

# The Road to the Cliff Edge:

*Understanding Financial Gaps in Public Assistance Programs Available to Massachusetts Families*

Marija Bingulac, Caitlin Carey, and Susan Crandall



**CENTER FOR SOCIAL POLICY**  
JOHN W. McCORMACK GRADUATE SCHOOL  
OF POLICY AND GLOBAL STUDIES



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The Center for Social Policy researches the root causes of economic hardship and examines the intersection of public policies and employment practices to boost well-being. The center accomplishes this through active engagement with policymakers, researchers, service providers, and those facing economic hardship.

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The On Solid Ground Coalition (OSG), led by the Executive Committee made up of the Center for Social Policy (CSP), Citizens' Housing and Planning Association (CHAPA), and Homes for Families (HFF), is a cross-sector group of 40+ partners committed to a research-based, family-centered approach to ensuring access to housing stability and economic mobility for families living in Massachusetts.

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# The Road to the Cliff Edge:

## Understanding Financial Gaps in Public Assistance Programs Available to Massachusetts Families

Marija Bingulac, Caitlin Carey, and Susan Crandall<sup>1</sup>

*Abstract: To better understand the interaction between public supports and earned income and its impact on overall economic well-being, we conducted research on public support program eligibility criteria, regulations, and administration. We use the concept of “financial gaps” to outline specific problems created by the complex system of public supports built around an inadequate assessment of households’ ability to meet basic needs. The typology we provide is intended to be a tool for advocates, service providers, researchers, and policy makers that will help them hone in on the precise problem and develop appropriate policy interventions.*

The ability to maintain economic security and advance economically depends not only on employment and training, but also on public supports like housing and childcare subsidies on which many low-income families depend to cover basic needs. Given the high cost of living relative to income in Massachusetts, public support programs are a key part of how families make ends meet when earnings from work do not provide an income high enough to meet their basic needs. The regulations of these public support programs exert tremendous influence over the daily lives and decisions made by families, particularly regarding decisions about employment. Nevertheless, these safety net programs are frequently overlooked in the design of training and employment programs and policies intended to lift families out of poverty which often makes them incompatible with work.

In order to support economic mobility and housing stability for families, knowledge about how public supports interact with one another and how they impact a recipient’s ability to earn income from work is essential to shape policy and improve effective service delivery. Many low-income working adults with young children, especially single-parent families, rely on a mix of public supports that supplement earnings to maintain their well-being. Families with young children, in particular, face higher costs because they need to purchase childcare when the parents are at work.

Common public supports include:

- The Federal and State Earned Income Tax Credit (EITC): supplements income for employed low-income families through refundable tax credits;
- The Supplemental Nutrition Assistance Program (SNAP): increases access to nutritious food;
- MassHealth (Medicaid and State Children’s Health Insurance Program): increases access to health insurance for healthcare needs;
- The income-based childcare vouchers: federal and state programs that provide financial assistance for childcare for children under age 13 when parents are employed;
- The Massachusetts Rental Voucher Program (MRVP) and Section 8 vouchers: subsidize monthly rent payment to increase housing stability.

The origin of complexities in the safety net of public supports lies in the inadequate calculation of the poverty line. In 1963, one year before President Lyndon Johnson declared the war on poverty, Mollie Orshansky developed the poverty threshold that became the official statistical measure of poverty by the federal government—what we know as the Federal Poverty Line (FPL)<sup>2</sup>. Until then, there was no widely accepted measure of poverty. Orshansky’s calculation included the cost of food in 1963 dollars multiplied by a factor of three; however, it did not include necessities like cost of housing, childcare, or transportation. Orshansky

cautioned that the threshold was just a start at conceptualizing poverty and that more research was needed to be done to capture the true measure of someone’s ability to pay for basic needs<sup>3</sup>. However, the original calculation became widely used, only being adjusted for inflation.

As public assistance programs get created, each adopts its own version of the poverty line, largely in an attempt to mitigate the imprecise nature of the official poverty threshold. As a result, the eligibility rules<sup>4</sup> and administration of these programs differ, which makes them difficult to navigate and results in complex and unpredictable interactions between programs, especially when earnings levels change. Indeed, even experienced caseworkers struggle to navigate the complicated eligibility rules. Sometimes, those with deep knowledge within a particular sector—e.g. caseworkers that work with homeless families—may find their expertise does not apply across sectors such as workforce development.

We use the concept of “financial gaps”<sup>5</sup> to outline specific problems created by the complex system of public supports built around an inadequate assessment of ability to meet basic needs.

