

**USDOL/ETA REGION I/BOSTON STATE
ADMINISTRATORS' MEETING
BOSTON,
OCTOBER 11, 2018**

An Overview of Cliff Effects

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CENTER FOR SOCIAL POLICY

JOHN W. McCORMACK GRADUATE SCHOOL
OF POLICY AND GLOBAL STUDIES

The Center for Social Policy

We research the root causes of economic hardship and examine the intersection of public policies and employer practices to boost economic well-being.

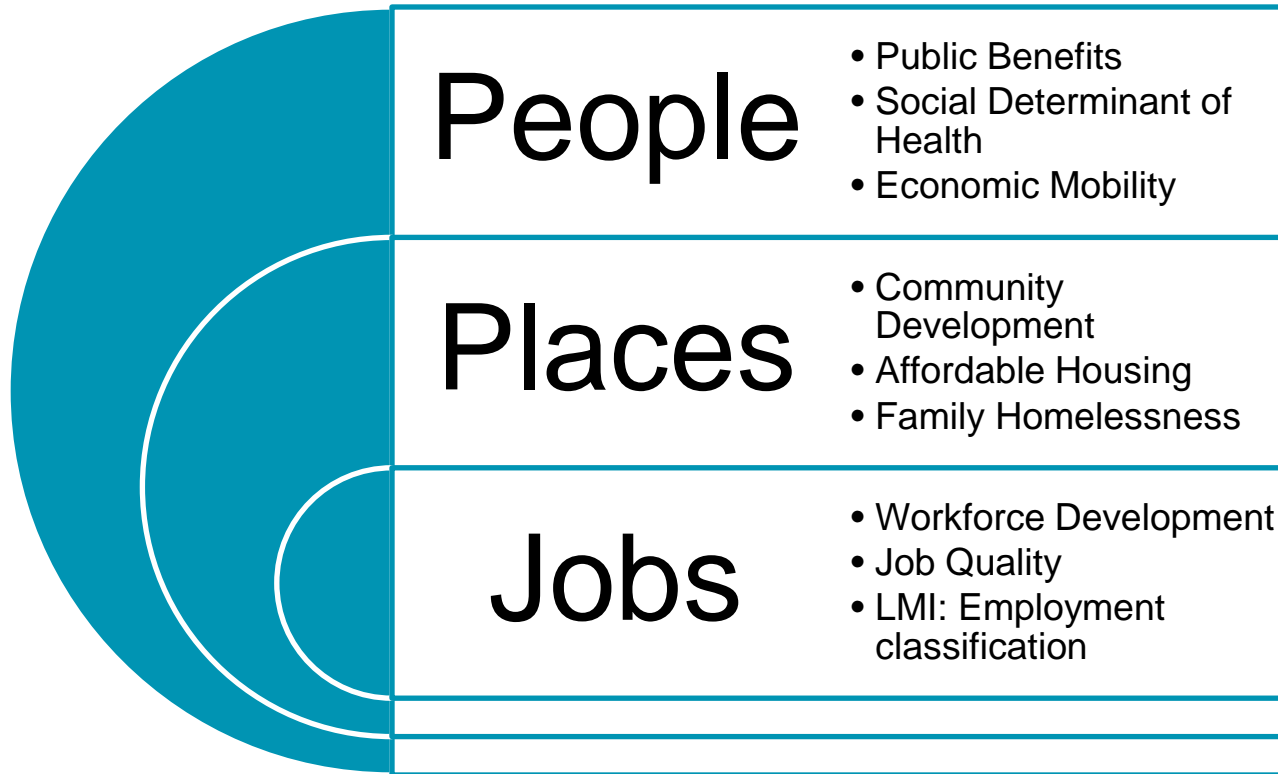


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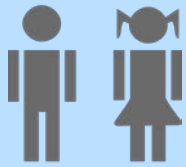
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CSP Cross-Sector Expertise on Low Income Families



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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

