

## Benefits Project

In 2019, a group of stakeholders came together and established the community-driven initiative called the Benefits Project. Over time, the Benefits Project table has grown to about 40 organizations representing *community-based organizations, educational entities, businesses/business group, government and legislative bodies, funders, advocates, as well as community initiatives and members*. A list of stakeholder organizations can be found on page 3.

The aim of the Benefits Project is to support the employment and financial stability of individuals/families by empowering them with accurate information about what happens to their net family resources based on changes to earned income and public benefits. This requires understanding situations where work opportunities benefit individuals and where there are “*benefits cliffs*”. A “*Benefits Cliff*” happens when a person abruptly loses or sees a reduction in his/her public benefit(s) as the person’s earnings increase. This can hinder a person’s ability to be self-sufficient because the earnings are not high enough to sustain the person (and their household) financially.

The Rochester Rehabilitation Center’s Strengthening Working Families Initiative-Systems Level Activities Subcommittee conducted a pilot survey in March-April 2019 to gain some initial insight as to the reasons an individual would lose or be denied benefits/supports. Increased income (pay raise, including temporary pay increase, job promotion and working more hours) was among the greatest factors reported by respondents. Sanctioning and paperwork issues (incomplete paperwork) were less prevalent factors. Inability to pay a childcare subsidy co-pay fee was a factor, but to an even lesser degree. The survey was a convenience sampling of 170 parents with children from local community-based organizations (CBOs) -19 or 21% experienced loss or denial of benefits/supports (5 SWFI participants experienced this).

Generally, there is a lack of information or data (beyond anecdotal) on **where, when** and **how often** individuals encounter “benefits cliffs”, which required the Project team to investigate the topic further. It should be noted that not everyone on public assistance experiences a “benefits cliff” and so the other question the Project seeks to answer is **for whom** a cliff would more likely exist. Cliffs have been known to occur more often when there is reliance on multiple public benefits for livelihood.

RMAPI produced a report in 2016, “Understanding the Benefits Cliff: A Report of the Data Team”, that examined the effect of wage increases on total financial resources for a low-income family consisting of a single parent with two children. Key findings were (excerpt taken from page 1 of the report):

- ❖ Families receiving only “typical benefits”, those generally available to anyone meeting requirements such as temporary assistance, SNAP and tax credits, see these benefits decrease gradually as their income increases. A gradual decrease does not create a benefits cliff.

### A SWFI Participant:

Having experienced a “benefits cliff” before, an Asian mother between the ages 25-34 with two children (ages 6 and 11) who works full time, earning between \$30K-\$40K, shared that she has not taken child support in order to avoid a cliff. Her household currently receives Medicaid/Child Health Plus.

*Elaborating on her response, she shared: “I was working full time and I was cut off Food Stamps which led me to work even more just to put food on the table”.*

*When asked: “Do you worry or have you worried about losing childcare aid/subsidy or other public assistance benefits if you took a pay raise, job promotion or took on more hours at work?” She replied “yes”.*

- ❖ a benefits cliff is felt most strongly by families receiving typically benefits plus a childcare subsidy and public housing support. For these families, their overall financial resources are about the same when they are earning \$24 and have lost all benefits as when they were earning a minimum wage and had benefits.
- ❖ Income-based public assistance benefits are surprisingly complex with various eligibility requirements. Some benefits, including childcare and housing, are not widely available to those that are otherwise eligible to receive them due to budgetary limitations.

The report cautions readers when interpreting the information because the study only looked at financial realities of benefit changes as income increases. There are motivational factors at play too, but this was not examined in the study.

Awareness of available public benefits and other community resources is imperative to an individual (and their household) achieving self-sufficiency. It has often been found that local service providers, those on public assistance as well as working individuals/families are not aware of available resources and how to access them.

**A SWFI Participant:**

Having experienced a “benefits cliff” before, an African American mother also between the ages of 25-34 with two children (ages 4 and 12) works full time, earning between \$30K-\$40K, shared that she has not taken a job in order to avoid a cliff. The household is currently receiving Medicaid/ Child Health Plus and SNAP/Food Stamps.

When asked: *“Do you worry or have you worried about losing childcare aid/subsidy or other public assistance benefits if you took a pay raise, job promotion or took on more hours at work?”* She too replied “yes”.

There are instances of individuals taking certain actions to avoid a cliff, such as not taking a job offer or additional hours at work. Not taking child support has also been reported as a way to avoid a cliff. Some individuals may be concerned about losing a governmental public benefit should they take a job, a pay raise or promotion.

The Project team researched national models and current NYS efforts to ensure a comprehensive approach and to avoid duplication of effort. The Project seeks to create an open source, web-based tool that will be utilized by the community. There are few tools like this across the country.

