GETTING AHEAD WHILE FALLING BEHIND

Understanding Cliff Effects in Ohio's Public Benefit Programs

March 2026

WOMEN'S FUND of GREATER CINCINNATI FOUNDATION

The Alpaugh Family ECONOMICS CENTER

Letter from the Executive Director

Dear Supporters,

For families working toward self-sufficiency, the message is clear: work more, earn more, and build stability. Yet for too many families, that promise breaks down just as progress begins. A small raise or a few additional hours can trigger the sudden loss of essential supports, most often child care, undermining the very stability those benefits are meant to provide. This is the benefits cliff.

The consequences are real. Parents experience real panic and fear when a letter arrives announcing the loss of a benefit, and exhaustion from navigating systems that feel stacked against them. To avoid falling off a cliff, many workers turn down raises or reduce hours, trapping themselves in place. Rather than serving as a bridge to self-sufficiency, benefit rules too often become a barrier to economic mobility, especially for women. The Women's Fund has documented this critical issue since 2012, and this report represents our fourth update.

Public benefits also serve as a backstop for work that does not pay enough to meet basic needs. In effect, these programs subsidize low wages by absorbing costs employers do not cover. When earnings rise modestly but remain below a self-sufficient level, families lose benefits long before wages can replace their value.

This is why wages must be part of any serious conversation about benefits reform. As long as pay does not reflect the true cost of living, families will continue to lose more than they gain when they earn more. Families simply shouldn't be punished for making progress.

For more than two decades, the Women's Fund has invested in research like this because strong families, a stable workforce, and a healthy economy depend on systems that reward work and support progress.

Onwards,

Camilla Worrell

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Executive Director,
Women's Fund of Greater Cincinnati Foundation

1. Allen
2. Franklin
3. Hamilton
4. Hocking
5. Scioto
6. Summit
7. Warren

Summary

Public benefit programs aim to provide individuals experiencing financial hardship with the means to meet their basic needs. However, navigating the complex rules of each program can be challenging. Eligibility requirements and benefit levels can vary significantly among programs, leading to complexities in determining what public benefit programs individuals can receive and when.

The cliff effect, or benefit cliffs, refers to situations where an increase in wages leads to a loss of public benefits that is greater than the wage gain, resulting in a decrease in total resources, defined as earned income plus public benefits.

In these situations, people receiving public benefits may choose to keep their earnings lower so they do not lose critical supports and see their total resources decline. While turning down a raise or promotion may seem illogical from the outside, it is often a rational decision for low-wage workers trying to maintain financial stability. As a result, people may remain in entry-level jobs longer than they want, which can limit career growth, reduce long-term economic mobility, and increase continued reliance on public benefits.

In this analysis, we examine how benefit cliffs create disincentives to increase income through additional work hours, education, or career advancement. We focus on seven Ohio counties: Allen, Franklin, Hamilton, Hocking, Scioto, Summit, and Warren Counties. We analyze two household types: households with one adult and one preschool-aged child, and households with one adult, one preschool-aged child, and one infant. **Throughout the analysis, we define self-sufficiency based on gross resources, which include both earned income and public benefits.**

Highlights from this analysis include:

- Benefit cliffs were observed due to the loss of Supplemental Nutrition Assistance Program (SNAP) benefits, the transition from Medicaid to health insurance through the Health Insurance Marketplace for adults, the loss of eligibility for child care assistance for new applicants, and the transition from Medicaid to health insurance through the Health Insurance Marketplace for children.
- A family with one adult and one preschooler was self-sufficient in all seven counties analyzed if their earned income was greater than $49,000.
- For a family with one adult and one preschooler, the transition from part-time to full-time work at $20.00 an hour resulted in a 9.5 to 14.6 percent increase in gross resources despite doubling the hours worked.
- A family with one adult, one preschooler, and one infant was self-sufficient in all seven counties analyzed if their earned income was between $22,000 and $29,000 as well as greater than $65,000. This highlights how increases in income can result in a loss of public benefits, resulting in a decline in gross resources.
- Despite doubling the hours worked, the transition from part-time to full-time work at $20.00 an hour resulted in an increase in gross resources ranging from 3.0 to 6.3 percent for a family with one adult, one preschooler, and one infant.

