CLIFF EFFECTS: TURNING RESEARCH INTO ACTION FOR ECONOMIC MOBILITY
Participation & Interaction
Webinar Agenda and Speakers

- **Center for Social Policy at UMass Boston**
  Susan R. Crandall, PhD, Director
  Caitlin Carey, Research Associate
  Magaly Vanessa Saenz Somaribba, UMass Boston Applied Economics

- **Learn to Earn Initiative**
  Michael Cole, Department of Transitional Assistance
  Milissa Daniels, Holyoke Community College

- **Working Cities Challenge**
  Anne Kandilis, EDC Western Mass/Springfield WORKS
  **On Solid Ground Coalition**
  Abhi Kurve, CHAPA & On Solid Ground Coalition

- **Question and Answer**
Researching the root causes of economic hardship and examining the intersection of public policies and employer practices to boost well-being.
Cross-Sector Expertise on Low Income Families

People
- Social Determinants of Health
- Economic Mobility

Places
- Community Development
- Family Homelessness

Jobs
- Workforce Development
- Job Quality
Public Benefit Programs

• Cliffs refer to the drop in public supports that occur when earnings go up.

• Income eligibility levels differ for each of the public supports.

• Different programs count different forms of income when determining eligibility.

• The more supports, the more pronounced the cliffs.
Public Supports for Low-Income Families

Childcare
1. TANF vouchers
2. Income Eligible Vouchers
3. Head Start and Early Head Start

Nutrition
4. SNAP
5. WIC

Healthcare
6. Children’s Health Insurance Program (CHIP)
7. Medicaid

Income Supports and Insurance
11. Earned Income Tax Credit (EITC)
12. Emergency Aid to the Elderly, Disabled, and Children (EAEDC)
13. Supplemental Security Income (SSI)
14. Transition Aid to Needy Families (TANF)

Housing
8. Family Self-Sufficiency Program (FSS)
9. Housing Choice Voucher (Section 8)
10. Public Housing
CSP Cliff Effects
Simulator Methodology

- The model calculates the amount of income a family has after taking into account costs, earnings, and the value of public supports (i.e. net resources).
- Cost are taken from the MIT living wage calculator.
- The bundle of benefits, family size, geography, and earnings all impact net resources.
MassHealth & SNAP – Hampden County, MA

Net resources for family of 3
Springfield: MassHealth, SNAP

Source: CSP Net Resource Calculator
MassHealth & SNAP – Suffolk County, MA

Net resources for family of 3

SuffolkCounty: MassHealth, SNAP

Source: CSP Net Resource Calculator
Net resources for family of 2

Springfield: MassHealth, SNAP

Source: CSP Net Resource Calculator
Solutions to the Cliff Effect

Tools and Navigation

System Alignment and Coordination

Universal Public Goods

Expand Eligibility

Enable Asset Building

Change Tax Structure
First drop at $15.74 due to the change in health cost
Second drop at $21 where families lose SNAP and health benefit decreases from $4,161 to $3,681.
The EITC and CTC benefits do not change the cliff, they increase net resources.
In Hampden families at wage level of $15 families still need $9K to make ends meet, while in Suffolk is 17K.
MA Rental Voucher Program (MRVP) Eligibility Increase

Before 50% AMI, 30% Co-pay

After 80% AMI, 30% Co-pay

Net resources for family of 3
Springfield: MRVP (50% of AMI) (30% premium)

Net resources for family of 3
Springfield: MRVP (80% of AMI) (30% premium)

Source: CSP Net Resource Calculator
Public Good: Universal Childcare

Net resources for family of 3
Springfield: TAFDC, Universal ChildCare, MassHealth, MRVP, SNAP, WIC, EITC, C

Source: CSP Net Resource Calculator
Michael Cole, Director of Budget and Analytics, Massachusetts Department of Transitional Assistance
Learn to Earn and CommonCalc

Benefits navigation
Cliff Mitigation
Informed PLANNING

MICHAEL COLE | DIRECTOR OF BUDGET AND ANALYTICS
MASS. DEPARTMENT OF TRANSITIONAL ASSISTANCE | MICHAEL.COLE@MASS.GOV
Learn to Earn

- Overview of LEARN TO EARN
- Interagency Council
- LTE Next Steps and COMMONCALC
Learn to EARN’s Interagency efforts to:
- Connect public beneficiaries to the workforce system
  - Simplify and align public benefits programs
    - Mitigate Cliff Effects
Policy impact projections modeling
FY19 TAFDC Reforms
Models

