

Benefits Cliffs, ALICE, and Economic Mobility

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The views expressed are those of the presenter and do not necessarily reflect the views of the Federal Reserve Bank of Atlanta or the Federal Reserve System.

How do benefits cliffs affect economic mobility?

The Impact of Benefits Cliffs

Annual Net Financial Resources
Income + Public Assistance - Expenses - Taxes

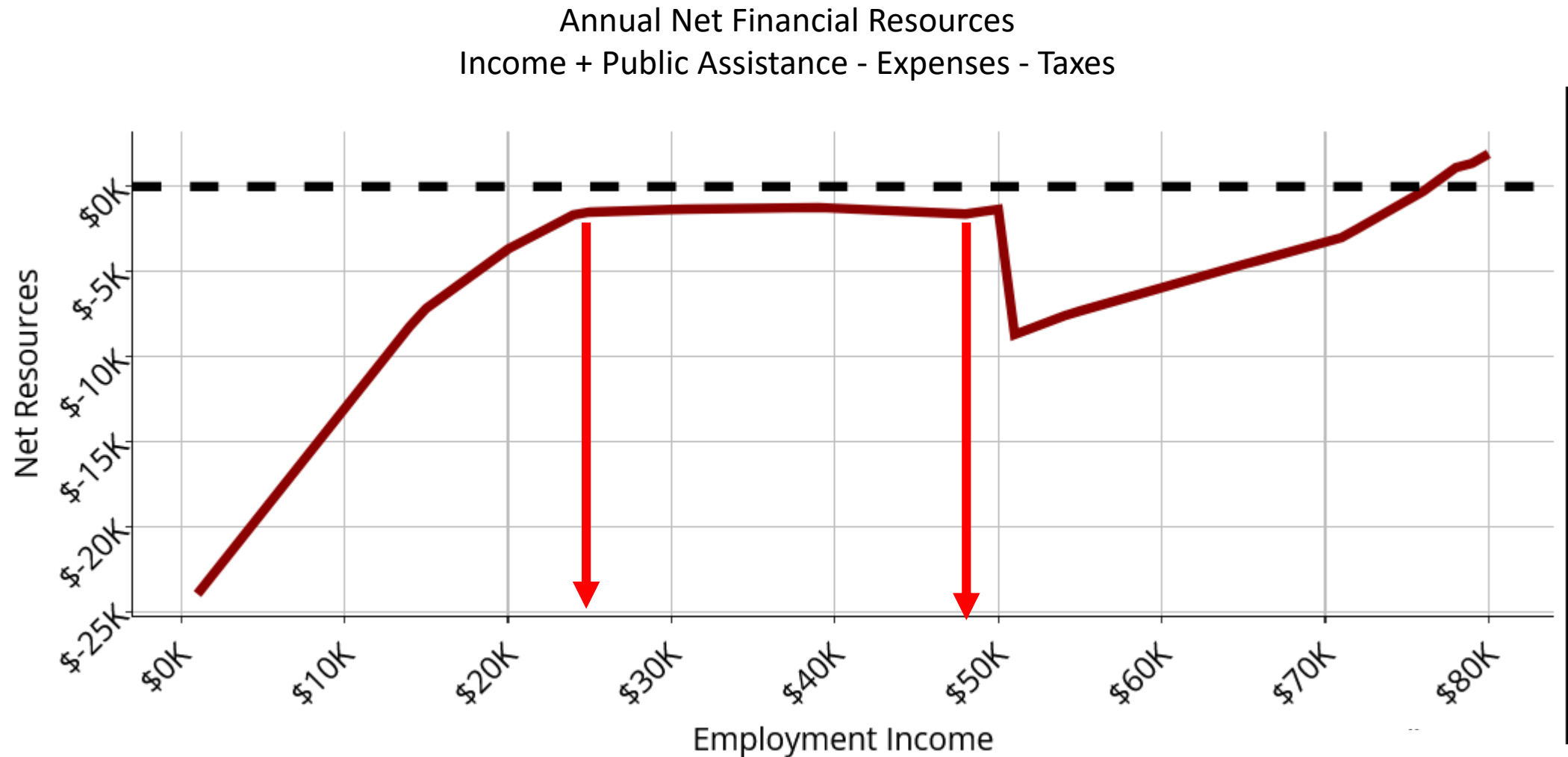


The Impact of Benefits Cliffs