Self-Sufficiency Standard

Developed in the mid-1990s by Dr. Diana Pearce, the Self-Sufficiency Standard represents the income needed for a working family to meet its basic needs without public or private assistance. Basic needs included in the Self-Sufficiency Standard include housing, child care, food, transportation, health care, taxes, emergency savings, and miscellaneous expenses such as clothing and a cell phone. This measure is calculated for each county or area in a state as well as for 719 different family types, allowing for realistic and detailed data on the necessary income to be self-sufficient.

This table details the 2022 Self-Sufficiency Standard for selected counties in Ohio for the two household types analyzed. Additionally, the table compares the Self-Sufficiency Standard to the federal poverty guidelines, also referred to as the federal poverty level (FPL). The 2022 Self-Sufficiency Standard has been converted to 2023 dollars.

	One Adult, One Preschooler		One Adult, One Preschooler, One Infant	
County	Self-Sufficiency Standard	Percent of FPL	Self-Sufficiency Standard	Percent of FPL
Allen County	$40,471	205.2%	$54,515	219.3%
Franklin County	$55,380	280.8%	$75,573	304.0%
Hamilton County	$53,391	270.7%	$73,531	295.8%
Hocking County	$41,718	211.6%	$55,536	223.4%
Scioto County	$40,896	207.4%	$55,012	221.3%
Summit County	$52,664	267.1%	$72,992	293.6%
Warren County	$56,282	285.4%	$76,264	306.8%

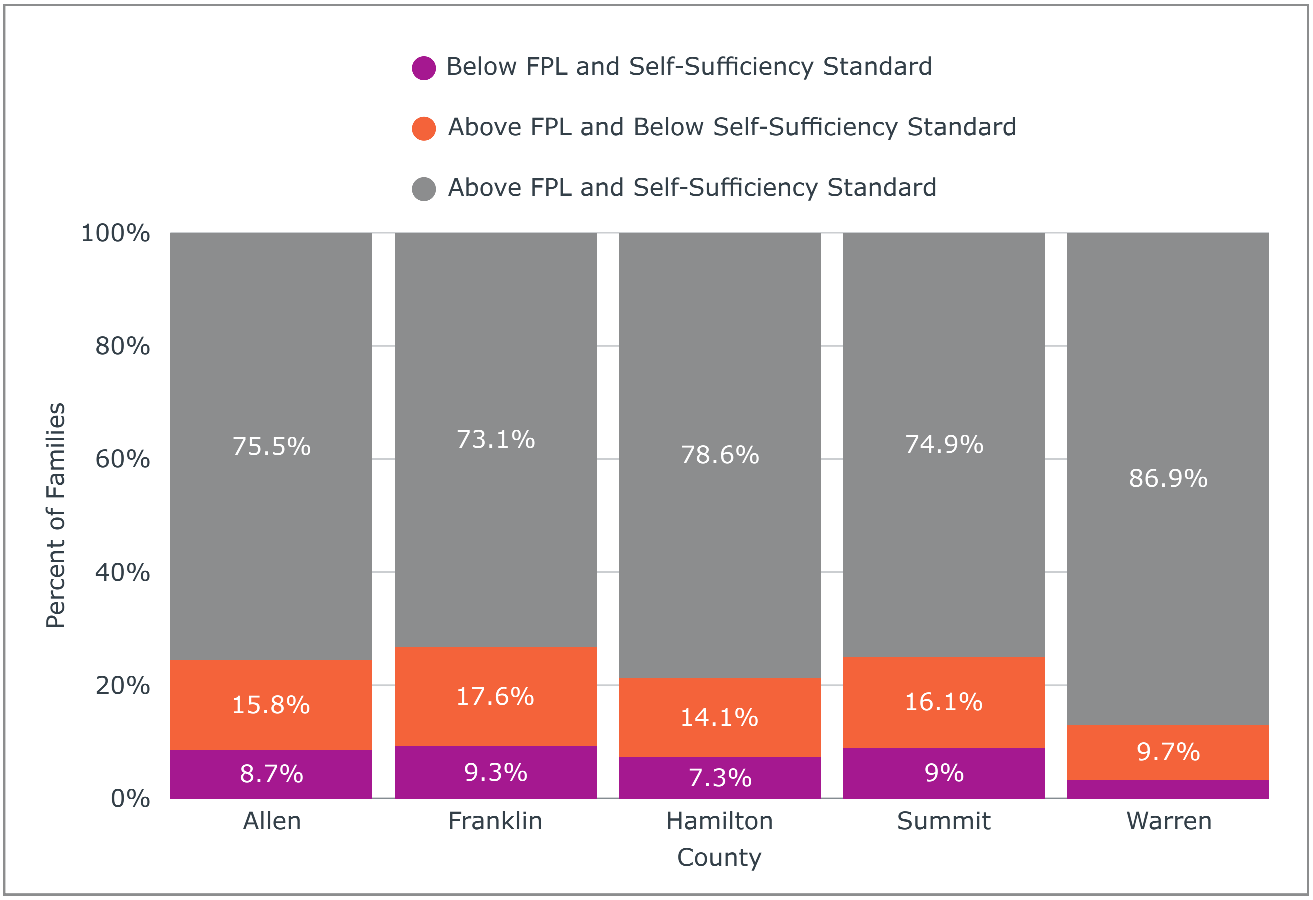
Source: Self-Sufficiency Standard at the Center for Women's Welfare, University of Washington.

