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PRESS RELEASE

CONTACTS: Jessica Fraser, Senior Policy Analyst, 317-638-4232 or 260-438-3659
jfraser@incap.org

Lisa Travis, Program Manager, 317-638-4232 or 502-608-5347 ltravis@incap.org

Indiana Institute for Working Families announces Funding from the Indianapolis Foundation, a CICF Affiliate

Indianapolis, IN—The Indiana Institute for Working Families (Institute), a program of Indiana Community Action Association, announced today it has been granted \$15,000 from The Indianapolis Foundation, a CICF affiliate, to write a research report on the “cliff effect” as well as to create a Family Resource Simulator (Simulator) for Indiana. The report would outline how the “cliff effect” can be shown for various family types, in various regions throughout Indiana.

The cliff effect occurs when just a small increase in income leads to the complete termination of a benefit. The result is that parents can work and earn more, while their families end up worse off than they were before. The Institute has completed a policy brief regarding the cliff effect; however, more Indiana specific information and research needs to be done to show how these benefit cliffs are affecting working Hoosier families. The report would be modeled after other statewide Making Work Pay reports, which were supported by the Annie E. Casey Foundation.¹

Indiana will be one of twenty-six states that have a Family Resource Simulator (Simulator), which illustrates the impact of “work supports”— such as the Earned Income Tax Credit and child care assistance—on the budget of a hypothetical family. The Simulator, developed for states by the National Center for Children in Poverty generates graphs that show how family resources and expenses change as earnings increase. It can also be used to model how policy changes will affect families. However, Indiana’s Family Resource Simulator will be the first in the country to be primarily based on the basic needs data from the Self-Sufficiency Standard.

“We are very excited to conduct this research and to be able to concretely show the cliff that struggling families face when working toward self-sufficiency and being able to model concretely how effective work support program policies can end the hardships created for families experiencing the cliff effect,” said Lisa Travis, Program Manager of the Institute. The Institute plans to release the Simulator in early 2012, and then a mid-spring release for the cliff effect research report.

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¹ These reports examine how low wages for those who work full-time, year-round struggle to provide even minimum day-to-day necessities for their families and how work supports can help, however, few families receive all of the benefits for which they are eligible, and even multiple supports are often not enough to enable working families to make ends meet. Moreover, work supports are typically means-tested, and families tend to lose benefits before they can get by on earnings alone. The aim of these reports is to help policymakers create a work support system that enables all full-time workers to provide for their families and ensures that earning more always improves a family’s financial bottom line.

Indiana Institute for Working Families

The Indiana Institute for Working Families (Institute) is a program of the Indiana Community Action Association, Inc. (IN-CAA). The Institute was founded in 2004. The Indiana Institute for Working Families conducts research and promotes public policies to help Hoosier families achieve and maintain economic self-sufficiency. The Institute is the only statewide program in Indiana that combines research and policy analysis on federal and state legislation, public policies and programs impacting low-income working families with education and outreach. The Institute achieves its work by focusing its activities in the following areas: Public Policy; Research and Analysis; Education and Outreach; and National, Statewide, and Community Partnerships. To learn more, please visit: www.incap.org/iwff.html.

Indiana Community Action Association (IN-CAA)

The Indiana Community Action Association, Inc. (IN-CAA) is a statewide not-for-profit membership corporation, incorporated in the State of Indiana in 1970. IN-CAA's members are comprised of Indiana's 23 Community Action Agencies (CAAs), which serve all of Indiana's 92 counties. IN-CAA envisions a state with limited or no poverty, where its residents have decent, safe, and sanitary living conditions, and where resources are available to help low income individuals attain self-sufficiency. IN-CAA serves as an advocate and facilitator of policy, planning and programs to create solutions and share responsibility as leaders in the war against poverty. IN-CAA's mission is to help the state's CAAs address the conditions of poverty through: training and technical assistance; developing models for service delivery; and providing resources to help increase network capacity. For more information about IN-CAA, please visit IN-CAA's web site at: www.incap.org.

National Center for Children in Poverty (NCCP)

The National Center for Children in Poverty (NCCP) is the organization who has coordinated the Making Work Supports Work Project across the country. NCCP is the nation's leading public policy center dedicated to promoting the economic security, health, and well-being of America's low-income families and children. NCCP uses research to inform policy and practice with the goal of ensuring positive outcomes for the next generation. We promote family-oriented solutions at the state and national levels.