Annual Net Financial Resources
Income + Public Assistance - Expenses - Taxes



The Impact of Benefits Plateaus



**How do we promote career advancement
and economic mobility?**

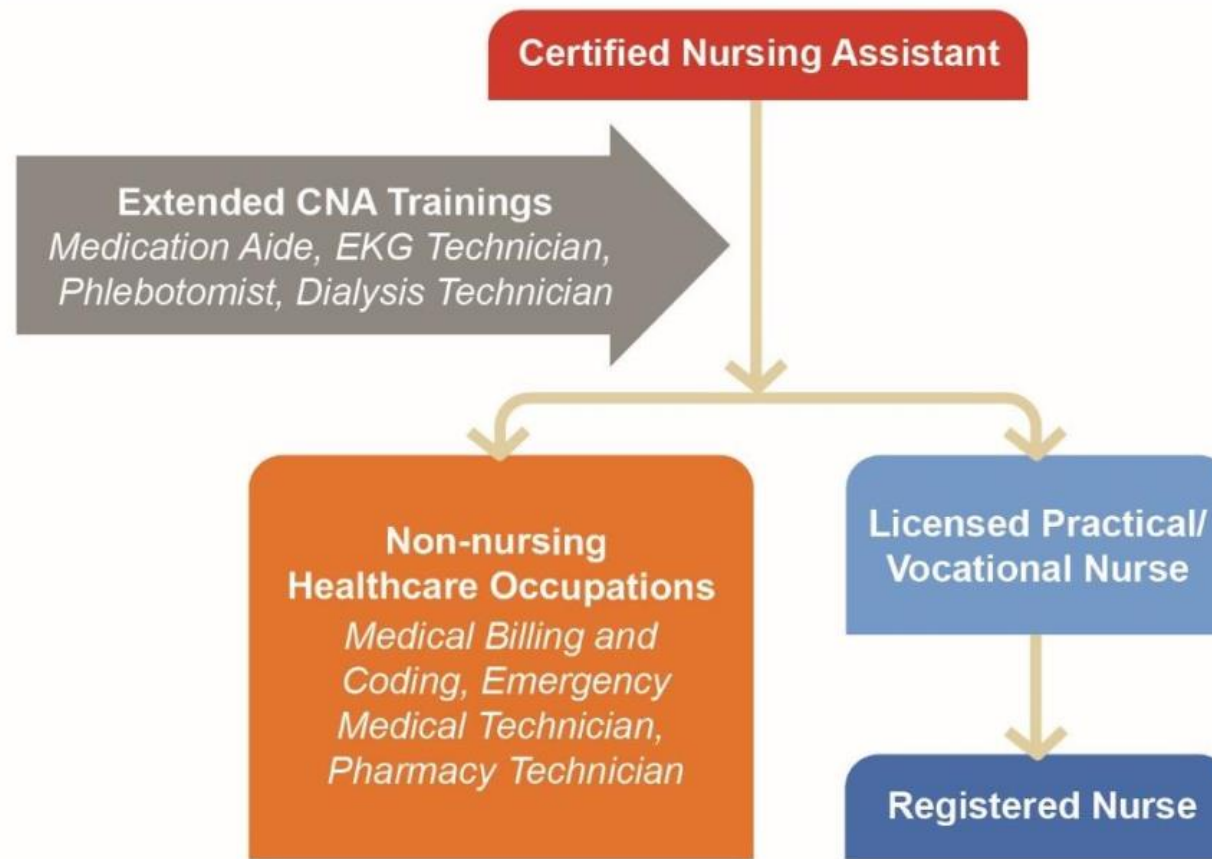
“Our ALICE population represents hardworking people we interact with every day, who have a job — or two or three — yet cannot afford basic necessities to remain stable and self-sufficient. ALICE are doing everything they can to make ends meet yet struggle to get by each month.”