A staff member and student at SUNY Brockport developed a prototype tool with support and feedback from the Project’s community stakeholders. Using the prototype as the foundation, the Project is currently in the web-based tool development phase and will be tested with 50-100 program participants at a handful of community-based organizations (CBOs). The Project team also developed a companion survey. In addition to using the tool, pilot participants will be asked to complete the companion survey, which will provide insight into their lived experiences and how the tool has helped empower them to plan and make informed decisions about their lives so that they can avoid cliffs. Surveying service providers and employers to learn about their experiences is also a part of the Project. To address the awareness of available supports and how to access them, the Project will develop a toolkit that will be made available to pilot participants – subsequently shared with the wider community upon pilot completion.

The Benefits Project builds upon the 2016 RAMPI work by: 1) updating the calculations to present day data and inputting the information into a benefits cliff calculator and 2) turning the analytical scenarios into real life instances in order to identify when and how often cliffs exist and for whom.

The prototype tool has been tested with Monroe County Department of Human Services and other content experts to ensure accuracy of individual benefit criteria/calculations. The Project team has developed a calculator (prototype tool) that collects the minimum amount of information needed to accurately determine benefit program criteria and accurately predict eligibility amounts. The tool integrates the various public benefits

programs and tax credit(s) into one tool. It has also been pretested with Rochester Rehabilitation Center's Strengthening Working Families Initiative (SWFI) staff, to determine the viability of administering the tool. Some insights from pre-testing the prototype tool and administering a short survey with SWFI participants:

- ❖ The SWFI participant who helped pre-test the benefits calculator reported that it would be a useful tool to show her a comprehensive picture of her family's financial outlook. She also reported that the tool would be useful in displaying additional benefits that a family might not be currently aware of.
- ❖ The companion survey will be divided into two parts: program participants will complete a survey about their lived experiences at the beginning of the pilot and complete a second survey after utilizing the tool, to give feedback on the tool. An incentive will be attached to completing both surveys.
- ❖ From the short survey, it was learned what additional questions to ask and how best to ask them on the companion survey. For example, a question about race/ethnicity will be an open-ended question on the companion survey to enable more diverse self-identification and to possibly use as an indicator *for whom* a cliff is/is not more likely to occur.
- ❖ There were some current/former SWFI program participants who were unaware of available income & work support – Creating Assets, Savings and Hope program (C.A.S.H.). A session on C.A.S.H. with current and former SWFI program participants occurred. C.A.S.H. was recently added to the Benefits Project stakeholder table, as a key support for individuals on public assistance as well as working individuals/ families.
- ❖ Six of the 12 SWFI participants surveyed had not experienced a “benefits cliff” while three indicated that they had. Four participants mentioned taking action to avoid a cliff: not taking a job (1), not taking additional hours at work (1) and not taking child support (2). The narrative that work does not pay is often left unchallenged. A way to fix this is to show the interaction between earned income and benefits by utilizing a tool to pinpoint when cliff(s) arise so that an automatic resource is available to help individuals/families pursue employment while avoiding cliffs.

**A SWFI Participant:**

When asked: “*In your opinion, what more can the community do to help prevent or eliminate a benefits cliff for families?*”, the participant shared:

“readjust their calculations rule regulations to present day, be realistic about living expenses for a families aging dependents, allow people to pay debt/family members who have assisted in hardship and not be penalized, offer programs like CASH to aid them to grow wealth while they have the money to”.

Benefits Project Stakeholders that have supported and/or continue to support the project include the following:

- ❖ **Community-based Organizations:** Action for a Better Community, Creating Assets, Savings and Hope (C.A.S.H.), Catholic Family Center, Child Care Council, Inc., CSEA, Healthy Baby Network, Heritage Christian Services, Ibero-American Action League, Legal Assistance of Western New York, Inc. (LAWNY), Legal Aid Society of Rochester, Marvelous Minds Academy, Rochester Rehabilitation Center's Strengthening Working Families Initiative (SWFI) and Urban League of Rochester
- ❖ **Business Entities/Employers:** Greater Rochester Chamber of Commerce and Wegmans Food Markets
- ❖ **Education/Training Entities:** Buffalo State College, Nazareth College and SUNY Brockport
- ❖ **Government Entities/Legislators:** City of Rochester, Monroe County Department of Human Services, Monroe County Workforce Development, Office of Assemblyman Harry Bronson, Office of Representative Joe Morelle, Office of Senator Kirsten Gillibrand, Office of Mental Health and Office of Assemblywoman Sarah Clark and Rochester Housing Authority
- ❖ **Community Initiatives:** Act Rochester, Common Ground Health, Rochester Monroe Anti-Poverty Initiative (RMAPI), Systems Integration Project (SIP) and 360 Collaborative Network
- ❖ **Funding Entities:** ESL, Greater Rochester Health Foundation and The Community Foundation
- ❖ **Other Entities:** Community Action Partnership, Pay Equity of Greater Rochester, Project Empower/Coffee Connection, The Children's Agenda and The United Healthcare Workers