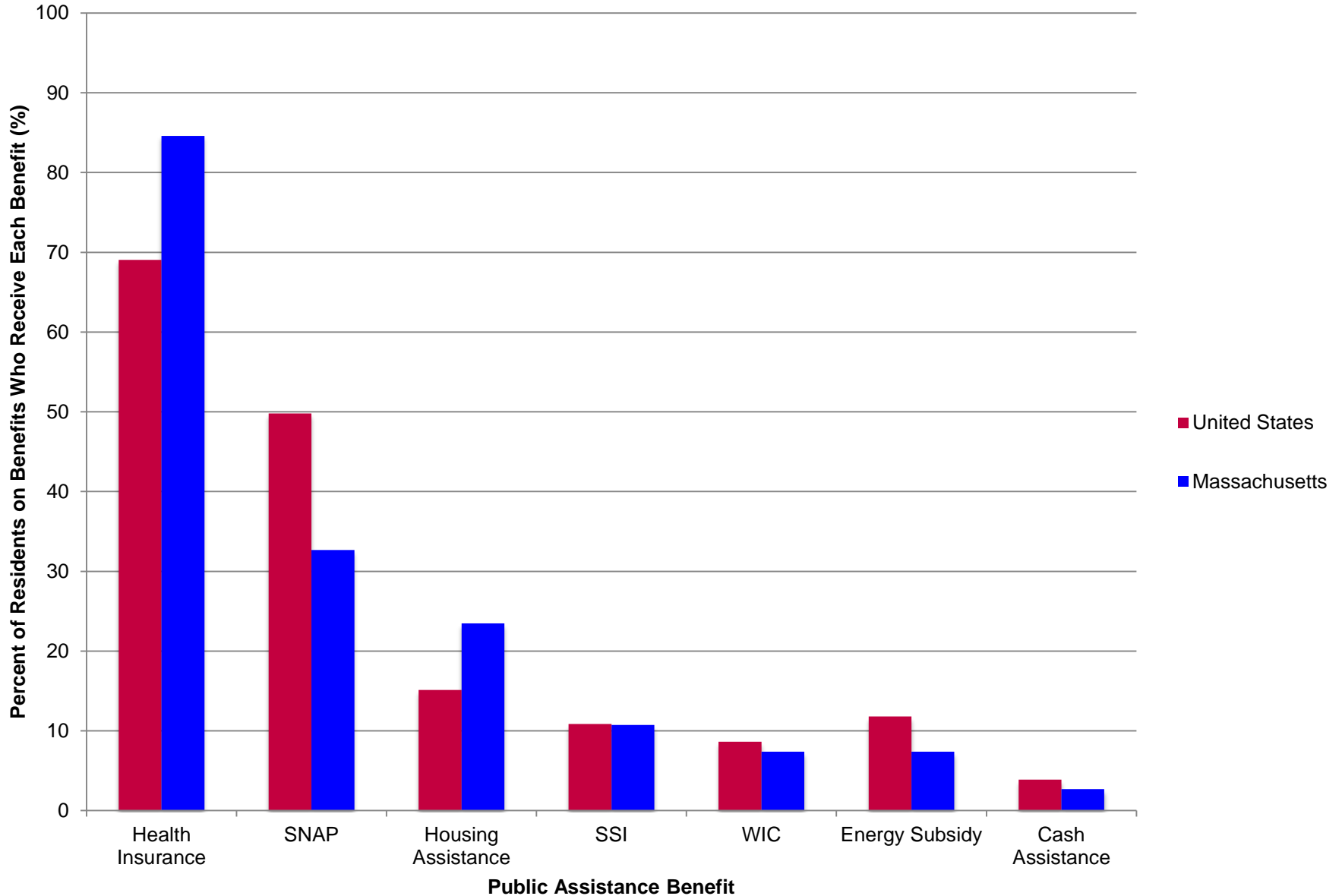
8. Family Self-Sufficiency Program (FSS)
9. Housing Choice Voucher (Section 8)
10. Public Housing



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)

Reciprocity by Program for Working-Age People on Benefits



Most Common Combinations of Public Assistance Benefits for Working-Age People

United States		Massachusetts		
	Benefit Combination	Percent	Benefit Combination	Percent
1	Health Insurance only	32.52	Health Insurance only	47.74
2	SNAP only	16.70	SNAP and Health Insurance	6.37
3	SNAP and Health Insurance	11.23	SNAP only	6.20
4	SSI and Health Insurance	3.78	SSI and Health Insurance	3.52
5	Public Housing only	3.02	Rental Subsidy, SNAP, and Health Insurance	3.35
6	SNAP, SSI, and Health Insurance	2.68	Public Housing only	3.35
7	Heat Subsidy, SNAP, and Health Insurance	2.51	Public Housing and Health Insurance	3.18
8	WIC only	2.34	Public Housing, SNAP, and Health Insurance	2.85
9	Heat Subsidy and SNAP	1.98	Public Housing, SNAP, SSI, and Health Insurance	2.51
10	Public Housing, SNAP, and Health Insurance	1.54	WIC only	2.01
	Other	21.71	Other	18.93

