



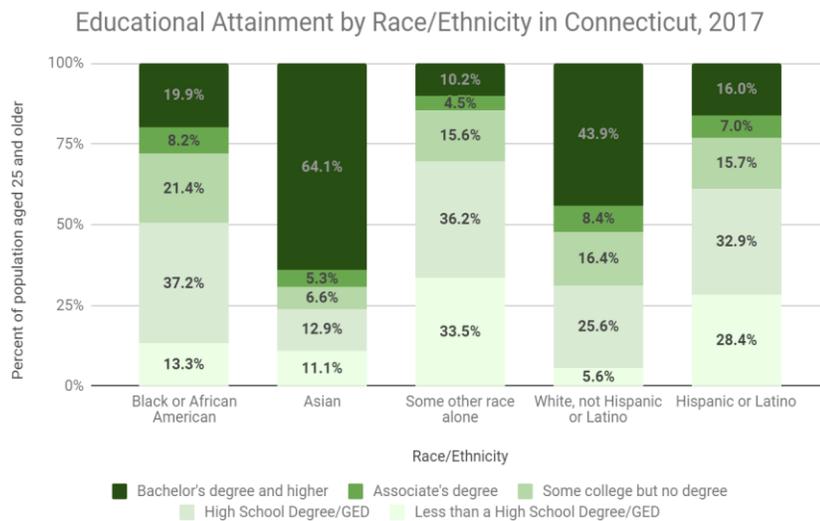
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Two-Generational Family Economic Security; Supporting Data Brief

We have failed to equip adults with the educational attainment needed to obtain family-sustaining employment

Estimates also show that higher education will be an important economic driver in the coming decades; ranking 8th in the nation, 70 percent of all Connecticut jobs will require postsecondary education by 2027, according to forecasts by the Working Poor Families Project.ⁱ However, while Connecticut continually leads the nation in early childhood education, further down the pipeline, our adults are not equipped with the educational attainment necessary to fill jobs in rising higher-skilled occupations. Per 2018 estimates, 56.1 percent of Connecticut working age adults lack a college degree; this includes 21.3 percent of adults who have some postsecondary education but no formal degree.ⁱⁱ



As demonstrated by this graph, there are deep disparities in educational attainment by race and ethnicity. This fuels the racial and ethnic income and wealth gap, which in turn contributes to the disparities we observe in children's health and educational outcomes in Connecticut.

Source; CAHS analysis of 2017 American Community Survey Data

Connecticut lacks enough well-paying, reliable jobs for parents with limited educational attainment

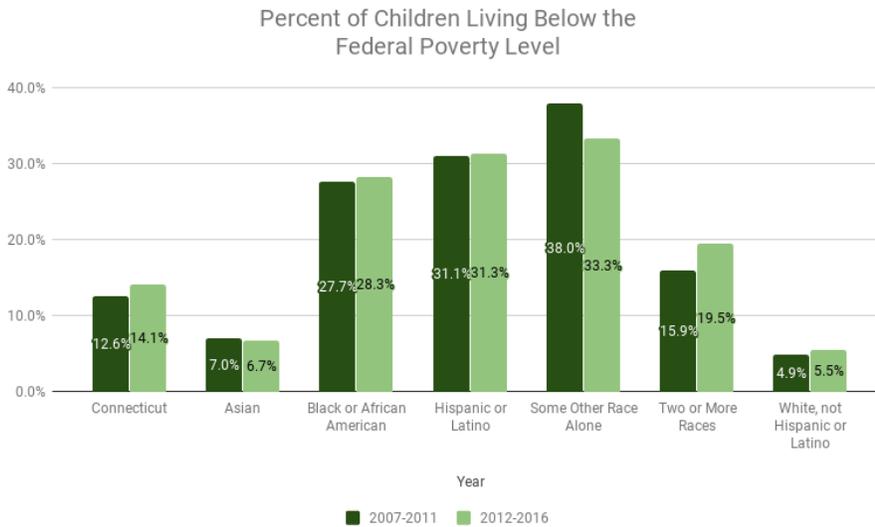
The mismatch between the educational attainment of Connecticut's low-income workforce and the requirements of available jobs is certainly a driving force behind the inability of many to obtain family-supportive employment. However, given that 15 percent of jobs in Connecticut are in occupations that pay below 100% of the Federal Poverty Level (FPL) and another 58 percent in jobs that pay below 200% of the FPL, improving parental educational attainment will not be sufficient to enable families to reach self-sufficiency. This is because availability of family supportive, blue-collar employment opportunity has decreased steadily as these jobs have been replaced with the expansion of part-time, low-wage service industry occupations. According to American Community Survey data, statewide, more than a quarter of all kids live in households where no parent has year where no adult has secure, year-round, full-time employment. This does not mean that parents are not working



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— 2018 data from the Working Poor Families project estimate that 68 percent of low-income families are engaged in work, alongside another 43 percent of poor families.ⁱⁱⁱ Instead, that many are stuck piecing together part-time employment or seasonal work.



Source; CAHS analysis of 2017 American Community Survey Data

Connecticut is also a notoriously high-cost state. Based on projections by the United Way of an average minimal “survival budget,” a family of four with two small children would have to earn \$78,000 annually just to make ends meet. However, a significant gap remains between that threshold and the \$50,000 a year that a family of four would have to earn to just barely reach 200% of the FPL.

Disjointed state systems fail to remove barriers to family economic security

To qualify for and continue to receive public benefits, families must meet income thresholds dictated by either the federal or state government. When the income of a household rises above said threshold, their eligibility is terminated and their benefits are either reduced or cut entirely. For the majority of public assistance programs, the cut-off for households earning above the eligible threshold is so immediate and sharp that marginal wage increases for hourly workers can result in the complete decimation of their benefit resource base. This phenomenon is called the “benefit cliff” or the “cliff effect” and because it punishes households for increased earnings, reduces the desire of public assistance recipients to accept raises and overtime^{iv} and to shift from part-time to full-time work,^v and further prevent parents from pursuing the educational and training activities necessary to obtain meaningful increases in income.^{vi}

Beyond the punitive nature of the benefit cliff effect, families who rely on various forms of public assistance are often burdened by overlapping and often confusing reporting requirements. Data is not often gathered or shared by state agencies at the family level, contributing to information gaps which perpetuate the economic instability of low-income families who may struggle to find effective channels of communication with state agencies.

Not all of Connecticut’s children and families are thriving. To remedy this, we need deliberate, cross-agency strategies which include establishing a Two-Generational Family Economic Success Cabinet.



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ⁱ Working Poor Families Project Compiled Data. 2018. "Percent of Jobs that will require postsecondary education (10-year forecast)"

ⁱⁱ Working Poor Families Project Compiled Data. 2018. "Education and Skills Status of Adults Within State (Revised April 28, 2017)."

ⁱⁱⁱ Working Poor Families Project Compiled Data. 2018. "Low-income families working"

^{iv} *The Women's Fund PULSE Briefing: Women, Poverty, and Cliffs* (Rep.). (2012, August 15). Retrieved July 20, 2018, from Women's Fund of The Greater Cincinnati Foundation website:

https://www.gcfndn.org/Portals/0/Uploads/Documents/Pulse_Report_Cliff_Effect_2012.pdf

^v Albelda, R., & Carr, M. (2017). Combining Earnings with Public Supports: Cliff Effects in Massachusetts.

^{vi} Fisher, P., & French, L. (2014, March). *Reducing Cliffs in Iowa Child Care Assistance* (Rep.). Retrieved July 11, 2018, from Iowa Policy Project website: <https://www.iowapolicyproject.org/2014docs/140313-CCA-cliffs.pdf>