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EEUCC mission and Programs

While the American Dream says that hard work lets families achieve a good way of life, the American Reality dictates otherwise. Many working families go to bed each night hungry and worried about how to stretch their income to meet tomorrow's basic needs.

Families have access to panoply of programs that give them opportunity to bridge the gap between struggle and self sufficiency: tax credits, the state child care subsidy, and low-cost healthcare, and SNAP benefits. When families attempt to achieve self sufficiency through these programs, they often reach a cliff that forces them to choose between a temporary but problematic decrease in income or permanent point beyond which they cannot increase their income. For example a \$1 per hour wage increase causes families to lose a benefit that has more monetary value than their increased wage can make up for. At this point, the workers face a dilemma: if they accept the raise they worked so hard for, their families will lose access to programs that help them make ends meet.

In some cases, such as when families lose access to child care subsidy, they may even lose the ability to work.

This makes it hard for families to earn above the limits set by the state and becomes ineligible for subsidies for food, housing, child care and other benefits. For low-income families, this means earning more could actually put them in a worse place financially.

Policy recommendation

- 1) Smooth out benefit phase
- 2) Implement Broad Based Categorical Eligibility
 - a. SNAP
 - b. Child Care Subsidies
 - i. In Pennsylvania families become in-eligible for child care subsidies when their income is between 200% and 235% of the federal poverty level. While families must make a weekly copayment (which rises as income rises) to participate in the child care subsidy, they no longer qualify for the program when they reach 235 percent of the Federal Poverty Level. Most families pay between \$5 and \$25 per week. At this point, the increase in wage may not compensate for the loss of the child care subsidy, in which case the family falls below wage adequacy until they can increase their wage by several more dollars per hour.
 - ii. Solution A program that would increase eligibility to 325% and phase out more gradually so that families would be ready to pay child care on their own would be more preferable to one that suddenly disappears. In addition setting a 6 month grace period for payment of an increased copayment would allow those with increased wages time to adjust to a new copayment.

- 3) Lack of coordination between programs
 - a. Programs and policies created to assist families in need sometimes have the opposite effect of rendering a family ineligible for other programs. These programs are administered through several different departments, making program coordination.
- 4) Raise income tax threshold