Table 1.2 account for the role that the following government transfers and tax credits played in reducing the poverty rate in 2019 and 2021.

CASH TRANSFERS: Income from the Supplemental Security Income program, Unemployment Insurance, and the Temporary Assistance to Needy Families (TANF) program.

HOUSING SUBSIDIES: Government housing assistance and rent regulations (rent control and rent stabilization).

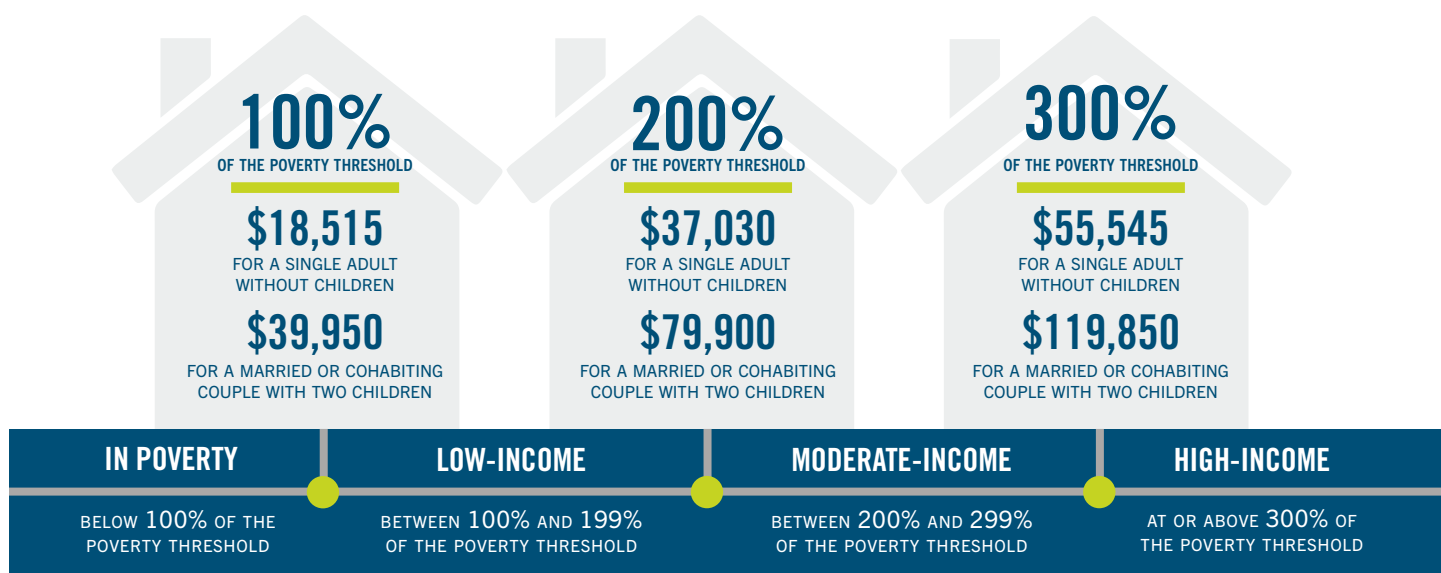
NUTRITION PROGRAMS: Benefits from the Supplemental Nutrition Assistance Program (SNAP), the Special Supplemental Nutrition Assistance Program for Women, Infants, and Children (WIC), and free and reduced-price school lunches.¹⁰

REFUNDABLE TAX CREDITS: The Earned Income Tax Credit and the Child Tax Credit.

Though government policies steadied incomes during precarious economic times, poverty and broader economic hardship continue to be pressing issues in New York City. Nearly half of New Yorkers lived below 200% of the poverty threshold in 2021, which translates to \$39,950 for single adults and \$79,900 for a married couple with two children (in rental housing).

Figure 1.4

New York City poverty thresholds by family size



Note: These thresholds apply to families in rental housing and they are slightly lower for homeowners.

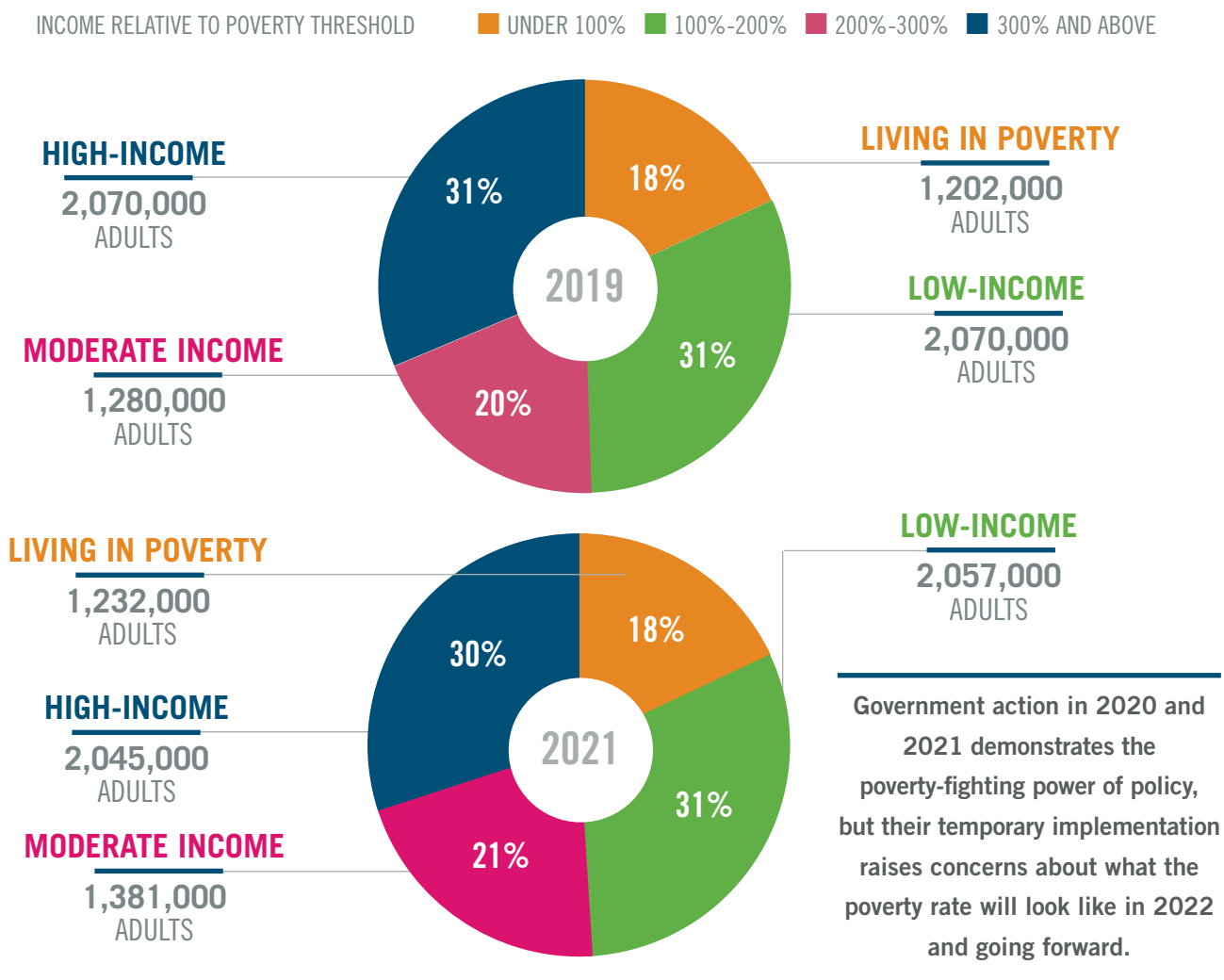
¹⁰ This does not include free or reduced-price breakfasts that are provided to children at school, free summer meals that are provided to children at school, or meals provided through the Child and Adult Care Food Program.

The poverty line presents an estimate of how much a family needs to meet their basic needs. As such, it is a very low threshold — \$39,950 for a family of four living in rental housing in New York City in 2021 (Figure 1.4). And having an annual income above this threshold is no guarantee that families will be able to meet their basic needs or will be shielded from experiences of material hardship. An average income above the poverty line is also no guarantee against economic instability, as income can vary drastically from month to month.

Those just above the poverty threshold — between 100% and 200% — are defined in the research literature as “low income”¹¹ and, as shown in section 4 of this report, their experiences of material hardship are quite similar to those living below the poverty threshold. There are many New Yorkers who fall into the category of “low income” — nearly one in three adults. Combined with those living below the poverty line, this amounts to close to 50% of the population who are defined as either low income or in poverty (Figure 1.5). Unfortunately, this has been the status quo in New York City for years, as the results from 2019 demonstrate.

Figure 1.5

Income distribution of adult New Yorkers



Source: Annual Poverty Tracker survey data, all Poverty Tracker cohorts.

¹¹ Rodems, “Hidden Hardship in the United States: Material Well-Being Above the Poverty Line.”

MATERIAL HARDSHIP IN NEW YORK CITY

The Poverty Tracker collects measures of economic disadvantage beyond income poverty, including information on a comprehensive set of material hardships, which capture individuals' ability to meet basic needs (see text box for definition).

MEASURES OF MATERIAL HARDSHIP

The Poverty Tracker measures material hardship in five domains: food, housing, bills, general financial hardship, and medical care (see definitions below). New Yorkers who face one or more of these forms of material hardship in a year are identified as having faced material hardship.



**FOOD
HARDSHIP**

Running out of food or often worrying that food would run out without enough money to buy more.



**SEVERE HOUSING
HARDSHIP**

Having to stay in a shelter or other place not meant for regular housing, or having to move in with others due to cost.



**SEVERE BILLS
HARDSHIP**

Having utilities cut off due to lack of money.



**SEVERE FINANCIAL
HARDSHIP**

Often running out of money between paychecks or pay cycles.



**MEDICAL
HARDSHIP**

Not being able to see a medical professional due to cost.



**MATERIAL
HARDSHIP**

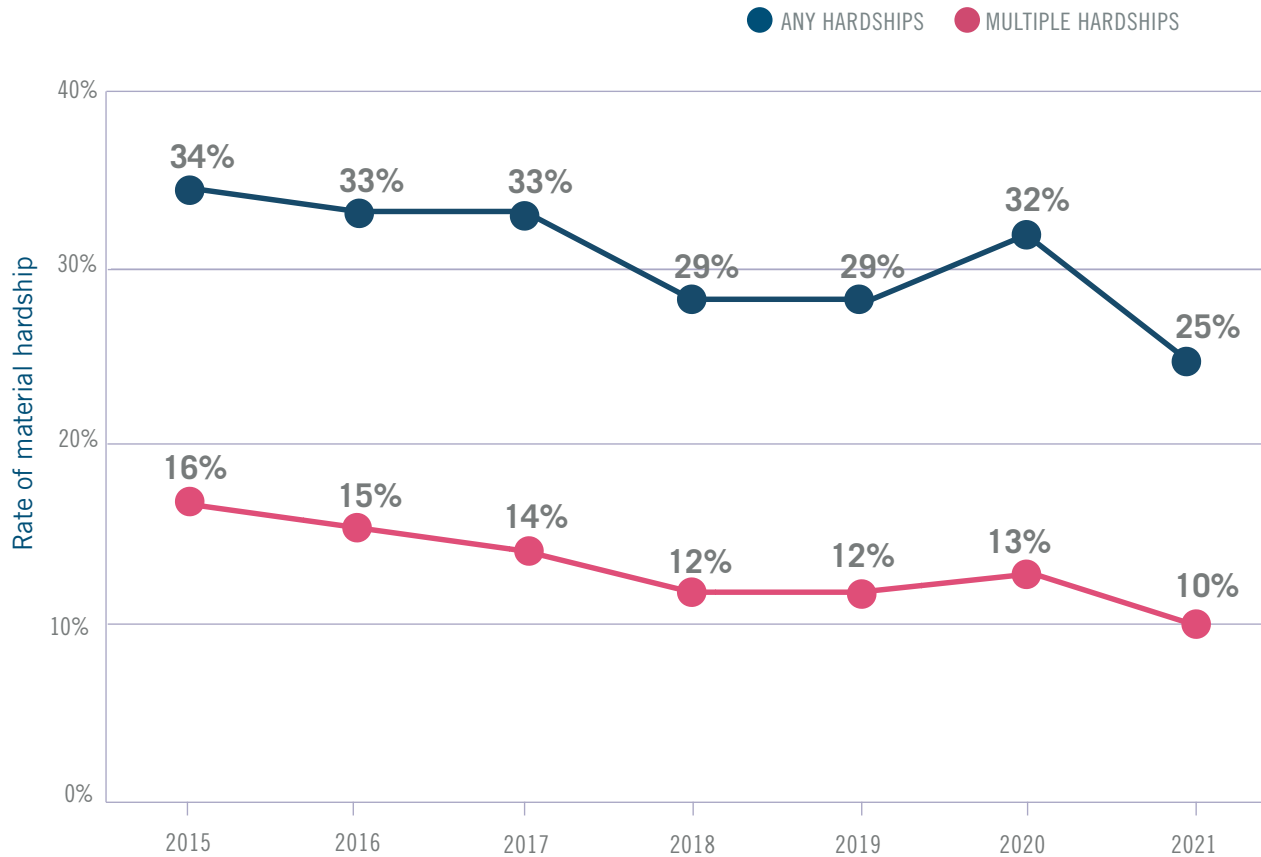
Facing any of these forms of hardship.

It is not only those living below the poverty line who struggle to make ends meet: material hardship is even more widespread than poverty — but 2021 also saw a positive course change. Between 2015 and 2020, roughly one in three adults faced material hardship. In 2021, this fell to one in four.

New York is a high-cost city, and many New Yorkers living above the poverty line also struggle to keep food on the table and rent paid. In the pre-pandemic years, 29% of adults (1.9 million) in New York City faced at least one form of material hardship and 12% (794,000) faced multiple forms of hardship. In 2021, however, we saw the material hardship rate fall to 25% (Figure 1.6).

Figure 1.6

Rates of material hardship among adults in New York City (2015–2021)



Source: Annual Poverty Tracker survey data, all Poverty Tracker cohorts.

Declines in the share of children in families facing material hardship were even more pronounced, falling from 36% to 26%.

We do not have data on this comprehensive set of hardships at the national level, but national estimates of food insecurity also show rates falling in 2021.¹² Most attribute these declines in food insecurity to government policies that increased income, which also likely contributed to the below-average rate of material hardship in New York City in 2021.¹³ Though, we also note that Poverty Tracker findings have highlighted an increased role of food pantries among New Yorkers in recent years.¹⁴ A key policy that affected hardship experiences of families with children was the Child Tax Credit, which we examine in more detail in section 3 of this report.

