

The Benefit Cliff Effect



Presented by: Steve Corsi, Psy.D., Director
Department of Social Services

*Missouri Department
of Social Services*

*We will lead the nation
in building the
capacity of
individuals, families,
and communities to
secure and sustain
healthy, safe, and
productive lives.*



Family Support Division

The Missouri Department of Social Services, Family Support Division (FSD) provides temporary support to individuals while they work or train for employment . Some of our most common assistance programs provide:

- Food
- Cash Assistance
- Child Care
- Energy Assistance
- Medical



The Benefit Cliff Effect

The benefit cliff effect happens when a family's income increases above the eligibility limits for an assistance program, but the increased income is not adequate to replace the value of the lost benefit.

The income increase leads to potential loss of critical support including:

- SNAP (Supplemental Nutrition Assistance Program/Food Stamp)
- TANF (Temporary Assistance for Needy Families)
- Health Care Coverage (Medicaid)
- Child Care Assistance/Subsidizes
- Subsidized Housing
- Energy Assistance



The Benefit Cliff Effect

Participants (Parents, Caregivers, Head of Households) are faced with choosing between the needs of their family and whether or not to accept:

- Raises
- Additional work hours/over time
- Career advancements

Eligibility

In general,

SNAP (Food Stamp), TANF, and Child Care are available to all households that meet the *respective* federal income and asset guidelines. The amount received is calibrated to their individual financial circumstances.

Let's take a look at the benefit allotments and some Missouri program statistics.

Maximum Allowable Household Monthly Income Limits and Maximum Monthly Food Stamp Benefits

Link:
<https://mydss.mo.gov/food-assistance/food-stamp-program/income-limits>

EU Number of Persons	Limit CE Eligible Monthly	Limit Maximum Gross	Limit Maximum Net Monthly	Allotment Maximum Monthly
1	*	\$ 1,307	\$ 1,005	\$ 192
2	*	\$ 1,760	\$ 1,354	\$ 352
3	\$ 1,677	\$ 2,213	\$ 1,702	\$ 504
4	\$ 2,130	\$ 2,665	\$ 2,050	\$ 640
5	\$ 2,530	\$ 3,118	\$ 2,399	\$ 760
6	\$ 3,040	\$ 3,571	\$ 2,747	\$ 913
7	\$ 3,360	\$ 4,024	\$ 3,095	\$ 1,009
8	\$ 3,840	\$ 4,477	\$ 3,444	\$ 1,153
9	\$ 4,320	\$ 4,930	\$ 3,793	\$ 1,297
10	\$ 4,800	\$ 5,383	\$ 4,142	\$ 1,441
11	\$ 5,280	\$ 5,836	\$ 4,491	\$ 1,585
12	\$ 5,760	\$ 6,289	\$ 4,840	\$ 1,729
13	\$ 6,240	\$ 6,742	\$ 5,189	\$ 1,873
14	\$ 6,720	\$ 7,195	\$ 5,538	\$ 2,017
15	\$ 7,200	\$ 7,648	\$ 5,887	\$ 2,161
16	\$ 7,680	\$ 8,101	\$ 6,236	\$ 2,305
17	\$ 8,160	\$ 8,554	\$ 6,585	\$ 2,449
18	\$ 8,640	\$ 9,007	\$ 6,934	\$ 2,593
19	\$ 9,120	\$ 9,460	\$ 7,293	\$ 2,737
20	\$ 9,600	\$ 9,913	\$ 7,632	\$ 2,881
For Each Additional Member Add		\$ 453.00	\$ 349.00	\$ 144.00

- EU – Eligibility Unit (Usually Household)
- CE – Categorically Eligible (Aged, Disabled, Blind, etc.)



Missouri SNAP Statistics for Federal Fiscal Year (FFY) 2017

SNAP Numbers: FFY 2017				
Month	Total Benefits Paid in Millions	Total Households	Total Recipients	Average Benefit Per Household
Oct-16	\$93,759,872	352,900	767,403	\$266
Nov-16	\$96,028,128	353,954	766,273	\$271
Dec-16	\$93,534,689	354,483	766,135	\$264
Jan-17	\$93,057,836	354,142	765,302	\$263
Feb-17	\$92,530,563	351,198	758,123	\$263
Mar-17	\$92,813,123	352,493	758,881	\$263
Apr-17	\$92,138,172	350,201	753,759	\$263
May-17	\$92,348,469	348,839	751,002	\$265
Jun-17	\$92,406,157	349,674	754,062	\$264
Jul-17	\$92,388,942	348,670	751,641	\$265
Aug-17	\$93,016,372	350,676	757,047	\$265
Sep-17	\$92,444,698	350,541	756,634	\$264