**1. The Eligibility Gap** occurs when a family’s *earnings are too low to meet basic needs but too high to be eligible for key public supports*. For example, research conducted by the University of Massachusetts Boston Center for Social Policy<sup>6</sup> shows that among the families with earnings and a budget at or below basic needs<sup>7</sup> in Massachusetts:

- 94% are ineligible for the Temporary Assistance for Families with Dependent Children (TAFDC) Program;
- 58% are ineligible for the Earned Income Tax Credit (EITC);
- 49% are ineligible for public housing;
- 47% are ineligible for the income-based childcare vouchers;
- 42% are ineligible for the Supplemental Nutritional Assistance Program (SNAP); and
- 28% are ineligible for MassHealth<sup>8</sup>.

In essence, many families facing economic hardship are unable to qualify for critical public supports, and are left without any safety net at all.

**2. The Coverage Gap** occurs when a family qualifies for a public support but does not receive it because of shortages of public resources and implementation obstacles such as long wait lists, administrative challenges, general lack of affordable housing stock, and discretion allowed to property owners over tenant selection<sup>9</sup>. *The percentage of Massachusetts families with earnings that meet the eligibility requirements but who do not receive a public support and thus fall into the coverage gap are as follows for these programs<sup>10</sup>:*

- 73% for public housing;
- 49% for Section 8 vouchers; and
- 42% for SNAP<sup>11</sup>.



The burden of figuring out various program eligibilities is often placed on families themselves. The complexity makes it less likely that families will receive all of the benefits they are eligible for and need. Looking at main coverage issues, it is apparent that the various eligibility criteria, asset limits, and work requirements, in addition to wait lists, make it challenging for families to receive the public resources for which they qualify.

**3. The Hardship Gap** occurs when a family’s resources remain below the basic cost of living in Massachusetts even after taking into account the value of public income supports they receive along with their earnings from



work. Roughly one in four (24%)<sup>12</sup> of all Massachusetts families with work earnings had resources insufficient to cover the costs of their basic needs, even after including the value of the public supports they receive<sup>13</sup>.

The hardship gap is often triggered by *cliff effects*—a reduction or total loss of key subsidies for food, housing, childcare, and other essential benefits that occurs when a family faces a hardship gap and a working parent in that family increases work hours or seeks a better paying job to earn more. As earnings go up, the allocation of public supports decreases at a higher rate, in a way that is extremely difficult to compensate for with the increased

earnings alone. This means that a family with supports may not see much of an increase in income despite additional earnings from work and in some cases the “cliffs” can leave a family worse off financially than prior to the earnings increase.

For example, every additional dollar a worker receiving the Supplemental Nutrition Assistance Program (SNAP) earns at work triggers a drop of about 30 cents in her SNAP benefit, so her net gain is only 70 cents for every additional dollar of earnings. This decline in supports due to increases in earnings usually leads to a reduction in overall net income, in spite of working and/or earning more. Therefore, it is not unreasonable to expect that some working parents will turn down advancement opportunities or remain in lower paying entry level jobs that do not pay enough to meet their family’s basic needs.

Table A, below, provides a more detailed example of the main income eligibility and asset limits that impact the eligibility gap.

**Table A: Examples of Income Eligibilities and Asset Limits for Programs**

<u>PROGRAM</u>	<u>PURPOSE</u>	<u>INCOME ELIGIBILITY<sup>14</sup></u>	<u>ASSET LIMIT</u>
<b>Federal and State Earned Income Tax Credit (EITC)</b>	Supplement income for employed low income families through once a year refundable tax credits	If children living in home: < \$50,000; if no children: <15,000	None
<b>Supplemental Nutrition Assistance Program (SNAP)</b>	Increase access to nutritious food	200% of federal poverty line	\$2,001-\$3,001; bank account balance counts as asset
<b>MassHealth (Medicaid and State Children’s Health Insurance Program)</b>	Increase access to health insurance to pay for healthcare needs	200% of federal poverty line; based on Modified Adjusted Gross Income (MAGI <sup>15</sup> )	\$2,001-\$3,001; cash, bank account count as assets
<b>Income-based Childcare Vouchers</b>	Federal and state programs that provide financial assistance for childcare for children under age 13 when parents are employed	50% of State Median Income	None
<b>Massachusetts Rental Voucher Program (MRVP)</b>	Subsidize monthly rent payments to increase housing stability	50% of the Area Median Income	\$15,000 cash, bank account count as assets

As shown in the table above, eligibility is determined using standards that not only vary across programs, but also are not widely shared with case workers and families. When working parents earn too much to remain eligible for a program, they often lose other essential supports at the same time (e.g., SNAP and MassHealth), putting them over the cliff edge. Given confusing eligibility standards and limited information, families often have no way to predict when they are nearing the edge of the cliff.