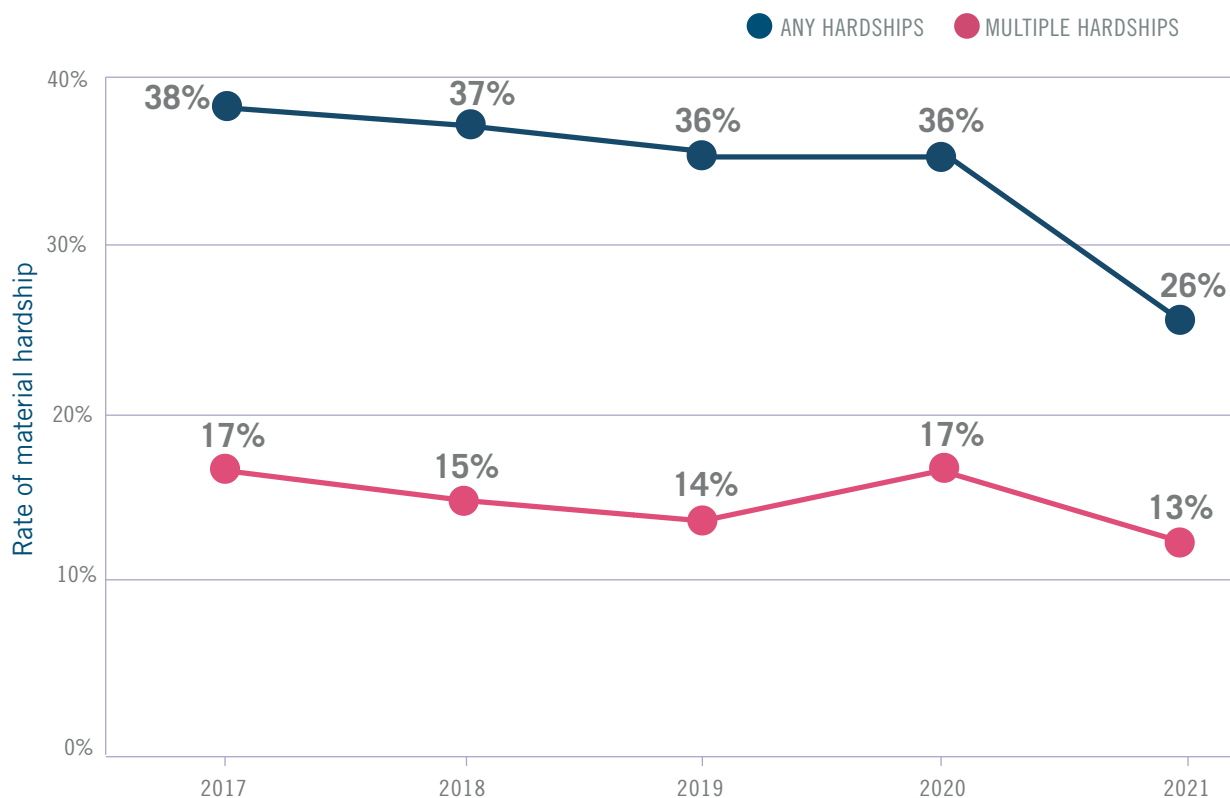
¹² Coleman-Jensen, “Household Food Security in the United States in 2021.”

¹³ Ross et al., “The ARP Grew the Economy, Reduced Poverty, and Eased Financial Hardship for Millions”; Parolin et al., “The Initial Effects of the Expanded Child Tax Credit on Material Hardship.”

¹⁴ Bannerman, Collyer, and Friedman, “Spotlight on Food Hardship in New York City: Lessons Learned during the Pandemic and Where We Go from Here”; Maury, Collyer, and Wimer, “Spotlight on Food Assistance in New York City: Food Pantry Use Spikes among Non-U.S. Citizens Amid Changing Immigration Rules.”

Figure 1.7

Share of children in families facing material hardship (2017–2021)



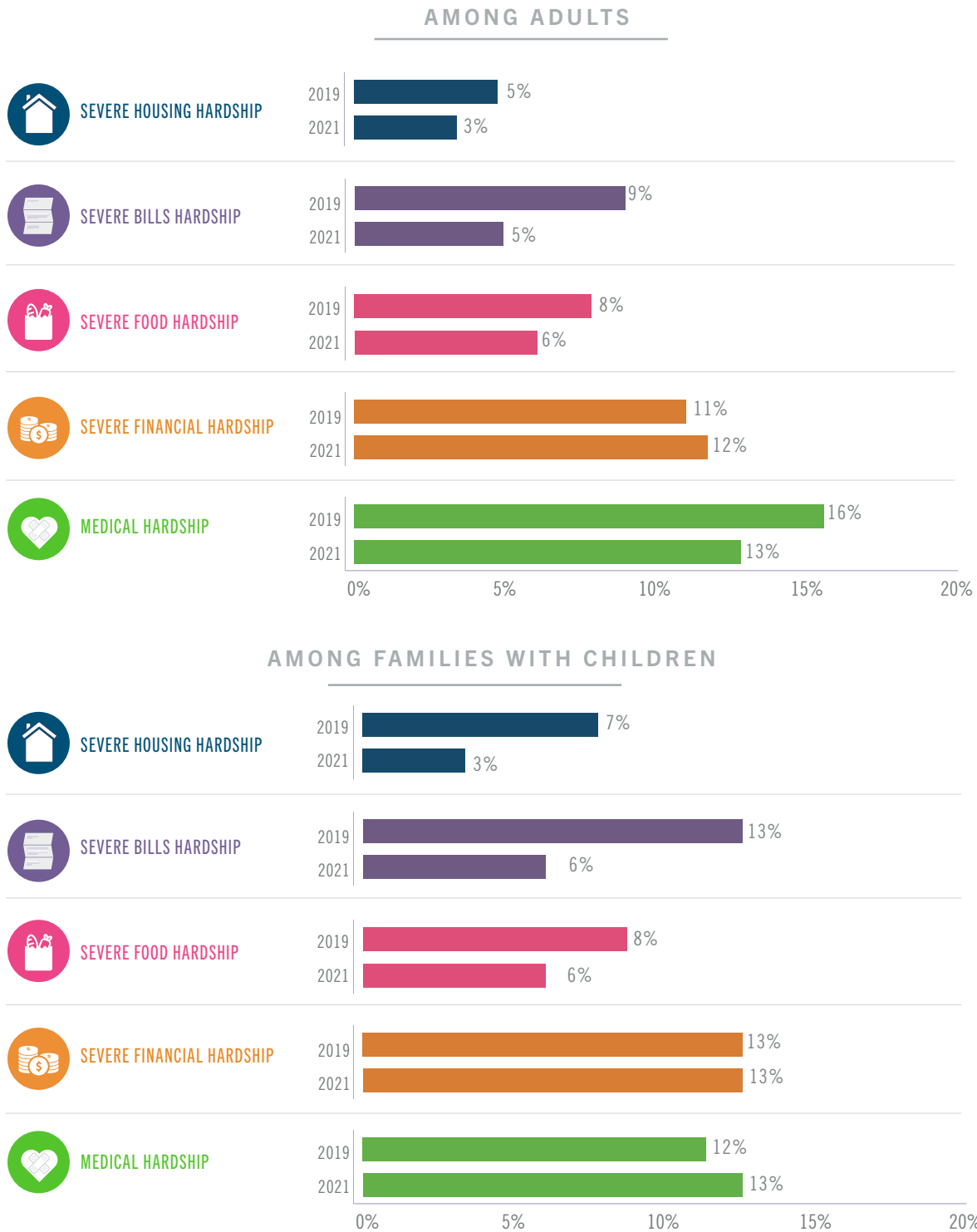
Source: Annual Poverty Tracker survey data, second, third, fourth, and fifth Poverty Tracker cohorts.

The most common forms of material hardship in 2021 were severe financial hardship and medical hardship.

Figure 1.8 shows rates of hardship by domain for adults, as well as the share of children who were in a family facing each form of hardship. The most common form of hardship among adults was medical hardship, pointing to the high cost of medical care in the city: more than one in ten adults (13%) did not receive medical care in 2021 because of cost. Severe financial hardship was also common, with 12% of adults reporting often running out of money before the end of the month. This form of hardship was also common among families with children, as 13% of families with children often ran out of money before the end of the month. The data also show 6% of families with children and 5% of adults had utilities shut off in 2021, and for both, there are notable declines relative to 2019, likely due to the moratorium on utility shut-offs due to the pandemic.

Figure 1.8

Prevalence of each form of material hardship among adults and families with children, 2019 and 2021



Source: Annual Poverty Tracker survey data, second, third, fourth, and fifth Poverty Tracker cohorts.

HEALTH AND MENTAL HEALTH IN NEW YORK CITY

Challenges to health, such as work-limiting health conditions and psychological distress, are tied to experiences of hardship and poverty, as they can limit one’s ability to secure income and can be costly. In this section, we examine the prevalence of health challenges such as poor self-rated health, work-limiting health conditions, and psychological distress across the city’s adult population.

MEASURING HEALTH PROBLEMS

The Poverty Tracker asks New Yorkers to self-rate their health and if they have any work-limiting health conditions. Responses to these questions are used to measure health problems.



POOR HEALTH

Respondents answered “poor” when asked to rate their health on a five-point scale from excellent to poor.



WORK-LIMITING HEALTH CONDITION

Respondents indicated they had a work-limiting health condition when asked.



HEALTH PROBLEMS

Having a work-limiting disability or self-reporting one’s health as “poor.”



SERIOUS PSYCHOLOGICAL DISTRESS

Identified as having serious psychological distress according to the Kessler-6 scale.¹⁵

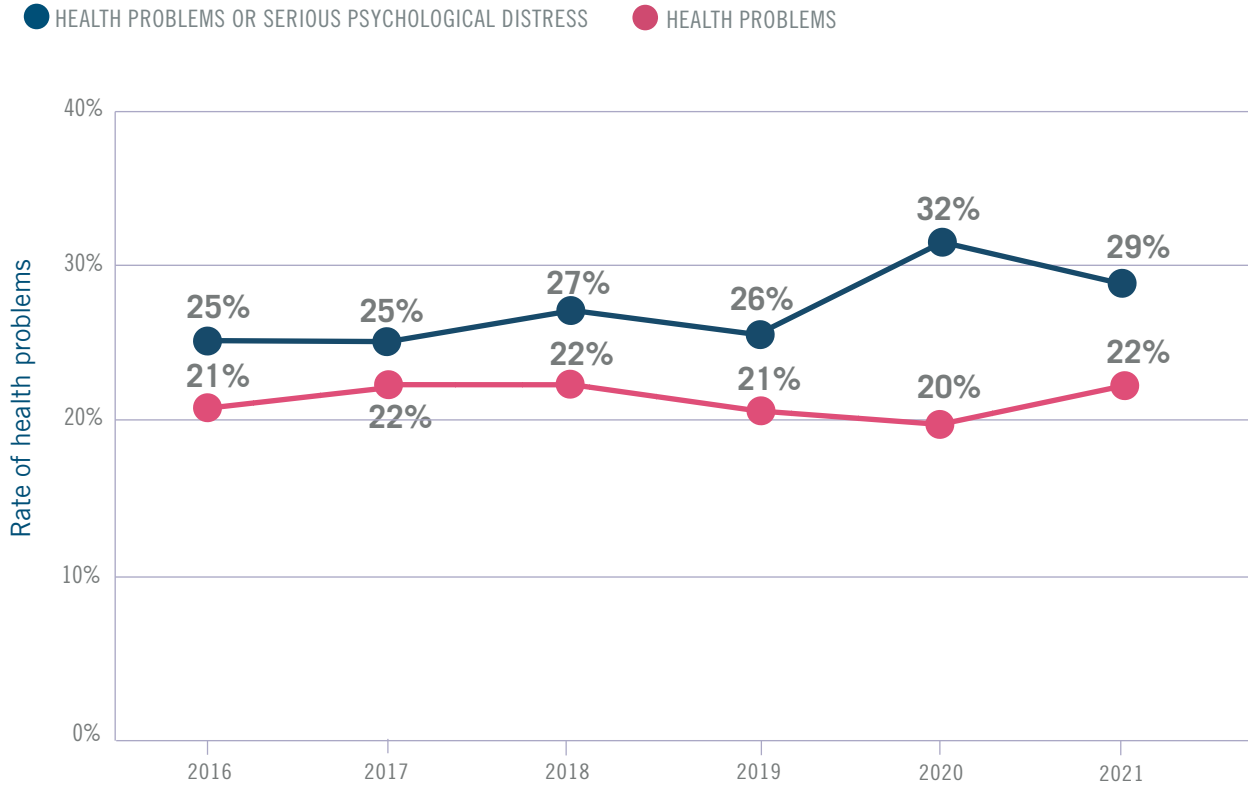
In all years from 2015 to 2021, roughly one in five adult New Yorkers faced a health problem, defined as reporting poor health or having a work-limiting health condition.

In 2021, 22% of New Yorkers were identified as having a health problem, and 29% had either a health problem or experienced serious psychological distress. These experiences put them at an increased risk of poverty and hardship and may be the consequence of or exacerbated by a lack of income or enduring hardships. We explore the overlap among experiences of poverty, hardship, health problems, and psychological distress in section 4 of the report. In a forthcoming report, as part of a collaboration among Columbia University, Robin Hood, and the Helmsley Charitable Trust, we examine healthcare need and consumption in New York City, focusing specifically on the experiences of New Yorkers with high healthcare needs who also face economic disadvantage. In that report, we identify high rates of delayed and foregone care driven by challenges related to cost, transportation, and mobility.

¹⁵ See Kessler et al., “Short Screening Scales to Monitor Population Prevalences and Trends in Non-Specific Psychological Distress.”

Figure 1.9

Rates of health problems among adults in New York City (2016-2021)



Source: Annual Poverty Tracker survey data, second, third, fourth, and fifth Poverty Tracker cohorts.

When examining citywide rates of poverty, hardship, and health problems across the years, 2021 stands out. Rates of material hardship fell to their lowest level across the years for which we have data, and declines in hardship and poverty were particularly pronounced for children and their families. The results clearly show the impact of public policy on addressing pressing societal problems. Despite promising developments, challenges also persisted in 2021. Health problems were just as common in 2021 as in earlier years, and, as we will show in the next section, substantial disparities in exposure to economic disadvantage along racial and ethnic lines and between other population subgroups persist. Taken together, the results point to the efficacy of the policy tools leveraged in 2021 as well as the need for additional action to bolster the economic security and health of New Yorkers and to close long-standing disparities.