United for ALICE®

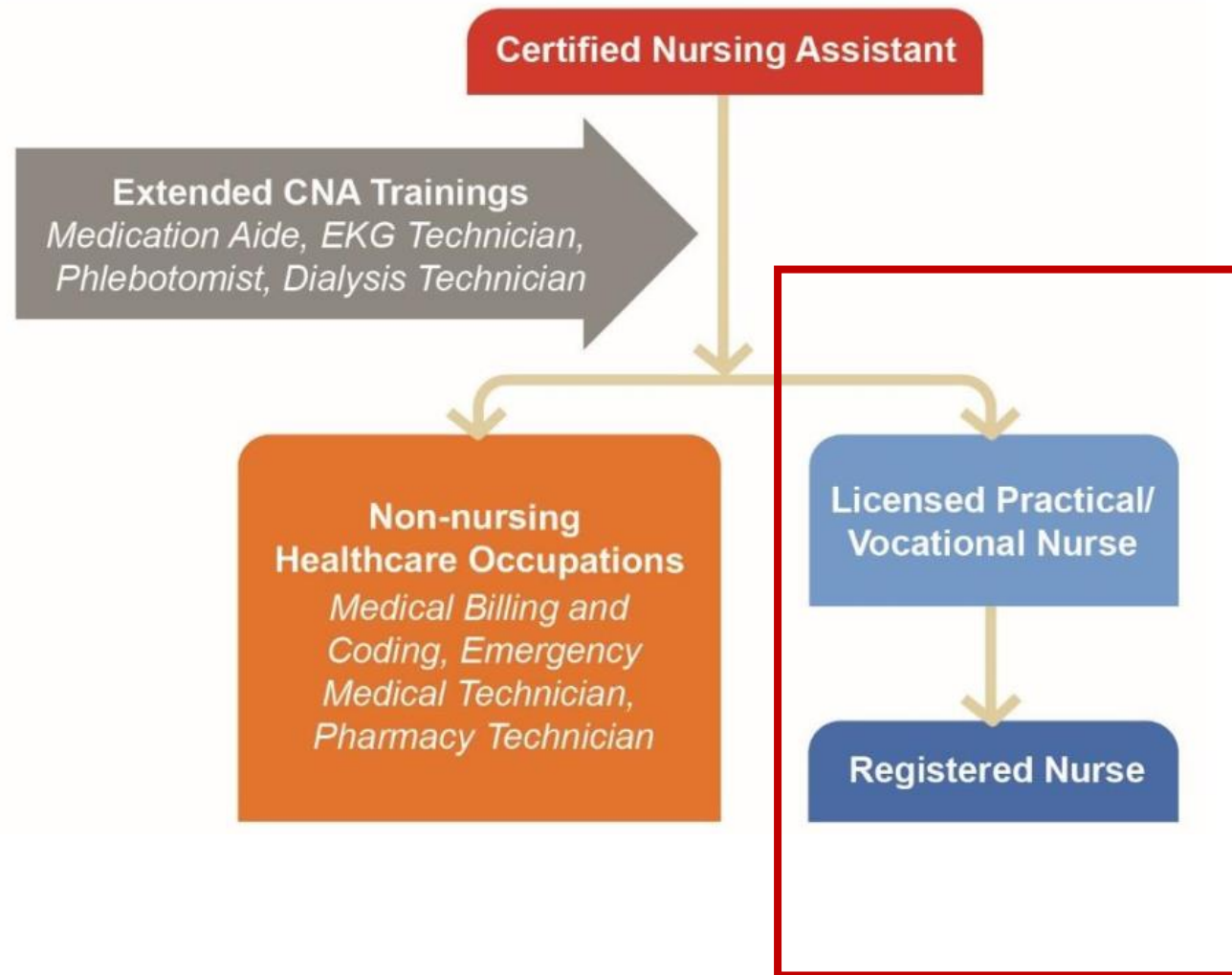
“The 2020 AUW ALICE® Report indicates there has been no improvement since 2010 in the number of ALICE in Hawai‘i despite steady economic improvements according to traditional measures.”

United for ALICE®

Career Advancement Model: An Example Healthcare Career Pathway



Career Advancement Model: An Example Healthcare Career Pathway



Does this career path help ALICE?

What wage supports a family of two?

UNITED FOR ALICE WAGE TOOL

Select State

Hawaii

Select Hourly Wage

25

Can County Support a Family of 2 With a \$25 Per Hour Wage?