- Economic Stability Indicator - Children’s Defense fund (MN)
- Cliff Effects Calculator - Center for Social Policy (Umass B)
- Calculator ideation Project – WCAC, WCCC, WPI (Worcester)
- Program-specific Calculators (DTA, DHCD)

Lessons

- CANNOT BE DEPENDENT ON FREE RESOURCES
- MUST BE CONTINUITY OF DEVELOPMENT AND SUPPORT
- PRODUCT OWNER MUST BE FULLY INVESTED
- PERFECT IS THE ENEMY OF THE GOOD
- NOT A ONE-TIME DELIVERABLE
CommonCalc Tool

- Sep 2018: Development Started
- SEP 2018: DHCD Engagement
- Oct 2018: User Testing
- Nov 2018: First Full Release (v1.6)
- DEC 2018: Latest Release (v1.71)
### CommonCalc

**Please enter:**
- **Earned Income:** $250 every Week
- **Housing Type:** Private
- **Bedroom Size:** 1
- **Contract Rent:** $1,000
- **Location:** Boston
- **Monthly Unearned Income:**
  - 50
  - 5
- **Monthly Expenses:**
  - Child Support
  - Transportation

**Does someone in the household have a disability?** No

**Not for benefit determination**
**For estimation purposes only**

#### Months 1-6

<table>
<thead>
<tr>
<th>Earned Income</th>
<th>TAFDC</th>
<th>SNAP</th>
<th>Housing</th>
<th>WIC</th>
<th>Child Support</th>
<th>Transportation</th>
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<td>$1,083</td>
<td>$551</td>
<td>$148</td>
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<td>$80</td>
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<td>Total Income + Assistance:</td>
<td>$1,842</td>
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#### Months 7+

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<td>$1,083</td>
<td>$281</td>
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<td>Total Income + Assistance:</td>
<td>$1,594</td>
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**Not for benefit determination**
**For estimation purposes only**
Applications and Limitations
to be used by caseworkers with clients
USED AS A ‘What-If?’ PLANNING tool
Should help inform options and decisions
Apply as One piece within a broader conversation

Not eligibility or referral tool
Not Integrated eligibility
Not A guarantee of benefits
Not a BENEFITS Maximization tool
Utility

“All the staff have this tool and love it. They are using it when they have clients in their cubicle during their face to face interactions. It’s been helpful to see the Effect it will have on their case and assist in making a decision.”

– Director DTA LOCAL Office
Roadmap

“A WEB-BASED VERSION OF COMMONCALC AVAILABLE FREELY ONLINE THAT MEETS THE NEEDS OF A WIDE RANGE OF STAKEHOLDERS”

2018

2019

2019

2019

2019

November

January

February

April

July

Proof of Concept

Acquire Contractor

Initial Development

CommonCalc Online Release

2nd-Stage Development

First Official CommonCalc release to DTA local offices for use within TAFDC reforms context.

Contractor to develop, maintain and support the web-based CommonCalc tool to be located at DTA

Begin migration of calculator logic into final environment (e.g., Java) and develop user-interface

Version 1.0 complete for release, testing. Begin Inventory of additional programs for potential inclusion

Continuous three-month build cycles to include additional programs and enhance design

“A WEB-BASED VERSION OF COMMONCALC AVAILABLE FREELY ONLINE THAT MEETS THE NEEDS OF A WIDE RANGE OF STAKEHOLDERS”
Milissa Daniels, Career Development Councilor, Holyoke Community College
LTE MEDICAL ASSISTANT PROGRAM

Milissa Daniels
Goals of Initiative

- Create a collaboration with government agencies, social agencies and employers that provides support for students.
- Report Barriers that can not be overcome on our own.
- Use recruitment to identify issues, and to calculate possible problems that may arise.
- Educate 30 Students in Medical Assisting and help to place in permanent employment.
- Make Legislative and local changes that impact the lives of Massachusetts Residents For the better.
Progress To Date

- Program Collaborative
- Recruitment-Info session-interviews
- Pretraining
- Medical Assisting Program
Stats

- Over 100 applicants
- 17 entered the MA Cohort, 17 Retained
- 1 Went to Part/time and will finish with Cohort 2.
- 2 made Presidents List and 6 made Deans list.
- Cohort 1 in their last semester
- 29 Invited to Cohort 2 Orientation
Take Aways

- Importance of Building Trust In The Relationship with students and partners
- The importance of empathy balanced with reality
- Continued check in throughout the program with students and with each other.
- We build bridges to Islands
Anne Kandilis, Springfield WORKS/Working Cities Challenge Director, Economic Development Council of Western Mass
Partners Working Together to Transform our Workforce Ecosystem

A Working Cities Challenge
January, 2019
Who Are Our Partners?