Disparities in poverty, material hardship, and health problems

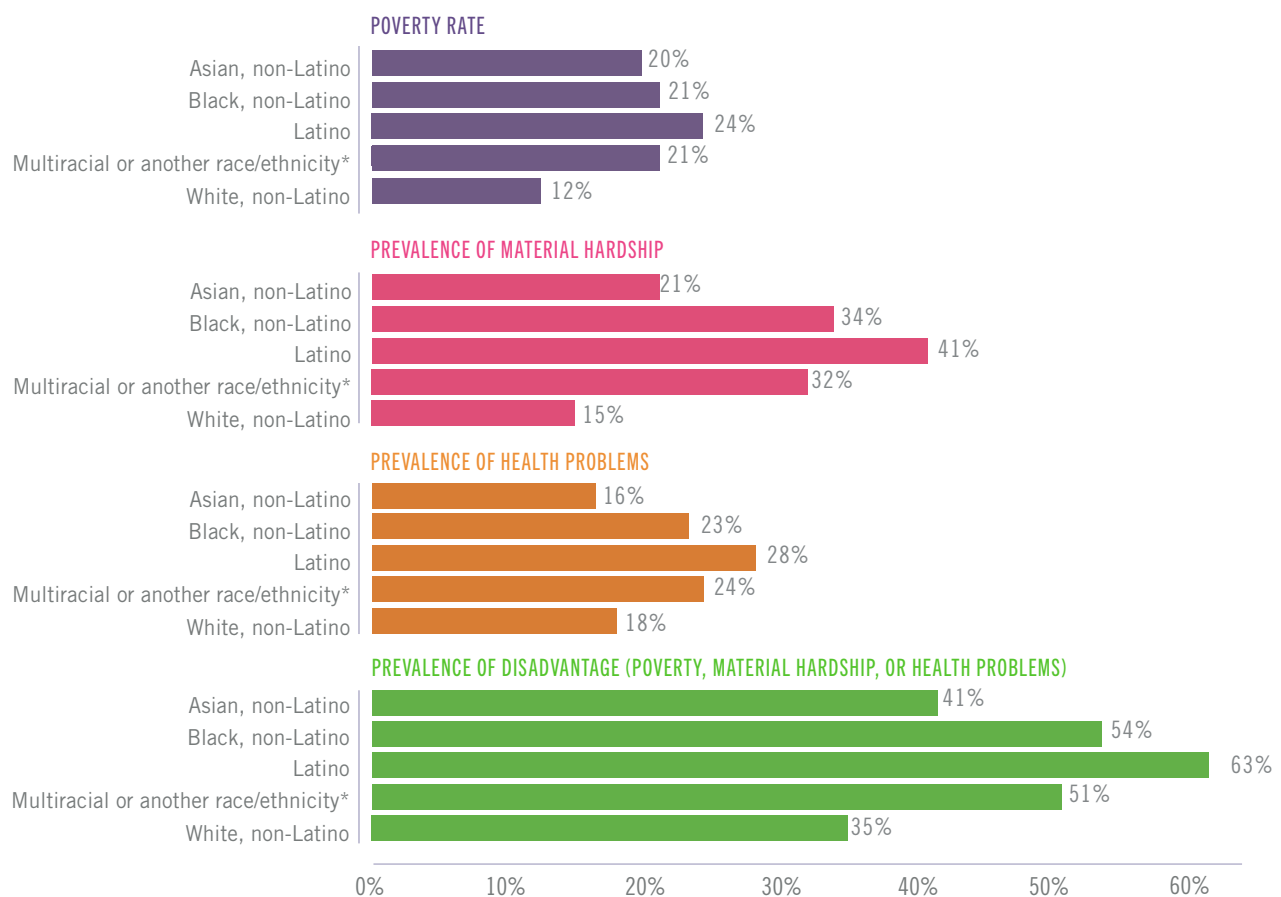
HIGHLIGHTS

- In 2021, economic disadvantage was significantly more common among Asian, Black, and Latino New Yorkers than among white New Yorkers, pointing to structures of inequality that reproduce economic disadvantage among racial and ethnic lines.
- Latino New Yorkers were twice as likely to live in poverty as white New Yorkers (24% vs. 12%), and rates were similarly elevated among Asian and Black New Yorkers (20% and 21%, respectively).
- Women experienced higher rates of all forms of disadvantage than men, and histories of gender-based income and social inequality may provide some explanation for these significant differences.
- New Yorkers born outside of the U.S. also faced significantly higher rates of poverty and hardship than U.S.-born residents, but a lower prevalence of health problems.
- Differences in the levels of disadvantage among New Yorkers were also present by location, with experiences of all forms of disadvantage being highest in the Bronx.

It is well known that (1) poverty, material hardship, and health problems are not equally distributed across demographic groups, and (2) policy plays a role in creating and mitigating inequities. For example, racially discriminatory employment policy, housing policy, and criminal justice policy — to name just a few domains — are known to compromise the economic security of people of color, and Black individuals in particular. Immigration policy affects the economic stability of noncitizens and their families.¹⁶ Unpaid family leave and sick leave policy — a challenge that New York City and New York State have taken on — is also known to play into gender pay gaps that result from taking maternity leave and caring for children. Disproportionate transportation investment in Manhattan versus other boroughs has also introduced variation in access to economic opportunity within the city. These are just some examples of the ways that policy can create inequality, but as we have highlighted in this report, policy also has a role in lowering disadvantage. In Figure 2.1, we document disparities in rates of poverty, hardship, and health problems in 2021 across racial and ethnic groups.

Figure 2.1

Rates of poverty, hardship, health problems, and disadvantage by race/ethnicity (2021)



Source: Annual Poverty Tracker survey data, second, third, fourth, and fifth Poverty Tracker cohorts.

Note: Results for subgroups based on three-year average. *Interpret with caution due to sample size constraints.

¹⁶ Recent work from the Poverty Tracker and the New York City Department of Social Services shows how changes in the “public charge” designation during citizenship applications led to a significant drop-off in SNAP enrollment among noncitizens and increased use of food pantries, which, while providing a lifeline in a time of emergency, are known to have disadvantages compared to SNAP benefits.

In 2021, disadvantage was significantly more common among Asian, Black, and Latino New Yorkers than among white New Yorkers,¹⁷ pointing to structures of inequality that reproduce disadvantage among racial and ethnic lines. Latino New Yorkers were twice as likely to live in poverty compared to white New Yorkers (24% vs. 12%), and rates were similarly elevated among Asian and Black New Yorkers (20% and 21%, respectively). Beyond poverty, in 2021, Latino New Yorkers faced a strikingly high rate of material hardship: 41%. Hardship was also more prevalent among Black and Asian New Yorkers than white New Yorkers (34%, 21%, and 15%, respectively). In terms of health, white and Asian New Yorkers had similar prevalence of health problems, 18% and 16%, respectively, but similar to other measures of disadvantage, Latino New Yorkers experienced the highest prevalence of health problems, at 28%, followed by Black New Yorkers at 23%. Among other factors, varying rates of health problems can be attributed to environmental and/or work conditions that vary by racial and ethnic groups.

The portrait of disadvantage in 2021 (presented on the follow pages) highlights other disparities in economic disadvantage across demographic groups. For example, women experience higher rates of all forms of disadvantage than men, and histories of gender-based income and social inequality may provide some explanation for the significant differences in these rates.

New Yorkers born outside of the U.S. also face significantly higher rates of poverty and hardship than U.S.-born residents, but a lower prevalence of health problems. This may be attributed to the immigrant health paradox, an observed phenomenon of better health among immigrants (compared to non-immigrants) upon their arrival to a new country, alluding to the strength and endurance required to make such a transition.¹⁸

There is also substantial variation in poverty, hardship, and health problems by educational attainment, and New Yorkers with a high school degree or less are significantly more likely to face all of these forms of disadvantage than New Yorkers with a college degree.

Rates of economic disadvantage also vary by age. Expectedly, New Yorkers aged 65 years and over have a higher prevalence of health problems than younger New Yorkers. However, New Yorkers over age 64 and those between ages 18 and 34 also experience higher rates of poverty than those of ages 35 to 64: 23% and 21% versus 16%. And younger adults experience the highest level of material hardship (34%). This notably high rate reflects the particularly unstable period that young adults experience as they transition into adulthood.

Differences in the levels of disadvantage among New Yorkers are also present at the geographic level. The poverty rate is highest in the Bronx (22%). Though not as high as the Bronx, Queens and Brooklyn also experience higher rates of poverty than Manhattan at 20%, 18%, and 17%, respectively. Similarly, residents of the Bronx experience much higher rates of material hardship than other boroughs, at 34%. Roughly one in four Brooklyn, Manhattan, and Queens residents faced material hardship (28%, 26%, and 26%, respectively), as did one in five Staten Island residents (19%). The prevalence of health problems is also notably higher in the Bronx than in other boroughs. Roughly a quarter of Bronx residents (26%) experience health problems; this rate is 7 percentage points higher than in Queens (19%), 4 percentage points higher than in Manhattan (22%), and 2 percentage points higher than in Brooklyn (24%). Each borough differs in its

¹⁷ See Appendix A for details on how the Poverty Tracker identifies respondents' race and ethnicity.

¹⁸ Markides and Rote, "Immigrant Health Paradox."

amenities, from infrastructure to health resources to economic activities. The geographic limitations and environmental circumstances of each borough, especially those outside of Manhattan, can explain, in part, the varying rates of disadvantage experienced by their residents. Though the rates of poverty, material hardship, and health problems in Staten Island are notably lower than any of the other boroughs, we note that there is a small number of Staten Island residents in our sample and thus these results should be interpreted with caution.

While 2021 was a year that showed the efficacy of policy as a tool for reducing poverty and hardship, these results highlight how such disparities persist and emphasize the need for policies to narrow — and eventually close — these long-standing gaps.

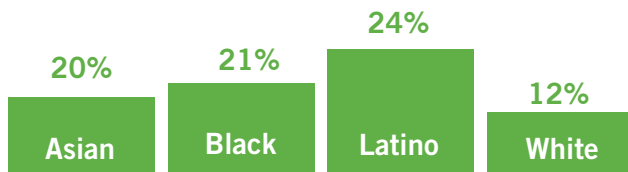
PORTRAIT OF DISADVANTAGE IN NEW YORK CITY IN 2021¹⁹

In 2021, 18% of adults in New York City lived in poverty, 25% faced at least one form of material hardship, and 22% experienced health problems; 46% endured one or more of these forms of disadvantage.

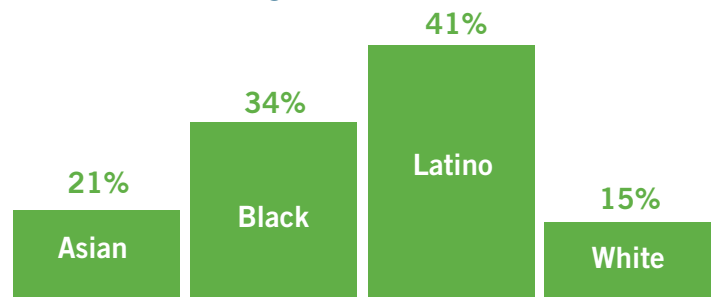


Relative to white New Yorkers, all other racial and ethnic groups experienced significantly higher rates of **DISADVANTAGE**.

Asian, Black, and Latino New Yorkers were around twice as likely to live in **POVERTY** as white New Yorkers.



Compared to white New Yorkers, **MATERIAL HARDSHIP** was over twice as common among Black New Yorkers and almost three times as common among Latino New Yorkers.



Women in New York City were more likely than men to face all forms of **DISADVANTAGE**.

POVERTY rates for women were 5 p.p. higher than men (21%, 16%)



The rate of **MATERIAL HARDSHIP** was 7 p.p. higher (31%, 24%)



and the rate of **HEALTH PROBLEMS** was 5 p.p. higher (24%, 19%)



New Yorkers with a high school degree or less faced substantially higher rates of **DISADVANTAGE** than those with a college degree.

POVERTY rates were three times as high among New Yorkers with a high school degree or less relative to those with a college degree (29% vs. 10%).

MATERIAL HARDSHIP was also more common among New Yorkers with a high school degree or less than those with a college degree (33% vs. 19%), as were **HEALTH PROBLEMS** (30% vs. 14%).



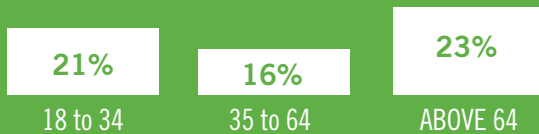
¹⁹See Appendix B for a table of these results.



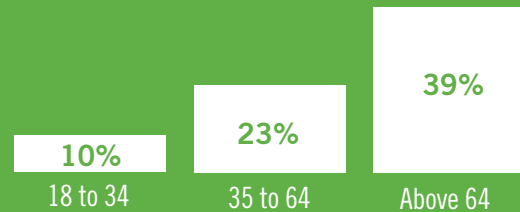
New Yorkers born in another country were less likely to experience **HEALTH PROBLEMS** than New Yorkers born in the U.S.

New Yorkers born in another country had higher **POVERTY** rates and **HARDSHIP** rates than New Yorkers born in the U.S. (23% vs. 16% and 29% vs. 26%).

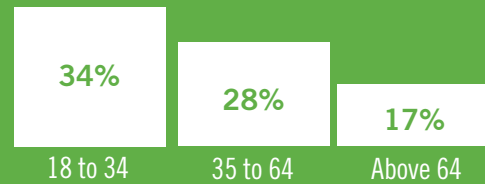
POVERTY rates in New York City vary by age group, with adults over 65 years old experiencing higher rates than those ages 35 to 64 and those ages 18 to 34.



New Yorkers ages 18 to 34 years old experience **HEALTH PROBLEMS** at half the rate faced by adults ages 35 to 64 years old and one-fourth the rate faced by those above age 65.



Rates of **MATERIAL HARDSHIP** for New Yorkers ages 18 to 34 years old was 6 percentage points higher than those faced by adults ages 35 to 64 years old and 17 percentage points higher than adults over age 65.



POVERTY RATES

BRONX:	22%
BROOKLYN:	18%
MANHATTAN:	17%
QUEENS:	20%
STATEN ISLAND:	11%*

RATES OF MATERIAL HARDSHIP:

BRONX:	34%
BROOKLYN:	28%
MANHATTAN:	26%
QUEENS:	26%
STATEN ISLAND:	19%*

RATES OF HEALTH PROBLEMS:

BRONX:	26%
BROOKLYN:	24%
MANHATTAN:	22%
QUEENS:	19%
STATEN ISLAND:	18%*

OVERALL DISADVANTAGE

BRONX:	56%
BROOKLYN:	48%
MANHATTAN:	47%
QUEENS:	46%
STATEN ISLAND:	38%*



*Interpret with caution due to sample size constraints.



Spotlight on the effects of the 2021 monthly Child Tax Credit on child and family well-being

HIGHLIGHTS

- The ARP expanded the federal CTC by increasing the credit value, delivering it in monthly installments, making it fully refundable, and eliminating the credit phase-in so that low-income families were eligible for the same credit as those with higher incomes.
- Under current law, the credit is partially refundable and phases in with earnings, and these parameters leave low-income families ineligible for the full credit.
- By making the CTC available to nearly all children living in poverty, its temporary expansion under the ARP redressed substantial disparities in access to the full CTC: under prior and current law, one in three children in New York State were (and still are) ineligible for the full credit, but the ARP temporarily filled this gap.
- The additional income from the expanded CTC payments translated to substantial declines in material hardship among New York City's families with children in the period when payments were delivered.
- Overall, the CTC payments led to a roughly 10% reduction in the risk of any hardship, multiple hardships, and financial hardships among families with children in the Poverty Tracker sample.
- Reductions in these forms of hardship among families in poverty were even larger. We find a 14% reduction in the risk of hardship overall, a 23% reduction in multiple hardships, a 39% reduction in financial hardship, and a 19% reduction in food hardship associated with the monthly payments.
- Families with children were also 21% less likely to visit food pantries in the months that they received the monthly CTC payments, and those in poverty were 33% less likely.
- We find no evidence of reduced parental labor force participation associated with the monthly CTC payments.
- Experiencing material hardship in childhood has been found to negatively impact children's physical health and development, socioemotional behavior, and educational attainment. This evidence clearly shows that the CTC significantly reduced the risk of exposure to hardship and — temporarily — offset some of the long-term risks for children associated with economic deprivation.

