

Less Poverty, More Prosperity - States Tackle Benefit Cliffs

Select publications, information and resources on benefit cliffs

Career Ladder Identifier and Financial Forecaster (CLIFF)

The Federal Reserve Bank of Atlanta has developed a suite of tools that model the interaction of public benefits, taxes and tax credits with career advancement. The CLIFF suite includes three core tools to meet client needs in different career stages:

- CLIFF Snapshot compares a client's current financial situation to alternative scenarios.
- CLIFF Dashboard details the long-term financial implications of a new career.
- CLIFF Planner helps clients when they're ready to map out details of a career move.

<https://www.atlantafed.org/economic-mobility-and-resilience/advancing-careers-for-low-income-families/cliff-tool>

ASPE Marginal Tax Rate/Benefit Cliffs Series

Office of the Assistant Secretary for Planning and Evaluation (ASPE) offers a research series examining the range of effective marginal tax rates for low-income households and common benefit 'bundles.' Program benefits that cover basic needs are designed to decline as earnings increase. High marginal tax rates—where most of additional earnings are offset by lost benefits—may be a work disincentive. Briefs include:

- Safety Net Programs and Marginal Tax Rates: Perspectives of Working Parents
- Helping People with Low Incomes Navigate Benefit Cliffs: Lessons Learned Deploying a Marginal Tax Rate Calculator

<https://aspe.hhs.gov/topics/poverty-economic-mobility/marginal-tax-rate-series>

New England States Tackle the Benefit Cliffs

This brief summarizes a range of policy options New England states have made in recent years to lessen the benefit cliffs and highlights 1) Examples of State Actions Over Time to Address the Benefit Cliffs, 2) Summary Charts of New England State Policy Changes in the Major Benefit Programs and 3) Opportunities for Federal Policy Action to Mitigate Benefit Cliffs

<https://www.itgfoundation.org/wp-content/uploads/2024/04/New-England-States-Tackle-Benefit-Cliffs-2024.pdf>

Less Poverty, More Prosperity: The Florida Fiscal Cliffs Report

The Florida Chamber Foundation published a report outlining the impact of "fiscal cliffs" on families and business, as well as the state's economy and global competitiveness.

https://www.flchamber.com/wp-content/uploads/2017/04/LessPovertyMoreProsperity_FLFiscalCliffsReport_Web.pdf

Survey of Legislation to Ameliorate the Cliff Effect

The Women's Fund of the Greater Cincinnati Foundation has led in researching and analyzing cliff effects within public benefits system and other socio-economic issues. This 2019 memo summarizes cliff effect legislation, regulations and reports introduced or enacted in states across the country.

<https://www.gcdfn.org/wp-content/uploads/2020/07/2.-2019-Survey-of-Legislation-to-Ameliorate-the-Cliff-Effect.pdf>

Advancing Economic Mobility for Low-Income Families: Policy Options for Governors

In 2022, the National Governors Association Center for Best Practices developed a resource for governors and state policymakers with strategies to address barriers, including benefit cliffs, that often prevent low-income individuals from accessing work or education and from experiencing upward economic mobility.

<https://www.nga.org/wp-content/uploads/2022/07/NGA-Economic-Mobility-Report-Final.pdf>

Moving on Up: Helping Families Climb the Economic Ladder by Addressing Benefits Cliffs

In 2019, the National Conference of State Legislators and the Administration for Children and Families, published a report summarizing lessons learned from significant efforts in New England to address benefits cliffs. The brief offers a menu of policy options for addressing worker shortages that also improve family outcomes.

<https://search.issuelab.org/resource/moving-on-up-helping-families-climb-the-economic-ladder-by-addressing-benefits-cliffs.html>

<https://www.ncsl.org/human-services/addressing-benefits-cliffs>

Cliff Stories - Impact on families, business and agencies

The Economic Pathways Coalition offer stories from parents on the impact of the cliffs and other resources to share understanding of cliffs from various perspectives.

<https://economicpathwaysma.org/stories>

Fed Communities, a project amplifying the Federal Reserve Bank's work in low- and moderate-income communities, developed resources that include stories from parents, agency leaders and others on the impact of the cliffs on families and communities.

<https://fedcommunities.org/benefits-cliffs/>

This Fed Communities webinar explores cliff issues with experts, employers, the Federal Reserve, and community leaders who help families navigate benefit programs and plan for career advancement.

<https://fedcommunities.org/connecting-communities-navigating-benefits-cliffs-barriers-solutions/>