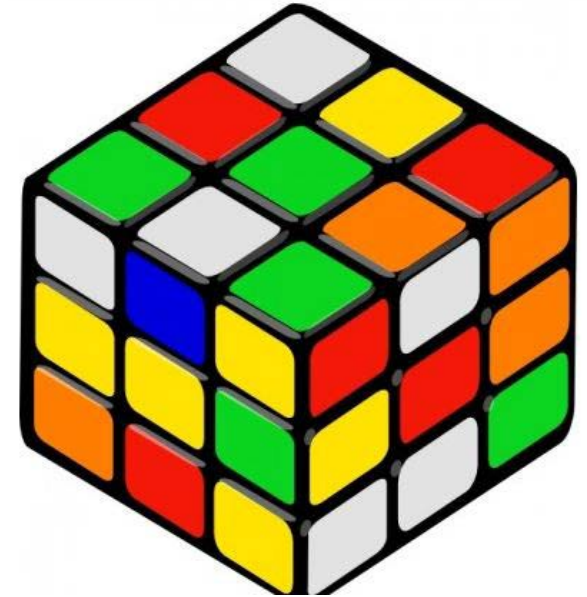
What are Cliff Effects?

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

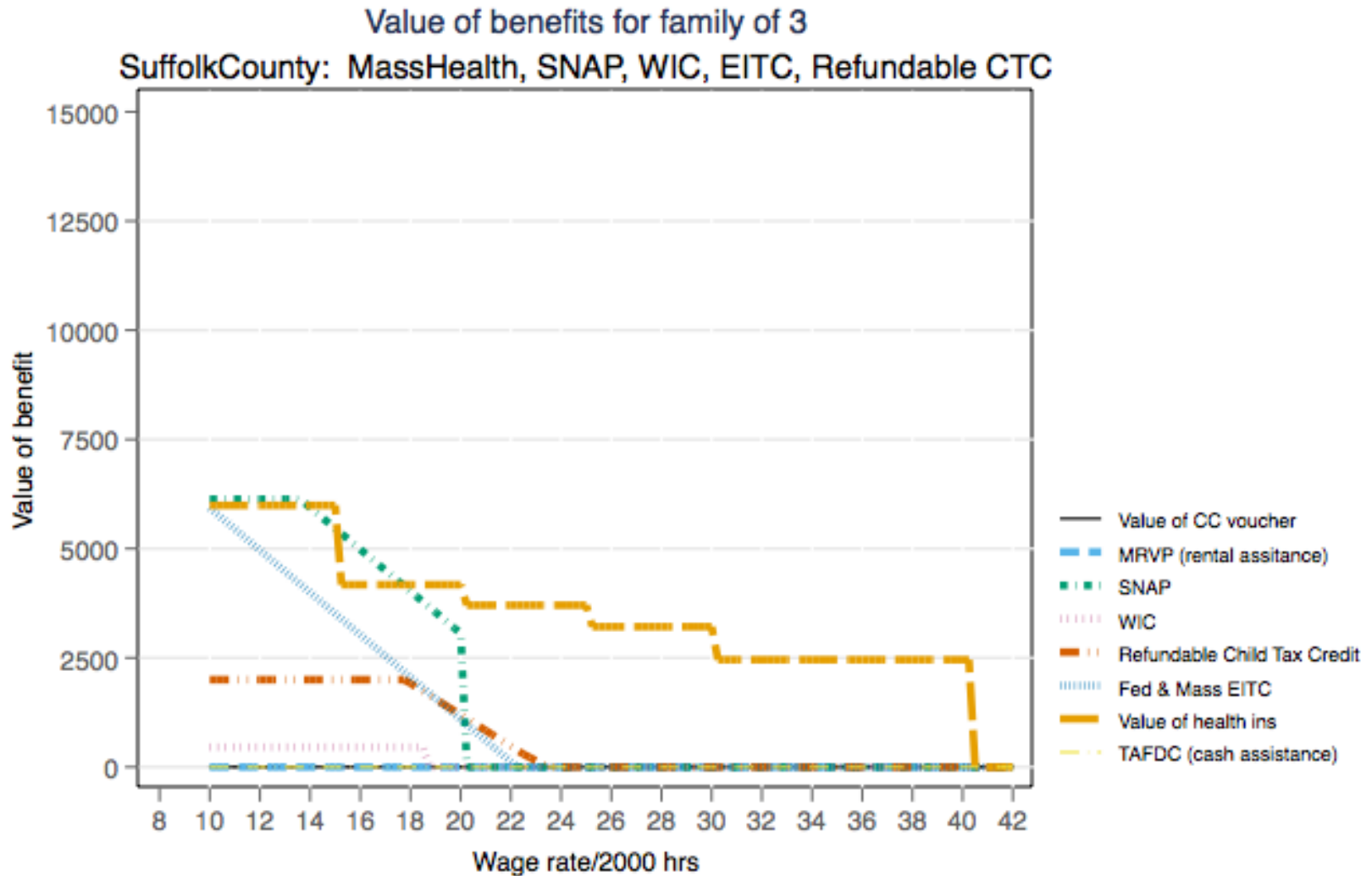
Cliffs refer to the drop in public supports that occur when earnings go up.