To be self-sufficient, a single parent with one preschooler needs income over $40,000 in Allen County, while the same family would need income of approximately $56,000 in Warren County.

Poverty and Self-Sufficiency Comparison

Approximately 9.2 percent of families in Ohio were below the poverty level in 2023. However, there are families in Ohio that were above the poverty level but below the Self-Sufficiency Standard based on their family size, composition, and county of residence. To further explore the relationship between the poverty level and the Self-Sufficiency Standard, families in Ohio were segmented into three categories.

Across the counties studied, 3.4 to 9.3 percent of families lived below the poverty level in 2023. An additional 9.7 to 17.6 percent earned above the poverty level but still below the Self-Sufficiency Standard. Altogether, 13.1 to 26.9 percent of families fell short of self-sufficiency, with more than one in five families in Allen, Franklin, Hamilton, and Summit Counties not meeting the Self-Sufficiency Standard.



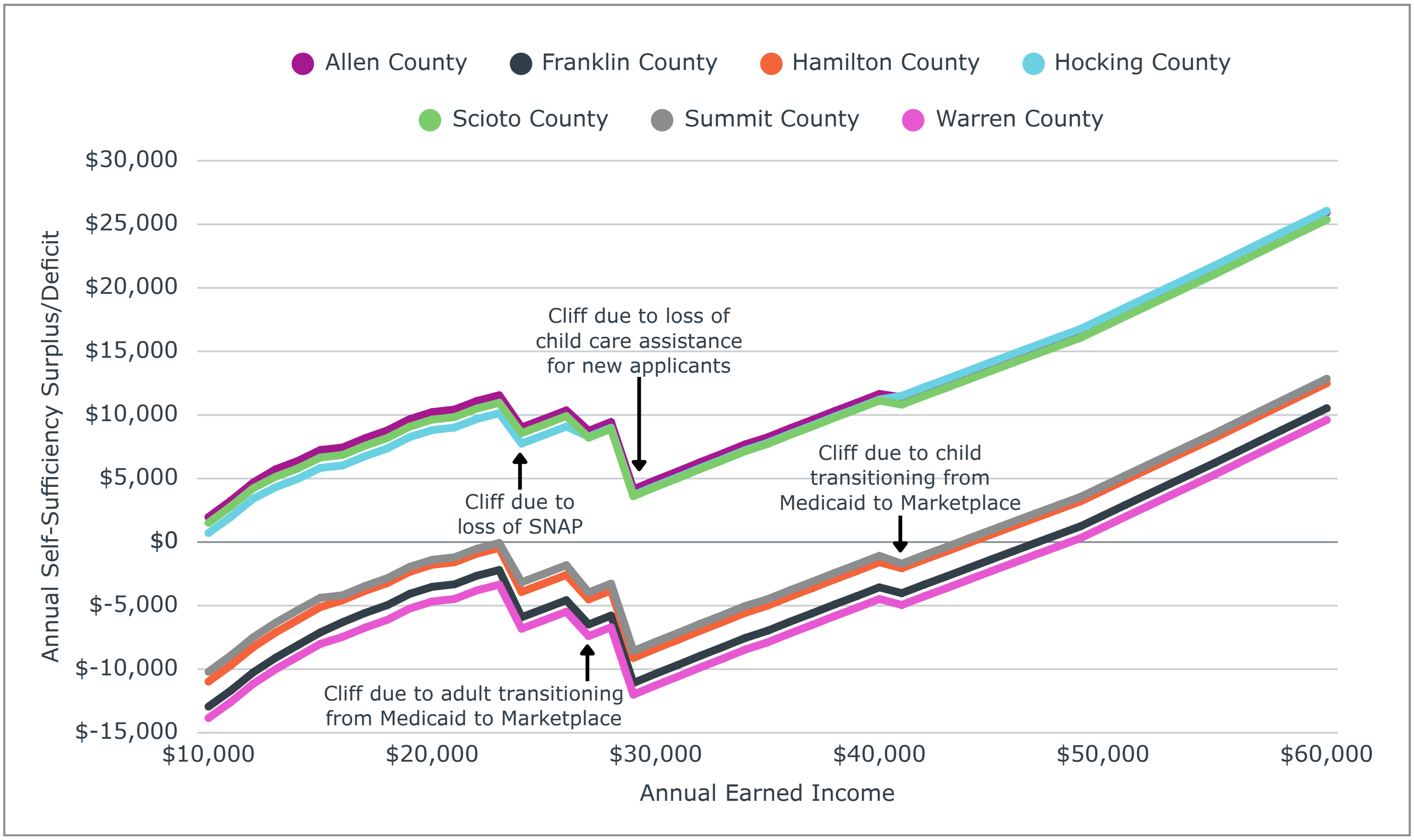
**Disaggregated data for Hocking and Scioto Counties were unavailable through IPUMS.*

1 in 5 families in Allen, Franklin, Hamilton, and Summit Counties cannot meet their family's needs.

One Adult and One Preschooler

The self-sufficiency surplus or deficit is measured as the difference between gross resources, or earned income plus public benefits, and the Self-Sufficiency Standard. This figure illustrates the self-sufficiency surplus or deficit for a family with one adult and one preschooler.