US Sta.. County

Hawaii	Hawaii	YES
	Honolulu	NO
	Kalawao	NO
	Kauai	NO
	Maui	NO

What wage supports a family of two?

UNITED FOR ALICE WAGE TOOL

Select State
Hawaii

Select Area (MSA)
All

Select Hourly Wage
25

BACK TO OVERVIEW

\$25 Per Hour

Occupation	Below	Above
Registered Nurses		11,264
Waiters and Waitresses	3,398	10,194
General and Operations Managers	268	8,732
Carpenters	615	5,537

What wage supports a family of two?

UNITED FOR ALICE WAGE TOOL

Select State
Hawaii

Select Area (MSA)
All

Select Hourly Wage
25

BACK TO OVERVIEW

\$25 Per Hour

Occupation	Below	Above
Nursing Assistants	3,813	243
Zoologists and Wildlife Biologists	10	242
Biological Scientists, All Other		240

What wage supports a family of two?

UNITED FOR ALICE WAGE TOOL

Select State
Hawaii

Select Area (MSA)
All

Select Hourly Wage
25

BACK TO OVERVIEW

\$25 Per Hour

Occupation	Below	Above
Licensed Practical and Licensed Vocational Nurses	330	606
Human Resources Managers	5	599
Chefs and Head Cooks	43	581
First-Line Supervisors of Personal Service and Entertainment ..	562	562

What wage supports a family of two?

UNITED FOR ALICE WAGE TOOL

Select State
Hawaii

Select Area (MSA)
All

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BACK TO OVERVIEW

\$25 Per Hour

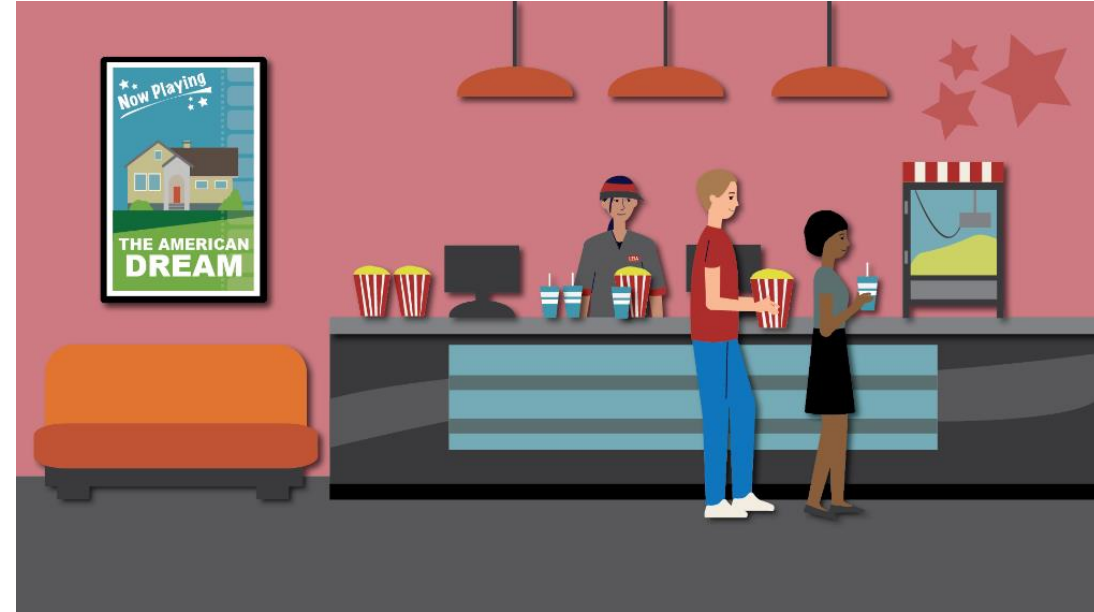
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Registered Nurses		11,264
Waiters and Waitresses	3,398	10,194
General and Operations Managers	268	8,732
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An Application: Meet Leia

Leia is a 25-year-old single mother. She has one child, age 4. She lives in Honolulu, HI.

She is working full-time in a near-minimum wage job.

