

What is the DCGIC?

DC Guaranteed Income Coalition has as its focus two primary goals: (1) to pass a permanent guaranteed income for all in the Washington, D.C. region, and (2) to enable individuals and communities to meet their basic needs and live with dignity and joy. The Coalition strengthens the current social safety net through advancing policies that ensure economic mobility.

Income inequality in the District of Columbia presents significant challenges to community stability and its commitment to racial and economic justice. In 2022, approximately one in seven District residents, or over 98,000 lived in households with incomes below the poverty line – about \$26,500 per year or less for a family of four.¹

Visit the DCGIC website at <https://dcgicoalition.org/>

What is guaranteed Income?

Guaranteed Income is a targeted measure that provides unrestricted cash on a monthly, or other regular, basis to lower income individuals, regardless of their age, health, or employment status. GI can be a powerful tool to close income and wealth gaps, support recipients' physical and mental health, promote racial and gender equity, and advance economic stability and mobility.

Read more about guaranteed income at <https://dcgicoalition.org/what-is-guaranteed-income/>

Check out a dashboard of guaranteed income pilots in the US here:
<https://basicincome.stanford.edu/research/guaranteed-income-dashboard/>

What GI pilots are running in DC?

There are currently 6 guaranteed income pilot programs distributing cash in Washington, DC, with 2 planning to launch payments in the near future. To read more about these pilots, visit <https://mothersoutreachnetwork.org/pilots-in-the-dmv/>.

What is the benefit cliff?

Over time, government programs have established an array of social safety net programs with specific metrics to determine if an individual or family is eligible to receive benefits. For most of these programs, applicants must have an income at or below a certain threshold to qualify for assistance. Cash transfers can increase income above the eligibility threshold thereby reducing or, in some cases, causing the loss of eligibility completely, also known as a “**benefit cliff**.”

Benefit cliffs are a problem that extends far beyond guaranteed income programs. Individuals and families might also experience a loss of benefits if, for example, they secure a new job after a period of unemployment, move from part-time to full-time work, or receive a raise. In this way, benefit cliffs punish higher earnings, creating a perverse disincentive to economic mobility.

Benefits cliffs also appear because of the inconsistent, overlapping regulations and eligibility criteria for the myriad of individual programs that make up our social safety net. For example, if a family receiving a

¹<https://www.dchealthmatters.org/?module=indicators&controller=index&action=view&comparisonId=&indicatorId=8483&localeType=10&localeId=130951>

housing subsidy starts receiving a new benefit such as social security or TANF, they would likely see an increase in their share of their housing costs, reducing the value of their housing subsidy. In this way, benefit cliffs lead safety net programs to work against each other.

Both in the context of guaranteed income and in the more general context of promoting economic mobility and strengthening the social safety net, benefit cliffs are important to address. Because of these cliff effects, welfare programs have a subtractive impact, so that families face significant losses for every gain they make. A more effective and efficient system would start by ensuring that public benefits programs have a cumulative impact, both to maximize the impact of our investments in these programs and to better support families.

Read more here:

- [Policies - Benefits Cliffs - DC Guaranteed Income Coalition](#)
- [Moving on Up - Helping Families Climb the Economic Ladder by Addressing Benefits Cliffs](#)
- [Marginal Tax Rate Series | ASPE](#)
- [Benefit Cliffs](#)

What have GI pilots done to address benefit cliffs?

Guaranteed Income pilots have taken several approaches to protecting recipients' other benefits. These can be grouped into five categories: pursuing waivers and regulatory changes, providing benefits counseling/ensuring informed consent, offering hold harmless funds to replace lost benefits, tailoring pilots' eligibility criteria to minimize risk of benefit loss, and engaging in advocacy to pass legislation. Many pilots use a combination of these approaches.

For example, a guaranteed income pilot in Providence, Rhode Island worked with the local housing authority and state department of human services to secure waivers and regulatory changes that protected the housing subsidies of participants living in public housing, as well as to protect participants' TANF benefits. The pilot also provided benefits counseling to all participants during onboarding to ensure participants understood how their benefits might be impacted and provide the information they needed to give their informed consent to participate in the pilot. Finally, the pilot made a hold harmless fund available to compensate participants for any unexpected loss of benefits. This three-fold approach is common among pilots.

For more information, check out the following resources:

[Benefits Protections Fact Sheet_November 2022](#)
[Protecting Benefits in Guaranteed Income Pilots](#)

What has DC done to address benefit cliffs?

The District of Columbia has taken some important steps to address benefit cliffs that position it as a national leader on this issue. In 2022, the District passed the [EITC Expansion Clarification Amendment Act of 2022](#), which allows for the exclusion of payments from tax credits paid periodically (e.g. monthly) and payments from cash transfer/guaranteed income pilot program when calculating specific safety net benefits. This legislation is an important step forward and provides the building blocks for additional family protections.

The District's government agencies have yet to fully incorporate this legislation into their policies and processes, causing confusion about the state of benefits protection in the District.

What else could be done?

While the EITC Expansion Clarification Amendment Act of 2022 was a promising step in the right direction, much remains to be done to fully resolve problems related to benefits cliffs.

Both local and federal legislation is needed to make it easier to protect benefits such as housing subsidies; nutrition assistance programs, including SNAP and WIC; and SSI for participants in guaranteed income pilots and programs. For an example of strong state legislation, see [Illinois IL Public Act 101-0415](#).

Legislative reform is also needed to align benefit programs' regulations and eligibility criteria so that gaining a new benefit doesn't put recipients' existing benefits at risk. Finally, much more work must be done to ensure that low-income households are not penalized for increasing their earnings.

To learn more about some of the approaches that states have taken to address these issues, visit:

- [Report: Introduction to Benefits Cliffs and Public Assistance Programs](#)
- [Benefits Cliff Policy Concerns — All About Benefit Cliffs](#) and [Benefit Cliff Pilots](#)