The overall pattern in the self-sufficiency surplus/deficit is similar for all seven counties analyzed. The first cliff results from a loss of SNAP benefits as earned income exceeds $23,000. The second cliff results as earned income exceeds $26,000 and is the result of the adult in the family transitioning from Medicaid to health insurance through the Health Insurance Marketplace. As earned income exceeds $28,000, a third cliff results due to the loss of eligibility for child care assistance for new applicants. A fourth cliff results as earned income exceeds $40,000 due to the preschooler transitioning from Medicaid to health insurance through the Health Insurance Marketplace.



Jenna is a single mother in Summit County with a four-year-old daughter. She works full-time as a sales associate at a local department store, earning about $23,000 a year, or roughly $11 per hour. She dreams of providing a more stable life for her daughter and welcomes the prospect of a small raise. But that increase pushes her over the SNAP eligibility limit, and she loses her monthly food assistance. Suddenly, her total resources shrink, leaving her further from self-sufficiency. With rent, child care, and other basic expenses still to cover, Jenna faces the frustrating reality that earning more does not always mean getting ahead.

One Adult and One Preschooler

Scenario 1

A family with one adult and one preschooler with annual wages of $20,200 is not eligible for the Child and Dependent Care Tax Credit or the premium tax credit since both the adult and preschooler are eligible for Medicaid. Based on gross resources, this family was self-sufficient in Allen, Hocking, and Scioto Counties.

