The Reality of Month-to-Month Living

For 2025, the U.S. Department of Health and Human Services (HHS) defines the poverty line for a family of three as $26,650 a year. That means, for $2,250 per month, an above-the-poverty-line couple with one child or a single parent with two children must cover the essentials of rent, electricity, water, phone service, groceries, medicine, doctor visits, and, if they own a car, car insurance.

Just as essential, with what's left of the $2,250 a month, are the more flexible expenses of clothes, shoes, and basic personal care products, as well as gas or bus fare for transportation to work. Birthdays, Christmas, and back-to-school: the incidental costs can add up, no matter how minimal the spending is for these flexible costs of living and raising a child.

For this family, it's easy to recognize how month-to-month living has no room for saving for the future. And just one flat tire, one roof leak, or one ER visit can move the family into financial trouble, with even less chance of breaking the cycle of poverty for the next generation.

Navigating Public Assistance Programs

With $27,000 annual income, this family of three has an income below the qualifying threshold for Supplemental Nutrition Assistance Program (SNAP), Lifeline (phone/internet subsidy), Housing Choice Vouchers, Low Income Home Energy Assistance Program (LIHEAP), The Emergency Food Assistance Program (TEFAP), and Child Care Development Fund (CCDF).

If an adult in this family were to take on an additional job earning $20,000, resulting in a new total household income of $47,000, the family of three would now be below the threshold for just two of these programs: TEFAP and CCDF. The logic here is that a higher income means that families do not need as many benefits. However, this family is only better off if the additional income can cover the costs of groceries, phone/internet, housing, and electricity that the lost benefits previously covered. It may seem counterintuitive, but an increase in income does not always mean a low-income family is better off.

Understanding the Benefit Cliff: A Hidden Financial Hurdle

According to the Institute for Research on Poverty, "a family hits a *benefit cliff* when a small income increase makes them ineligible for public benefits they had been receiving." People making $13-17 per hour are particularly vulnerable to falling off a benefit cliff (as a reminder, the federal minimum wage is currently $7.25/hour; Georgia's minimum wage is $5.15/hr). Benefit cliffs are tracked by several organizations, including the Assistant Secretary for Planning and Evaluation (ASPE) within HHS and the Federal Reserve Bank of Atlanta.

Source: Federal Reserve Bank of Atlanta

This graph from the Federal Reserve illustrates the concept of a benefit cliff in how net income (after benefits received or lost due to increased income) can plateau or even drop off significantly. More income is not a clear a path out of poverty as families face their often challenging month-to-month financial decisions.

Pathways to Breaking Generational Poverty

Congregations and nonprofits that help families move beyond a mere livable wage—toward earnings that allow them to save for life's uncertainties and invest in their children's education—offer hope for lasting change. For families living month-to-month , such support can open the door to a future in which they, or at least their children, can break free from the cycle of poverty that has bound generations before them.

If your outreach ministry is working with families facing a benefit cliff, you may be eligible for funding from the Episcopal Community Foundation for Middle and North Georgia. Learn more about our grants.

For additional information about benefits cliffs, visit:

- "A hand up, not a handout, to cross the benefits cliff" Gabriella Chiarenza, FedCommunities
- "What Are Benefits Cliffs?" Federal Reserve Bank of Atlanta
- "Introduction to Benefits Cliffs and Public Assistance Programs" National Conference of State Legislatures

Following Christ's example and the tradition of The Episcopal Church, we partner with Episcopal communities in the Diocese of Atlanta by providing funding, leadership, and resources to enable Episcopalians to lift up people facing poverty and oppression and to achieve significant, long-lasting change in our communities.

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