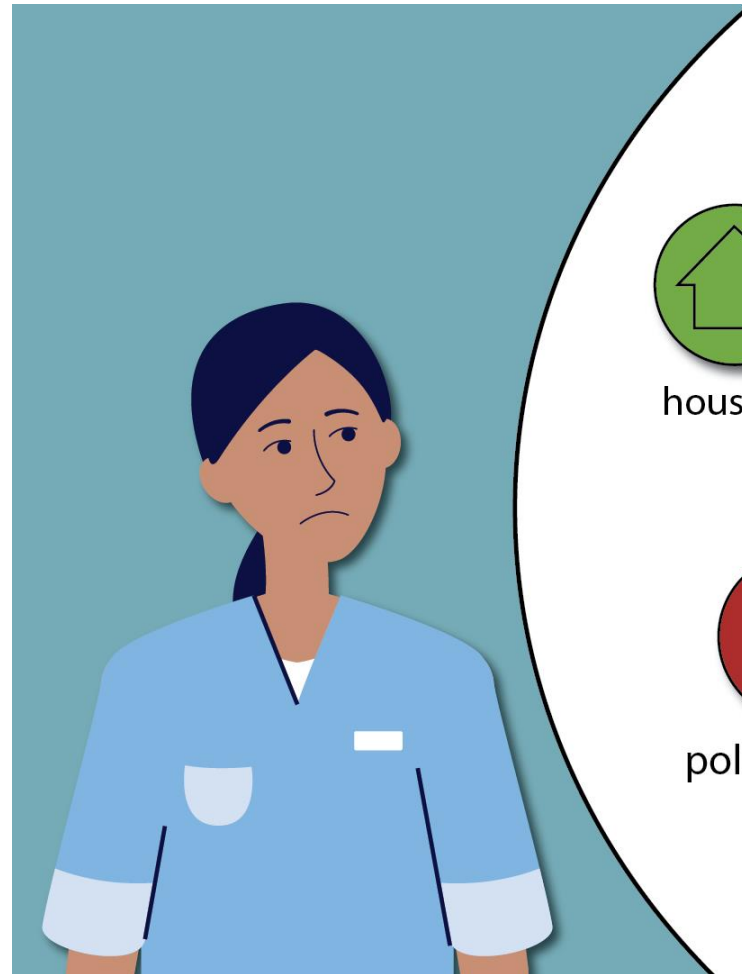
Leia receives public assistance and tax credits to support herself and her family: food assistance, healthcare assistance, Medicaid for her children, housing assistance, and the EITC and CTC tax credits.



Two Career Exploration Questions for Leia

Does the career choice offer a path to economic self-sufficiency (ALICE)?

What financial barriers will she face on her career advancement path?



housing



healthcare



non-profits



food program



educators



policymakers



childcare



employers

The AUW CLIFF Dashboard

Stakeholders can use to inform policy and drive innovation to gain a better understanding of the ALICE population and families' barriers to economic mobility.

Policymakers, businesses, funders, and other stakeholders:

- Visualizes policy and programmatic solutions to benefits cliffs
- Estimates net return to the government

Career coaches and workers:

- Complements LMI typically distributed to workforce system clients for career exploration
- Earnings and earnings growth
- ALICE earnings
- Public assistance losses

CLIFF Academy Online Training Course

Federal Reserve Bank of Atlanta
Advancing Careers Initiative

SIGN IN

Career Ladder Identifier and Financial Forecaster (CLIFF) Training

Get Started

These three courses prepare you to use the CLIFF Dashboard and CLIFF Planner.



Course 1: Core Concepts



Course 2: CLIFF Dashboard



Course 3: CLIFF Planner

What can be done?

Mapping Benefits Cliffs

- Awareness of issue
- Benefits cliffs calculators

Workforce Development

- Student advisement to increase post-secondary educational attainment
- Adult career planning and coaching toward self-sufficiency
- Career pathways design/targeted occupation and industry analysis
- Align wrap-around supports with training plans
- Employer engagement on matching talent needs to skill attainment

Policy Simulation/Changes

- Change asset limits
- Income disregards
- Alignment of rules/services across programs
- Tax credits for working families
- Graduated phase-outs

Cross-system Collaboration

- Employer partnerships
- Asset mapping
- Identify target populations for services

Thank you