The expansion to the CTC under the ARP marked a historic — but temporary — shift in social policy in the U.S. The ARP reformed the CTC by increasing benefit values, making the credit fully refundable, removing the earnings requirement, and delivering payments in monthly installments in the second half of 2021.²⁰ These reforms made the CTC fully accessible to nearly all low-income families who were previously ineligible for the full credit. Previously, one in three children did not receive the full CTC because their family's earnings were not high enough to qualify,²¹ and rates were even higher in certain areas of the country and of New York City: 68% of children in New York's 15th Congressional District (which covers portions of the West and South Bronx) and 58% of children in the state's 13th Congressional District (which covers Upper Manhattan and the portions of the West Bronx) were ineligible for the full credit. The ARP made these children temporarily eligible for the full CTC.²²

The latest evidence shows that the monthly CTC payments moved millions of children out of poverty in the months that payments were made and drove the annual child poverty rate in 2021 down to an unprecedented low.²³ The expanded CTC also cut child poverty in New York City by more than 30% in 2021 and kept roughly 120,000 children out of poverty — that amounts to a 75% increase in its antipoverty effect over prior law. The monthly payments also had the potential to affect other key outcomes related to children's development and well-being, including their family's experiences of material hardship and need for emergency food assistance, as well as parent's spending on child-related goods and services, their mental health, and their labor force participation. Here, we use data from the Poverty Tracker and Early Childhood Poverty Tracker (ECPT)²⁴ to show the effect that the monthly CTC payments had on these experiences among New York City's families with children.

Our approach for evaluating the effects of the monthly Child Tax Credit

The Poverty Tracker and ECPT studies include two important elements for a rigorous analysis of the CTC's effects on family and child well-being: (1) data on experiences both before and after the monthly CTC payments were made, and (2) the ability to examine how the payments affected groups who benefited from it at different levels (e.g., for some families with children, it was a larger change in income than it was for other families). In Appendix C, we provide additional details on how we leveraged these two features of the Poverty Tracker data to measure the effects of the CTC payments on children and families in New York City.²⁵

²⁰ Half of payments were delivered in monthly installments between July and December 2021, with the remainder of the payments delivered around tax time in 2022.

²¹ Collyer, Harris, and Wimer, "Left Behind: The One-Third of Children in Families Who Earn Too Little to Get the Full Child Tax Credit"; Curran and Collyer, "Children Left Behind in Larger Families: The Uneven Receipt of the Federal Child Tax Credit by Children's Family Size."

²² Collyer, "Children Losing Out: The Geographic Distribution of the Federal Child Tax Credit."

²³ Parolin, Collyer, and Curran, "Absence of Monthly Child Tax Credit Leads to 3.7 Million More Children in Poverty in January 2022"; Wimer et al., "The 2021 Child Tax Credit Expansion: Child Poverty Reduction and the Children Formerly Left Behind"; Creamer et al., "Poverty in the United States: 2021."

²⁴ The ECPT is a sister study to the Poverty Tracker that examines experiences of families with young children in New York City. More information on the ECPT available in: Neckerman et al., "The Early Childhood Poverty Tracker. The Youngest New Yorkers."

²⁵ The analysis presented here is drawn from that presented in Collyer et al., "The Effects of the 2021 Monthly Child Tax Credit on Child and Family Well-Being." See the paper for additional examination of the monthly CTC payments' effects on spending on child-related goods and services and parents' mental health.

The CTC expansion and family income

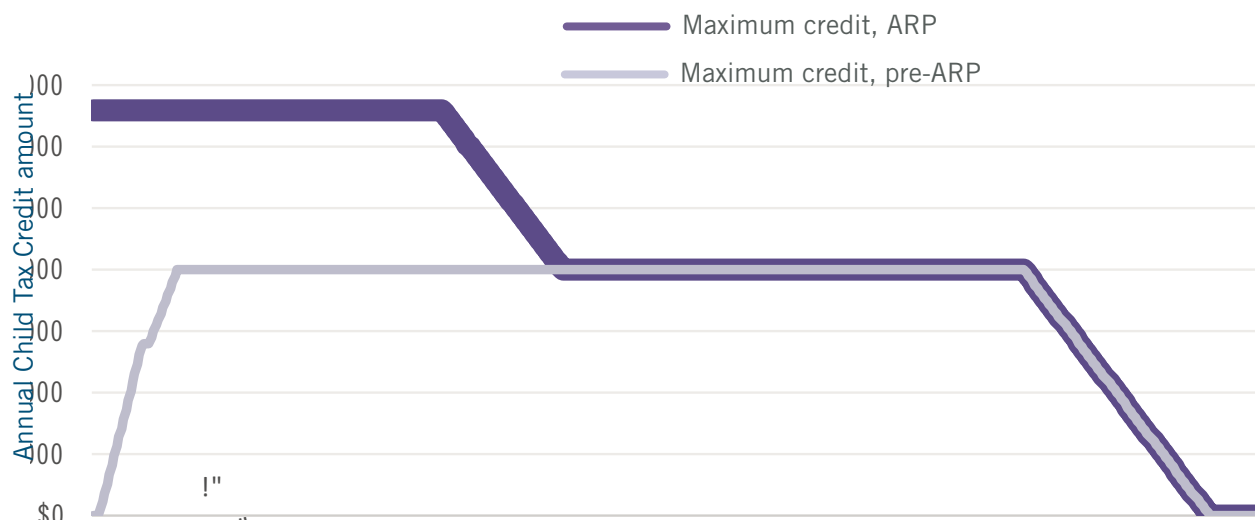
By making the CTC available to nearly all children living in poverty, its temporary expansion under the ARP redressed substantial disparities in access to the full CTC.

Before its temporary expansion under the ARP, the CTC provided families with a tax-time credit of up to \$2,000 per child. Families, however, needed a certain level of earnings to qualify for the full credit. For example, a two-parent, two-child family needed \$36,000 in earnings to access the full credit, and the earnings requirements were even higher for larger families.²⁶ The ARP made three key changes to the CTC that substantially broadened its reach and potential impact on the well-being of families with children.

- 1. Increased the maximum credit amount.** The maximum credit rose from \$2,000 per child under age 17 to \$3,000 per child aged 6–17 and \$3,600 per child under age 6.²⁷
- 2. Eliminated the earnings requirement and partial refundability structure.** This allowed families with qualifying children to receive the maximum credit regardless of their earnings history.
- 3. Established that the credit be delivered in advance to families through monthly payments.** Payments of \$250 to \$300 per child (depending on the child’s age) were distributed for six months in 2021 (July through December). Families could receive the remaining half of their credit when they filed their taxes in 2022 for tax year 2021.

Figure 3.1

Maximum annual Child Tax Credit amounts for a two-child family (one child over age 6, one child under age 6)



Source: Calculated by authors based on policy parameters.

Note: Under pre-ARP law, the credit phased in with earned adjusted gross income and phased out with adjusted gross income (AGI). Under the ARP, the credit phased out at a rate of 5% per dollar of AGI for joint filers with more than \$150,000 and single filers with more than \$112,500 in AGI until reaching the credit filers were eligible for under prior law.

²⁶ See Curran and Collyer, “Children Left Behind in Larger Families: The Uneven Receipt of the Federal Child Tax Credit by Children’s Family Size.”

²⁷ This increase was limited to families with incomes below \$150,000 for joint filers and \$112,500 for single filers. Above these thresholds, the credit phased out at a rate of 5% per dollar of AGI until reaching the credit filers were eligible for under prior law. That is, no one lost the credit they received previously, but higher credit levels only applied to families with earnings below these thresholds.

Figure 3.1 shows how the annual CTC amount changed for two-adult, two-child families under the ARP based on income level if they had one younger and one older child. The light purple line shows their annual credit under prior law,²⁸ and the dark purple line, their annual credit with the ARP expansion. Comparing these lines shows how the maximum annual credit amount increased to \$6,600 for these families with adjusted gross incomes (AGI) below \$150,000. The net gains for the expansion, however, were largest for the lowest income families who were receiving a partial credit or no credit at all under prior law (light purple line). The fact that these families were disproportionately left behind when it came to receiving the full credit under prior law also means they were the most likely to benefit from its expansion.

Did all CTC-eligible families receive their monthly payments?

While the ARP had the potential to increase incomes of nearly all low-income families and those in poverty, not all eligible families received the payments.

Ensuring that all families who were eligible for the monthly CTC payments actually received the payments required both administrative changes by the Internal Revenue Service (IRS) and a large-scale outreach effort. Typically, the IRS delivers these payments at tax time, but in response to the ARP expansion to the CTC, the IRS needed to develop a mechanism for monthly credit delivery. Further, it needed a method for reaching and delivering payments to families who were not already in the tax system but who were made eligible for the credit under the ARP. This group is often described as the “non-filer” population. The IRS and the White House created two websites that discussed delivery and eligibility for the credit,²⁹ and the IRS developed a portal for non-filers to sign up for the credit.

The city and state governments also launched CTC-awareness campaigns, as did many community-based organizations. For example, New York City’s Department of Consumer and Worker Protection worked with community-based organizations across the city to get the word out about how to claim the credit.³⁰ However, there were also challenges with the launch of the monthly payments and glitches that families encountered when trying to sign up to receive them.³¹

Overall, the credit did not reach all eligible children, but the number of children reached did increase over the course of the year. Roughly 59 million children across the country received the first monthly payment in July, rising to 61 million by December. The IRS, however, has not released information about the number of children in the country who were eligible for the monthly CTC payments, and thus we do not have an exact coverage rate for the monthly payments. Note also that children without Social Security numbers were not eligible for the CTC (under pre-ARP law or the ARP).

Families in the Poverty Tracker sample with a history of tax filing were more likely to receive the monthly payments than those without, but the payments did reach the majority of respondents with children who identified as non-filers. See Appendix C for additional details.

²⁸ Note that the ARP was only in effect for the 2021 tax year, and the CTC under current law has reverted to the pre-ARP parameters.

²⁹ The addresses for these sites are <https://www.whitehouse.gov/child-tax-credit/sign-up/> and <https://www.irs.gov/credits-deductions/advance-child-tax-credit-payments-in-2021>.

³⁰ Veiga, “Will Expanded Child Tax Credits Reach NYC Families Who Need It Most?”

³¹ Birenbaum, “How to Get the Child Tax Credit — and Why It Should Be Easier to Get.”

The Child Tax Credit and experiences of material hardship

Experiencing material hardship in childhood has been found to negatively impact children’s physical health and development, socioemotional behavior, and educational attainment.

A growing number of researchers have also examined how experiences of material hardship (which is related to, but distinct from, poverty and income levels) affect child outcomes, finding that experiences of hardship are associated with children’s health problems,³² lower levels of overall wellness,³³ and increases in internalizing and externalizing behaviors.³⁴ Further, experiences of material hardship have been identified as mediators in the relationship between income and parental stress.³⁵ Thus, policies that reduce material hardship, by way of increasing income or by other means, could contribute to broader improvements in child and family well-being.

We analyze the effect of the CTC on several forms of material hardship, listed below, and determine if the payment reduced the risk of facing any of these hardships or multiple forms. Note that, unlike the annual material hardship measures reported in the other sections of this report, these measures were all asked about in reference to the three months prior to respondents completing the survey in order to more precisely estimate the effects of the CTC versus other policy measures.

Financial hardship: Running out of money before the end of the month

Housing hardship: Missing rent or mortgage payments

Food hardship: Sometimes or often running out of food or worrying that food would run out without enough money for more

Utilities hardship: Missed utility payments

Medical hardship: Not being able to see a doctor because of cost

The additional income from the expanded CTC payments translated to substantial declines in material hardship among New York City’s families with children.

The monthly CTC payments were associated with substantial reductions in the share of families with children facing any forms of material hardship and multiple forms of hardship. Looking at specific forms of hardship, we find reductions in the share of families facing financial hardship (running out of money before the end of the month) and in food hardship among families in poverty. We first quantify these effects by showing the percentage point decline in risk of hardship associated with each \$100 increase in income (Table 3.1).

³² Yoo, Slack, and Holl, “Material Hardship and the Physical Health of School-Aged Children in Low-Income Households.”

³³ Frank et al., “Cumulative Hardship and Wellness of Low-Income, Young Children: Multisite Surveillance Study.”

³⁴ Thomas, “Longitudinal Patterns of Material Hardship Among US Families”; Zilanawala and Pilkauskas, “Material Hardship and Child Socioemotional Behaviors: Differences by Types of Hardship, Timing, and Duration.”

³⁵ Gershoff et al., “Income Is Not Enough: Incorporating Material Hardship into Models of Income Associations with Parenting and Child Development.”

Table 3.1

Percentage point (p.p.) change in hardship associated with \$100 increase in income from the Child Tax Credit

	ANY HARDSHIP	MULTIPLE HARDSHIPS	FINANCIAL HARDSHIP	FOOD HARDSHIP
OVERALL	- 2.8 p.p.**	- 2.0 p.p. +	- 3.7 p.p.**	- 1.8 p.p.
FAMILIES IN POVERTY	- 3.5 p.p. +	- 4.0 p.p. +	- 7.9 p.p.***	- 3.7 p.p. +

Source: Poverty Tracker and ECPT survey data collected between May 2021 and January 2022 and on prior annual surveys. + $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

We find a 20% drop in the share of families in poverty running out of money before the end of the month in the period when payments were delivered.

