

**FOR IMMEDIATE RELEASE**  
**Thursday, August 1, 2013**

**PRESS RELEASE**

**CONTACT:** Derek Thomas, Senior Policy Analyst, 317-638-4232 or [dthomas@incap.org](mailto:dthomas@incap.org)

## **Indiana Institute for Working Families Announces Funding From the Indianapolis Foundation, a CICF Affiliate**

**Indianapolis, IN**— The Indiana Institute for Working Families is pleased to announce that it has been granted \$15,000 from The Indianapolis Foundation, a CICF affiliate, to support the Institutes efforts to conduct an education, advocacy and consensus-building campaign as a follow-up to the Institute’s report: *The Cliff Effect, One Step Forward, Two Steps Back – How Policy Design Acts as a Disincentive for Economic Mobility*.<sup>1</sup> The campaign will be geared towards policy stakeholders in Indiana in an effort to solicit solutions to the problems addressed in the report.

Along with the support of the Indianapolis Foundation (a CICF affiliate), the Institute worked with the National Center for Children in Poverty (NCCP) to illustrate the “cliff effect”— the benefit “cliff ” that occurs when even a \$0.50 increase in hourly wages leads to the complete termination of a benefit, and a dramatic net loss of resources. The unintended consequences of this design either leads to a disincentive towards economic mobility, or leads to a situation in which the parent or guardian is working harder, but is financially worse off. The report was modeled after NCCP’s “Making Work Pay” reports—also sponsored by the Annie E. Casey Foundation.<sup>2</sup>

According to Derek Thomas, Senior Policy Analyst and author of the report: “Given the new economic reality that families across Indiana face, including stagnating wages and the increasing costs of supporting a family, targeted work supports are more important than ever. Unfortunately, they are not working as they are intended, and instead, are creating a poverty trap for Hoosier families who are working hard to achieve the freedoms of economic self-sufficiency. No one wants to see Hoosiers punished for working harder, and we expect the vast majority of policymakers will agree.”

According to Angie Carr-Klitzsch, CICF’s Director of Community Impact – Family Success: “The Indianapolis Foundation’s multi-year investment in the Center for Working Families (CWF) network has successfully helped almost 1,000 families increase their earnings and assets; however, systemic barriers exist in the quest for financial independence for low-wage workers. We value the drive and determination of hardworking families in Indiana, and want smart policies that encourage career and wage advancement.”

---

<sup>1</sup> See the Cliff Effect report and info-video online at: <http://www.incap.org/documents/iwvf/2012/Cliff%20Effect.pdf>

<sup>2</sup> See a sample of media coverage here:

Working Americans Turn Down Pay Raise to Avoid Cliff Effect: <http://nbcnews.to/Zwgz9F>

Advocacy group Wages War on Cliff Effect: <http://bit.ly/16ixowx>

The Unequal State of America, A Hoosiers Falls off the Benefit Cliff: <http://reut.rs/UazVM3>

###

## **ABOUT THE 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 and 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 about the Institute, please visit: [www.incap.org/iwvf.html](http://www.incap.org/iwvf.html)

## **ABOUT THE 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: [www.incap.org](http://www.incap.org)