Low-wage earning families in Massachusetts aspire to be economically independent, just as all Americans do. One measure of economic self-sufficiency is non-reliance on government-sponsored work supports (e.g., Food Stamps, child care assistance, MassHealth, etc.). Although work supports subsidize the needs of working poor families while they are on the path to economic self-sufficiency, small increases in income can lead to a disproportionate drop in these supports (known as the “cliff effect”). Most government work supports drop off well before a family can adequately make ends meet.

Crittenton Women’s Union (CWU) conducted an independent study in Boston, Mass. in 2008 to explore cliff effects. Our research goal was to provide real life context for the dramatic numbers shown by prior economic research indicating that families’ net monthly resources—their after-tax income from earnings plus the value of work supports, minus basic living costs—decrease alarmingly when their increased income conflicts with the eligibility requirements of work supports.

CWU studied how low-income women who are either on the verge of losing work supports or who have recently experienced a loss of work supports manage the cliff effect circumstance and what this means for their well-being. The group of women we interviewed was drawn from a larger survey sample and was chosen because each had previously experienced a cliff effect or was about to experience a cliff effect.

—Joanna, a 30-year-old mother of two who lost Food Stamps and MassHealth when she began receiving child support.
Seventy-two percent of Massachusetts families (with children under age 18) who live below the federal poverty line are headed by single mothers. According to CWU’s Family Economic Self-Sufficiency Standard (FESS), a single parent with two children in Massachusetts needs to earn between $44,000 and $58,000 per year (depending on location), or $22 to $28 per hour of full-time work, to provide for her family’s most basic needs without public assistance. However, in the Commonwealth, more than half of employed women work in traditionally female occupations, which are low-paid and require minimal education or training, such as retail, service, and administration. These jobs typically pay $15,000 to $29,000 per year for full-time work, considerably less than the amount needed for self-sufficiency.

Further, as these single working mothers begin to climb the economic ladder, they often find themselves worse off than they were before their income increased. As depicted in Chart 1, a worker can hit unexpected economic potholes, large drops in net monthly resources, as she progresses from earning $8 per hour to $32 per hour. These drops, or cliffs, are the result of a decrease or loss in government work supports that is greater than the increase in wages that precipitated the loss. The worker can find herself financially better off earning minimum wage than making $18 per hour. This can, and often does, create the feeling of never getting ahead regardless of increased work or earnings.

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**CHART 1: Combined Monthly Resources (earnings plus government work supports)**

![Chart 1: Combined Monthly Resources (earnings plus government work supports)](chart1)

**Net Monthly Resources (Annual Wage)**

- Hourly Wage: $8 ($10K), $10 ($20K), $12 ($24K), $14 ($28K), $16 ($32K), $18 ($36K), $20 ($40K), $22 ($44K), $24 ($48K), $26 ($52K), $28 ($56K), $30 ($60K), $32 ($64K)

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1 The Massachusetts Family Economic Self-Sufficiency Standard (FESS) is sensitive to family configuration, is adjusted by state region for cost of living, and assesses up-to-date costs of basic living expenses, including housing, food, health care, child care, transportation, miscellaneous items, and taxes (Crittenton Women’s Union, 2006).

2 Chart 1 is for a single parent with two children (ages 3 & 8) in Boston with all eligible government work supports, which include child care assistance, Child Tax Credit, Earned Income Tax Credit, Food Stamps, MassHealth, Section 8 rental housing assistance, and Special Supplemental Nutrition Program for Women, Infants, and Children.

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What Women Tell Us

The participants with the highest average income ($34,000/year) were doing worse in terms of their self-reported well-being than those with lower incomes.

A single parent earning between $30,000–$40,000 per year is working in a skilled job, is very likely to have completed high school or earned a GED, and is likely to have obtained some specialized training. Therefore, it is of particular concern that this constituency rates itself as doing the worst, both on the survey and in the interview.

Consider Alicia, a 35-year-old mother of three children who resides in Boston and works full time as a case manager earning $32,000 per year. Alicia recently received a raise and lost MassHealth and Food Stamps, which were the last of her work supports. She said:

“Every day there is a chokehold around me, you know, where sometimes it’s really hard to breathe...because most days you feel this consistent choke because there is always a bill that needs to be paid. You can only pay a little on this bill, just to keep them off of your back about two weeks before you have to give them a little bit more money. And so it’s this constant game of chess with these bills to just finagle the bills to keep everybody happy for the moment.”

In order to live in Greater Boston and make ends meet, a single parent of two children must earn $58,133 per year. Given the gap between this wage and the cut-off points for government work supports, it becomes clear why a skilled worker trying to support a family and earning between $30,000–$40,000 per year is worse off than those with lower incomes.

Women described the particular challenges of making ends meet while singlehandedly raising children.

