



**Testimony Regarding An Act Concerning The Temporary
Family Assistance Program And Unemployment
Compensation Benefits.**

Raised Bill S.B. 314

Derek Thomas, M.P.A.

Labor and Public Employees Committee

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Senator Gomes, Representative Tercyak, and Members of the Labor and Public Employees Committee:

I am the Fiscal Policy Fellow at Connecticut Voices for Children, a research-based public education and advocacy organization that works statewide to promote the well-being of Connecticut's children, youth, and families.

I am submitting comments regarding **Raised Bill No. 314, An Act Concerning The Temporary Family Assistance Program and Unemployment Compensation Benefits.**

In Connecticut, not all boats are rising with the economic recovery's tide. Though the state's longstanding investments in high-quality public services, such as health care and education, contribute to overall levels of prosperity that compare well to the rest of the nation, the story is vastly different for many residents of color and those residing in our largest cities. To illustrate the economic segregation that inhibits economic mobility, our interactive Mapping Disparities by Race and Place maps allow users to compare the U.S. Census American Community Survey's most recent five-year estimates on income, poverty, educational attainment, and housing characteristics of all 169 Connecticut towns.¹ In Hartford, more than a third of all individuals and nearly half of the city's children live in poverty. That is three times the state child poverty rate of 14.8 percent and 25 times more than some of the state's wealthiest towns. And in West Hartford, black poverty is 20 percentage points higher than white poverty.

It is through this lens **that we support proposals to tackle urban poverty, and specifically, the goal to help TFA participants get and keep jobs** that will allow them to support their families. Even with the extension, the biggest disincentive for TFA participants, however, is the cliff when a working parent can lose all cash benefits. Therefore, we recommend a step-down in benefits for a working family rather than a complete loss of benefits.

¹ See our Mapping Disparities by race and Place policy brief and interactive maps: <http://www.ctvoices.org/publications/mapping-disparities-race-and-place>

Low- and middle-income individuals face barriers to economic self-sufficiency when public assistance programs are unintentionally and perversely designed with “benefit cliffs.” Eligibility for these programs is based on income, and the benefits are typically phased out as earnings increase. Too often, however, the design of this phase-out is not gradual, but abrupt, wherein a small increase in hourly wages leads to the complete termination of the benefit and a dramatic net loss of resources. This can act as a barrier to economic mobility, or lead to a situation in which the parent or guardian is working harder, but is financially worse off. A stronger ladder to self-sufficiency is one in which program phase-outs are a smooth, more gradual transition, providing the most basic incentive for hard work — a raise that increases net resources.

Smoothing out benefit cliffs rewards hard work and promotes economic mobility by providing adequate resources for working families and simultaneously encouraging progress in the workforce.

Thank you for this opportunity to submit testimony in support of Raised Bill H.B. 314.

Please feel free to contact me if you have questions or need additional information.

I can be reached at dthomas@ctvoices.org or (203) 498-4240 (x 114).