



Addressing Benefit Cliffs

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Purpose

1

Build shared understanding on cliff effects in Washington.

2

Share & discuss opportunities to address benefit cliffs in 2025-27 budget.

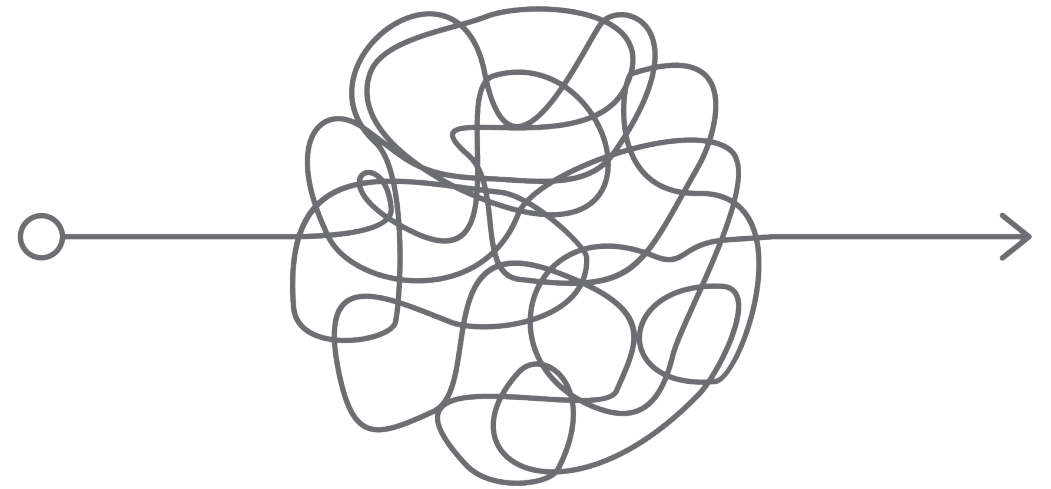
3

Discuss potential partnership with Workforce Training & Education Board to address cliff effects.



“Poverty isn’t a line.
It’s a tight knot of social maladies.”

Matt Desmond | Poverty, by America



Benefits Cliff: Definition

“Benefits cliffs (the “cliff effect”) refer to the sudden and often unexpected decrease in public benefits that can occur with a small increase in earnings. This happens when families receive benefits through a public assistance program, earn a raise and then become ineligible to continue receiving benefits despite being unable to sustain their household.

Sometimes the cliff effect looks more like a slope or plateau. When lost benefits outpace a wage increase, many families “park” or fall off the cliff’s edge, stalling progression in their jobs and careers.”



How People Experiencing Cliffs Define the Problem



“It’s like a game of Chutes & Ladders ... I climb up, just to fall back down repeatedly, and getting to the top seems dependent on a lucky roll of the dice.”



The burden of figuring out the system is on the people being served ... **it’s a full-time job.**”



“Most of the time I am like, **what’s the secret handshake?** How do I navigate this to get what I need?”



People ask me, ‘What does ‘being healthy’ look like to you?’ and I respond, **‘Being healthy basically looks like being rich.’”**

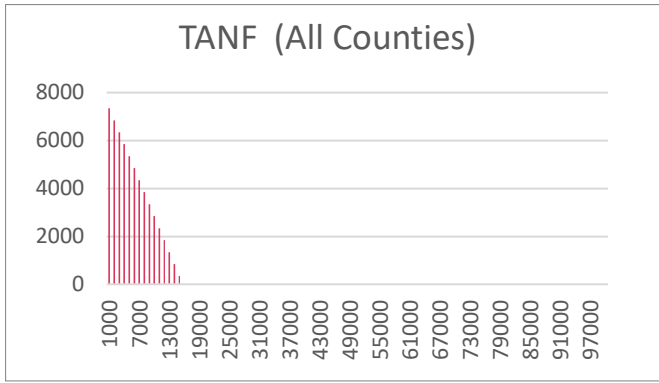
Source: Economic Justice Alliance Steering Committee Members