## Exploring the Financial Gaps

In order to address the financial gaps, we need a detailed understanding of how they emerge. To that end, we provide two tables in the Appendix that show how the 30 anti-poverty programs that low-income families might access are disconnected from each other, with, as evident in the summary table below, different means tests, points of access, and eligibility parameters. Each table is broken into six programmatic areas: childcare, energy, nutrition, healthcare, housing, and income supports and insurance. Together, these tables provide insight into the origin of the many barriers that Massachusetts low-income families face in obtaining and maintaining public supports as they try to provide for basic needs and increase their earnings from work.

**Table 1** (see page 7), outlines income eligibilities and the ways in which income is defined by different programs. As can be seen in the table, programs use different measures to assess income eligibility and these measures are inconsistent across the various programs.

- Twelve programs use a percentage of the Federal Poverty Line that varies by the number of persons in a household. For a family of three, the poverty line is very low, at \$20,160 per year<sup>16</sup>.
- Five programs use a percentage of Area Median Income (AMI) that varies based on where a family lives and its household size. Area Median Income for a four-person family in Boston is \$98,500<sup>17</sup>.
- Four programs use a percentage of State Median Income (SMI). The Massachusetts State Median Income (SMI) is \$70,628 according to the 2015 American Community Survey (ACS)<sup>18</sup>.

**Table 2** (see page 10), outlines the asset limits for each program. Assets encompass anything of high value that can be converted to cash and include personal assets such as a home, car, and/or a savings or bank account, and each program sets its own limit that, if exceeded, disqualifies a family from a program. Asset limits can deter economic mobility; in fact asset building is cited as a key link to sustainable poverty alleviation because it helps build long-term capacity of families<sup>19</sup>. The eligibility requirements for public support programs takes into account assets in addition to income. The table shows that 10 (37%) of the 27 programs have an asset limit.

## Katalina's Story



To illustrate how disconnects among multiple support programs work together to plunge people into the various gaps, consider the story of Katalina.<sup>20</sup>

Katalina is a 35-year-old single mother who lives in the Greater Boston area with her two children: Malik, age 3, and Maria, age 8. She works as a cashier at CVS for a minimum wage of \$11 per hour. Katalina works full time but cannot make ends meet since she needs to be earning close to three times as much—\$30 per hour to meet her basic cost of living expenses of \$67,962 per

year<sup>21</sup>. To help her break even, she must rely on supplementing her full-time income from earnings with various public support programs: MassHealth, WIC, EITC, and the Child Tax Credit. However, because of the program regulations and their administration, Katalina comes up against the three major financial gaps.

Katalina has approximately 1 in 4<sup>22</sup> chances to fall into the **hardship gap** with her family—the situation of being unable to meet basic needs despite earnings from work and the value of public supports. Let’s see how this happens.

At \$11 per hour in her full-time job, Katalina earns too little to meet her basic needs but is ineligible for some public supports because she earns too much. She is eligible for and does receive the Earned Income Tax Credit (EITC) and the Child Tax Credit<sup>23</sup>. However, she cannot receive Temporary Aid to Families with Dependent Children (TAFDC)—the cash assistance program, thereby encountering an **eligibility gap**. TAFDC bases its eligibility on a gross income test. In the case of Katalina’s family size, if she makes over \$6.68 per hour (or \$1,069 per month)<sup>24</sup>, the family is not considered poor enough to qualify. She is not eligible for some programs that would help her close the hardship gap and support her family.

In the case of other public support programs, she may be eligible but still does not receive them, which is the **coverage gap**. Katalina earns \$22,000 annually but her basic expenses are astronomical. She has to pay \$18,804 annually for rent and utilities and another \$13,416 on childcare—which she cannot afford. As a workaround, she is sometimes able to have her mother take care of the children, but this is not always possible, and is getting increasingly difficult, because her mom is an elderly woman with mobility issues. According to the Mass Rental Voucher Program (MRVP) income guidelines, Katalina qualifies for a housing subsidy as long as her income does not exceed \$38,180 annually<sup>25</sup>. This support would help her avoid getting behind on her rent as she fears losing her housing. She called the Boston Housing Authority who told her that the wait list for public housing will take 12 years and recommended that she look outside of the Boston area. In other words, Katalina meets the guidelines for both the MRVP and the BHA public housing programs but the wait lists are several years long so she cannot get the benefit.

Katalina has family members in Malden, a suburb north of Boston, and she called a few affordable housing developments there who told her that the wait was too long and that they would not send her an application. She also heard that she qualifies for a childcare subsidy. However, the demand for childcare is too high and she is unable to get a childcare voucher for Malik. Katalina finds herself in the coverage gap: she qualifies for public supports but does not receive them.

