

Joint Committee on Children, Families and Persons with Disabilities

October 1, 2021

RE: Written testimony in support of H.199/S.96 and H.208/S.119

Chairman Gomez, Chairman Finn, and distinguished members of the Joint Committee on Children, Families and Persons with Disabilities:

Thank you for the opportunity to submit testimony on behalf of Children's HealthWatch, based at Boston Medical Center, in strong support of *An Act to lift kids out of deep poverty* (H.199/S.96) and *An Act concerning public assistance for working families and the creation of a pilot program to address the impacts of the cliff effect* (H.208/S.119).

The mission of Children's HealthWatch is to improve the health and development of young children by informing policies that address and alleviate economic hardships. We accomplish this mission by interviewing caregivers of young children on the frontlines of pediatric care, in urban emergency departments and primary care clinics in five cities: Boston, Minneapolis, Little Rock, Baltimore, and Philadelphia. Our headquarters are located at Boston Medical Center in Boston, Massachusetts.

### **H.199/S.96: An Act to lift kids out of deep poverty**

Families living on very limited incomes often struggle to meet their basic needs, even with financial assistance from government programs. For families in deep poverty, defined by the US Census Bureau as households with total cash income below half the federal poverty level, this struggle is significantly exacerbated. In 2020, 7.6 percent of children were living in deep poverty in the United States.<sup>1</sup> The US Department of Health and Human Services reports that a family with income between 40 and 50 percent of the poverty threshold would have to spend an average of \$3,000 more on basic needs than its income; for a family between 20 and 30 percent of the poverty threshold, this spending on necessities would exceed income by an average of \$6,000.<sup>2</sup> We have found consistently across our and others' research that when low-income families cannot afford basic needs, they experience significant hardships (such as food insecurity, housing instability, and energy insecurity) that have lasting adverse health and economic impacts across the life course.<sup>3,4,5,6</sup> We also know that for those living in deep poverty, particularly children, this condition often persists over time as it is even more difficult for them to escape poor conditions and achieve economic mobility.

Transitional Aid to Families with Dependent Children (TAFDC) is intended to help low-income families meet their basic needs. We thank the Legislature for making the first increase to cash assistance grants in a generation when it raised grants by 10 percent in January 2021. A second increase in July 2021 demonstrated the Legislature's commitment to addressing poverty by improving the adequacy of cash grants. However, these grants still do not even reach half of the poverty level. For example, the

maximum grant for a family of three is only \$712, leaving thousands of Massachusetts families in deep poverty. H.199/S.36, *An Act to lift kids out of deep poverty*, will raise cash assistance grants by 20 percent a year until they reach 50 percent of the federal poverty level (FPL). Once grant amounts reach 50 percent FPL, in about 2 years, these bills would peg grants at 50 percent FPL so that they are annually adjusted for inflation and do not lose their value over time. By raising family incomes, these bills would work to interrupt the chronic and generationally persistent condition of deep poverty, and improve the health, well-being, and economic mobility of affected children.

**H.208/S.119: Act concerning public assistance for working families and the creation of a pilot program to address the impacts of the cliff effect**

Public assistance is an essential support for millions of working families whose earned incomes are too low to afford basic needs including food, housing, utilities, health care, and child care. However, as families move towards economic mobility, increases in work hours or wages can trigger a reduction in or loss of benefits, resulting in a net loss of income. This phenomenon is known as the “cliff effect”. Through the establishment of a pilot program, H.208/S.119 will identify mechanisms to prevent and mitigate this cliff effect and support work.

Our research has demonstrated the harm that cliff effects and loss of program eligibility has on child health. For example, we recently published research that shows when family’s Supplemental Nutrition Assistance Program (SNAP) benefits are reduced or lost as a result of increased income, children are more likely to be in fair or poor health, to be at risk of developmental delays, and experience hardships such as food insecurity and forgone healthcare.<sup>7</sup> This is a result of strained resources despite an increase in work income, which forces families to choose between basic needs. The subsequent experience of hardship has significant implications for the health, education, and economic stability of families and children across their lifespan.<sup>3,4,5</sup> We know from our interview data that families want to and are often able to work; however, the cliff effect often forces families to choose between accepting an increase in hours or wage and affording basic needs, further trapping them in a cycle of poverty and stagnancy.<sup>8</sup>

This bill is necessary to ensure no family is worse off when they work and earn more. Through an adjustment to the state Earned Income Tax Credit to supplement loss of benefits, coupled with intensive coaching and supports, participants of this pilot will be able to move past the barrier of cliff effects to further their career and build income. The results of this pilot program would provide significant data, evidence, and insight into the scalable effects program off-ramps and other supports have on preventing and mitigating cliff effects and therefore promoting economic mobility and self-sufficiency. These findings are critical to improving safety net programs, and transforming them into economic mobility programs. This is necessary not only to improve the health and economic status of individual families and children, but to promote economic participation and prosperity across the Commonwealth.

We at Children’s HealthWatch are concerned about the effects of economic hardships that families with young children across the Commonwealth face. Currently, the state has opportunities to improve the

health of young children and reduce economic hardship by enacting legislation that responds to the realities of families with young children. We strongly urge you to swiftly and favorably report *An Act to lift kids out of deep poverty* (H.199/S.96) and *An Act concerning public assistance for working families and the creation of a pilot program to address the impacts of the cliff effect* (H.208/S.119) out of committee.

Sincerely,

Children's HealthWatch

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<sup>1</sup> Shrider EA, Kollar M, Chen F, Semega J. Income and poverty in the United States: 2020. Table B-3: People with income below specified ratios of their poverty threshold by selected characteristics, 2020. United States Census Bureau. 2021. Available at <https://www.census.gov/library/publications/2021/demo/p60-273.html>

<sup>2</sup> US Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. Financial Condition and Health Care Burdens of People in Deep Poverty. Published July 2015. Available at <https://aspe.hhs.gov/basic-report/financial-condition-and-health-care-burdens-people-deep-poverty>

<sup>3</sup> Drennen CR, Coleman SM, de Cuba SE, Frank DA, Chilton M, Cook JT, Cutts DB, Heeren T, Casey PH, Black MM. Food insecurity, health, and development in children under age four years. *Pediatrics*. 2019;144(4).

<sup>4</sup> Sandel M, Sheward R, Ettinger de Cuba S, et al. Unstable housing and caregiver and child health in renter families. *Pediatrics*. 2018;141(2):e20172199.

<sup>5</sup> Cook JT, Frank DA, Casey PH, et al. A brief indicator of household energy security: associations with food security, child health, and child development in US infants and toddlers. *Pediatrics*. 2008;122(4):e867–e875.

<sup>6</sup> Council on Community Pediatrics. Poverty and child health in the United States. *Pediatrics*. 2016;137(4).

<sup>7</sup> Ettinger de Cuba S, Chilton M, Bovell-Ammon A, Knowles M, Coleman SM, Black MM, Cook JT, Cutts DB, Casey PH, Heeren TC, Frank DA. Loss of SNAP is associated with food insecurity and poor health in working families with young children. *Health Affairs*. 2019;38(5):765-73

<sup>8</sup> Thomas D. The Cliff Effect: One Step Forward, Two Steps Back-Policy Design as a Disincentive for Economic Mobility. *PublicINReview*. 2013;1(3):34-51.