In Figure 3.2, we translate the percentage point reductions in hardship associated with a \$100 increase in income from the CTC (listed in Table 3.1) to the percent reductions in these hardships. This conversion is based on the amount of monthly income that we estimated families gained from the CTC expansion and allows us to see the relative reductions in hardship associated with the payments.³⁶ We also show the rates of these hardships before the delivery of the monthly payments for reference. Overall, the CTC payments led to a roughly 10% reduction in the risk of any hardship, multiple hardships, and financial hardships among families with children in the Poverty Tracker sample.³⁷ The payments also led to a larger reduction in these forms of hardship among families in poverty, reducing the risk of hardship by 14%, of multiple hardships by 23%, of financial hardship by 39%, and of food hardship by 19%.³⁸

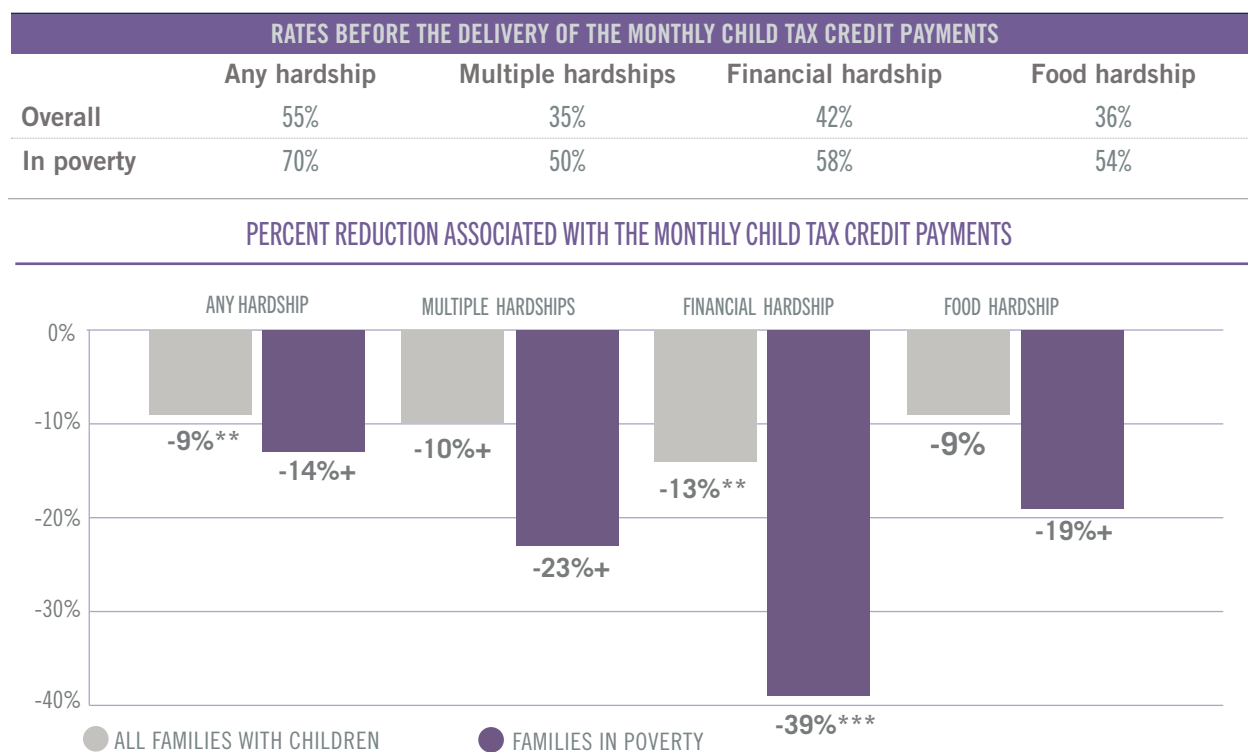
³⁶ We estimated that the average monthly net gain in income from the CTC was \$187 for all families with children and \$287 for families living below the poverty line (with poverty status determined prior to the delivery of the monthly credits). See Collyer et al., "The Effects of the 2021 Monthly Child Tax Credit on Child and Family Well-Being," for additional details.

³⁷ This estimate is based on an average net gain in income from the CTC of \$187.

³⁸ This estimate is based on an average net gain in income from the CTC of \$287 for families living below the poverty line (with poverty status determined prior to the delivery of the monthly credits).

Figure 3.2

Change in risk of hardship associated with the monthly Child Tax Credit payments



Source: Poverty Tracker and ECPT survey data collected between May 2021 and January 2022.

+ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

Note: Rates before the delivery of the Child Tax Credit payments based on data collected between May 1 and July 14, 2021.

These results make clear that the monthly CTC payments had a meaningful impact on the prevalence of material hardship among New York City families with children in the Poverty Tracker samples. They also point to the importance of a fungible cash-based policy. This is most evident in the reduction in the share of families facing multiple hardships and running out of money before the end of the month as a result of the payments and comes across even more clearly in qualitative interviews on how families used the CTC payments (see the following text box).

Parents' reports of how they used the CTC payments to avert hardships

In qualitative interviews conducted with Poverty Tracker subjects, we heard about families using payments to meet their most pressing needs, which varied from month to month. For example, Deja, an EMT and mother of four, discussed the challenges she and her husband face in making ends meet, despite both working full time. She talked about the different gaps that the payments filled from each month: in August, this included school uniforms and shoes; in October, it went toward her rent; in November, it supplemented her food budget; in December, it went toward Christmas.³⁹

The CTC payments also provided families with a modest buffer they could fall back on instead of running out of money and possibly taking on debt. Shanice is a single parent who was working full time and supporting her daughters and elderly father, and when interviewed before the monthly payments were made, she described her experience of “Just in general, not having enough [food]” to feed her family and feeling like a “crab in a barrel scratching to get to the top.” She used her payments to cover food costs, household supplies, and other necessities, and could use the money she had saved from the initial CTC payments to cover her family’s higher-than-average November food bill. Margarita, a mother of a 5-year-old, also spoke about using the money to pay off an expensive repair for her car that she uses for work to make food deliveries. She was able to avoid carrying over credit card debt because of the payments, and by the end of December, she and her husband had saved up enough to meet their goal of moving.⁴⁰ These stories exemplify how the payments provided a safeguard for families so that they were both less likely to run out money when meeting routine expenses and when emergency expenses arose.

The Child Tax Credit and use of emergency food assistance

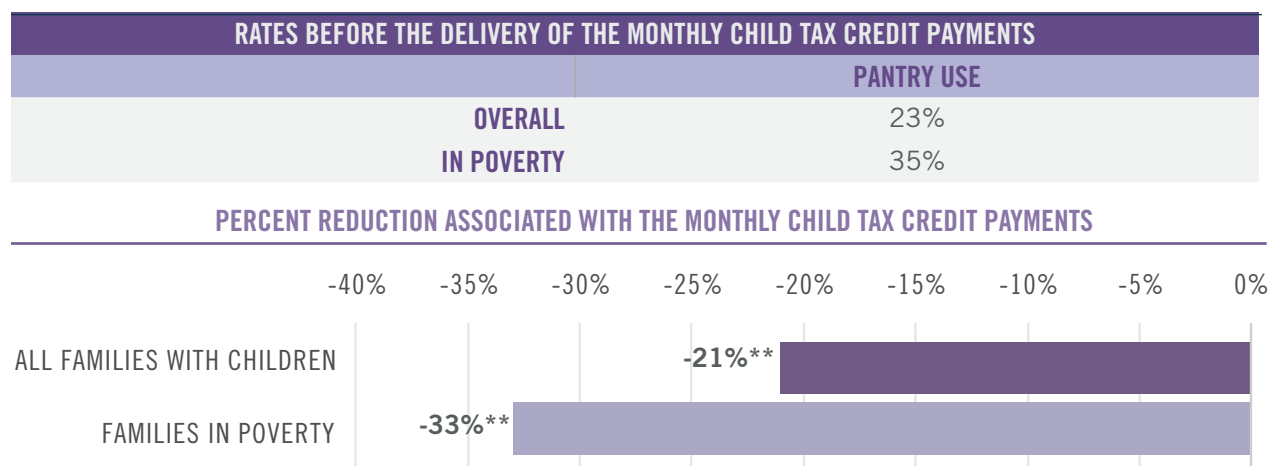
Families with children were 21% less likely to visit food pantries in the months that they received the monthly CTC payments.

Poverty Tracker respondents were asked if they received free food from a food pantry in the 30 days prior to being interviewed. Our analysis shows significant declines in the share of families with children who needed to turn to food pantries to keep food on the table in the period when payments were made. We found that each \$100 increase in income from the CTC translated to a 2.6 percentage point reduction in the share of families receiving food from a pantry and a 4.0 percentage point decline in pantry use among families in poverty. These translated to a 21% reduction in food pantry use overall and a 33% reduction for those in poverty based on average payment levels.

³⁹ See Lens et al., “Spotlight on the Child Tax Credit: Transforming the Lives of Families,” for additional findings from these qualitative interviews.

Figure 3.3

Change in pantry use associated with the monthly Child Tax Credit payments



Source: Poverty Tracker and ECPT survey data collected between May 2021 and January 2022.
 + $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

The Child Tax Credit and parental labor force participation

We find no evidence of reduced parental labor force participation associated with the monthly CTC payments.

Some claim that the monthly CTC payments could lead to reductions in labor force participation by families,⁴¹ but this response is not evident in the Poverty Tracker data when evaluating their response in the short term.

Table 3.2

Change in employment status among families with children, pre- and post-rollout of monthly Child Tax Credit payments

	WORKING (FULL- OR PART-TIME)	WORKING FULL-TIME
Share of parents working between May 1 and July 15, 2021	83%	66%
Percentage point change after July 15 per \$100 in CTC income	0.1 p.p.	0.6 p.p.

Source: Poverty Tracker and ECPT survey data collected between May 2021 and January 2022.

The majority of families include a parent working full time or part time, even with the several constraints put in place by the pandemic: 83% had a parent working full or part time and 66% working full time in the period before the monthly CTC payments were delivered (Table 3.2). To identify if the CTC had any effect on employment, we estimated how much parents' labor force participation changed for each \$100 increase in

⁴¹ Corinth et al., "The Anti-Poverty, Targeting, and Labor Supply Effects of the Proposed Child Tax Credit Expansion."

income from the CTC. If the CTC led to reductions in employment, we would expect a decline in employment for each additional \$100 in CTC income. But this is not what we find: in the period when the monthly CTC payments were distributed, we find a 0.1 percentage point increase in the share of parents working (full- or part-time) and a 0.6 percentage point increase in the share working full-time for each \$100 increase in income from the CTC, though these changes are not statistically significant (Table 3.2). Overall, these results show that the CTC did not contribute to significant reductions in employment among parents with children in the Poverty Tracker sample.

Conclusions and implication for policy and practice

Before its temporary expansion under the ARP, the CTC provided a large income boost to families with children who qualified for the credit. But most children in poverty could not reap its full benefits, as they qualified only for a partial credit or no credit at all. Thus, this income boost failed to reach those families who would benefit from it the most. The CTC expansion under the ARP temporarily filled this gap and increased the CTC's potential to reduce poverty⁴² and improve child and family well-being. Our findings show that the monthly CTC payments led to significant reductions in the share of families with children facing material hardship and needing emergency food assistance. And we find no evidence that the payments led to lower levels of parental labor force participation.

While there is clear evidence of the benefits that children and families gained from the CTC expansion, the expansion was only temporary. In January 2022, the CTC parameters reverted to those that preceded the ARP, meaning that roughly one in three children are again ineligible for the full CTC because of its link to earnings. The rates are even higher in certain areas of the city, reaching more than 68% in the state's 15th Congressional District. With the rollback of the monthly payments in January of 2022 came a sharp rise in child poverty and likely the reversal of the payments' other positive effects. But the monthly CTC payments made in 2021 provide clear evidence of the multiple benefits associated with government policies that bolster family income. Any policy agenda aiming to reduce the hardships that families face and to narrow disparities in long-term outcomes, particularly between children living below the poverty line and their higher-income peers, should strongly consider the benefits of reinstating the expansion given its known potential.

⁴² Parolin, Collyer, and Curran, "Absence of Monthly Child Tax Credit Leads to 3.7 Million More Children in Poverty in January 2022."



Overlapping experiences of disadvantage in New York City

HIGHLIGHTS

- Forty-six percent of New Yorkers faced at least one form of disadvantage in 2021, meaning disadvantage was far too common. But this also is a decline from years prior.
- Hardship persists across the income distribution, but it is most common among those living below 200% of the poverty line.
- Experiences of severe housing, bills, and food hardship were largely concentrated among low-income New Yorkers and those in poverty.
- Financial and medical hardship were most common among low-income New Yorkers and those in poverty but also elevated among moderate-income New Yorkers.
- Work-limiting health conditions were nearly three times as common among low-income New Yorkers and those in poverty versus higher-income New Yorkers.
- Work-limiting health conditions were significantly more common among New Yorkers facing material hardship than those who were not: roughly 40% of New Yorkers facing multiple forms of material hardship had such a condition.
- More than 50% of New Yorkers facing food hardship also faced health problems.



DISADVANTAGE

(INCOME POVERTY OR MATERIAL HARDSHIPS OR HEALTH PROBLEMS)

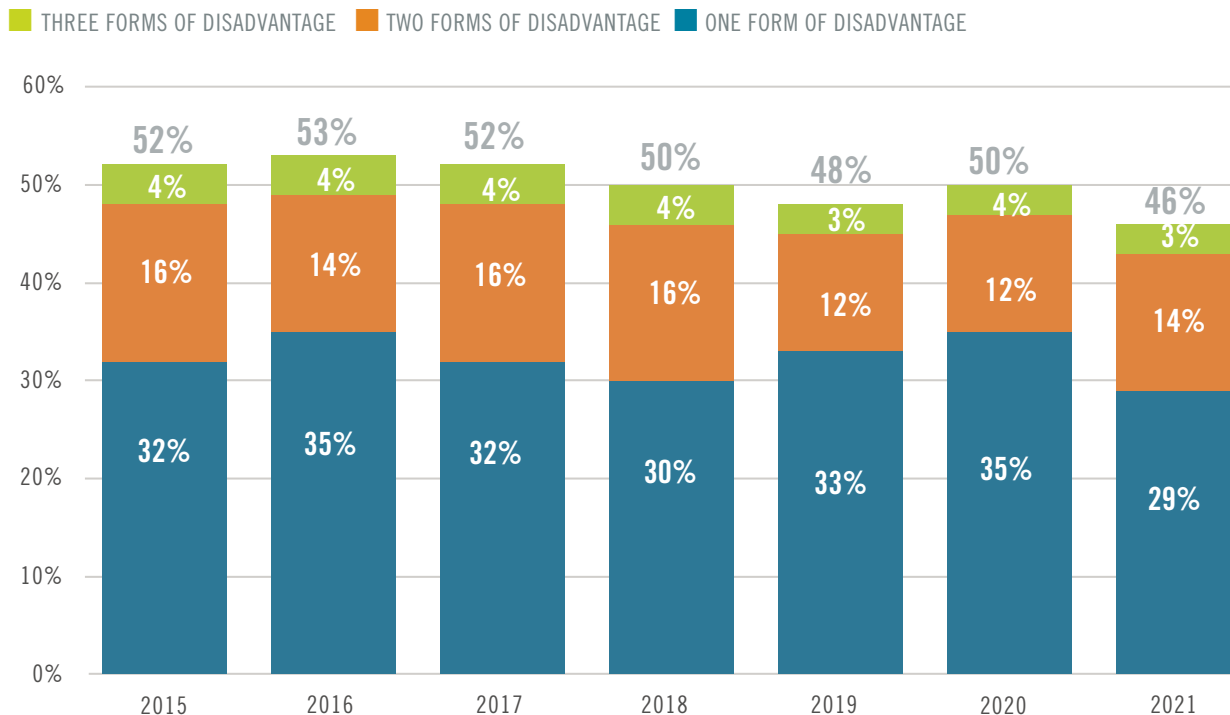
The Poverty Tracker measures three forms of disadvantage: income poverty, material hardship, and health problems. Disadvantage is thus multidimensional and experiences of disadvantage are interrelated: health problems can spur income losses just as income loss can lead to forgone medical care and health problems. Focusing on singular forms of disadvantage fails to capture both the full extent of disadvantage and the relationships among different facets of disadvantages, but the Poverty Tracker is designed to capture this wider picture. In this section, we harness this comprehensive perspective and examine overlapping experiences of disadvantage in New York City.

Forty-six percent of New Yorkers faced at least one form of disadvantage in 2021, meaning disadvantage was far too common. But this was also a decline from years prior.