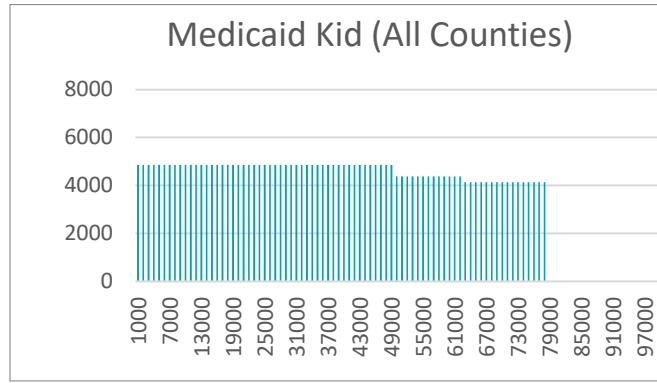
Slopes & Cliffs in Major Public Assistance Programs

Family of 3, Washington State 2024

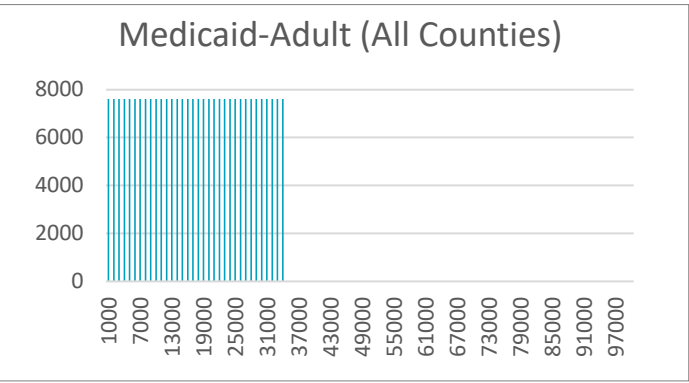
TANF (all counties)



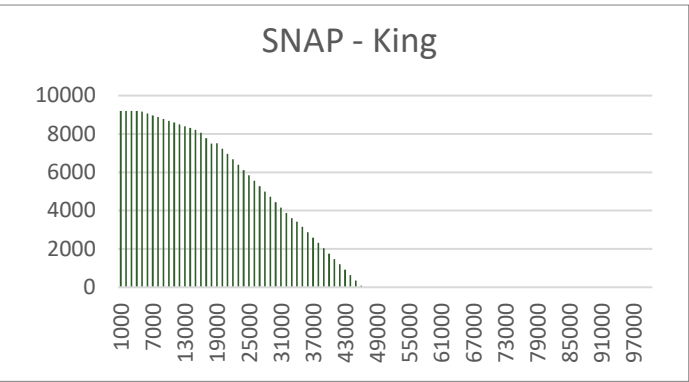
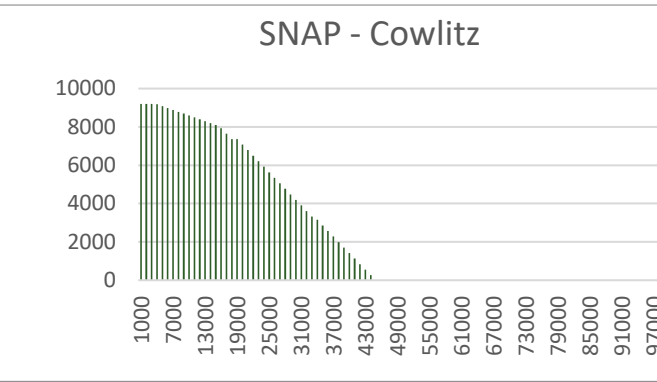
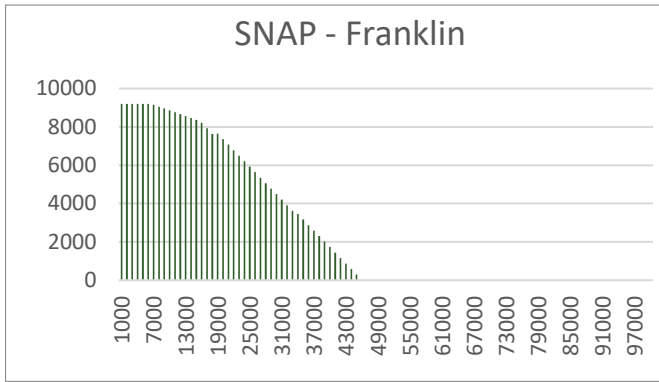
Medicaid (all counties)