In her current situation, Katalina cannot pay her bills, even with the support she gets. She relies on her mother’s help to bridge the second-most major expense—childcare—and sometimes pays her bills late. Other times, she borrows money, as she can, to make ends meet. Katalina’s goal is to be able to provide for her family without having to depend on various public supports. She applies herself at work and gets the opportunity to be promoted to an assistant store manager in a new store that was about to open closer to her house that will pay her \$14 per hour. Right now, her income is supplemented by MassHealth, WIC, EITC, and the Child Tax Credit. At this point, Katalina knows that the increase in hourly rate might hurt her family but she does not have a way to calculate whether she will be better or worse off. Hoping for the best, she accepts the job and is required to report her new earnings to the various agencies that provide her public supports and finds that her benefits decrease. She finds she is worse off with the raise because she gets less food support, has lost her coverage on MassHealth, and receives a reduced EITC refund. Her attempt to get ahead through taking a promotion at work led her to fall over the cliff edge, causing her to lose more net resources than she gained through earned income. After a few months, Katalina asked to go back to her old position as a cashier, so that she can requalify for supports.

## Addressing Financial Gaps and Disconnects in the Massachusetts Public Supports System



The difficulty of qualifying for programs combined with the disconnects among programs outlined in these tables make it nearly impossible for families to advance or develop savings, thus hampering economic mobility. When people fall into the *eligibility gap*, their earnings are too low to meet basic needs, but the state regulations do not recognize them as being sufficiently poor because of the ten different income eligibility tests as well as asset limits. In the *coverage gap*, families qualify for benefits but do not receive them because of a mix of waitlists, burdensome administrative procedures and errors. Families who are in the *hardship gap* work and receive public supports but are still too poor to make ends meet. When they

try to address the hardship gap, they experience the *cliff effect*: families whose income increases with a small increment in pay often lose a tremendous amount of their benefits value and are worse off in spite of working harder or longer or both.

The On Solid Ground Coalition (OSG), led by the Executive Committee made up of the Center for Social Policy (CSP), Citizens' Housing and Planning Association (CHAPA), and Homes for Families (HFF), is a cross-sector group of 40+ partners committed to a research-based, family-centered approach to ensuring access to housing stability and economic mobility for families living in Massachusetts.

***Our vision is that Massachusetts families have safe, stable homes in communities of their choice and opportunities for economic mobility and wellness.***

Through its four-prong approach the Coalition advocates for:

1. advancement of system coordination and efficiency;
2. increasing resources and opportunities for affordable housing;
3. improved access to support services for families;
4. the tracking and reporting of progress to measure social impact.

# Appendix

**Table 1: Income Eligibility for Public Assistance Programs Available to Massachusetts Families**

	<u>Program Name</u>	<u>Area Median Income (AMI)</u>	<u>State Median Income (SMI)</u>	<u>Federal Poverty Level (FPL)<sup>1</sup></u>	<u>Other</u>	<u>What Counts as “Income”?</u>
<b>Childcare:</b>						
	DTA Vouchers				✓ <sup>2</sup>	Earned income (including wages, tips, salary and earnings from self-employment); Social Security (but not SSI); unemployment compensation; veterans’ and other pension benefits; and income from trusts
	Income Eligible Vouchers		50%			Earned income (such as wages); SSI; child support (monetary and in-kind); rental income; and TAFDC
	Massachusetts Head Start and Early Head Start			130% <sup>2</sup>		Earned income (including wages, tips, salary and earnings from self-employment); Social Security (but not SSI); unemployment compensation; veterans’ and other pension benefits; and income from trusts
<b>Energy:</b>						
	Massachusetts Low Income Home Energy Assistance Program (LIHEAP)		60% <sup>3</sup>			Earned income (including wages, tips, salary and earnings from self-employment); Social Security (but not SSI); unemployment compensation; veterans’ and other pension benefits; and income from trusts
	Massachusetts Weatherization Assistance Program		60%			Earned income (including wages, tips, salary and earnings from self-employment); Social Security (but not SSI); unemployment compensation; veterans’ and other pension benefits; and income from trusts
	Massachusetts Heating System Repair & Replacement Program (HEARTWAP)		60%			Earned income (including wages, tips, salary and earnings from self-employment); Social Security (but not SSI); unemployment compensation; veterans’ and other pension benefits; and income from trusts
<b>Nutrition:</b>						
	Child and Adult Care Feeding Program			130%		Earned income (such as wages or worker’s compensation)
	Fresh Fruit and Vegetable Program				✓ <sup>4</sup>	Earned income (such as wages or worker’s compensation)
	Massachusetts Special Milk Program			130%		Earned income (such as wages or worker’s compensation)
	Massachusetts Summer Food Service Program (SFSP)			185%		Earned income (such as wages or worker’s compensation)

Table 1 continued on next page...