Cliffs only affect families that have earnings *and* public supports.

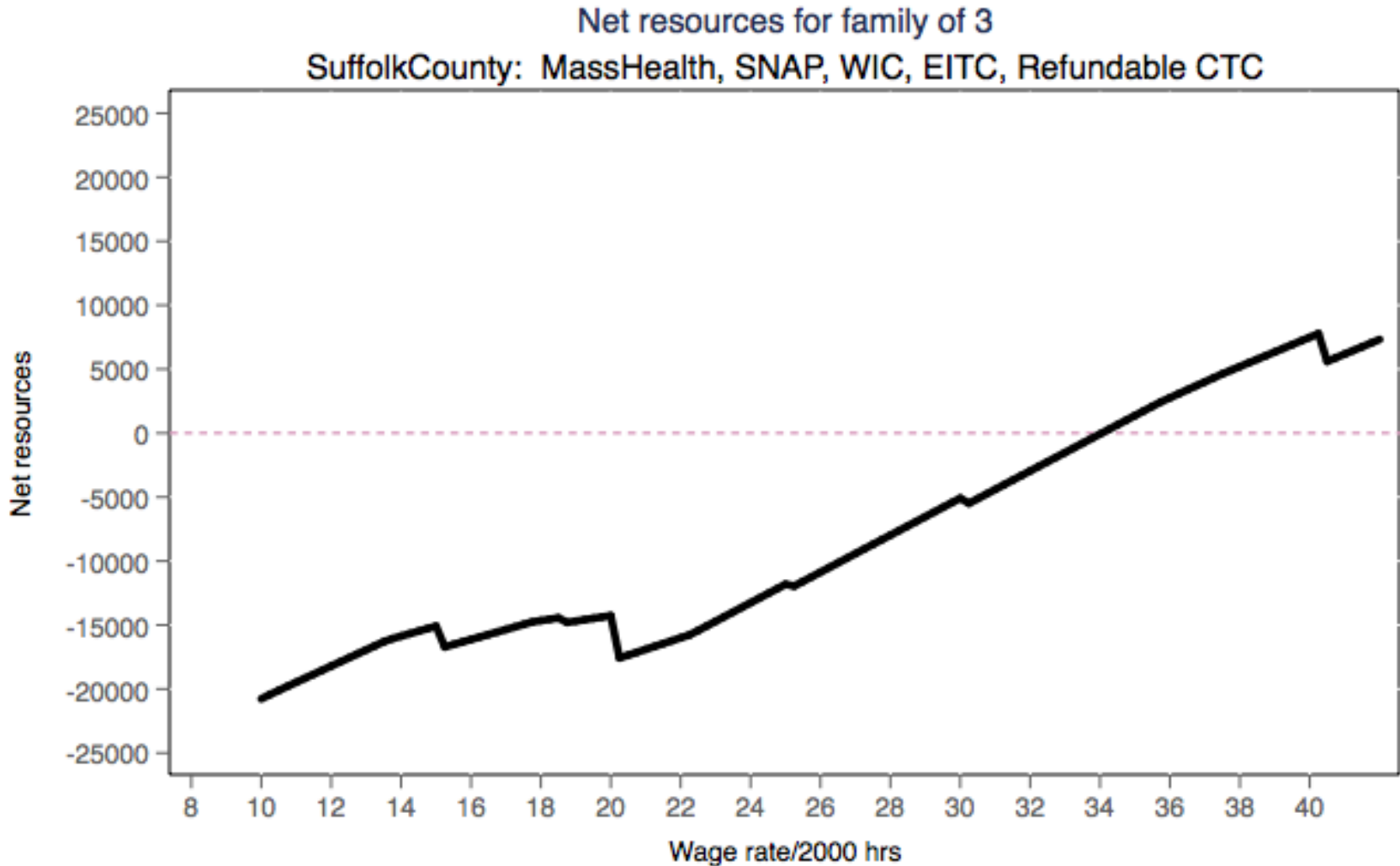
The more of these supports you receive, the more pronounced the cliffs.