The share of New Yorkers facing poverty, material hardship, or health problems was substantially greater than the share facing any single form of disadvantage. Figure 4.1 shows the share of the population facing any form of disadvantage and breaks this population into the share facing one, two, or all three forms of disadvantage.

Figure 4.1

Share of adult New Yorkers facing disadvantage (2015–2021)



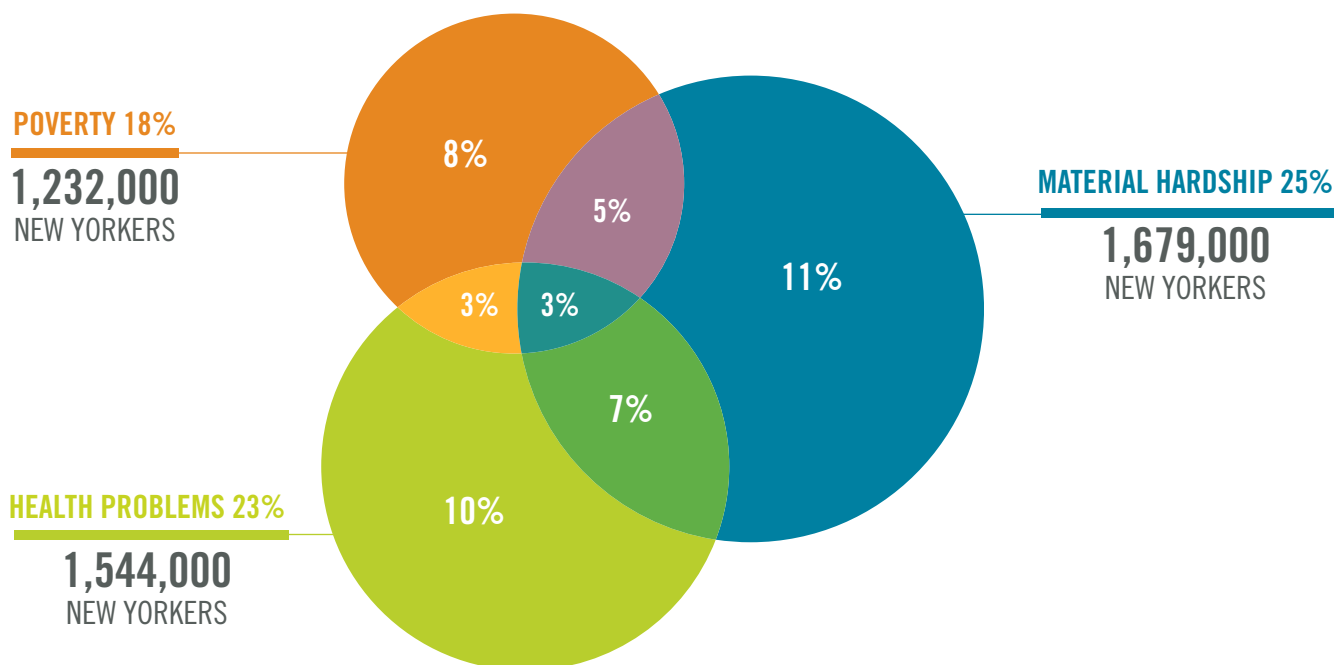
Source: Annual Poverty Tracker survey data, all Poverty Tracker cohorts.

Around half of the city's population faced at least one form of disadvantage in each year between 2015 and 2020, but in 2021, this rate fell to 46% due to the declines in poverty and hardship documented earlier.

Turning to the share of adults facing one, two, or three forms of disadvantage, these results show that the share of adults facing all three forms of disadvantage was relatively small in 2021, at 3%, but this still translates to roughly 200,000 adults facing significant challenges; 14% of adults faced two forms of disadvantage, and 29% faced one. This means 46% faced at least one form of disadvantage. In Figure 4.2, we show the overlap between these different experiences, finding that of those facing two forms of disadvantage, the most common combination is facing material hardship and health problems (7%), followed by poverty and hardship (5%). In the following results, we dig further into the relationships between these different forms of disadvantage. We begin by looking at rates of material hardship and health problems across the income distribution and then turn to examining the relationship between health problems and hardships.

Figure 4.2

Overlapping experiences of disadvantage among adult New Yorkers (2021)



Source: Annual Poverty Tracker survey data, second, third, fourth, and fifth Poverty Tracker cohorts.

Note: Due to rounding, some totals may not correspond with the sum of the separate figures.

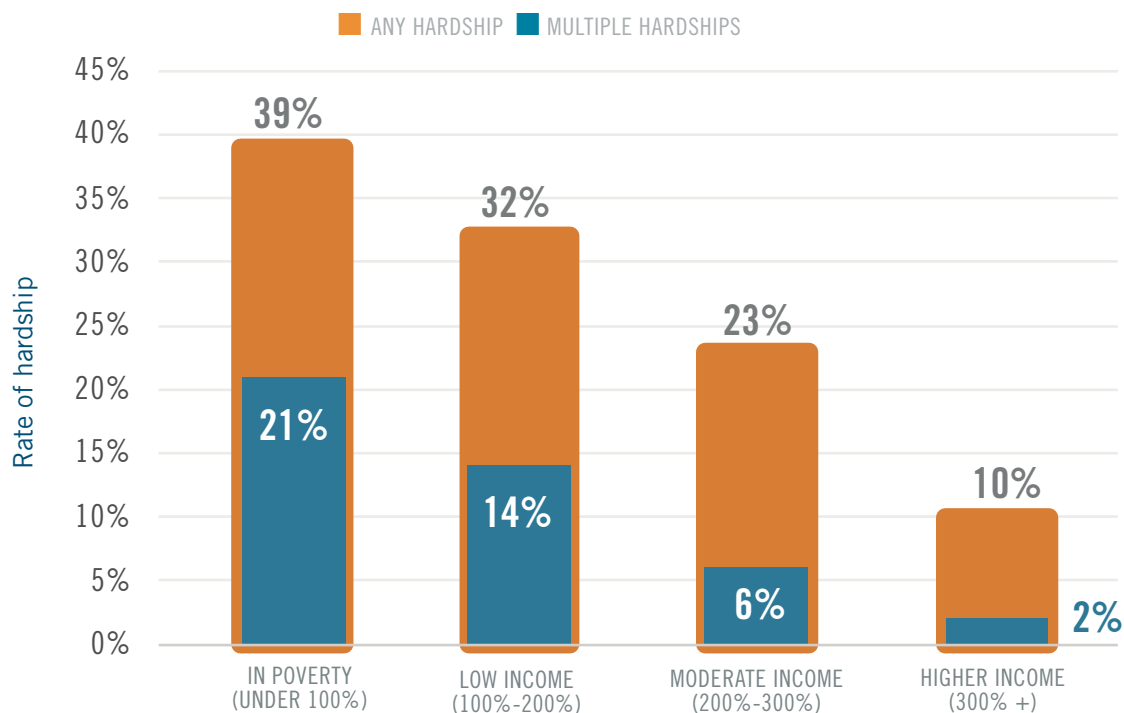
Material hardship across the income distribution

Hardship persists across the income distribution but is most common among those living below 200% of the poverty line.⁴³

Figure 4.3 shows rates of material hardship by income relative to the poverty line (see Figure 1.4 for more details about this income measure). Roughly 40% of New Yorkers in poverty faced at least one form of hardship in 2021, as did 32% of those between 100% and 200% of the poverty line. The results may also raise the question, why don't all New Yorkers with low income report experiences of hardship? The results show that there are some people living below the poverty line who do not report experiences of material hardship, as well as people above the poverty line who do. The latter can, in part, be explained by how low the poverty line is, so even those with incomes above the line may struggle to afford basic material goods.⁴⁴ The former can be explained, in part, by various factors, such as family's size, age, health, access to noncash benefits such as housing subsidies, homeownership, and access to credit.⁴⁵

Figure 4.3

Hardship rates by income level



Source: Annual Poverty Tracker survey data, second, third, fourth, and fifth Poverty Tracker cohorts.

Note: For a two-adult, two-child family in rental housing, 100% of the poverty line is \$39,950, 200% is \$79,900, and 300% is \$119,850.

⁴³ Note that we use the term “poverty line” to describe the poverty threshold.

⁴⁴ Sullivan, Turner, and Danziger, “The Relationship between Income and Material Hardship.”

⁴⁵ Mayer and Jencks, “Poverty and the Distribution of Material Hardship.”

One in ten New Yorkers in poverty had their utilities shut off in 2021, and one in five were unable to see a doctor because of costs.

Breaking out each form of hardship and examining its prevalence across the income distribution also presents important findings.

Experiences of severe housing, bills, and food hardship were largely concentrated among low-income New Yorkers and those in poverty.

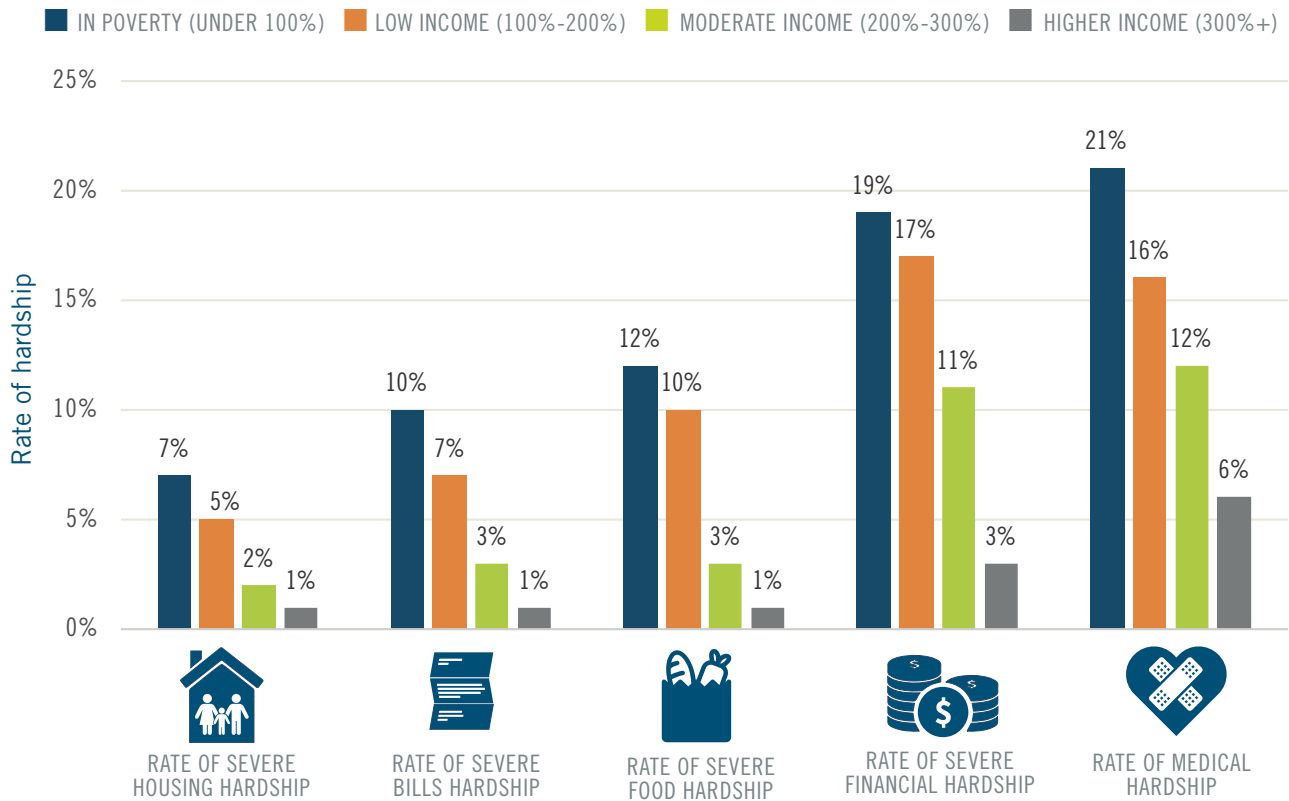
- Overall, housing hardship is the least common form of hardship, but it is also a quite devastating experience (living in a place not meant for housing or being forced to double up). It was most common among low-income New Yorkers and those in poverty, affecting 7% and 5% of New Yorkers at these income levels in 2021.
- Severe bills hardship and medical hardship were most prevalent among New Yorkers in poverty, with 10% of New Yorkers in poverty experiencing a utility shut-off in 2021 and 21% being unable to see a doctor because of cost. These experiences were also elevated among low-income New Yorkers and, in the case of medical hardship, moderate-income New Yorkers.
- Roughly one in ten New Yorkers who were low income or in poverty faced food hardship, versus 3% of moderate-income New Yorkers and 1% of higher-income New Yorkers.

Financial hardships were most common among low-income New Yorkers and those in poverty but also elevated among moderate-income New Yorkers.

- Financial hardship was almost equally as common among low-income New Yorkers just above the poverty line as it was among New Yorkers in poverty — 19% and 17% of New Yorkers at these income levels reported often running out of money before the end of the month, respectively. Unlike the distribution of severe housing, bills, and food hardships, we do not see as large of a decrease in severe financial hardship when incomes rise above 200% of the poverty line. More than one in ten (11%) moderate-income New Yorkers faced financial hardship in 2021.

Figure 4.4

Prevalence of each hardship by income level (2021)



Source: Annual Poverty Tracker survey data, second, third, fourth, and fifth Poverty Tracker cohorts.

Note: For a two-adult, two-child family in rental housing, 100% of the poverty line is \$39,950, 200% is \$79,900, and 300% is \$119,850.

Health problems across the income distribution

Work-limiting health conditions were more than twice as common among low-income New Yorkers and those in poverty compared to higher-income New Yorkers.

There is an extensive literature documenting that low-income individuals are more likely to have health problems than those with higher incomes.⁴⁶ Income is a social determinant of health in part due to policy choices, as policies that bolster income have been found to improve people’s health.⁴⁷ The pandemic highlighted the consequences of health disparities by income, with low-income New Yorkers making up a disproportionate number of those who were hospitalized or who passed away due to COVID-19.⁴⁸ Poverty Tracker data show that in New York City, these health disparities by income are significant: 28% of New Yorkers in poverty and 29% of low-income New Yorkers endured work-limiting health conditions in 2021 compared to 12% of higher-income New Yorkers.

