

WHEN

EMPLOYERS ARE PAYING PEOPLE IN THE WORKFORCE

MORE

YOU'D THINK THAT INCREASE IN PAY WOULD GROW THEIR

MEANS

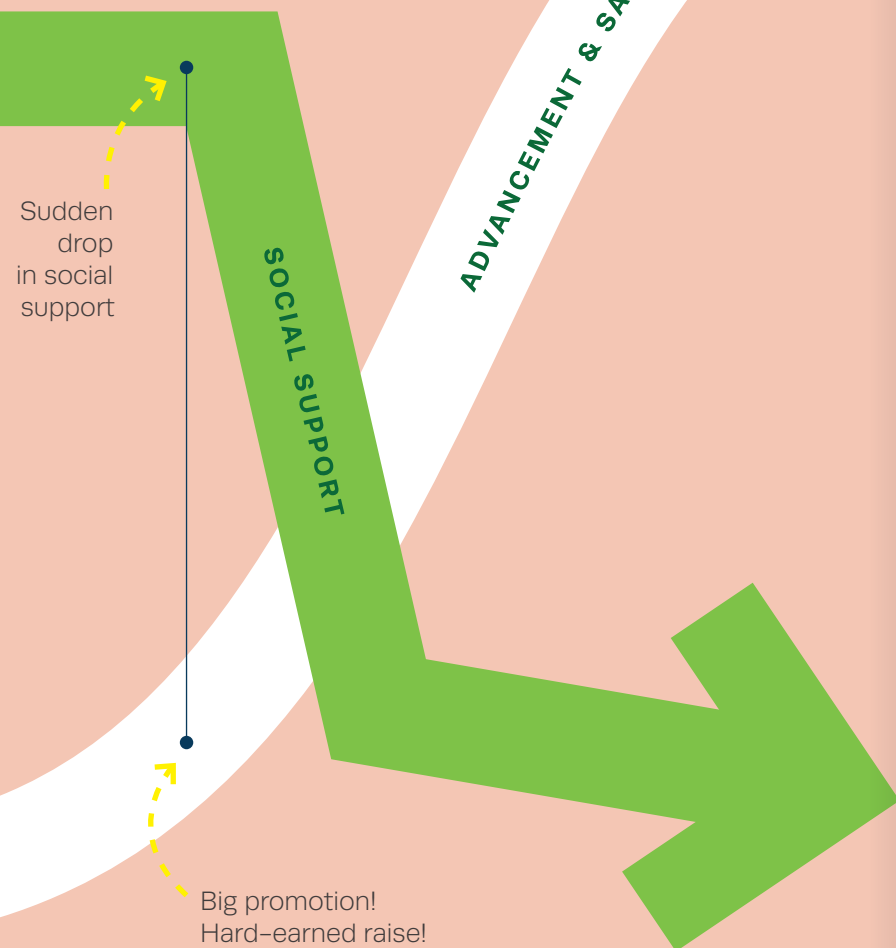
WHEN—ACTUALLY—THEY ARE BRINGING HOME MUCH

LESS.

THE BENEFITS CLIFF IN SHARP RELIEF.

Imagine working hard to earn a promotion and a significant raise only to find that, should you accept, you'll soon be denied assistance via social support programs that are critical to making ends meet—and leaving you and your family financially worse off than before. As a result, you're forced to make an unfair choice: advance your career or do what's best for your family in the here and now.

That's the threat of the Benefits Cliff. It's the reality for **28.4 million people** in the United States receiving any level of means-based assistance, and it's contributing to keeping people in poverty and perpetuating a cycle of dependence.



