



October 11, 2024

The Hon. Marjorie Decker
Chair, Special Commission on Poverty
State House, Room 130
Boston, MA 02133

The Hon. Sal DiDomenico
Chair, Special Commission on Poverty
State House, Room 405
Boston, MA 02133

Dear Chair Decker and Chair DiDomenico,

Thank you for the critical work that you and your fellow Commission members have been doing to identify strategies for reducing poverty and expanding opportunities for people in Massachusetts with low incomes. On behalf of One Family, Inc., I respectfully submit the following recommendations:

1. Prioritize helping families and individuals achieve self-sufficiency
2. Eliminate the Cliff Effect as a barrier to achieving self-sufficiency
3. Harness the power of individualized education-and-career-focused coaching
4. Strengthen the Massachusetts Earned Income Tax Credit (EITC)
5. Strengthen the Child and Family Tax Credit (CFTC)
6. Improve access to refundable family tax credits through a robust outreach and communications campaign and sustained funding for the Volunteer Income Tax Assistance (VITA) program

Background - One Family, Inc.

One Family, Inc. (onefamilyinc.org) was established in 2000, with a mission to prevent homelessness and break the cycle of family poverty in Massachusetts, by promoting pathways to economic independence through advocacy, education, and innovation. We currently serve about 500 families across Massachusetts through three direct service programs - [One Family Scholars](#), [Credential to Career Coaching \(C2C\)](#), and [Family Self-Sufficiency](#). The underlying philosophy of all three programs is that long-term housing stability is built on a foundation of education and career success. Through each, we help parents with low incomes throughout Massachusetts identify and pursue education and career goals, and increase their income, to achieve economic independence and housing stability.

In addition to our direct service work, we also help state agencies and nonprofit organizations incorporate individualized coaching focused on education and career pathways into their housing and asset-building programs. Finally, we advocate for policies that support housing stability and economic opportunity; importantly, we engage the families we serve in that advocacy.

Recommendation #1: Prioritize helping families and individuals achieve self-sufficiency

The great majority of Massachusetts families and individuals with low incomes have the potential to achieve self-sufficiency, but have been denied the opportunity to reach this goal. *Policies addressing poverty and expanding opportunity for people with low incomes should first and foremost be focused on helping them achieve self-sufficiency.*

The road to achieving self-sufficiency is long and arduous, particularly given the sky-high cost of renting or owning a home in Massachusetts. While families and individuals strive towards this goal, targeted housing assistance such as the Massachusetts Rental Voucher Program (MRVP), and additional investments such as fully-refundable family tax credits (see recommendations 5-7 below) can play a critical role in ensuring that basic household needs are met along the way.

Recommendation #2: Eliminate the Cliff Effect as a barrier to achieving self-sufficiency

The [Cliff Effect](#), or benefits cliff, is the single greatest barrier to families and individuals with low incomes achieving self-sufficiency, as noted by policy analysts and social scientists,¹ as recognized by the Massachusetts Legislature when it established the Bridge to Prosperity pilot through the 2022 Economic Development Bill,² and as we see in One Family's work with Massachusetts families. **Efforts to reduce poverty and expand opportunities for people in Massachusetts with low incomes must be laser-focused on eliminating the Cliff Effect as a barrier to achieving self-sufficiency.**

We anticipate that the Bridge to Prosperity pilot, led by Springfield WORKS, will successfully demonstrate one effective tool for mitigating the Cliff Effect. As pilot participants' income increases and the value of their safety net benefits decrease, the program will provide supplemental cash benefits to bridge the gap. Participants will also receive one-on-one career and financial coaching to reach their goals, and connections with several participating employer partners with living wage employment opportunities.

Recommendation #3: Harness the power of individualized education-and-career-focused coaching

One Family's work helping Massachusetts families achieve self-sufficiency demonstrates the remarkable power of individualized education-and-career focused coaching. For example, One Family Scholars, who receive a combination of a) individualized academic and career coaching and b) scholarship support, achieve tremendous results. 75% of One Family Scholars earn a college degree. By way of comparison, the national college graduation rate is 54%. One Family Scholars' 75% graduation rate is even more

¹ ["The Cliff Effect: One Step Forward, Two Steps Back - Policy Design as a Disincentive for Economic Mobility,"](#) Indiana Institute for Working Families (2012) at 9; [Remarks of Institute of Politics Director Terry Miller](#), University of Pittsburgh Institute for Politics Report, Issue 56 (2016) at 6; see also West Virginia Center on Budget & Policy, ["Avoiding the Cliff Effect"](#) (2012).

² Amanda Blanco, ["New Massachusetts law puts \\$1 million towards helping families overcome 'cliff effect'."](#) Federal Reserve Bank of Boston, Working Places (2013).

remarkable, given that One Family works exclusively with single parents with low incomes. Nation-wide, less than 10% of single parents who enroll in college graduate with a college degree.

One Family Scholars' academic achievement pays dividends in career success and housing stability. The average income of One Family Scholars program graduates is \$63,000, enabling families to leave poverty behind. According to a 2022 survey of program Alumni, 95% of Alumni have stable housing.

Individualized education-and-career focused coaching also helps graduates of One Family's Credential to Career Coaching (C2C) program achieve a remarkable salary increase of over \$21,000 upon securing new jobs.

To leverage the power of coaching (vs. a 'case management' approach³), we urge the Commission to recommend that contracts with Emergency Assistance homeless shelters and other providers serving families and individuals with low incomes incentivize the following alternatives:

- Hiring, training and deploying staff whose exclusive role is providing individualized academic and career coaching to clients;
- Subcontracting with an organization with expertise in individualized academic and career coaching to provide coaching to their clients;
- Securing training for new and existing staff from an organization with expertise in individualized academic and career coaching.

Recommendation #4: Strengthen the Massachusetts Earned Income Tax Credit (EITC)

We urge the Commission to recommend that the Mass. EITC be strengthened in the following ways:

- a) Extend eligibility for the EITC to immigrant and mixed-status families who file taxes using an Individual Taxpayer Identification Number (ITIN);
- b) Increase the EITC match from 40% to 50% of the federal credit; and
- c) Remove the dependent cap in the EITC.

Strengthening the Mass. EITC with these concrete steps would increase financial resources for working families with low incomes as they work towards achieving self-sufficiency, improving economic stability and children's health.

Recommendation #5: Strengthen the Child and Family Tax Credit (CFTC)

We urge the Commission to recommend that the Child and Family Tax Credit be strengthened in the following ways:

- a) Increase the CFTC to at least \$600 per dependent;
- b) Index the CFTC to inflation, thereby protecting its value over time;
- c) Extend eligibility for the CFTC to all children under age 18; and
- d) Create the option for disbursing the CFTC in advance, periodic payments.

³ For a discussion of the difference between coaching and case management, see "[Making the Transition from Case Management to Coach.](#)"

Recommendation #6: Improve access to refundable family tax credits

We urge the Commission to recommend that access to refundable tax credits - the Mass. EITC, the CFTC, the federal EITC and the Child Tax Credit - be improved, by a) fully funding VITA at \$1.5M, and b) investing in a robust outreach campaign promoting the availability of free VITA tax preparation assistance.

Thank you for the opportunity to offer these recommendations, and for the critical work that you and your fellow Commission members have been doing to identify strategies for reducing poverty and expanding opportunities for people in Massachusetts with low incomes.

Sincerely,



Valerie Paric
Executive Director