Missouri Temporary Assistance Statistics for FFY 2017

TANF Numbers: FFY 2017				
Month	Total Benefits Paid in Millions	Total Families	Total Persons	Average Benefit Per Family
Oct-16	\$3,229,935	14,236	33,755	\$227
Nov-16	\$3,147,717	13,825	32,742	\$228
Dec-16	\$3,106,703	13,621	32,270	\$228
Jan-17	\$3,028,017	13,416	31,723	\$226
Feb-17	\$2,993,076	13,222	31,163	\$226
Mar-17	\$2,900,950	12,888	30,237	\$225
Apr-17	\$2,763,045	12,526	29,343	\$221
May-17	\$2,729,619	12,423	29,146	\$220
Jun-17	\$2,672,123	12,056	28,174	\$222
Jul-17	\$2,699,169	12,062	28,295	\$224
Aug-17	\$2,770,483	12,304	29,004	\$225
Sep-17	\$2,718,763	12,032	28,319	\$226

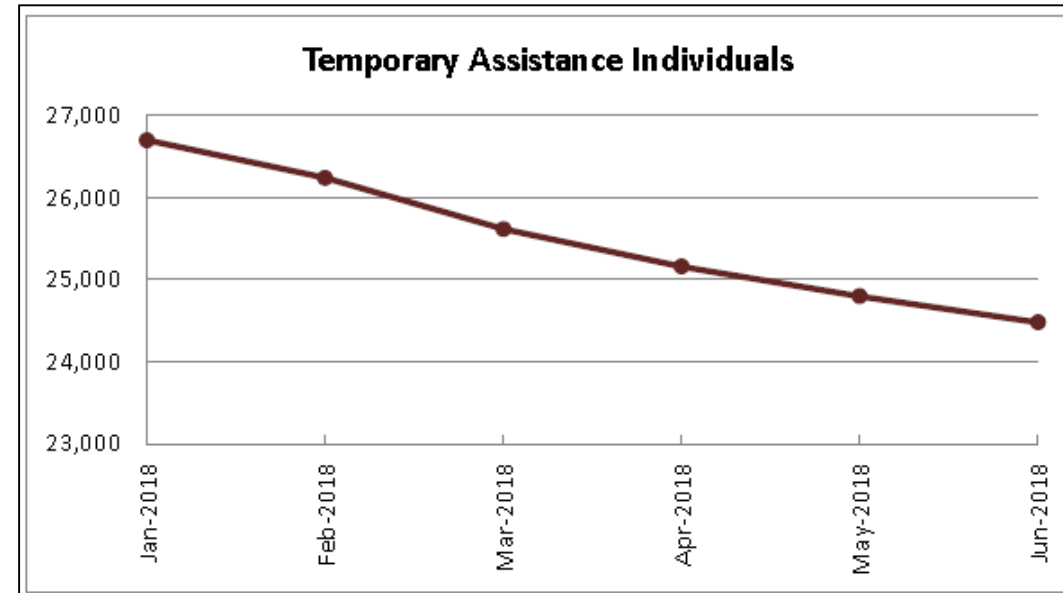
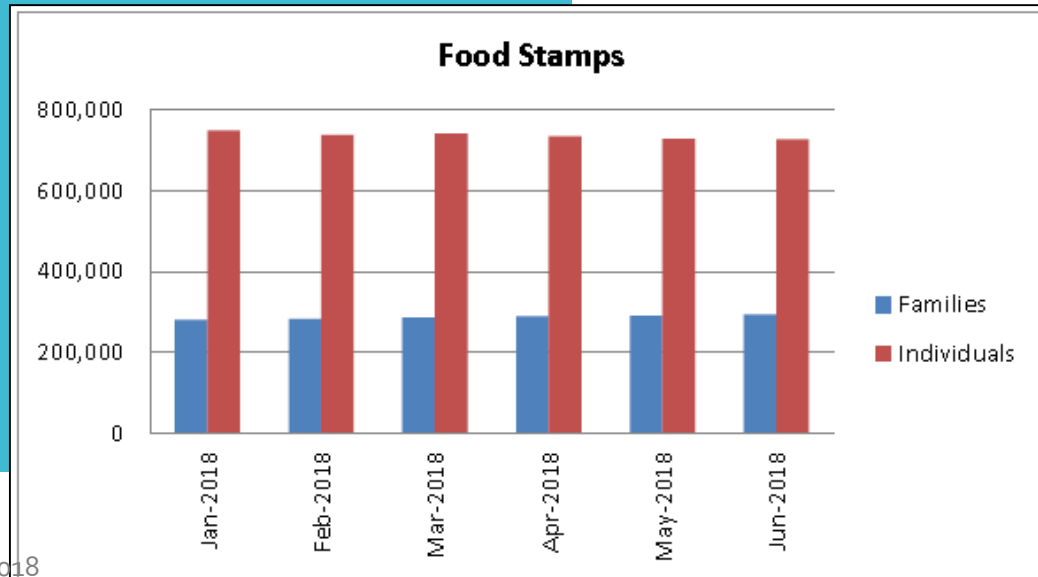
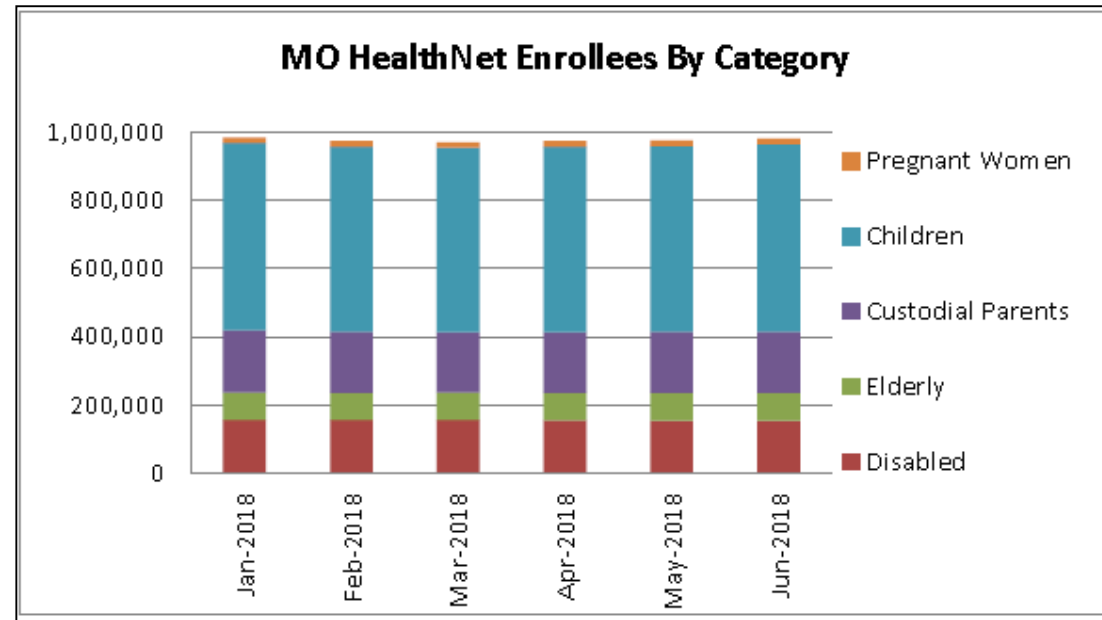
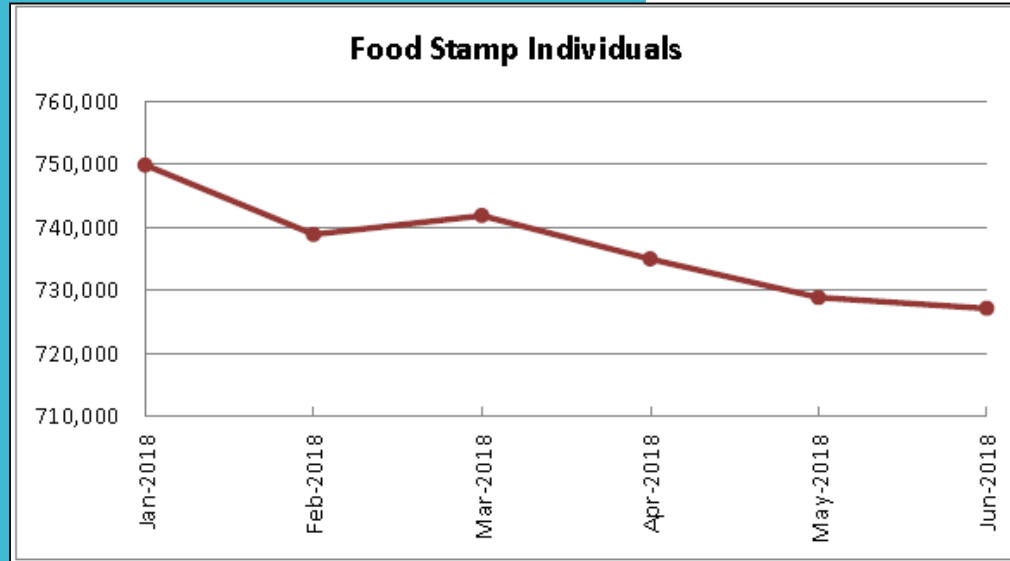