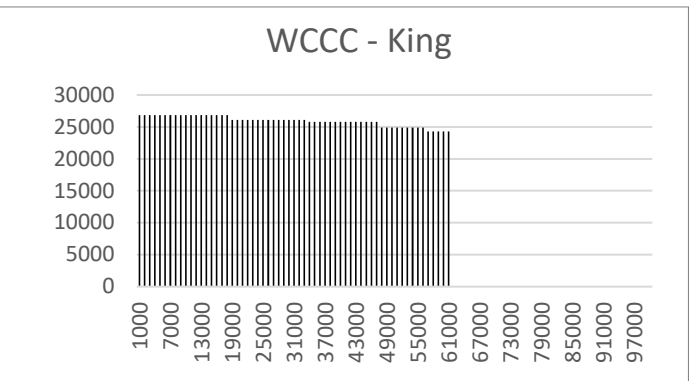
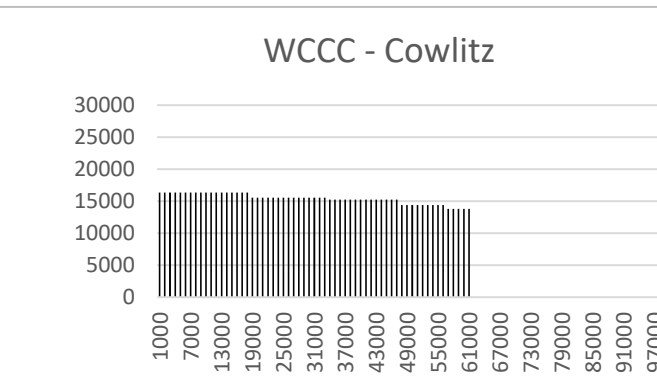
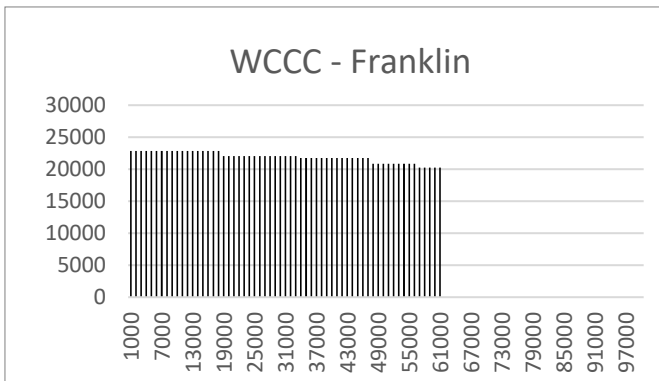
Medicaid-Adult (All Counties)



SNAP/Basic Food



Child Care (WCCC)

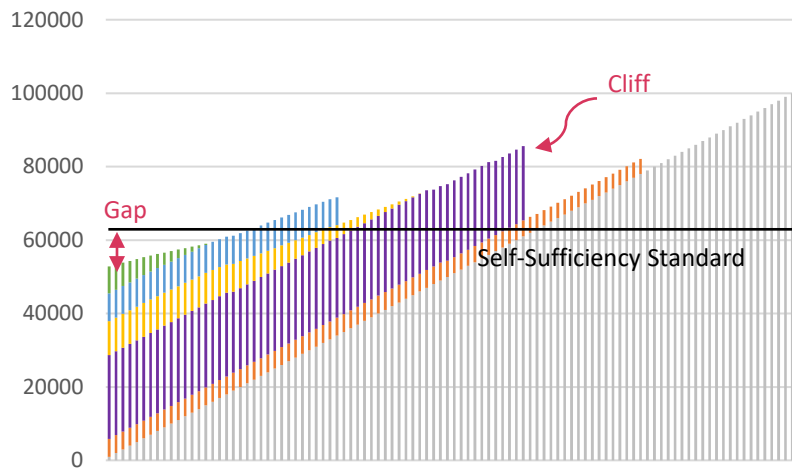


Cliffs and Hills When Receiving Multiple Benefits

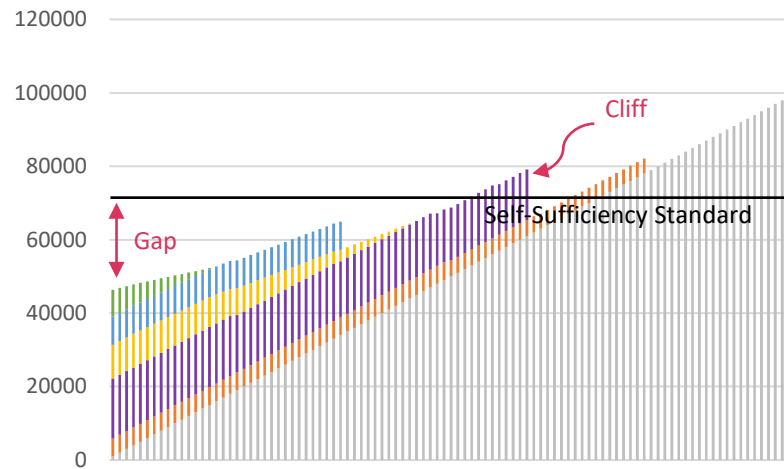
Family of 3, Most to Least Affordable Counties, Washington State 2024