Single mothers we spoke with weighed the tradeoff between advancing at work, but losing valuable work supports and having less time with their children. Ideally, the system should encourage workers to move forward rather than making them feel “punished” financially and as parents. However, our in-depth interviews show this encouragement is often lacking.

Erika is 33 years old, has four children, and works two jobs. She recently lost her MassHealth and Food Stamps because of the increased earnings from her second job. Erika said:

“Even though you have a little, you’re making a little bit more money, you’re really not, you’re still in the same category...I don’t see how they think that they’re making it better... it’s not beneficial, actually... it feels like being punished for making more money... you contemplate whether you want to make more money or not, whether you want to work more hours because you could be at home with your kids and still be in the same situation.”
Women specifically emphasized that child care must be stable, reliable, and affordable in order to function as an effective support for parents who are working. Michelle is a 33-year-old mother of three children. She works full-time and currently receives child care assistance, Food Stamps, and MassHealth, but is anxious about losing these supports because of her impending annual raise. She maintains “…if I didn’t have [a child care voucher], I wouldn’t be able to work, hold down a nine-to-five.”

Although government child care vouchers help families cover the substantial cost of child care, reaching the top of the waiting list may take years as there are nearly 18,000 children currently on the list in Massachusetts. For all parents, but especially low-income parents, child care is remarkably expensive. About 65 percent of low-income single-earner mothers spend 40–50 percent of their income on child care. Even a small annual wage increase could result in Michelle losing her child care voucher while not providing enough extra money to allow her to afford the full cost of child care. Lack of access to affordable child care often leads to loss of employment for single mothers.

Women also shared their hardships around meeting the most basic needs of a family. Ellie, a 44-year-old mother of two young daughters making $30,000 per year as an administrative assistant, recently lost her Food Stamps because of an increase in her wages. She described skipping meals because she couldn’t afford enough groceries to feed herself and her family. She said, “If I eat with them, I might eat a little tiny bit of what they have and I’ll say, ‘Oh I had a big lunch,’ so that they can have the food. But then I can eat with them so they don’t think I’m not eating and I’m starving myself.”

Many women deemed benefit application and re-certification processes as problematic and expressed frustration because eligibility calculations fail to take into consideration irregular work schedules and inconsistent child support payments.

Darla, a 25-year-old expectant mother who works as an inventory specialist, has a variable work schedule, she said:

... a good month I can work thirty-eight to forty-five hours and it just happens to be that month they want my pay stubs for Food Stamps. OK, the next month comes around I’ve worked three hours one week, twelve hours another week, seven hours another week, ten hours another week. They don’t want my pay stubs that month; they won’t deal with ‘em ... Each month is different., It varies and it is very, very, very hard to pinpoint really how much I’m making because it never stays the same.

Due to the inconsistent and frequently shifting hours that are characteristic of the work she does, it is difficult for Darla to establish the steady schedule required to work a second job. As a result, Darla is stuck with unpredictable earnings and the possibility of losing work supports.

Additionally, several women expressed frustration when they were suddenly deemed ineligible for work supports because they began receiving child support payments. However, these payments are often unreliable and inconsistent. Tanya, who was quoted earlier in this report, recently began receiving sporadic child support payments that pushed her over the income eligibility threshold for MassHealth. She said, “I was pissed ‘cause I voluntarily reported that I got child support, $65 a week, then I told them, ‘Well, it’s not consistent.’ It didn’t matter.”
As a result of this loss, she now pays $218.53 per week to cover health insurance for herself and her son. During the months when the child support payments do not come in, she has to try to make ends meet with insufficient resources.

**One of the most commonly cited goals for the future was pursuing education.**

Many of the women in our study acknowledged the important role that education and training plays in opening the doors to higher paying jobs or a “dream career,” as one woman described it. Although many women discussed their desire to pursue higher education, most felt it was an impossible aspiration because of barriers in place that significantly impeded them.

Gina, a 52-year-old mother of one teenage son, found herself limited as she searched for a living wage job because she didn’t have a higher degree. She said:

“... when you see yourself looking for work and doing everything that it takes to find a job, and not finding one because you don’t have a bachelor’s degree... you know you have no other choice but to go back [to school]...if [financial aid] covers all my expenses, I would consider going to school. Otherwise, I cannot do it. I will not be able [to] because I need to pay my bills every month.

Gina was earning $33,000 per year as a housing advocate conducting homeownership literacy trainings. She was laid off and is now receiving unemployment. Although she wants to go back to school, she fears that she will not be able to meet her family’s basic needs as she also tries to pay tuition. Often the gateway to higher education for lower income students, community colleges in Massachusetts are among the most expensive in the nation. For Gina and other residents with incomes in the lowest 20 percent, community college costs consume 64 percent of their income.