	<u>Program Name</u>	<u>Area Median Income (AMI)</u>	<u>State Median Income (SMI)</u>	<u>Federal Poverty Level (FPL)<sup>1</sup></u>	<u>Other</u>	<u>What Counts as "Income"?</u>
<b>Nutrition, continued:</b>						
	National School Lunch Program (NSLP)			130%-185% <sup>5</sup>		Earned income (such as wages or worker's compensation)
	School Breakfast Program			130%-185% <sup>6</sup>		Earned income (such as wages or worker's compensation)
	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)			185%		Earned income (such as wages or worker's compensation)
	Supplemental Nutrition Assistance Program (SNAP)			200%		Earned income (including wages, tips, salary and earnings from self-employment); Social Security (but not SSI); unemployment compensation; veterans' and other pension benefits; and income from trusts
<b>Healthcare:</b>						
	Children's Health Insurance Program (CHIP)			300%		Earned income (including wages, tips, salary and earnings from self-employment); Social Security (but not SSI); unemployment compensation; veterans' and other pension benefits; and income from trusts
	MassHealth				✓ <sup>7</sup>	Earned income (including wages, tips, salary and earnings from self-employment); Social Security (but not SSI); unemployment compensation; veterans' and other pension benefits; and income from trusts
<b>Housing:</b>						
	Alternative Housing Voucher Program (AHVP)				✓ <sup>8</sup>	Earned income (such as wages or worker's compensation)
	Family Self-Sufficiency Program (FSS)	30%-80%				Before-tax earned income for all family members over 18 years old
	HomeBASE			115%		Before-tax earned income for all family members over 18 years old
	Housing Choice Voucher (Section 8)	30%-80% <sup>9</sup>				Before-tax earned income for all family members over 18 years old
	Massachusetts Emergency Assistance (EA) Shelter			115%		Before-tax earned income for all family members over 18 years old
	Massachusetts Rental Voucher Program (MRVP)	50%				Earned income (such as wages or worker's compensation)

Table 1 continued on next page...

	<u>Program Name</u>	<u>Area Median Income (AMI)</u>	<u>State Median Income (SMI)</u>	<u>Federal Poverty Level (FPL)<sup>1</sup></u>	<u>Other</u>	<u>What Counts as “Income”?</u>
<b>Housing, continued:</b>						
	Public Housing	80%				Before-tax earned income for all family members over 18 years old
	Residential Assistance for Families in Transition (RAFT)	30%-50% <sup>10</sup>				*at the discretion of DHCD
<b>Income Supports and Insurance:</b>						
	Earned Income Tax Credit (EITC)				✓ <sup>11</sup>	Earned income (such as wages, salaries, tips, and other taxable employee pay)
	Emergency Aid to the Elderly, Disabled, and Children (EAEDC)				✓ <sup>12</sup>	Earned income (including wages, tips, salary and earnings from self-employment); Social Security (but not SSI); unemployment compensation; veterans' and other pension benefits; and income from trusts
	Supplemental Security Disability Insurance (SSDI)				✓ <sup>13</sup>	
	Supplemental Security Income (SSI) & Massachusetts State Supplemental Program (SSP)				✓ <sup>14</sup>	Earned income (including wages, net earnings from self-employment, certain royalties, honoraria, and sheltered workshop payments); unearned income (such as Social Security benefits, pensions, state disability payments, unemployment benefits, interest income, and cash from friends and relatives); in-kind income; and deemed income
	Transitional Aid to Families with Dependent Children (TAFDC)				✓ <sup>15</sup>	Earned income (including wages, tips, salary and earnings from self-employment); Social Security (but not SSI); unemployment compensation; veterans' and other pension benefits; and income from trusts
	Unemployment Insurance (UI)				✓ <sup>16</sup>	Earned income (e.g. wages)