Hourly Wage	Annual Wage	Federal Poverty Level	Public Benefits	Gross Resources
$10.10	**$20,200**	**102%**	**$30,900**	**$51,100**

Scenario 2

A family with one adult and one preschooler with annual wages of $27,000 is no longer eligible for SNAP and the adult in the family must transition from Medicaid to health care coverage through the Health Insurance Marketplace. Based on gross resources, this family was self-sufficient in Allen, Hocking, and Scioto Counties.

Hourly Wage	Annual Wage	Federal Poverty Level	Public Benefits	Gross Resources
$13.50	**$27,000**	**137%**	**$22,100**	**$49,100**

Scenario 3

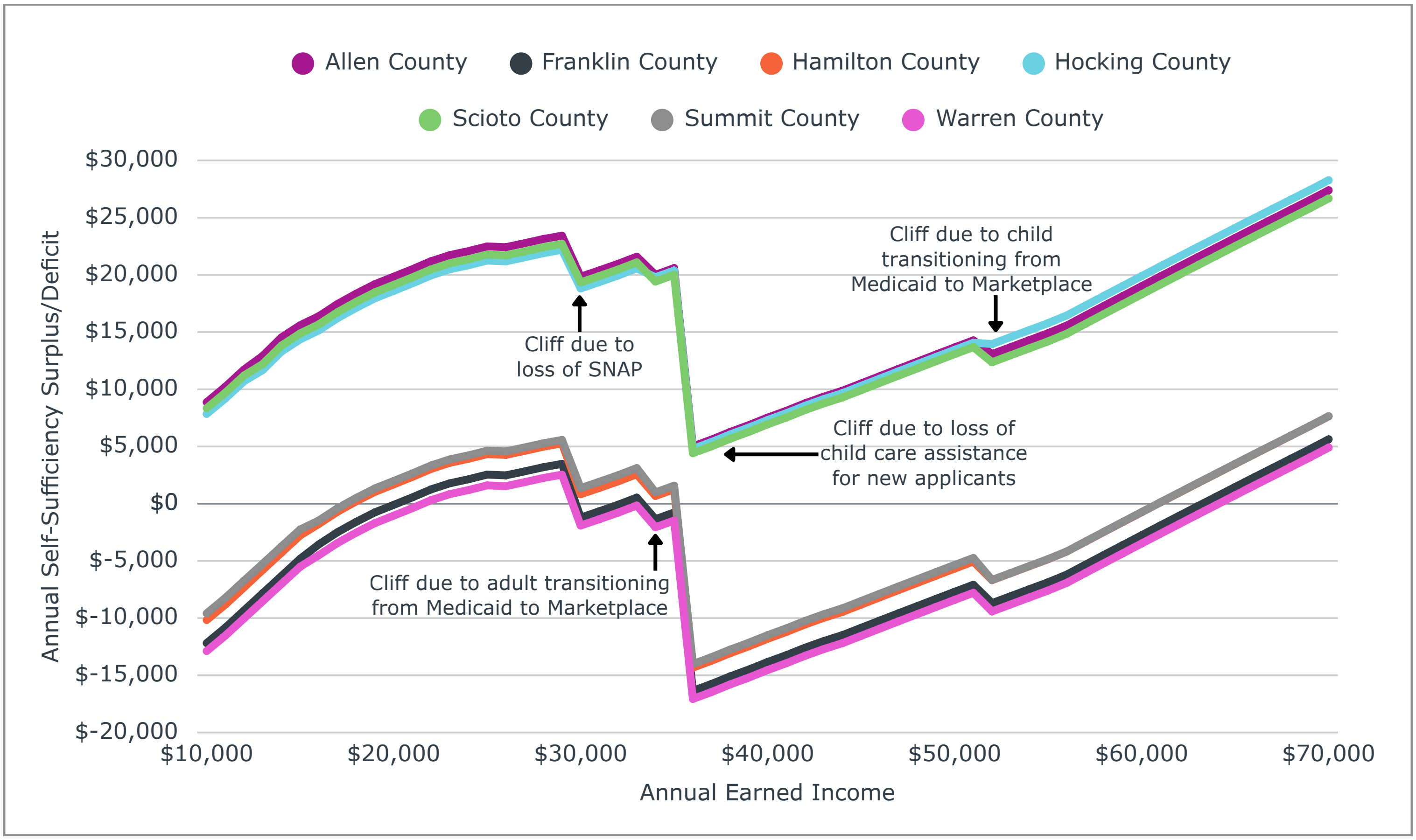
A family with one adult and one preschooler with annual wages of $49,000 is no longer eligible for child care assistance, Home Energy Assistance Program (HEAP), Medicaid, or SNAP. Based on gross resources, this family was self-sufficient in all seven counties analyzed.