TANF Medicaid - Kids SNAP/Basic Food Child Care Subsidy (WCCC) Medicaid - Adults Income

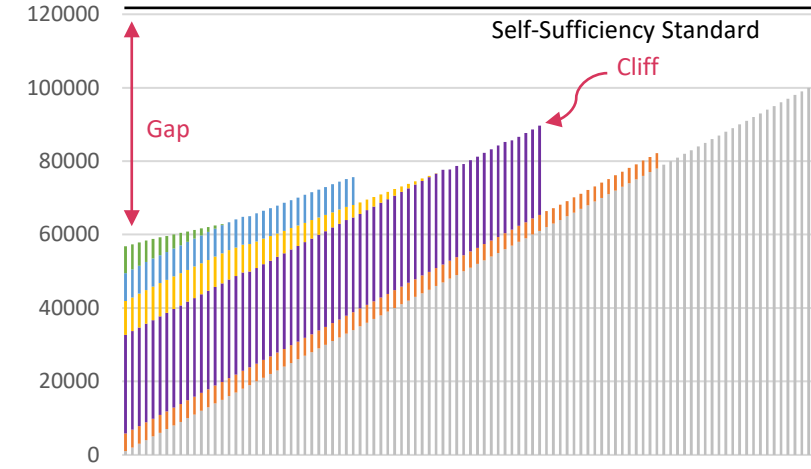
Franklin
(Most Affordable)



Cowlitz
(Median Affordability)



King
(Least Affordable)

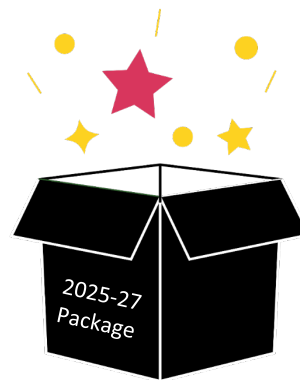


Notes:

- Size and impact of gaps and cliffs differs by region, family size and age of children.
- The more expensive the cost-of-living, the larger the gap and cliff.
- Families fall behind while trying to get ahead.
- Employers are unable to advance talent, as loss of benefits, especially child care, outweighs salary increase.
- Cliffs are incompatible with achieving goals and outcomes.

Proposed Actions to Mitigate Benefits Cliffs

Proposal	Details	Impact on Cliff Effect
Prevent poverty.	<ul style="list-style-type: none">• Set cash assistance to 15% of the Self-Sufficiency Standard	Mitigates cliff experience
Improve access to benefits.	<ul style="list-style-type: none">• Broaden time limits• Remove full family sanction policy	Removes a cliff
Provide employment stability payments and post-program supports.	<ul style="list-style-type: none">• \$2,000 to WorkFirst participants at exit• Expand supports after program exit	Mitigates cliff experience
Cover basic needs for people with work-limiting conditions.	<ul style="list-style-type: none">• Cash assistance for people with a work-limiting condition	Mitigates cliff experience



Evidence-Based Effects of Economic Stability on Well-Being

ECONOMIC STABILITY...



LOWERS STRESS

Economic stability alleviates stress, freeing up the brain's capacity to make long-term decisions.

Less stress also reduces inflammation in the body.



IMPROVES WELL-BEING

Research strongly shows economic stability improves well-being within a short time frame.



↑ Education



↑ Physical & mental health



↑ Quality time with family

RESULTS IN UPSTREAM, PREVENTIVE OUTCOMES

Research also shows economic stability has positive, upstream effects over time.



↑ Employment



↓ Homelessness



↓ Child neglect



Discussion

1. What are your initial reactions and feedback to the ideas and solutions presented?
2. How can this package be strengthened?
3. What might partnership to address cliff effects look like?



“The opposite of poverty is not wealth. It’s justice.”

~ Bryan Stevenson, Just Mercy





WASHINGTON
ECONOMIC
JUSTICE
ALLIANCE

Thank you!

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