**Table 2: Asset Limits for Public Assistance Programs Available to Massachusetts Families**

	<u>Program Name</u>	<u>Asset Limit</u>	<u>What Counts as an Asset?</u>
<b>Childcare:</b>			
	Department of Transitional Assistance (DTA) Vouchers	\$2,500	Receipt of a DTA voucher is dependent on being a current or former recipient of TAFDC
	Income Eligible Vouchers	None	
	Massachusetts Head Start and Early Head Start	None	
<b>Energy:</b>			
	Massachusetts Low Income Home Energy Assistance Program (LIHEAP)	None	
	Massachusetts Weatherization Assistance Program	None	
	Massachusetts Heating System Repair & Replacement Program (HEARTWAP)	None	
<b>Nutrition:</b>			
	Child and Adult Care Feeding Program	None	
	Fresh Fruit and Vegetable Program	None	
	Massachusetts Special Milk Program	None	
	Massachusetts Summer Food Service Program (SFSP)	None	
	National School Lunch Program (NSLP) & School Breakfast Program	None	
	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	None	
	Supplemental Nutrition Assistance Program (SNAP)	\$2,001-\$3,001 <sup>1</sup>	Bank accounts
<b>Healthcare:</b>			
	Children's Health Insurance Program (CHIP)	None	
	MassHealth	\$2,000-\$3,000 <sup>2</sup>	Cash; Bank accounts; Individual Retirement Accounts, Keogh plans, and Pension funds; Securities (securities include, but are not limited to, stocks, bonds, options, futures contracts, debentures, mutual funds including money-market mutual funds, and other financial instrument); Cash-surrender value of life insurance policies; Real estate other than the primary residence; Vehicles other than the primary household vehicle; Retroactive SSI and RSDI benefit payments

Table 2 continued on next page...

	<u>Program Name</u>	<u>Asset Limit</u>	<u>What Counts as an Asset?</u>
<b>Housing:</b>			
	Alternative Housing Voucher Program (AHVP)	None	
	HomeBASE	\$2,500	Cash; Bank accounts; The value of vehicles owned by the household except for the first \$15,000 in fair market value of one vehicle; Cash-surrender value of life insurance and burial insurance; Real estate other than primary residence
	Housing Choice Voucher (Section 8)	None	
	Massachusetts Emergency Assistance (EA) Shelter	\$2,500	Cash; Bank accounts; The value of vehicles owned by the household except for the first \$15,000 in fair market value of one vehicle; Cash-surrender value of life insurance and burial insurance; Real estate other than primary residence
	Massachusetts Rental Voucher Program (MRVP)	\$15,000 <sup>3</sup>	Cash; Bank accounts; The market value of equity in real property, stocks, bonds or other form of capital investment; The value of equity in such personal property as boats, recreational vehicles, luxury goods; Payment received or to be received in settlement of personal or property loss; Money at interest and debts due applicant by any person(s); Value of cash-surrender insurance policies
	Public Housing	None	
	Residential Assistance for Families in Transition (RAFT)	None	
<b>Income Supports and Insurance:</b>			
	Earned Income Tax Credit (EITC)	None	
	Emergency Aid to the Elderly, Disabled, and Children (EAEDC)	\$250-\$500 <sup>4</sup>	Cash; Bank accounts; Accessible pensions and retirement accounts; Stocks and bonds; Real estate other than the primary residence; A family car with a value above \$10,000 fair market value or \$5,000 equity value (whichever is greater); The fair market or equity value (whichever is greater) of any other vehicles
	Social Security Disability Income (SSDI)	None	
	Supplemental Security Income (SSI) & Massachusetts State Supplemental Program (SSP)	\$2,000-\$3,000 <sup>5</sup>	Cash; Bank accounts, stocks, U.S. savings bonds; Land; Life insurance; Personal property; Vehicles; Anything else owned by applicant which could be changed to cash and used for food or shelter
	Transitional Aid to Families with Dependent Children (TAFDC)	\$2,500	Cash; Bank accounts; Accessible pensions and retirement accounts; Stocks and bonds; Real estate other than the primary residence; A family car with a value above \$10,000 fair market value or \$5,000 equity value (whichever is greater); The fair market or equity value (whichever is greater) of any other vehicles
	Unemployment Insurance (UI)	None	