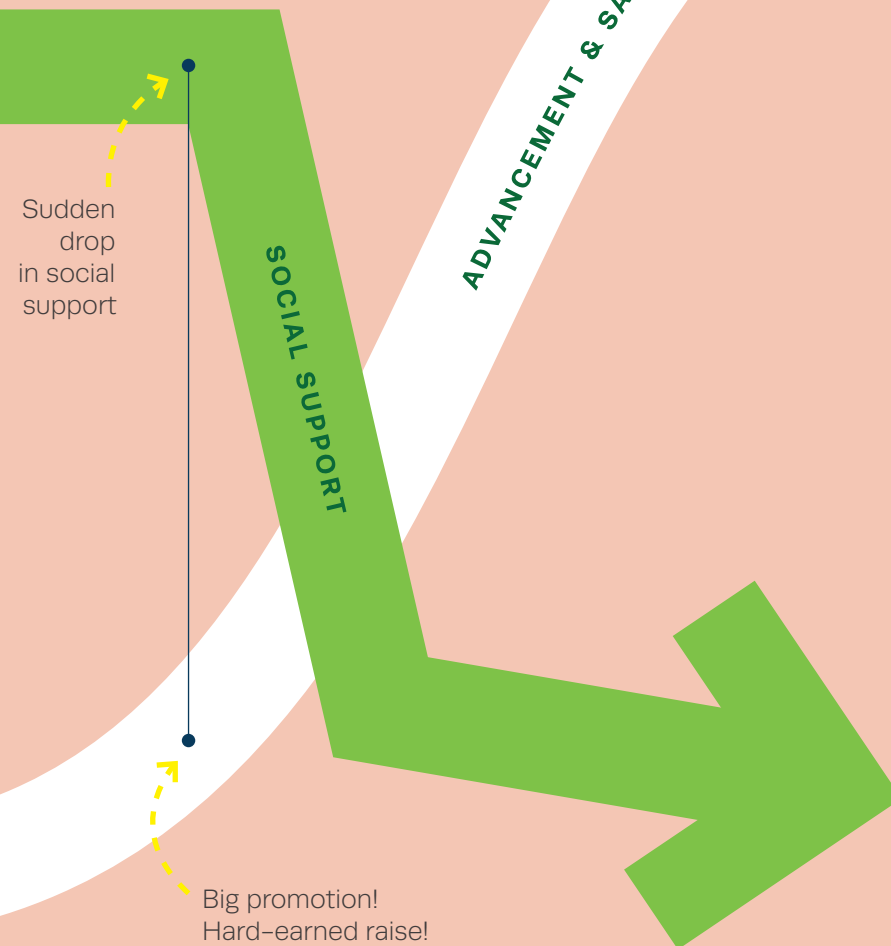
A dollar over the earnings threshold—
that's all it takes for someone to lose
critical support, including healthcare,
housing, and nutrition benefits.



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WHEN A RAISE DOESN'T HELP A COMMUNITY RISE.

Right here at home in Western New York, many available positions are going unfilled. In a recent survey conducted by the team at the Buffalo Niagara Partnership, nearly half of all employer respondents reported having employees often or sometimes turn down promotions or more hours because of the Benefits Cliff.

Everyone ends up losing. Employees don't advance, employers struggle to build their businesses, workforce development is limited, and ultimately, economic growth is stunted—locally, regionally, and nationally.

To understand the significant threats the policies around this issue present, consider the data. This example was developed using the **Buffalo Niagara Partnership's Benefits Cliff Calculator**—a dynamic tool that helps employees and employers understand when increases in take-home pay will impact social assistance.

Cassidy Mom of Two, Head of Home, Healthcare Professional

Current Position
Healthcare Technician

New Position
Registered Nurse

Current Compensation
\$18/hour; \$30,114/year

New Compensation
\$25/hour; \$40,909/year

The Benefits Cliff Reality



+ \$10,795 annual increase in wages

- \$16,954 annual loss in social support*

- \$6,159 annual shortfall

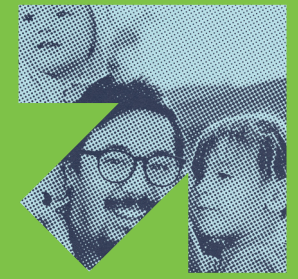
*Including \$13,884 in childcare subsidies; \$2,868 in earned income tax credit; and \$202 in housing voucher credits

What can employers do to create change?

Even when employers provide substantial raises, the Benefits Cliff can still hold employees back. Given this reality, employers can't be expected to pay our collective way out of this systemic imbalance. In fact, current policies are hurting them, too, as they push employees to turn down raises or work less to stay within thresholds, which means employers are investing in the development of vital employees but never converting that investment into bottom-line growth.

How can raising the minimum wage make an impact?

Raising the minimum wage can be a good thing, but the truth is that it often doesn't close disparity gaps significantly enough and can push more people toward (or off) the Benefits Cliff. Without broader policy change, some things that seem like part of the solution often become part of the problem.



1 in 5

families in Erie County receives social support.

Source: Erie County Department of Social Services

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Sudden drop in social support

Big promotion!
Hard-earned raise!

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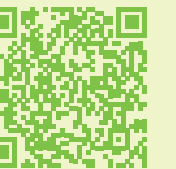
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SMARTER POLICIES CAN ADD UP.

Turning the Benefits Cliff into a Benefits Slope is a strategic and sustainable way to move employees away from need-based social support.

Partner with the workforce policy taskforce from the Buffalo Niagara Partnership to advance the discussion on this vital issue and inform transformative policy.

Scan the QR code to connect with the team today.



GRADUAL DECREASE IN SOCIAL SUPPORT

STEADY ADVANCEMENT & SALARY GROWTH

ADVANCEMENT & SALARY GROWTH

SOCIAL SUPPORT



The Benefits Cliff Calculator was developed by Employ Buffalo Niagara (part of the Buffalo Niagara Partnership) in collaboration with the Federal Reserve Bank of Atlanta.



Federal Reserve
Bank *of* Atlanta