Allowing Steady Savings by Eliminating Tests (ASSET) Act

Senators Coons and Brown | Reps. TJ Cox, Kim Schrier, and Jimmy Gomez

BACKGROUND

- **TANF, SNAP, LIHEAP, and SSI are vital pieces of the federal safety net.** The Temporary Assistance for Needy Families (TANF) program, Supplemental Nutrition Assistance Program (SNAP), and Low Income Home Energy Assistance Program (LIHEAP) help low-income families, particularly those with children, meet basic needs like food and heating. The Supplemental Security Income (SSI) program reduces extreme poverty among the elderly and people with disabilities.
- **Safety net programs often limit families' eligibility on the basis of both income and assets.** A savings account or a car can count against eligibility. Asset limits for savings are outdated and often set as low as 2,000, limiting a family's preparedness for a medical emergency or unanticipated expense. The asset limit for SSI has not changed since 1989.
- **Asset limits are counterproductive.** Building assets are the key to economic development, yet asset limits penalize saving for emergencies, education, and retirement.
- **Some states have eliminated asset limits.** Federal law gives states flexibility in administering TANF, SNAP, and LIHEAP. Eights states have eliminated TANF asset limits, 34 states have eliminated SNAP asset tests, and 39 states have no LIHEAP asset test. SSI is administered by the federal government and has not changed asset limits since 1989.

THE ASSET ACT

- **Eliminates asset limits on TANF, SNAP, and LIHEAP.** The bill prohibits states from applying asset or resource limits on these programs. Income limits would remain. A delay on implementation is permitted for states that need to pass legislation to conform.
- **Raises the asset limits on SSI.** The bill raises the current asset limit for SSI from $2,000 to $10,000 for an individual and from $3,000 to $20,000 for a couple, indexed to inflation.

WHAT WOULD THIS MEAN?

- **Financial security.** Removing asset limits on SNAP alone increases the odds that lower-income adults have at least $500 by 8% and have a bank account by 5%. It also reduces the amount of individuals repeatedly cycling on and off the program by 28%.[1]
- **No new opportunity for abuse.** Research shows applicants for public assistance have very limited assets and the bill retains work requirements and time limits on participation.[2]
- **Administrative savings.** Removing this bureaucratic layer when states are administering SNAP and TANF simplifies the application process and saves time for caseworkers. When Pennsylvania eliminated its SNAP asset test in 2015, it anticipated saving $3.5 million.[3]
- **Consistency.** Research shows that inconsistent policies among these programs and across states results in confusion for eligible recipients and non-recipients and can deter savings.[4]

The Asset Act is Endorsed By:

Alliance to End Hunger, Bread for the World, Center for Law and Social Policy (CLASP), Children's HealthWatch, Coalition on Human Needs, Delaware Community Legal Aid Society, Delaware Community Reinvestment Action Council, Food Bank of Delaware, Food Research and Action Center (FRAC), First Focus Campaign for Children, National Low Income Housing Coalition, National Women's Law Center, Prosperity Now, REACH Riverside, United Way of Delaware, and UnidosUS.

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[1] https://www.urban.org/sites/default/files/publication/82886/2000872-The-Unintended-Consequences-of-SNAP-Asset-Limits.pdf
[2] https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2016/07/do-limits-on-family-assets-affect-participation-in-costs-of-tanf
[3] https://www.governor.pa.gov/newsroom/snap-asset-test/
[4] https://static.newamerica.org/attachments/3826-state-asset-limit-reforms-and-implications-for-federal-policy/SpragueBlackFinal10.31.12_0.557490fb36df433a80bd5cb2f3885e5d.pdf