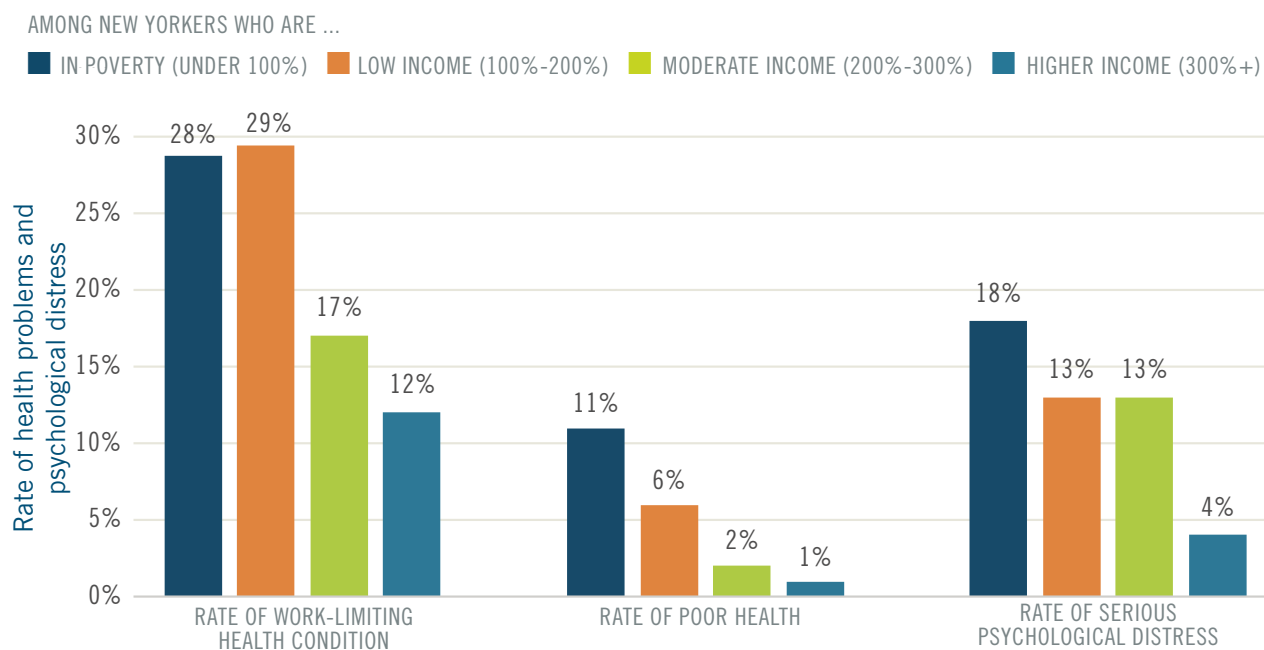
⁴⁶ See Phelan, Link, and Tehranifar, “Social Conditions as Fundamental Causes of Health Inequalities”; Braveman et al., “Socioeconomic Disparities in Health in the United States”; Brucker et al., “More Likely to Be Poor Whatever the Measure.”

⁴⁷ Chetty et al., “The Association Between Income and Life Expectancy in the United States, 2001–2014.”

⁴⁸ Tan et al., “Association Between Income Inequality and County-Level COVID-19 Cases and Deaths in the US.”

Figure 4.5

Health problems and psychological distress by income level (2021)



Source: Annual Poverty Tracker survey data, second, third, fourth, and fifth Poverty Tracker cohorts.

Note: For a two-adult, two-child family in rental housing, 100% of the poverty line is \$39,950, 200% is \$79,900, and 300% is \$119,850.

Psychological distress is also correlated with income: being cash-strapped can increase psychological distress just as high levels of distress can lead to income losses. Poverty Tracker data show that psychological distress is common across the income distribution, with 18% of New Yorkers with incomes below the poverty line reporting serious levels of psychological distress compared to 4% of higher-income New Yorkers. Psychological distress affects New Yorkers across the city but is most acute among those also struggling to make ends meet in a high-cost environment.

The overlap between health problems and experiences of material hardship

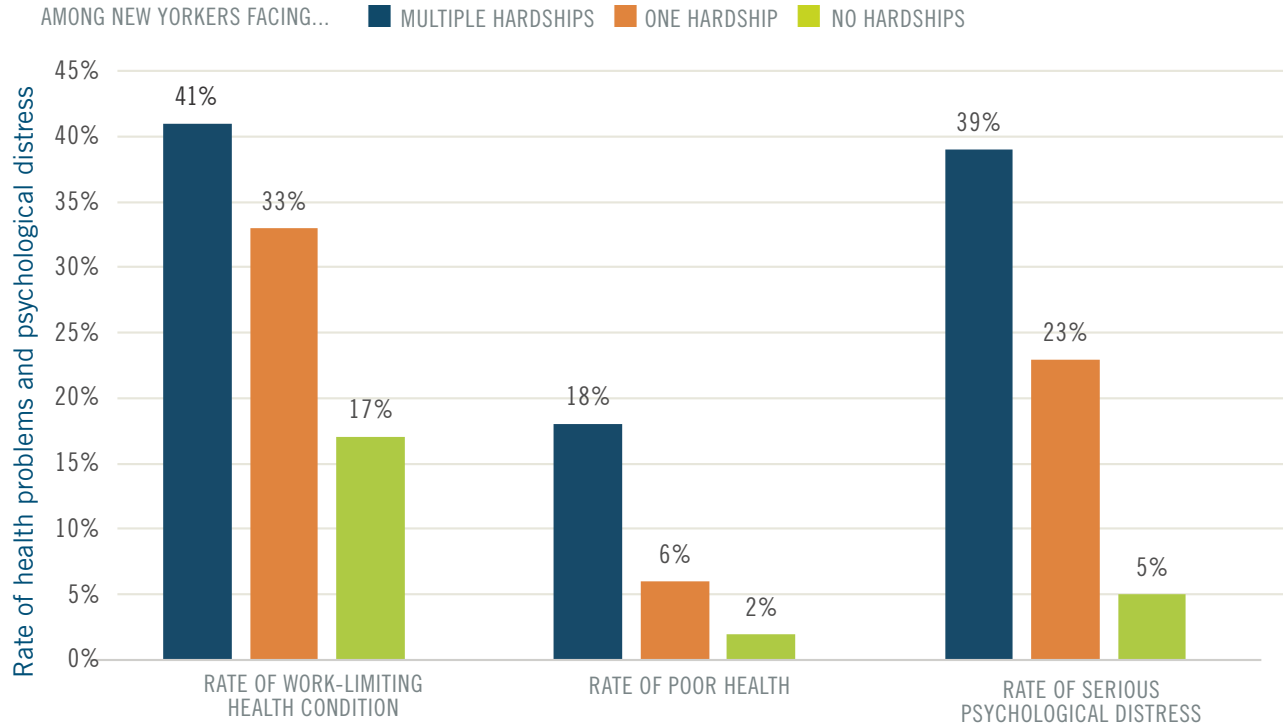
While much has been written about the relationship between income and health and income and hardship, less has been written on the relationship between experiences of material hardship and health problems. But, like income, there are many ways by which experiences of hardship can cause or exacerbate health problems or the reverse.

Health problems are significantly more common among New Yorkers facing material hardship than those who are not: roughly 40% of New Yorkers facing multiple forms of material hardship have a work-limiting health condition.

Figure 4.6 shows the rate of health problems among New Yorkers depending on the level of hardship exposure. Results show that 41% of those facing multiple forms of material hardship and 33% of those experiencing one form of hardship also have work-limiting health conditions. The prevalence of such conditions among those not facing hardship was much lower at roughly 17%. These results clearly show that New Yorkers facing hardship are at high risk of health problems and suggest that alleviating hardships may be one avenue to reduce health problems in the city, just as improving health may be a method for addressing hardship.

Figure 4.6

Health problem and psychological distress by hardship (2021)



Source: Annual Poverty Tracker survey data, second, third, fourth, and fifth Poverty Tracker cohorts.

More than 50% of New Yorkers facing food hardship also face health problems.

Looking across the different forms of hardship measured by the Poverty Tracker, rates of health problems are high among New Yorkers facing each type of hardship. In Figure 4.7, we see that about a third of New Yorkers facing each form of hardship also face health problems. More specifically:

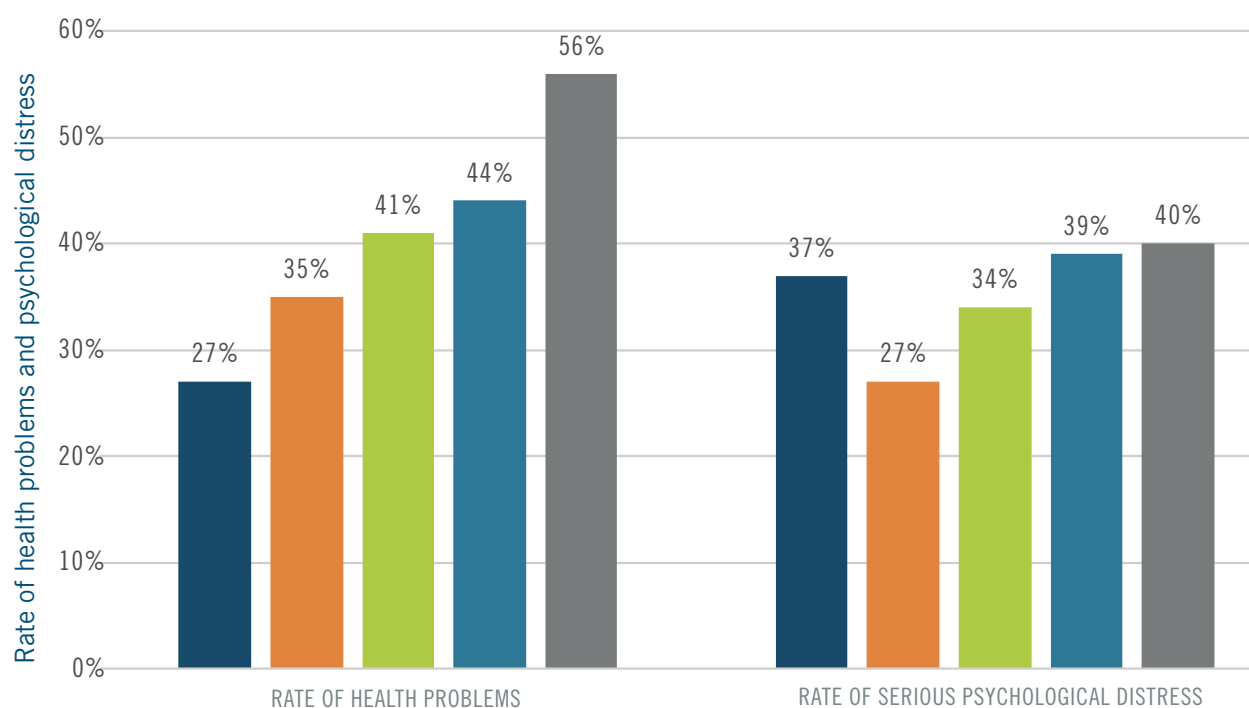
- One in four New Yorkers who are living in a shelter or doubling up are also facing health problems.
- One in three New Yorkers who cannot afford to see a doctor are facing health problems.
- Two in five New Yorkers whose utilities were shut off are facing health problems.
- Two in five New Yorkers running out of money before the end of the month are facing health problems.
- And health problems are even more common among New Yorkers facing food hardship. More than half (56%) of New Yorkers who cannot afford enough food or are worried about food running out without having money for more are also facing health problems.

Figure 4.7

Prevalence of health problems and serious psychological distress among New Yorkers facing different forms of hardship (2021)

AMONG NEW YORKERS WHO ARE FACING ...

- SEVERE HOUSING HARDSHIP
- MEDICAL HARDSHIP
- SEVERE BILLS HARDSHIP
- SEVERE FINANCIAL HARDSHIP
- SEVERE FOOD HARDSHIP



Source: Annual Poverty Tracker survey data, second, third, fourth, and fifth Poverty Tracker cohorts.

Overall, New Yorkers facing health problems are more likely to face a host of other economic challenges, suggesting that health interventions would benefit from addressing both immediate health needs and related economic challenges.

The Poverty Tracker is designed to capture a more complete picture of economic disadvantage in New York City. Looking across all three indicators of disadvantage, one realizes how widespread and overlapping experiences of disadvantage are in the city. The results call for policies and interventions that are holistic and that can affect and ease the breadth of economic challenges faced by New Yorkers.

Conclusions and what to expect going forward

2021 was a year where New York City, the state, the country, and the world continued to grapple with the public health and economic ramifications of the pandemic. It was also a year that showed the power of government policies. 2021 also saw substantial expansions to government policies that steadied income in uncertain times and, many argue, filled long-standing gaps in social policy, including the expansion of the federal Child Tax Credit, Unemployment Insurance, and SNAP benefits. These expansions and reforms kept the adult poverty rate from rising in response to the pandemic and drove the child poverty rate down to a historic low nationally and in New York City. Poverty Tracker data also show marked drops in material hardship in 2021 against pre-pandemic norm, a decline also likely associated with these policy interventions and the substantial supports provided by community-based organizations across the city.⁴⁹

Poverty, hardship, health problems, and psychological distress, however, were not absent from New York City in 2021. The poverty rate remained well above the national average, and roughly half of adults in the city lived below 200% of the poverty line. Roughly a quarter of the city's adult population also endured some form of material hardship, and close to one in three endured health problems or severe psychological distress. These experiences of disadvantage were also overlapping for many New Yorkers. For example, nearly 30% of low-income New Yorkers or those in poverty faced a work-limiting health condition, as did 41% of those facing multiple forms of material hardship. Overall, 46% of adults in New York City faced poverty, material hardship, or health problems in 2021.

Today, the 2021 policy expansions made by the American Rescue Plan have, for the most part, expired and are no longer playing a substantial role in keeping families out of poverty and hardship. National data show that 3.7 million children fell into poverty in January 2022 with the rollback of the monthly Child Tax Credit payments,⁵⁰ and supplemental analyses also show the New York State child poverty rate rising. There is, however, a state-level commitment to cut child poverty in half over the next decade, and the Child Poverty Reduction Advisory Council, convened by Governor Hochul, is considering policies that will drive the state to achieve these goals.⁵¹ While we have, in many ways, returned to the pre-pandemic status quo, we also have a clear example of what happens when policymakers bolster and fill gaps in social policy, and 2021 provides key evidence of effective strategies for policymakers, advocates, community-based organizations, and all New Yorkers continuing to fight poverty in New York City.

⁴⁹ Bannerman, Collyer, and Friedman, "Spotlight on Food Hardship in New York City: Lessons Learned during the Pandemic and Where We Go from Here"; Maury, Collyer, and Wimer, "Spotlight on Food Assistance in New York City: Food Pantry Use Spikes among Non-U.S. Citizens Amid Changing Immigration Rules."

⁵⁰ Parolin, Collyer, and Curran, "Absence of Monthly Child Tax Credit Leads to 3.7 Million More Children in Poverty in January 2022."

⁵¹ Governor's Press Office, "Governor Hochul Launches First-Ever Advisory Council to Reduce Child Poverty Statewide."

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Appendix A. How the Poverty Tracker identifies respondents' race and ethnicity

Throughout this report, we discuss race and ethnicity in the context of socioeconomic disparities among New Yorkers. We identify the race and ethnicity of adults in the Poverty Tracker sample using questions asked by the U.S. Census Bureau on various population-level surveys.⁵² These questions allow us to better understand the needs of communities within New York City and to ensure that we are surveying a representative sample of New York City's racial and ethnic groups. The questions read:

Are you of Hispanic, Latino, or Spanish origin?

1. Yes
2. No

What is your race? Are you...