Missouri Child Care Statistics for FFY 2017

CHILD CARE: FFY 2017				
Month	Total Benefits Paid in Millions	Total Families	Total Children	Average Benefit Per Child
Oct-16	\$12,322,632	26,469	34,861	\$353
Nov-16	\$11,848,015	26,848	35,225	\$336
Dec-16	\$12,986,007	27,087	36,791	\$353
Jan-17	\$12,429,865	27,108	36,420	\$341
Feb-17	\$12,075,518	26,703	35,528	\$340
Mar-17	\$12,167,036	27,286	36,710	\$331
Apr-17	\$13,225,714	27,203	36,993	\$358
May-17	\$12,212,226	27,069	36,964	\$330
Jun-17	\$13,745,728	27,445	38,343	\$358
Jul-17	\$13,237,102	26,821	36,351	\$364
Aug-17	\$12,863,181	26,747	35,901	\$358
Sep-17	\$13,011,947	26,993	36,911	\$353

Assistance Program Participation Trends

January – June 2018



Karen's Story

Karen is an unemployed single mother who receives TANF cash benefits along with Food Stamps and MO HealthNet medical coverage for herself and her two children.



Karen also receives public housing and utility assistance.

Karen attends training through the TANF work programs and is offered a job at a local Call Center. She will make **\$12** per hour and work **40** hours a week.

Karen's monthly gross income will be **\$2,080**.

Karen's Comparison Budget

Before Job

NET INCOME		Expenses	
Net Earned Income	\$0	Child Care	\$0
TANF/TEB	\$292	Home/Cell	\$0
SNAP	\$466	Housing (HUD)	\$0
		Utilities	\$0
Spendable Income	\$292		

After Job (\$12/hr.)

NET INCOME		Expenses	
Net Earned Income	\$1,830	Child Care	\$737
TANF/TEB	\$50	Home/Cell	\$100
SNAP	\$400	Housing (HUD)	\$416
		Utilities	\$200
Spendable Income	\$377		

Terry's Story



Terry is a single Dad with two children.

He is currently working **40** hours a week, making **\$12** an hour. His monthly gross income is **\$2,080**.

Terry receives Food Stamps, MO HealthNet for Kids, child care assistance, and subsidized housing.

He is offered a promotion making **\$15** per hour.

Terry's monthly gross income will be **\$2,599.80**.

Terry's Comparison Budget

Before Promotion (\$12/hr.)

NET INCOME		Expenses	
Net Earned Income	\$1,830	Child Care	\$737
TANF/TEB	\$	Home/Cell	\$100
SNAP	\$400	Housing (HUD)	\$416
		Utilities	\$200
Spendable Income	\$327		

After Promotion (\$15/hr.)

NET INCOME		Expenses	
Net Earned Income	\$2,288	Child Care	\$900
TANF/TEB	\$0	Home/Cell	\$100
SNAP	\$365	Housing (HUD)	\$780
		Utilities	\$200
Spendable Income	\$308		



What else can States do?

- Collaborate with community partners to create community support during transition.
- Explore the expansion of education, training programs, and apprenticeships, etc.
- Align eligibility determination procedures across programs, including, documentation requirements, and timelines across programs so that people do not lose all their benefits at once.
- Conduct research on the effectiveness of coordination, as well as other “cliff effect interventions,” to provide quantitative evidence about cost efficiencies for programs and improved services and outcomes for individuals.

Need
Information ?

Questions

Missouri Department of Social Services

Family Support Division

Jennifer Heimericks

Jennifer.r.heimericks@dss.mo.gov

573-522-2390