



Livin' On the Edge: The Cliff Effect

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What is it?

- ▶ Benefit Effect
- ▶ the sudden and often unexpected decrease in public benefits that can occur with a small increase in earnings

One Step Forward,
Two Steps Back...



Who does it affect?

- ▶ Low income families
- ▶ Households with Children
- ▶ Families dependent on one income
- ▶ Minimum wage workers



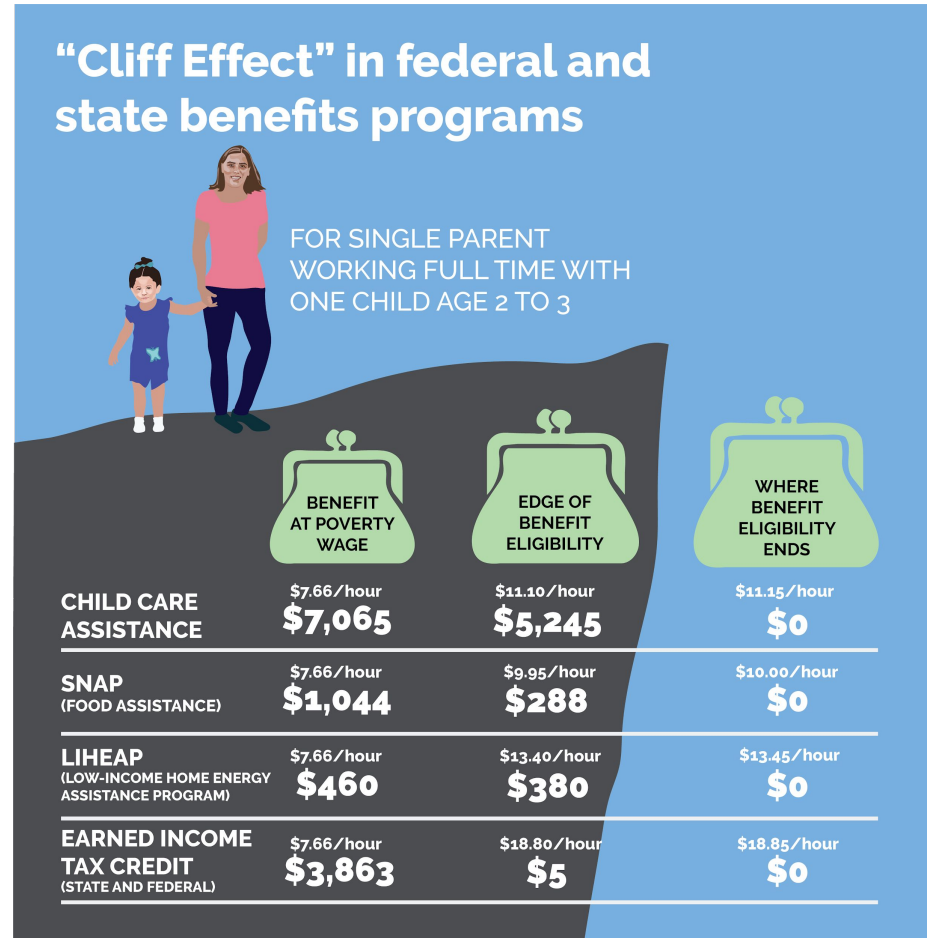
The Childcare Cliff

- ▶ Breadwinners are unable to join and remain in the workforce without child services (Rogers, McAninch)
- ▶ Childcare services are very expensive → College Tuition, Housing
 - ▶ Low income families- government assistance for services
 - Family Day Care
 - Preschool/Kindergarten/Prep
 - Before/After School Care, Outside School Hours Care
 - Babysitters, Nannies
 - (Rogers, McAninch 3-4, Casau, Hyde 6-7)



The Childcare Cliff (+Minimum-Wage Workers)

- ▶ Indiana minimum wage: \$7.25 per hour
85% overall income for one child
- ▶ <http://2018.fii.org/approach/>
- ▶ (Rogers, McAninch 4)



What about a pay raise?

- ▶ Pay raises/ income increase →
 - ▷ Not enough for self-sufficiency
 - ▷ Households worse off
 - ▷ Less government support/ benefits
- ▶ Earned Income Tax Credit (EITC), Working Families Tax Credit (WFTC), Medicaid, the Children's Health Insurance Program (CHIP), etc
 - ▷ (Casau, Hyde 1, Rogers, McAninch 4-5)



The Food/ Healthcare Cliff

- ▶ Federal Poverty Line
- ▶ Food stamp Programs
 - SNAP
 - CalFresh
- ▶ Healthcare Programs
 - Medicaid/ Medicare



Solutions

- ▶ Decreasing the income eligibility ceiling
- ▶ Lowering qualification requirements for benefits
- ▶ Increasing the amount of time that these benefits are available
- ▶ Increasing the state-mandated minimum wage



■ Conclusion

- ▶ Government assistance helps families
 - Childcare
 - Food
 - healthcare
- ▶ Solutions
 - ▷ Reduce minimum wage
 - ▷ Universal healthcare & food access
 - ▷ Lower qualification requirements/
Federal Poverty Line



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Works Cited