## ENDNOTES

- 1 Thanks are due to Randy Albelda, Allison Bovell, Françoise Carré, Kristin Haas, Libby Hayes, Rachel Heller, Brandynn Holgate, Emily Levine, Ruthie Liberman, Eric Shupin, and the On Solid Ground Coalition for their review of this work and invaluable feedback.
- 2 Fisher, 2008: <https://www.ssa.gov/policy/docs/ssb/v68n3/v68n3p79.html>
- 3 Conley, 2005: [https://wagner.nyu.edu/files/faculty/publications/poverty\\_chapter.pdf](https://wagner.nyu.edu/files/faculty/publications/poverty_chapter.pdf)
- 4 This document reflects data on various eligibilities as of January 2017.
- 5 Albelda, Randy, and Heather Boushey. "Bridging the Gaps: A Picture of How Work Supports Work in Ten States. Washington DC: Center for Economic and Policy Research and Boston, MA: Center for Social Policy Research, University of Massachusetts Boston, October." (2007). See: [http://scholarworks.umb.edu/cgi/viewcontent.cgi?article=1037&context=csp\\_pubs](http://scholarworks.umb.edu/cgi/viewcontent.cgi?article=1037&context=csp_pubs)
- 6 "Research for the On Solid Ground: Building Opportunity, Preventing Homelessness Report": [https://www.umb.edu/editor\\_uploads/images/centers\\_institutes/center\\_social\\_policy/Research\\_for\\_on\\_solid\\_ground\\_report\\_updated\\_8.17.15.pdf](https://www.umb.edu/editor_uploads/images/centers_institutes/center_social_policy/Research_for_on_solid_ground_report_updated_8.17.15.pdf)
- 7 The basic needs budget is based on average prices of expenses such as housing, healthcare, childcare, food, and transportation in the state. In order to provide these statistics, the research used the estimate of the basic needs budget in Massachusetts for families of various compositions provided by the EmPath Economic Independence Calculator.
- 8 [https://www.umb.edu/editor\\_uploads/images/centers\\_institutes/center\\_social\\_policy/OnSolidGround\\_Cliff\\_Effect\\_final\\_1.21.16.pdf](https://www.umb.edu/editor_uploads/images/centers_institutes/center_social_policy/OnSolidGround_Cliff_Effect_final_1.21.16.pdf)
- 9 Coverage gap includes both entitlement (SNAP, etc.) and non-entitlement benefits (Section 8, etc.).
- 10 For full list of coverage gaps, see the Center for Social Policy's forthcoming research: "Mapping Coverage Gaps in Public Assistance Programs."
- 11 <http://www.masslegalservices.org/content/its-time-close-massachusetts-snap-gap>
- 12 "Research for the On Solid Ground: Building Opportunity, Preventing Homelessness Report": [https://www.umb.edu/editor\\_uploads/images/centers\\_institutes/center\\_social\\_policy/Research\\_for\\_on\\_solid\\_ground\\_report\\_updated\\_8.17.15.pdf](https://www.umb.edu/editor_uploads/images/centers_institutes/center_social_policy/Research_for_on_solid_ground_report_updated_8.17.15.pdf)
- 13 During 2008-2013.
- 14 The Federal Poverty Line varies by the number of persons in a household. For a family of three, the poverty line is at \$20,160 per year. Official 2016 thresholds are available here: <https://www.federalregister.gov/documents/2016/01/25/2016-01450/annual-update-of-the-hhs-poverty-guidelines> Massachusetts State Median Income (SMI) is \$70,628 according to the 2015 American Community Survey (ACS).
- 15 Adjusted gross income with certain deductions added back in <https://www.irs.com/articles/what-modified-adjusted-gross-income>
- 16 This is a federal calculation that is the same across geographies and only varies by household size.
- 17 <https://www.boston.gov/sites/default/files/affordable-housing-boston.pdf>
- 18 In contrast to this, the Suffolk County area median income is \$95,500 but is \$67,770 for Berkshire County. This means that a family of three will be eligible to receive the income eligible childcare voucher if their monthly net income is at or below 50% of the State Median Income—\$3,695. However, that same family will not be able to receive the Supplemental Nutritional Assistance Program (SNAP) because its income eligibility is 200% of the federal poverty line—\$3,360.

- <sup>19</sup> National Housing Institute: <http://www.nhi.org/online/issues/110/sherraden.html>
- <sup>20</sup> Circumstances based on plausible cases.
- <sup>21</sup> MIT Living Wage Calculator, 2017.
- <sup>22</sup> “Research for the On Solid Ground: Building Opportunity, Preventing Homelessness Report”: [https://www.umb.edu/editor\\_uploads/images/centers\\_institutes/center\\_social\\_policy/Research\\_for\\_on\\_solid\\_ground\\_report\\_updated\\_8.17.15.pdf](https://www.umb.edu/editor_uploads/images/centers_institutes/center_social_policy/Research_for_on_solid_ground_report_updated_8.17.15.pdf)
- <sup>23</sup> Based on benefit calculations from: <https://www.benefits.gov>
- <sup>24</sup> <http://www.masslegalhelp.org/income-benefits/tafdc/advocacy-guide/part4/q82-what-is-the-gross-income-eligibility-test>
- <sup>25</sup> Source: Boston Housing Authority: <https://www.bostonhousing.org/en/For-Applicants/How-Do-I-Apply-for-BHA-Housing/Income-Table.aspx>