**LEADERSHIP**
Baystate Health; City of Springfield; Community Foundation of Western Mass; Economic Development Council of Western MA; Food Bank of Western Mass; HCS Head Start; Holyoke Community College; Mass Mentoring Partnership; MassHire Hampden County Workforce Board; MassHire Springfield; MGM Springfield, Pioneer Valley Planning Commission; Public Health Institute of WMass; Springfield Partners for Community Action; Springfield Public Schools; Springfield Technical Community College; Square One; Tech Foundry; United Personnel Services; United Way of Pioneer Valley; Way Finders; US Tsubaki; Western MA National Machine & Tooling Association

**PILOT SITES**
Beacon Communities, LLC; Christina’s House, Dress for Success Foot in the Door; HCS Head Start; MassHire Springfield, Home City Development; Springfield City Library; Springfield Housing Authority; Springfield Public Schools (Adult Basic Education), Way Finders Economic Mobility
Anyone in Springfield will be able to find a job who wants one, retain the job, and increase earnings through career growth.

Systems are aligned to support an impactful workforce ecosystem.

Employers are able to hire and retain qualified workers that match their needs.

**TEN YEAR SHARED RESULT:** The employment-to-population ratio will increase from 58% to 75%.
COLLECTIVE IMPACT

Systems Change
Alignment: Longer term outcomes
Funders, Employers, CBOs, Fed, State, Local

Is anyone better off?
FOUR STRATEGIES LED AND SUPPORTED BY SPRINGFIELD WORKS PARTNERS

1. Launched a Skills-based technology portal to connect jobseekers, employers, education/training, and supports

2. Pursuing state-level systems change to mitigate the cliff effect and support work

3. Expanding access to quality training, coaching and mentoring for prospective workers

4. Advancing collective impact relationships to drive alignment
   - Share data and analysis for continuous improvement
   - Expand Two Generation/Whole Family approach to jobs
   - Secure employer & funder participation
CHRISTINA’S DILEMMA

An illustration of public assistance “cliffs” on family economic outcomes in Hampden County, Massachusetts.

Illustration based on policies prior to December 31, 2018
## Christina’s Dilemma

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>ANNUAL EXPENSES*</th>
<th>Benefits Received</th>
<th>Net Expenses (Income)</th>
<th>Benefits Received</th>
<th>Net Expenses (Income)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Supports</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food/SNAP</td>
<td>$7,680</td>
<td>$6,048</td>
<td>$1,632</td>
<td>$4,872</td>
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<td>$0</td>
<td>$7,900</td>
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<td>Medical</td>
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<td>$931</td>
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<td>Housing</td>
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<td>$11,180</td>
<td>$1,504</td>
<td>$1,971</td>
<td>$10,713</td>
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<tr>
<td>Transportation</td>
<td>$7,828</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>Other Necessities</td>
<td>$4,736</td>
<td>$7,416</td>
<td>$(2,680)</td>
<td>$0</td>
<td>$4,736</td>
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<tr>
<td>(Wages/Salary)</td>
<td>n/a</td>
<td>n/a</td>
<td>$0</td>
<td>n/a</td>
<td>$(32,666)</td>
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<tr>
<td>(EITC &amp; MATC)</td>
<td>n/a</td>
<td>n/a</td>
<td>$0</td>
<td>n/a</td>
<td>$(2,053)</td>
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<tr>
<td><strong>Totals (Out of Pocket)</strong></td>
<td>$55,387</td>
<td>31,419</td>
<td>456</td>
<td>16,440</td>
<td>81</td>
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*MIT Living Wage Calculation for Hampden County, 2017
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<tr>
<th>$12/hr</th>
<th>$18/hr</th>
<th>$20/hr</th>
<th>$22/hr</th>
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<tr>
<td>Childcare Subsidy</td>
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<tr>
<td>TAEDC</td>
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</table>
Christina puts her family’s financial security at risk if she works full-time.

Should she work?

- Christina must reach an hourly wage of $27/hour to stop experiencing public benefit cliffs, even if she receives all benefits at their maximum levels. Yet, she is not “better off” without public assistance until her wages reach approximately $30/hour.

