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Lecture highlights 'cliff effect' of public aid Study: Many women will turn down pay raise in order to keep state child care benefits

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Most workers are pleased to get pay hikes. But getting a raise isn't necessarily good news for some low-income families.

Even a modestly higher monthly income can translate into lost state and federal assistance with child care costs, food stamps and medical treatment because of salary limits on eligibility, officials say.

The sudden loss of benefits can be a barrier for families working to get off public assistance programs, said Mary Carraher, executive director of Project Self-Sufficiency. A parent might make more money, but not enough to cover higher bills, particularly for child care, she said.

"We've had people turn down raises because they couldn't afford to lose their benefits," Carraher said. "It's a real issue for our clients.

"They get just to the edge of being self-sufficient and they hit a setback."

The "cliff effect" on low-income families will be the topic of a free public lecture from 3:30 to 5:30 p.m. Thursday at University Center for the Arts, 1400 Remington St., given by Nancy Cauthen, a political and historical sociologist who has worked extensively on welfare issues.

Cauthen is deputy director of the National Center for Children in Poverty at Columbia University. The center is conducting research commissioned by the Women's Foundation of Colorado on the impact of the cliff effect on the state's women and girls.

To be eligible for child care assistance, a single parent with one child may not earn more than \$1,540 a month in gross income, according to state records. Someone working full-time at \$10 an hour would gross \$1,600 a month.

To receive food stamps, a single parent with one child may not gross more than \$1,430 a month.

Marsha Ellis, division manager with Larimer County Human Services, said income limits cause problems for some families.

Others run into difficulties because of the 60-month lifetime limit on receiving federal Temporary Assistance to Needy Families, or TANF, funding, she said.

Even with education and training, few welfare recipients move instantly into high-paying jobs, Carraher said. The majority of people have to work their way up with an employer. Carraher said the welfare system should be changed so benefits gradually are "tapered," with assistance decreasing as a client's income increases rather than being cut off.

Cauthen's presentation is sponsored by WomenGive, a local philanthropic organization that collaborates with the women's foundation and United Way of Larimer County.

WomenGive is piloting a scholarship program aimed at helping women "bridge the gap" between losing child-care benefits and being able to cover unsubsidized costs, said Mary Robertson of United Way.