## Table 1 Endnotes

- <sup>1</sup> Federal Poverty Line varies by the number of persons in a household. For a family of three, poverty line is at \$20,160 per year. Official 2016 thresholds are available here: <https://www.federalregister.gov/documents/2016/01/25/2016-01450/annual-update-of-the-hhs-poverty-guidelines> Massachusetts State Median Income (SMI) is 70.628 according to the 2015 American Community Survey (ACS).
- <sup>2</sup> Head Start programs may enroll up to 10 percent of children from families that have incomes above the Poverty Guidelines. Programs may also serve up to an additional 35 percent of children from families whose incomes are above the Poverty Guidelines, but below 130 percent of the poverty line if the program can ensure that certain conditions have been met. Must receive TAFDC or have received TAFDC within the last 12 months and be working or, in some cases, be approved for an employment and training program (e.g. it is not just limited to current TAFDC recipients).
- <sup>3</sup> Not an entitlement. Once it runs out, people cannot receive it.
- <sup>4</sup> Only applies to select schools (schools in which 50% or more of enrolled students are eligible for free or reduced price meals).
- <sup>5</sup> At or below 130 percent of the poverty level for free lunch; between 130 and 185 percent of federal poverty level for reduced lunch.
- <sup>6</sup> At or below 130 percent of the poverty level for free breakfast; between 130 and 185 percent of federal poverty level for reduced breakfast. For school breakfast and lunch, any child who receives TAFDC or SNAP (or lives with a child who receives either) is automatically eligible for free meals, even if over 130%.  
Direct Certification of the National School Meals program enables low-income families who are already enrolled in programs such as SNAP and MassHealth (with similar income eligibility criteria) to have their children directly enrolled for free meals by the school districts. If a school or district has at least 40 percent of their children directly certified for the school meals, the district has the option of adopting “Community Eligibility” that provides free meals to all students every day. Source: [http://www.massbudget.org/report\\_window.php?loc=School\\_Meals\\_Fact\\_Sheet\\_070215.html](http://www.massbudget.org/report_window.php?loc=School_Meals_Fact_Sheet_070215.html)
- <sup>7</sup> Based on Modified Adjusted Gross Income (MAGI); can be no more than 200% of the federal poverty level.
- <sup>8</sup> 80% Area Median Income (AMI) or less.
- <sup>9</sup> 75 percent of all households selected to receive Section 8 must have incomes within 30 percent of the Area Median Income; 25 percent of Section 8 households can have incomes up to 50 percent of the AMI; in some instances these limits can go as high as 80 percent of the AMI, although very few housing agencies serve households with this income at this limit.
- <sup>10</sup> No less than 50% of funds must go to households with an income no greater than 30% of Area Median Income.
- <sup>11</sup> State EITC income eligibility levels are adjusted annually and are not based on a common income standard (FPL, SMI, or AMI). For more information, visit <http://www.mass.gov/dor>
- <sup>12</sup> The income eligibility requirements for EAEDC is dependent on living arrangement (who the applicant lives with and the level of support provided by their living arrangement) and there are different income standards for each living arrangement.

- <sup>13</sup> SSDI eligibility is dependent on having worked in a job covered by Social Security and having a medical condition that meets Social Security's definition of disability.
- <sup>14</sup> SSP payments are calculated based on income and cost of living.
- <sup>15</sup> TAFDC eligibility is based on a gross income test and a needs test. This is not a truly means-tested entitlement program. Someone can receive TAFDC for 24 consecutive months, after which they have to reapply and they cannot receive it for longer than 60 months over their lifetime.
- <sup>16</sup> Must have earned at least \$3,500 during the base period; no upper income limit.

## Table 2 Endnotes

- <sup>1</sup> In order to qualify for this benefit program, you must be a resident of the state of Massachusetts and fall into one of two groups: (1) those with a current bank balance (savings and checking combined) under \$2,001, or (2) those with a current bank balance (savings and checking combined) under \$3,001 who share their household with a person or persons age 60 and over, or with a person with a disability (a child, your spouse, a parent, or yourself).
- <sup>2</sup> For an individual – \$2,000; and for a couple living together in the community where there is financial responsibility according to 130 CMR 520.002(A)(1) – \$3,000.
- <sup>3</sup> For the purposes of initial eligibility an applicant household's total assets may not exceed one and one half times the gross household income of the applicant or \$15,000, whichever is greater. There is no asset limitation for purposes of continued eligibility.
- <sup>4</sup> An individual applying for/receiving EAEDC cannot have countable assets worth more than \$250. An EAEDC case of two or more individuals cannot have countable assets worth more than \$500.
- <sup>5</sup> To get SSI, your countable resources must not be worth more than \$2,000 for an individual or \$3,000 for a couple.