Will basic income for new moms lower child poverty?

Proposal for aid follows models tested in other states David Robinson New York State Team USA TODAY NETWORK

State lawmakers aim to provide nostrings-attached cash payments to new mothers and parents in New York to reduce some of the nation's highest childhood poverty rates. USA TODAY Network reporters explored the potential impacts of these programs – often called basic or guaranteed income – launching across the country.

Nearly one in five children in New York live in poverty, and about 370,000 kids face deep poverty in a household with income 50% below the federal poverty line, the state Comptroller's Office reported in 2024.

New York ranked 41st worst nationally in child poverty. The suffering was most acute in the upstate cities of Syracuse, Rochester and Buffalo, where between 40% and 46% of children live in poverty. These cities ranked second, fifth, and seventh among the largest cities in the U.S. with the highest rates of child poverty in 2022, the most recent

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Child poverty

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federal data show.

COVID relief measures, however, displayed how providing families with added cash could help curb childhood poverty, which plummeted 54% in the nation and 51% in New York between 2019 and 2021. But the pandemic-era federal expansion in child tax credits, food benefits and emergency rental assistance expired, prompting New York's child poverty rate to more than double in 2022, surpassing its pre-pandemic level.

What's under consideration

A state bill seeks to provide a onetime payment of \$1,800 to all new mothers covered by Medicaid in New York, impacting about half of childbirths statewide. This first-in-the-nation state and federal taxpayer-supported program would cost about \$177 million per year, state lawmakers said, noting research suggested it would slash the poverty rate from nearly 26% to under 10% for new mothers receiving Medicaid.

Another state measure would provide a \$1,000 child tax credit per newborn. If approved, that legislation would build upon the supplemental state child tax credit approved in 2024 by state lawmakers, which provided families with up to \$330 per child.

Existing programs

Various forms of these guaranteed income programs – occasionally also called cash transfer – have launched since 2018, spanning poverty-stricken cities from Michigan and New York to Mississippi.



Angelique Scales, 37, is one of 32 recipients of the Ohio Mothers Trust. The trust gives \$500 monthly payments to 32 single mothers for a year and is the first unconditional guaranteed income program in Columbus, according to organizers. DANAE KING/COLUMBUS DISPATCH

In Michigan, the Rx Kids program began providing \$7,500 in total to Flint moms this year, during and after pregnancy. In Mississippi, the Magnolia Mother's Trust has been around since 2018. The program, meant for low-income Black mothers living in subsidized housing, offers Jackson moms \$12,000 all together.

The Bridge Project, which began in New York City in 2021 through a nonprofit, has been providing unconditional cash allowances to mothers for the first 1,000 days of a baby's life. It has covered 1,300 babies and mothers in New York City, as well as Rochester and Buffalo, by providing them up to \$1,000 per month. The program, which has provided a total of \$35 million, expanded in 2024 to families in Milwaukee and Connecticut.

Benefits/limitations

Some programs providing Americans in need with cash payments have delivered promising early results of promoting upward economic mobility, according to mounting research, including a recent three-year study by nonprofit OpenResearch.

A main reason for that success was flexibility. Cash payments, in many ways, meet the complex web of financial demands facing many households. By contrast, traditional safetynet programs tightly restrict the use of aid, leaving some people unable to cover unexpected costs that can spiral into crises and homelessness.

Still, guaranteed income programs remained a supplement to other state and federal aid, as opposed to a replacement. In other words, providing added cash works best when people in need received a range of financial, social and health support.

At the same time, some cash payment plans that seek to tap into Medicaid funding require state and federal approval, which leaves efforts susceptible to political volatility as Democrats and Republicans clash over the program serving millions of low-income and disabled Americans.

But New York state Sen. Andrew Gounardes, D-Brooklyn, who championed the proposed Healthy Birth Grant of \$1,800, asserted in a statement the U.S. must follow other industrialized countries that provide birth grants to ward off falls into poverty that a newborn often induces for families.

"It's one of the smartest investments we can make in our children's future," he said.

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