Hourly Wage	Annual Wage	Federal Poverty Level	Public Benefits	Gross Resources
$24.50	**$49,000**	**249%**	**$8,000**	**$57,000**

One Adult, One Preschooler, and One Infant

Now, we turn to a different family type consisting of one adult, one preschooler, and one infant. This figure illustrates the self-sufficiency surplus or deficit for a family with one adult, one preschooler, and one infant.

The overall pattern in the self-sufficiency surplus/deficit is similar for all seven counties analyzed. The first cliff results from a loss of SNAP benefits as earned income exceeds $29,000. The second cliff results as earned income exceeds $33,000 and is the result of the adult in the family transitioning from Medicaid to health insurance through the Health Insurance Marketplace. As earned income exceeds $35,000, a third cliff results due to the loss of eligibility for child care assistance for new applicants. Because the adult is no longer eligible to apply for child care assistance, gross resources drop sharply for families covering child care expenses for two children, creating the steepest cliff in the analysis. A fourth cliff results as earned income exceeds $51,000 due to the preschooler and infant transitioning from Medicaid to health insurance through the Health Insurance Marketplace.



Tanya is a single mother in Hamilton County with a four-year-old and an infant, and she relies on family for child care. She works 30 hours a week as a pharmacy technician, earning about $29,000 a year, just enough to be self-sufficient. She is offered 10 additional hours per week, increasing her earnings to $38,000 per year. An unexpected change in circumstances for Tanya's family means that she now requires paid child care for her children. However, her income is now above the limit to apply for child care assistance, requiring her to cover the cost of care for two children. The resulting increase in expenses causes a sharp drop in her total resources, pushing her well below self-sufficiency and making it much harder to meet basic needs.

One Adult, One Preschooler, and One Infant

Scenario 1

A family with one adult, one preschooler, and one infant with annual wages of $20,200 is not eligible for the Child and Dependent Care Tax Credit or the premium tax credit since all family members are eligible for Medicaid. Based on gross resources, this family was self-sufficient in Allen, Hocking, and Scioto Counties.

Hourly Wage	Annual Wage	Federal Poverty Level	Public Benefits	Gross Resources
$10.10	**$20,200**	**81%**	**$54,700**	**$74,900**

Scenario 2

A family with one adult, one preschooler, and one infant with annual wages of $35,000 is no longer eligible for SNAP and the adult in the family must transition from Medicaid to health care coverage through the Health Insurance Marketplace. Based on gross resources, this family was self-sufficient in Allen, Hamilton, Hocking, Scioto, and Summit Counties.

Hourly Wage	Annual Wage	Federal Poverty Level	Public Benefits	Gross Resources
$17.50	**$35,000**	**141%**	**$40,000**	**$75,000**

