An Overview of Cliff Effects

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We research the root causes of economic hardship and examine the intersection of public policies and employer practices to boost economic well-being.
CSP Cross-Sector Expertise on Low Income Families

- People
  - Public Benefits
  - Social Determinant of Health
  - Economic Mobility

- Places
  - Community Development
  - Affordable Housing
  - Family Homelessness

- Jobs
  - Workforce Development
  - Job Quality
  - LMI: Employment classification
Federal 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

**Housing**
8. Family Self-Sufficiency Program (FSS)
9. Housing Choice Voucher (Section 8)
10. Public Housing

**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)
Recipiency by Program for Working-Age People on Benefits

Percent of Residents on Benefits Who Receive Each Benefit (%)

Public Assistance Benefit

- Health Insurance
- SNAP
- Housing Assistance
- SSI
- WIC
- Energy Subsidy
- Cash Assistance

United States
Massachusetts

United States
Massachusetts
### Most Common Combinations of Public Assistance Benefits for Working-Age People

<table>
<thead>
<tr>
<th>Benefit Combination</th>
<th>United States Percent</th>
<th>Massachusetts Benefit Combination</th>
<th>Massachusetts Percent</th>
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</thead>
<tbody>
<tr>
<td>Health Insurance only</td>
<td>32.52</td>
<td>Health Insurance only</td>
<td>47.74</td>
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<tr>
<td>SNAP only</td>
<td>16.70</td>
<td>SNAP and Health Insurance</td>
<td>6.37</td>
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<tr>
<td>SNAP and Health Insurance</td>
<td>11.23</td>
<td>SNAP only</td>
<td>6.20</td>
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<tr>
<td>SSI and Health Insurance</td>
<td>3.78</td>
<td>SSI and Health Insurance</td>
<td>3.52</td>
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<tr>
<td>Public Housing only</td>
<td>3.02</td>
<td>Rental Subsidy, SNAP, and Health Insurance</td>
<td>3.35</td>
</tr>
<tr>
<td>SNAP, SSI, and Health Insurance</td>
<td>2.68</td>
<td>Public Housing only</td>
<td>3.35</td>
</tr>
<tr>
<td>Heat Subsidy, SNAP, and Health Insurance</td>
<td>2.51</td>
<td>Public Housing and Health Insurance</td>
<td>3.18</td>
</tr>
<tr>
<td>WIC only</td>
<td>2.34</td>
<td>Public Housing, SNAP, and Health Insurance</td>
<td>2.85</td>
</tr>
<tr>
<td>Heat Subsidy and SNAP</td>
<td>1.98</td>
<td>Public Housing, SNAP, SSI, and Health Insurance</td>
<td>2.51</td>
</tr>
<tr>
<td>Public Housing, SNAP, and Health Insurance</td>
<td>1.54</td>
<td>WIC only</td>
<td>2.01</td>
</tr>
<tr>
<td>Other</td>
<td>21.71</td>
<td>Other</td>
<td>18.93</td>
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What are Cliff Effects?

Income eligibility definitions and levels differ for each of the public supports.

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

Cliffs only affect families that have earnings and public supports.

The more of these supports you receive, the more pronounced the cliffs.
Baseline Case for Suffolk County (Boston)
Scenario 1: Net Resources with Baseline Package

Net resources for family of 3
Suffolk County: MassHealth, SNAP, WIC, EITC, Refundable CTC

Source: CSP Net Resource Calculator
Solutions to the Cliff Effect

Cliff Effects Navigation

Universal Public Goods

Expand Eligibility

Enable Asset Building

Change Tax Structure

System Alignment and Coordination
<table>
<thead>
<tr>
<th>A SNAPSHOT OF STATE SOLUTIONS</th>
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<tbody>
<tr>
<td><strong>SNAP</strong></td>
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<tr>
<td>---</td>
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<tr>
<td>Eliminate Asset Test</td>
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<tr>
<td>Increase Eligibility</td>
</tr>
<tr>
<td>Transitional Assistance</td>
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<td>Workforce Development</td>
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Implications for Workforce Development Policy

- Workforce System
- Cross-Sector WIOA Partnerships
- Intake and Referral
- Financial Literacy
- New approach to LMI
  - Wages
  - Employer Benefits
- Benefit Usage Evaluation
Why We Must Solve the Cliff Effect

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