

Cliff Effects: The Path is not all Uphill



MCUM's Self-Sufficiency Coach, Kay Goodman, says "the cliff effects is one of the biggest barriers to job sustainability. Can you imagine telling your boss that you cannot accept a raise because you will lose your resources and be worse off?"

One of our Your Path clients worked hard to earn a \$2/hour raise at work. Her food stamps were reduced and her rent went up to market value - all before she received her first new paycheck.

She immediately sought assistance from local agencies, but was reprimanded by her supervisor for taking PTO time after her promotion. Shortly after, her daughter got the flu. After missing one day of work, she was out of sick time. She was told if she missed work again she would be terminated. She couldn't leave her 3-year old, sick child unattended. So, she let her supervisor fire her (by quitting she would forfeit her assistance). However, as she is interviewing for new jobs, she has to explain why she was fired, adding insult to injury.

This is not an uncommon situation for people trying to become financially self-sufficient.

As people set goals that push them closer to self-sufficiency, we see more people encounter this phenomenon called the 'cliff effects.'

A cliff effect occurs when an increase in income or assets causes a disproportionate drop in support. After the cliff effect the family has fewer resources.

