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Poverty benefits in need of policy changes

National research shows cliff effect can trap people into poverty

Initial research by the National Center for Children in Poverty has found that the very programs created to assist people also can trap them as they try to become more self sufficient.

Called the "cliff effect," the phenomenon occurs when individuals in poverty find their public benefits abruptly eliminated or reduced if their income increases, even marginally. Some of the research, which is being conducted in Colorado, was shared with residents at the University Center for the Arts last week sponsored by WomenGive, a local philanthropic organization.

Those who receive child care subsidies, food stamps and income tax credits may find losing such benefits is not worth the additional income that may come with a higher level of employment or working more hours. In fact, some families find they are worse off because of the cliff effect. The result hardly is the encouragement needed for self sufficiency.

The National Center for Children in Poverty hopes to use the research to compel changes in policy. For example, those who now receive public assistance may have a better chance to lift themselves out of poverty if benefits are gradually decreased rather than abruptly cut off. Another proposal calls for increasing the federal poverty eligibility levels and rewarding financial progress through incentives. Given that a number of benefits now link eligibility for services far beyond 100 percent of the federal poverty level, it is clear that policy regarding public assistance has lagged reality.

Nearly one-third of all households in Larimer County headed by a single woman are at or below the poverty level, according to the United Way of Larimer County.

WomenGive, which also is piloting a program to help women bridge the gap created by the cliff effect, is applauded for sponsoring such a meaningful and timely topic.