Scenario 3

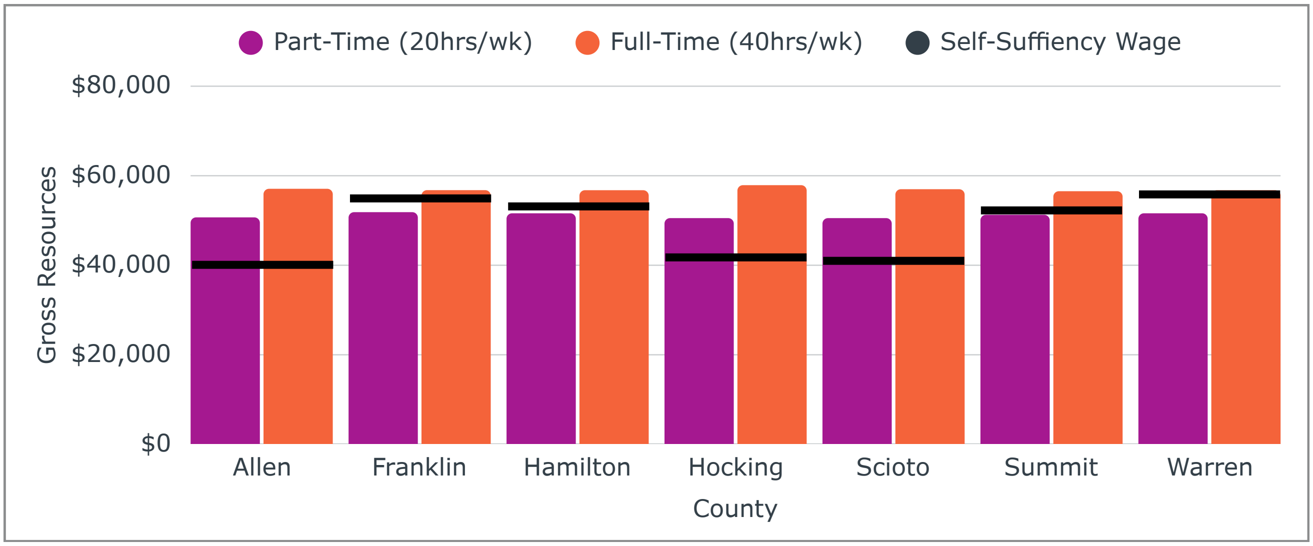
A family with one adult, one preschooler, and one infant with annual wages of $65,000 is no longer eligible for child care assistance, HEAP, Medicaid, or SNAP. Based on gross resources, this family was self-sufficient in all seven counties analyzed.

Hourly Wage	Annual Wage	Federal Poverty Level	Public Benefits	Gross Resources
$32.50	**$65,000**	**262%**	**$12,500**	**$77,500**

