



Circles Salt Lake is a nonprofit doing important work to reduce poverty throughout Salt Lake County, serving individuals and families who are experiencing intergenerational and situational poverty.

At Circles we focus on two main priorities:

1. Connecting our families to resources and providing a network of support to get out of poverty.
2. Identifying and addressing systemic barriers that keep them in poverty.

The most significant barrier to upward mobility is the Benefits Cliff Effect.

The Benefits Cliff Effect occurs when a small increase in income triggers a disproportionate loss of benefits from sudden ineligibility for subsidized food, housing, insurance and/or child care assistance. This action creates a barrier to upward mobility in workforce development.

In our Circles chapter, participants have shared their personal stories of experiencing the Benefits Cliff Effect.

- One story is of a single mother who escaped domestic violence by her husband, she committed to a better life for her and her two children, one of these children had extensive medical needs. She was excited when her employer offered an opportunity to earn more income, moving from 20 to 30 hours per week. What netted her a \$20 increase in wages, resulted in the loss of \$600 in medical insurance benefits. She reduced her hours back to 20 and declined any future opportunities for advancement.
- Another single mother, who had previously experienced homelessness, accepted a \$1/hr increase in pay. This \$160 monthly gross increase resulted in the loss of housing assistance, SNAP, childcare and medical insurance, approximately \$1500 in benefits. The impact to her mental health from the financial stress impacted her work performance and she lost her job.

We are confident that a process of a tiered reduction to benefits as individuals receiving work to become independent, will allow long term success and the ability to break the cycle of poverty. Thank you.