- If resources and benefits can be better aligned to support Christina while she builds a career pathway to increased earnings she will have a greater chance to achieve economic stability for her family.
Let’s Close the Cliff Gap AND Incentivize Work

Springfield WORKS/Working Cities Cliff Effects Pilot Program

“An act relative to public assistance for working families and the creation of a pilot program to address the impacts of the cliff effect”

(SJ1577 filed by Senator Lesser / HD1689 filed by Representative Vega)

Summary of Pilot Program

- Supports 50 Western Mass individuals and their families who are experiencing the cliff effect which eliminates the incentive to exit public benefits programs.
- Administered by the Economic Development Council of Western Mass / Working Cities Challenge Group in collaboration with the Department of Transitional Assistance for a period of three years concurrently.
- Enrollees will receive a MA Earned Income Tax Credit Adjustment that will reward work and help close the cliff each year.
- Enrollees will be required to save up to 80% of their additional earned income from year one into a special savings account available to them upon disenrollment or for an emergency.
- Case managers, coaches, and mentors will provide intensive support.

Summary of Pilot Program Plan

Costs:
- State incremental (benefit) cost over a three year period range from $12,000 to $20,000 per participant. *Costs will depend on current levels of benefits received.
- Scalable. The state will experience an immediate revenue surplus when a non-working participant on full benefits enters the workforce.
- Participants achieve economic stability between $24-$31 per hour.

For more information, contact:
Anne S. Harrill, Springfield WORKS/Working Cities Challenge Director, Western Mass EDC
Ph: 413.799.3269
For More Information Contact:

Anne S. Kandilis  
Springfield WORKS/Working Cities Challenge Initiative Director  
Economic Development Council of Western Mass  
1441 Main Street, Springfield, MA 01103  
a.Kandilis@westernmassedc.com  
Office: 413.755.1365

Visit our website: https://springfieldworks.net/

https://www.facebook.com/SpringfieldWORKS/  
https://twitter.com/SpfldWORKS  
https://www.linkedin.com/company/springfieldworks/
Abhidnya Kurve, Policy Associate & Coordinator, On Solid Ground Coalition & Citizens' Housing And Planning Association (CHAPA)
ON SOLID GROUND COALITION

Abhidnya Kurve, MPH
January 28th, 2019

#OnSolidGround  @OSGMA  https://onsolidgroundma.org/
On Solid Ground Coalition
Need for Collaborative Approach

OSG’s Four Pronged Strategy:

- Advance System Coordination to Improve Access to Support Services
- Combat Cliff Effects
- Increase Resources for Affordable Housing
- Data informed policy
On Solid Ground
Legislative Priority

An Act Relative to Economic Mobility for Families with Low-Income (HD.2519/SD.910)


- Study the impacts of minimum wage increases on cliff effects
- Access to data and information around economic mobility and assistance programs for families
Focus on data transparency and system coordination to improve access to support services to families

Establishes an agency telephone hotline and website posting of program information for improving access to resources for families
Why Advocate for Legislation

- 2 Year Legislative Session in Massachusetts
- Creating Awareness through Advocacy
- Advancing Policy Solutions that are Effective
- Share Your Story!
How can you get involved with On Solid Ground?
How can you get involved with On Solid Ground?

- Visit our Website – [www.onsolidgroundma.org](http://www.onsolidgroundma.org)
- Take Action with On Solid Ground - [https://onsolidgroundma.org/advocacy/action-alerts/](https://onsolidgroundma.org/advocacy/action-alerts/)
  - Sign Up for our alerts and updates
  - Become a Member
  - Advocate for On Solid Ground Priorities
It will take a Collaborative Approach & A System Coordination Strategy to increase the number of Families to be On Solid Ground!
We Must Solve the Cliff Effect!

- Economic Growth and Prosperity
- Workforce Retention and Advancement
- Gender and Racial Wealth Equity
- Human Right to Wellbeing
THANK YOU!

Questions?

#OnSolidGround  @OSGMA  https://onsolidgroundma.org/
Panelist Contact Information:

- Susan R. Crandall, Director, Center for Social Policy: susan.cradall@umb.edu
- Magaly Saenz Somarriba, Masters of Applied Economics Program: M.SaenzSomarriba001@umb.edu
- Caitlin Carey, Research Associate, Center for Social Policy: caitlin.carey001@umb.edu
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