Part-Time to Full-Time Comparison

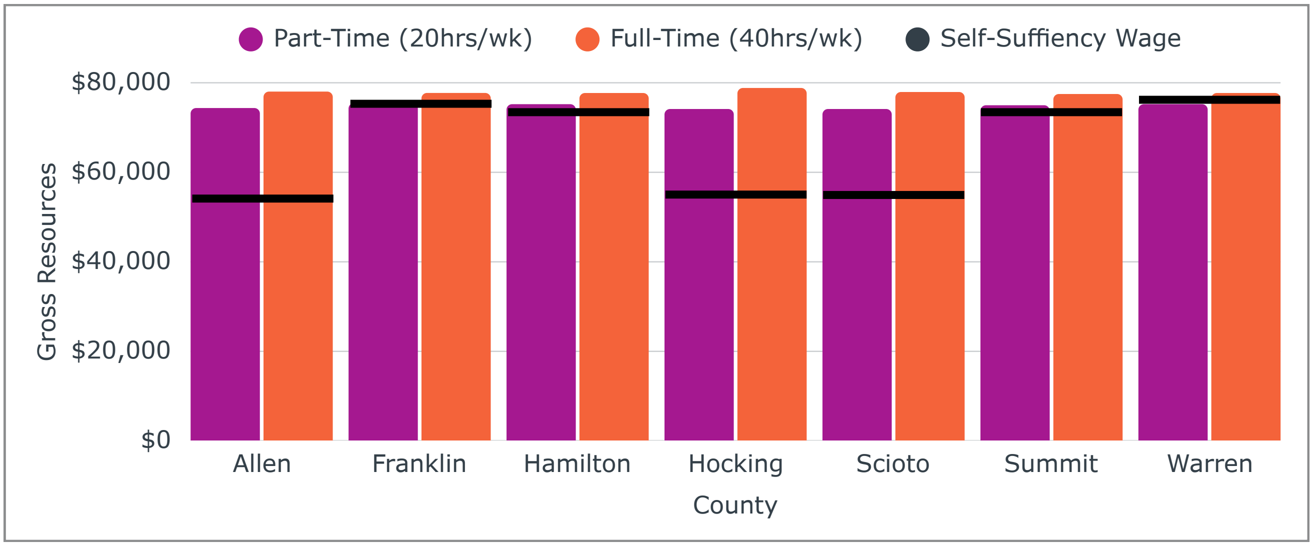
One Adult and One Preschooler

At $20.00 per hour, a family with one adult and one preschooler is self-sufficient with both part-time or full-time work in Allen, Hocking, and Scioto Counties. However, a family with one adult and one preschooler is self-sufficient with full-time work at $20.00 per hour in all seven counties. Despite doubling the hours worked, the gross resources for a family with one adult and one preschooler increased by between 9.5 and 14.6 percent.



One Adult, One Preschooler, and One Infant

A family with one adult, one preschooler, and one infant is self-sufficient with both part-time or full-time work in Allen, Hamilton, Hocking, Summit, and Scioto Counties at $20.00 per hour. In Franklin and Warren Counties, a family with one adult, one preschooler, and one infant is not self-sufficient with part-time work at $20.00 per hour, but is self-sufficient with full-time work at $20.00 per hour. Despite doubling the hours worked, the gross resources for a family with one adult, one preschooler, and one infant increased by between 3.0 to 6.3 percent.



Recommendations and Considerations

Addressing benefit cliffs requires coordinated action across government, employers, and community organizations. Centering the voices of workers and families in policy design and implementation can reduce cliffs, strengthen financial stability, and support pathways to self-sufficiency. The Women's Fund offers the following recommendations based on research, best practices, and stakeholder input.

For Policymakers

Raise Minimum Wage

Public benefits currently supplement wages that do not meet basic needs, effectively shifting costs to public systems. Raising the minimum wage closer to self-sufficiency levels can reduce reliance on benefits, as illustrated by the Women's Fund's Self-Sufficiency Simulator (www.cincinnatiwomensfund.org/self-sufficiency).

Reduce Administrative Burden

Streamlining application, renewal, and reporting processes across benefit programs can improve access and reduce disruptions as family income changes.

Taper Benefits as Wages Increase

Adjust benefit programs as wages increase to ensure families experience gradual transitions rather than sudden losses of critical supports.

Advance Pilot Initiatives

Support pilot programs like the Benefits Bridge Pilot that allow families to maintain benefits while increasing earnings and generate evidence for scalable policy solutions.

Strengthen Key Income Supports

Ohio should strengthen income supports by making the Earned Income Tax Credit refundable and continuing to expand SNAP eligibility and benefits. Together, these policies can help families maintain stability during income transitions and reduce early benefits cliffs.

For Employers

Understand Your Workforce

Many lower-wage workers receive public benefits, meaning wage increases can trigger benefit losses. Employers who understand these thresholds can better plan wage progression and support total worker resources.

Consider Fringe Benefits

Workplace benefits such as predictable scheduling, paid leave, and child care assistance can improve employee stability while reducing turnover and strengthening business capacity. Learn more at www.employertoolkit.org

For the Community

Spread Awareness

Building a shared understanding of financial fragility, self-sufficiency, and benefits cliffs can help align community efforts toward supporting economic mobility.

Through leadership, research, and policy advocacy, the Women's Fund is designing a community where all women can participate, prosper, and reach their full potential. Our mission is to advance gender and racial equity for women by addressing systemic barriers to upward mobility.

To learn more, visit cincinnatiwomensfund.org

The Research and Consulting division of the Alpaugh Family Economics Center at the University of Cincinnati provides tools to help clients make better financial, policy, and economic and workforce development decisions. Our dynamic approach and critical data analyses empower business and civic leaders to respond to changing economic conditions, strengthen local economies, and improve the quality of life for their communities.

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