1. White
2. Black or African American
3. Asian
4. American Indian or Alaska Native
5. Native Hawaiian or Pacific Islander
6. Or something else

We combine responses to these questions into the following racial and ethnic groups:

1. Asian, non-Latino
2. Black, non- Latino
3. Hispanic, Latino, or of Spanish origin⁵³
4. Multiracial or another race or ethnicity, non-Hispanic
5. White, non-Latino

In this report, we refer to New Yorkers who identified as Hispanic, Latino, or of Spanish origin as Latino New Yorkers and to Black non-Latino and white non-Latino New Yorkers as Black and white New Yorkers, respectively. "New Yorkers" refers to adults in New York City. There are limitations to this methodology. This type of classification is one dimensional, while one's identity is often much more robust and intersectional. In addition, our results present averages for groups of people, but averages do not reflect the experiences

⁵² Historically, the Census asks race and origin questions to gain an understanding of the makeup of the population and to help construct civil rights protections for all. These questions have helped to reveal gaps within various social policies and to address the economic, educational, and infrastructural needs of different communities. See Brumfield, Goldvale, and Brown (2019).

⁵³ With these groupings, New Yorkers who indicate that they are of "Hispanic, Latino, or of Spanish origin" are grouped together, regardless of their response to the question about their race. The majority of New Yorkers who identify as Hispanic, Latino, or of Spanish origin (62%) do not identify with a particular racial group (i.e., they respond "something else" when asked about their race). Roughly 25% identify as white and 13% identify as Black.

of all individuals. One’s personal experiences may diverge significantly from the results we present. And while our questions are relatively specific, each person might interpret them differently, resulting in subjective answers. Our examination of poverty, hardship, and disadvantage in the context of race and ethnicity is intended to help explain how disparities across groups take shape economically, financially, and with regard to health in New York City.

Conventions used when discussing race and ethnicity

The Poverty Tracker uses the question from the Census Bureau listed above to identify if individuals are of “Hispanic, Latino, or Spanish origin.” We must use this question in order to weight the sample to Census Bureau data and to make it representative of the city’s population. When identifying New Yorkers who say yes to this question, we use the term Latino instead of Hispanic or Spanish origin. Hispanic is a term originally used in the U.S. by the Census Bureau to refer to a very diverse group of people who were linked by their history of colonization by Spain or by their Spanish origin. The term is thus thought to exclude many people with origins in Latin America who do not speak Spanish, including people with origins in Brazil and/or within many indigenous groups. The term Latino, on the other hand, is more inclusive of all people with origins in Latin America.⁵⁴ Because the Poverty Tracker is weighted to Census Bureau data, and because the term Latino is more consistent with the Census Bureau’s question wording, we have chosen to use the term Latino in this report.

With regard to capitalizing the names of different racial groups, there has been a general consensus among organizations, publications, and news outlets that Black should be capitalized as a recognition of the racial and ethnic identity that many claim. However, such a consensus has yet to be reached regarding whether or not the same should be done for white. Those in favor of capitalizing white argue that designating it as a proper noun assigns accountability to the white race, and invites white people to contemplate the role that their whiteness plays in society. The main argument against capitalizing white is that white people do not have a shared culture or history, and that capitalization has been used throughout history to signify superiority and white supremacy. In this report, we leave white uncapitalized, though we note that societal and editorial discussions on this topic are ongoing and unresolved.

Appendix B. Supplemental results and information

Note on 2020 data collection and results







The pandemic impacted data collection efforts across the country. The Poverty Tracker survey team, based at Columbia University, moved quickly to adapt, transitioning operations to both accommodate remote work and maintain data security. The U.S. Census Bureau also adjusted their operations for the administration of the American Community Survey (ACS). After the decennial census, the ACS is the largest survey run by the Census Bureau, and it is the main source of annual data on the composition of the U.S. population, as well as of smaller area geographies like New York City. For this reason, the Poverty Tracker uses the ACS data to adjust our sample through a technique called “weighting,” which helps ensure our sample is representative of the city’s population. In 2020, household non-response increased substantially in the ACS, with more disad-

⁵⁴ Latino is also gendered, and many people choose to identify as Latinx to remove the gender binary implied in the term. There is also a debate around the term Latinx, with some identifying with the term and others not, or doing so only in specific settings (see Salinas, “The Complexity of the ‘x’ in Latinx”).

vantaged households becoming relatively less likely to respond during the pandemic.⁵⁵ This non-response bias was linked to challenges with survey administration during the pandemic, and to correct for it, the Census Bureau developed an experimental method to adjust the data and make it representative of the U.S. population. The Census Bureau has cautioned against using the 2020 ACS in similar fashions to its uses in prior years and has noted that the data are not comparable to earlier years of data. For this reason, we caution readers that the results we present specific to 2020 must be evaluated in this context. As such, the margin of error around 2020 estimates is larger than that around results presented in previous Poverty Tracker reports.

Table B.1

Rates of poverty, hardship, health problems, and disadvantage by demographic groups (2021)

	Poverty	Material hardship	Health problems	Any disadvantage	
	Asian, non-Latino	20%	21%	16%	41%
	Black, non-Latino	21%	34%	23%	54%
	Latino	24%	41%	28%	63%
	Multiracial or another	21%	32%	24%	51%
	White, non-Latino	12%	15%	18%	35%
	Female	21%	31%	24%	52%
	Male	16%	24%	19%	42%
	18 to 34	21%	34%	10%	48%
	35 to 64	16%	28%	23%	45%
	64+	23%	17%	39%	55%
	Foreign Born	23%	29%	19%	49%
	U.S. Born	16%	26%	24%	47%
	High school or less	29%	33%	30%	62%
	Some college	19%	32%	23%	51%
	College +	10%	19%	14%	34%
	Brooklyn	18%	28%	24%	48%
	Bronx	22%	34%	26%	56%
	Manhattan	17%	26%	22%	47%
	Queens	20%	26%	19%	46%
	Staten Island	11%	19%	18%	38%

Source: Annual Poverty Tracker survey data, second, third, fourth, and fifth Poverty Tracker cohorts.

Note: Results for subgroups based on three-year average from 2018, 2019, and 2021. See discussion of 2020 poverty rates earlier in Appendix B.

⁵⁵ Rothbaum and Bee, "Coronavirus Infects Surveys, Too: Survey Nonresponse Bias and the Coronavirus Pandemic."

Appendix C. Supplemental results and information on Child Tax Credit analysis

Child Tax Credit Payments

The Poverty Tracker and ECPT panels are well positioned to study the impact of the CTC on New York City families with children in multiple domains given that both studies were actively surveying subjects as the initial CTC payments were being made.⁵⁶ To study the effects of the policy, all Poverty Tracker and ECPT surveys fielded before and after the rollout of the CTC payments were adapted to include questions covering our primary domains of interest: experiences of material hardship, use of emergency social services (such as food pantries), mental health, and parents' labor force participation. These same questions were repeated on active surveys following the CTC payments (beginning on July 15, 2021, and continuing through the end of 2021).

Table C.1 documents the number of surveys that included the CTC module and were completed before and after the IRS administered the first CTC payments on July 15, 2021.

Table C.1

Sample size, Poverty Tracker and ECPT CTC study

	PRE JULY 15 2021 (MAY 5, 2021 – JULY 14, 2021)			POST JULY 15 2021 (JULY 15, 2021 – JANUARY 14, 2022)		
	N OBSERVATIONS	N OBSERVATIONS (WITH CHILDREN)	SHARE OF SAMPLE WITH CHILDREN	N OBSERVA- TIONS	N OBSERVATIONS (WITH CHILDREN)	SHARE OF SAMPLE WITH CHILDREN
Total	3,554	1,603	45.1%	3,447	1,628	47.2%
Poverty Tracker	2,669	718	26.9%	2,563	744	26.7%
ECPT	885	885	100%	884	884	100.0%

Methods for Isolating the Effect of the CTC Payments

We use several techniques to estimate the effect of the CTC payments on our outcomes of interest with the goal of isolating the effect that each \$100 increase in CTC payments had on these outcomes. We do this by exploiting variation in the differences in the monthly credit amount between families based on the number of children in the family and how much they received from the CTC under prior law. This variation in how much families gained from the CTC allows us to isolate changes between the periods when payments were not made and were that are the result of the policy and not some other factor. For example, if we find the same change in material hardship for families whose monthly income went up by \$500 because of the CTC and those whose income went up by \$200, then we cannot say that this decline in hardship is associated with the CTC payments. But if the change is significantly greater for those whose income rose by \$500 versus \$200, and then even greater for those with income gains of more than \$500, we can infer that the reduction in hardship is related to the CTC. We can also use an equation to estimate the specific reduction in hardship associated with each additional \$100 in CTC payments.

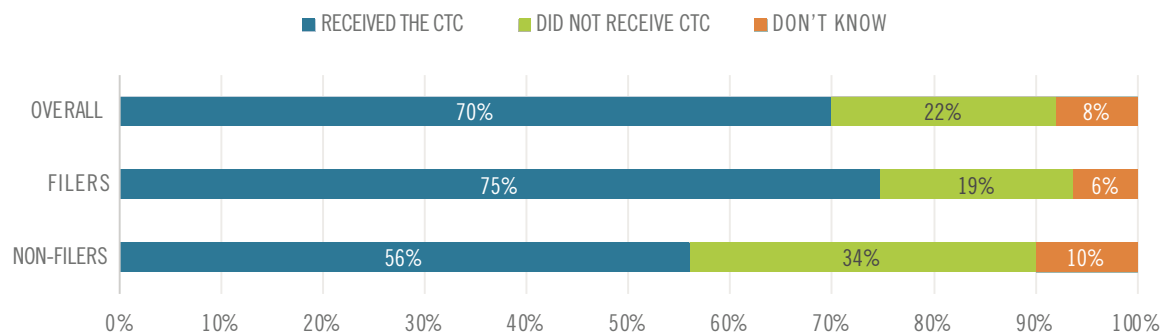
⁵⁶ In the spring and summer of 2021, roughly one-third of the active subjects in the Poverty Tracker panel were parents of children under age 18, and all active members of the ECPT panel were parents or caretakers of children 3-7 years old. The panels thus provided a sufficient number of families who might be affected by the CTC expansion (i.e., those with children) and of those who would not be affected (i.e., those without children).

Who received the monthly payments?

The Poverty Tracker and ECPT surveys asked respondents about receipt of the CTC to determine how many families in the sample received the payments, didn't receive them (to their knowledge), or did not know if they received them. Roughly 70% of respondents with children who appeared eligible for the CTC reported receiving the monthly payments, 22% did not receive the payments, and 8% did not know (Figure C.1).⁵⁷ We also disaggregate this result by tax-filing history, finding that respondents who reported filing taxes in 2021 were more likely to report receiving the credit than non-filers (75% vs. 56%). While there were lower-levels of receipt among non-filers, the results suggest there was a large payoff to the outreach campaigns that worked to sign non-filers up for the payments, as the majority did receive them.

Figure C.1

Reported receipt of Child Tax Credit, overall and by filing status



Source: Poverty Tracker and ECPT survey data collected between May 2021 and January 2022.

The results in Figure C.1 also suggest under-reporting of CTC receipt, given the reported number of CTC payments delivered in New York State.⁵⁸ Anecdotal evidence also suggests that not all payments actually reached families.⁵⁹ Discrepancies between survey and administrative data are, however, not uncommon. For example, the national Household Pulse Survey run by the Census Bureau found that 66% of households with children reported receiving the CTC, which is well below the expected number of households reached nationally. Although the lower-than-expected rates of reported CTC receipt in the Poverty Tracker data are not unusual, they do suggest some level of misunderstanding about eligibility and delivery of the credit. The Poverty Tracker surveys also asked respondents why they think they did not receive the payments. The surveys reveal that many families who did not report receiving the payments — but who were likely eligible — believed that they were not actually eligible, including families without a tax-filing history who believed they needed to have filed in order to receive the credit. Altogether, these results show that the monthly payments reached the majority of families in New York City who were eligible, providing them with a meaningful income boost. There

⁵⁷ Note that these results are limited to families with income levels that make them eligible for a CTC payment.

⁵⁸ The IRS has provided data on the number of payments made to children by state at <https://www.irs.gov/statistics/soi-tax-stats-advance-child-tax-credit-payments-in-2021>.

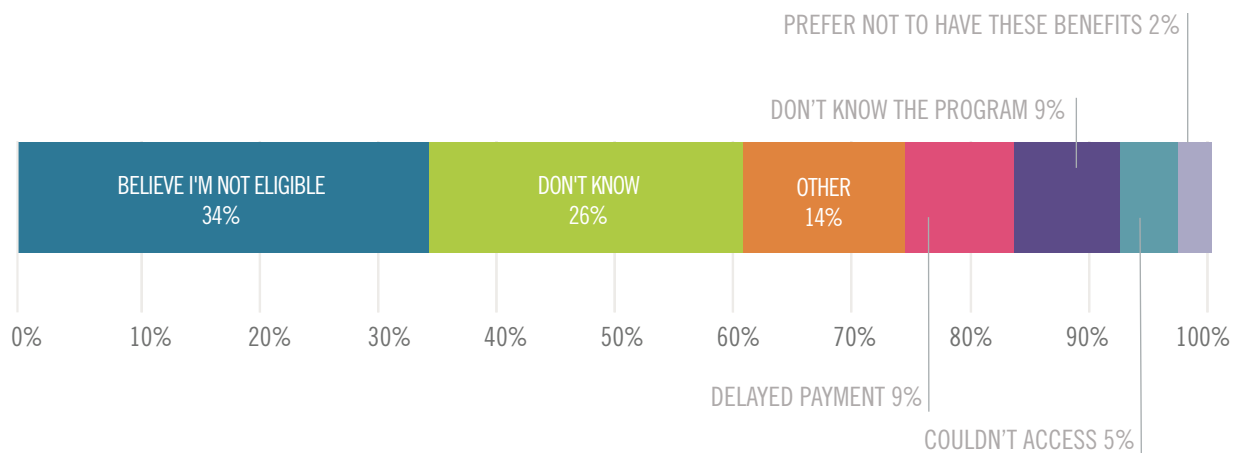
⁵⁹ Teague & Davis, "Missing a Child Tax Credit Payment, Learn the Common Problems and How to Fix Them."

were, however, possibly low levels of awareness about eligibility among those who did not report receiving the payments, pointing to the importance of the outreach campaigns and multilingual enrollment processes.

We also asked respondents who had not received the CTC why they thought they hadn't, and one in three reported that they did not think they were eligible and roughly a quarter didn't know why they hadn't received it (Figure C.2). Roughly 14% of respondents also provided an "other" reason for not receiving the credits, with many describing this reason. Among tax filers, the most common "other" reason for not receiving the credit was that the child was actually claimed by the other parent for tax filing purposes. Among non-filers, most said they had not received the credit because they didn't file taxes. Roughly 10% of these respondents indicated that they delayed payments, and another 10% said they did not know about the program, with fewer saying that they tried to get the payments but could not access them (5%). Again, these results are limited to families with income levels that make them eligible for a CTC payment. As one in three parents who did not receive the payments said they did not think they were eligible, it appears that clearer messaging around eligibility (regardless of tax filing status) would have bolstered the rate of receipt.

Figure C.2

Reported reason for not receiving the monthly Child Tax Credit payments





ROBIN HOOD

826 BROADWAY, 9TH FLOOR NEW YORK, NY 10003

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