Baseline Case for Suffolk County (Boston)

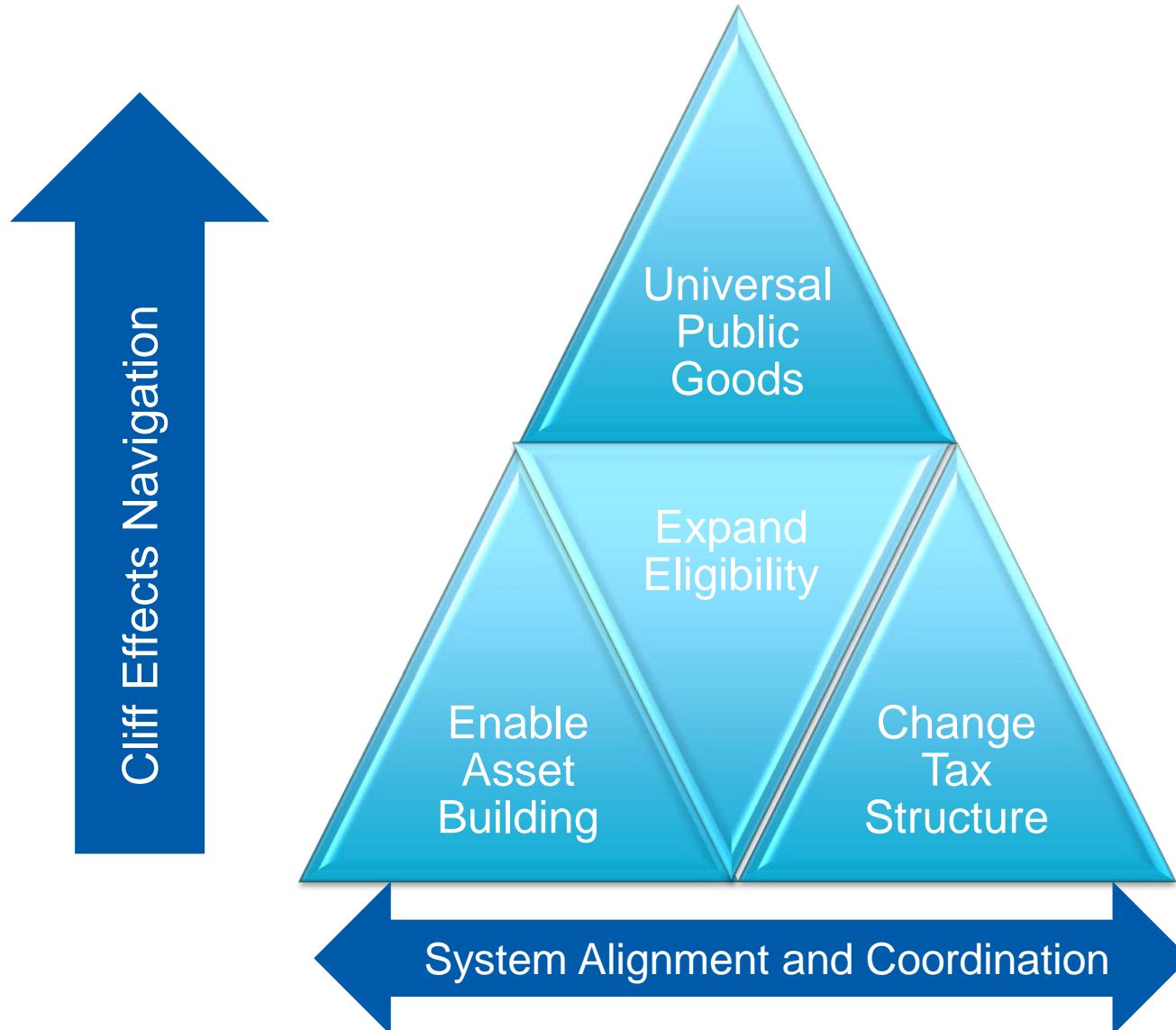


Scenario 1: Net Resources with Baseline Package



Source: CSP Net Resource Calculator

Solutions to the Cliff Effect



A SNAPSHOT OF STATE SOLUTIONS

	SNAP	TANF	ChCare VOUCHER	Cross-Sector
Eliminate Asset Test	PA	IL, HI, LA, MD, VA, CO, LA		
Increase Eligibility	IL	ME	CO, LA, MN, PA, TN	
Transitional Assistance	MA		WA, TN	
Workforce Development				MA

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

