Advancing Careers for Low Income Families

Early Learning Coalition of Miami-Dade / Monroe

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MISSION

Support the Central Bank’s mandate of stable prices and maximum employment by working to improve the economic mobility and resilience of people and places for a healthy economy.

To access our papers, data tools, and other resources visit our website at:
atlantafed.org/communitydevelopment
The Atlanta Fed's Advancing Careers initiative works to improve economic mobility and resilience by:

- Identifying how benefits cliffs and other structural barriers create financial disincentives to career advancement
- Conducting research, developing tools, and analyzing solutions on mechanisms for reducing barriers to economic mobility and resilience
- Engaging in partnerships to support community and state efforts to improve economic security for families
Many public programs support low-income families with food, housing, child care, and other services.

These programs have income eligibility requirements.

Work-related earnings gains are offset by the loss of public programs with income eligibility requirements.

Low-income workers may be better off financially by not taking a job with either higher pay or more available hours due to the loss of public program benefits.
The Impact of Benefits Cliffs

Annual Net Financial Resources
Income + Public Assistance - Expenses - Taxes
The Impact of Benefits Cliffs

Annual Net Financial Resources
Income + Public Assistance - Expenses - Taxes

Employment Income

Net Resources

$0K $10K $20K $30K $40K $50K $60K $70K $80K
$0K $10K $20K $30K $40K $50K $60K

The graph illustrates the impact of benefits cliffs on annual net financial resources. As employment income increases, the net resources generally rise. However, there are breakpoints (benefits cliffs) where the net resources experience a sudden decrease, indicating the impact of benefits cliffs on financial resources.
Career pathways lead to progressive earnings gains

Gross Employment Income by Age

- Miami, FL
- Training period

Career Path:
- Near-Minimum Wage Job
- CNA
- CNA > LPN
- CNA > LPN > RN

CNA: Certified Nursing Assistant
LPN: Licensed Practical Nurse
RN: Registered Nurse
Incorporating benefits cliffs into the career pathway picture
Incorporating benefits cliffs into the career pathway picture

Annual Net Financial Resources by Age

Career Path
- Near-Minimum Wage Job
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- CNA > LPN
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Benefits Cliff
Incorporating benefits cliffs into the career pathway picture
Incorporating benefits cliffs into the career pathway picture

Worker better off as CNA than LPN or RN
Short-term barriers may prevent the worker’s realization of long-term gains.
The net returns to the taxpayer are significant if the worker becomes an RN.
Case Study: Meet Leia

Leia is a single parent with two children ages 2 and 3. She lives in Miami, FL.

She wants to move into an in-demand occupation that allows her to move up the economic ladder.

She currently receives food assistance, child care assistance, children’s health insurance, and various tax credits.
Two Career Exploration Questions for Leia

Does the career choice offer a path to economic self-sufficiency?

What financial barriers will she face on her career advancement path?
CLIFF Dashboard Demonstration
Tools and Resources to Support a Variety of Activities

- Federal Reserve Bank of Atlanta Policy Rules Database
- CLIFF (Career Ladder Identifier and Financial Forecaster)
- Partnerships:
  - Community, State, and Federal Policy Solutions
  - Career and Financial Coaching Solutions
  - Employer Solutions
  - Guaranteed Income Pilots
  - Research
Select Partnerships

State Partners
• Alabama
• Connecticut
• Florida
• Louisiana
• Maine
• Oklahoma

Non-Profit Partners
• Circles USA
• Goodwill Industries International
• United Way
• Local workforce boards

Institutional Partners
• Administration for Children and Families Regions 3 and 4
• Federal Reserve System Banks

Employer Partnerships
• Buffalo-Niagara Partnership
• Large utility company

Colleges and Universities
• Broward College
• Nashville State Community Colleges
What can be done?

**Mapping Benefits Cliffs**
- Awareness of Issue
- Benefits cliffs calculators

**Workforce Development**
- Student advisement to increase post-secondary educational attainment
- Adult career planning and coaching toward self-sufficiency
- Career pathways design/targeted occupation and industry analysis
- Align wrap-around supports with training plans
- Employer engagement on matching talent needs to skill attainment

**Policy Simulation/Changes**
- Change asset limits
- Income disregards
- Alignment of rules/services across programs
- Tax credits for working families
- Graduated phase-outs

**Cross-system Collaboration**
- Asset mapping
- Common definition of economic self-sufficiency
- Identify target populations for services
Discussion