Emma, a 50-year-old mother of one teenage son, recently lost her Section 8 rental housing voucher and her housing because her son began working and his earnings were counted as an increase in their household income. Consequently, she has been shuffling between friends’ couches and various shelters while trying to go to school in hopes of attaining a degree that would lead to a job paying self-sufficient wages. She said, “Trying to go to college and be homeless is very difficult, so I had to quit the college.” After Emma quit school, she continued looking for a job offering higher pay. However, her chances of successfully obtaining a living wage without adequate education are extremely limited.

Research Highlights

- The participants with the highest average income ($34,000/year) were doing worse in terms of their self-reported well-being than those with lower incomes.
- Women described the particular challenges of making ends meet while singlehandedly raising children.
- Many women deemed benefit application and recertification processes as problematic and expressed frustration because eligibility calculations fail to take into consideration irregular work schedules and inconsistent child support payments.
- One of the most commonly cited goals for the future was pursuing education.
Recommendations: Transforming Experiences into Action

Based on the suggestions of interview participants, as well as the extensive research conducted by CWU and The Center for Social Policy at UMass, CWU proposes the following recommendations for action:

**Improve accessibility to financial aid for education to provide comprehensive coverage for working parents.**

**Offer two years (or equivalent credit) of community college at no cost to low-income workers for degree or certificate programs.** This can be achieved by providing “last dollar” assistance to supplement unmet needs not addressed through Pell and Mass Grants, but should not involve taking on debt. Nearly all of the women we spoke with acknowledged the importance of education as a means to becoming self-sufficient. Although going back to school was an aspiration for many, the realization of this goal was thwarted by the inability to pay for and access higher education. CWU has identified 26 “Hot Jobs” that pay at or near self-sufficiency level wages for a typical family and that require only two years of college or less. Therefore, providing access to two years of community college may be enough to help people secure a “Hot Job” and move closer toward economic independence.

**Make permanent and raise the income eligibility cap for the Education Rewards Grant program.** This program provides grants to cover the cost of tuition and helps to cover living expenses for part-time students at or below 200 percent of the federal poverty level. This would allow people like Gina, who could not go back to school because of financial constraints, to cover the cost of living while also pursuing a degree that would help them move forward on their pathway to economic independence.

**Update eligibility criteria, gradually phase-out work supports, and increase support levels.**

**Establish a gradual phase-out for all work supports.** Individuals are being cut off entirely or suffer dramatic decreases in work support subsidies before they are actually able to pay for their families’ basic needs with their income. As a result, they are often left with less money at the end of the month than when they earned a lower wage. All work supports should gradually phase out (rather than drop off suddenly) as wages rise to provide an incentive to workers to accept promotions or wage increases. In order to cover all families in need, there must be a corresponding increase in overall appropriations for these programs. *Particular attention should be focused on child care and housing vouchers (including those provided by the Massachusetts Rental Voucher Program) because these needs must be met in order for families to be able to successfully stabilize.*

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3 For a list of “Hot Jobs” that require two years or less of education and training and pay a living wage, go to Crittenton Women’s Union’s website, http://www.liveworkthrive.org.
Change the way income eligibility is determined to approximate average earnings over a longer period of time and continue to simplify application and re-certification processes. For individuals who have fluctuating earnings (e.g., due to irregular hours or seasonal employment), re-certification periods that occur frequently do not realistically capture one’s overall income and may lead to inadequate assistance. Earnings should be considered over a longer period of time (e.g., average income earned over three months or six months instead of one month). Also, the application process should be made easier by moving to online applications and standardizing re-certification periods to one year, as the Food Stamp program has recently done.

Conclusion

The cost of living coupled with low wages, insufficient government support programs, and the current economic climate, makes it increasingly difficult for hard-working families to realize their goal of financial security. This report highlights only a few testimonies from the scores of low-income families that face similar barriers along the road to economic independence. These women’s voices need to be heard. Work should not be financially detrimental to these families who have precious few resources to begin with. The work that lies ahead of us is re-designing government work support programs in a manner that allows individuals to make it up the hill to economic independence via hard work, rather than experiencing the setbacks of having to navigate through a series of fits and starts.

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1 The Research and Innovation Department at Crittenton Women’s Union (CWU) conducted a two-part study using quantitative and qualitative research methods to explore these topics in greater detail. CWU reached out to various partner organizations in Boston that work with low-income populations and local businesses that employ low-wage earning individuals. Women with annual incomes between $15,000 and $40,000, who live in the Greater Boston area, and who are comfortable reading and speaking in English were eligible to participate in the study. There were two parts to the study; a self-report survey (78 women participated) and then a semi-structured in-depth interview (18 women participated). The sample of women who were selected for the 1-2 hour interview had reported on the survey that they were close to or had recently experienced a loss in work supports as a result of a change in their household income. Survey results were analyzed using SPSS (a statistical software package). Interviews were transcribed verbatim and were analyzed using Atlas.ti (a qualitative analysis software package).


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