

Allowing Steady Savings by Eliminating Tests (ASSET) Act of 2021

Senators Coons and Brown | Reps. Jimmy Gomez and Kim Schrier

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 Asset limits for savings are outdated and often set as low as 2,000, limiting a family's preparedness for a medical emergency or unanticipated expense.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. Eight 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 26%.
- **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.
- **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.
- **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.

The ASSET Act is Endorsed By:

Prosperity Now, Alliance to End Hunger, Bread for the World, Center for Law and Social Policy (CLASP), Children's HealthWatch, Consortium for Citizens with Disabilities (CCD) Social Security Task Force, Coalition on Human Needs, Feeding America, First Focus Campaign for Children, Food Research & Action Center (FRAC), Justice in Aging, Local Initiatives Support Corporation (LISC), MAZON: A Jewish Response to Hunger, National Low Income Housing Coalition (NLIHC), National Women's Law Center, The Arc, UnidosUS, Delaware Community Reinvestment Action Council (DCRAC), Delaware Community Legal Aid Society (CLASI), Food Bank of Delaware, Metropolitan Wilmington Urban League, REACH Riverside, United Way of Delaware

WHAT PEOPLE ARE SAYING ABOUT THE ASSET ACT

“Prosperity Now is proud to work with Senators Coons and Brown and Representatives Gomez and Schrier to once again champion the ASSET Act. This bill will remove the harmful barriers to public assistance programs created by asset limits, particularly at this time when so many households are still trying to find a stable foothold and a sense of recovery as we all emerge from the pandemic together.” — **Gary Cunningham, President and CEO, Prosperity Now**

“Bread for the World strongly supports the ASSET Act. Eliminating asset tests will give struggling families the opportunity to build up savings and pull themselves out of hunger and poverty. Families should not be punished for building a better life for themselves or for having some savings to fall back on in case of an emergency or unexpected expense.” — **Heather Valentine, Director of Government Relations, Bread for the World.**

“We know that children thrive when their families are able to afford basic needs today and save for a better future tomorrow. Removing asset limits in programs means knocking down barriers for families so children stay healthy and are able to reach their highest potential.” - **Dr. Megan Sandel, pediatrician and Co-Lead Principal Investigator for Children's HealthWatch at Boston Medical Center**

“The Coalition on Human Needs strongly supports the ASSET Act which will allow people who need TANF, SNAP, LIHEAP, and SSI to improve their economic security by ending counter-productive penalties on savings, enabling them to withstand financial emergencies, reduce their dependence on public assistance, and build for their future.” —**Deborah Weinstein, Executive Director, Coalition on Human Needs.**

“Even before the pandemic, child poverty was stubbornly high in the U.S. The COVID-19 pandemic and its economic fallout have disproportionately impacted children, spotlighting the need for a robust, comprehensive social safety net. Programs such as TANF, SNAP, and LIHEAP help lift millions of children out of poverty each year, and support their healthy development. Prohibiting families with children from accessing cash assistance and nutritional support that we know make a difference simply because they have some assets or savings is counterintuitive as we work to break the cycle of poverty, especially during a pandemic when these programs have provided critical support to struggling families.” — **Bruce Lesley, President, First Focus Campaign for Children**

“Particularly in the wake of COVID-19, when food insecurity has skyrocketed to unfathomable levels, is clear that we must strengthen programs like SNAP and ensure that as many people as possible can access live-saving support. Eliminating the federal asset limit for SNAP is an important step in streamlining assistance and ensuring that low-income working families with modest savings can still receive critical nutrition assistance. We applaud Senator Chris Coons and Congressman Jimmy Gomez for reintroducing the ASSET Act, and we urge Congress to pass this bill as quickly as possible.” — **Abby J. Leibman, President & CEO of Mazon: A Jewish Response to Hunger.**

“Simplifying asset test policies in Michigan has reduced barriers and accelerated the process for struggling families to get benefits they need. The ASSET Act would take the next step in making the safety net work better for both families and state agencies who administer these programs.” — **Robert Gordon, Senior Counselor at Poverty Solutions at the University of Michigan and former Director of Health and Human Services for the State of Michigan**

“Applying asset limits on safety net programs is flawed public policy. At the Delaware Department of Health and Social Services, we took an important step in 2009 to raise the TANF asset limit, realizing that such a low limit was counterproductive to the Department’s mission to promote self-sufficiency among public benefit recipients. The ASSET Act takes Delaware’s and other states success in reforming asset limits one step further and ensures these programs allow the most vulnerable families to access benefits while planning for their economic independence.” — **Rita Landgraf, Director, Partnership for Healthy Communities at the University of Delaware and former Cabinet Secretary of the Delaware Department of Health and Social Services**

“Without savings, many of us are just one paycheck away from a cycle of debt. This is especially true for our most marginalized and economically vulnerable communities. The ASSET Act removes the cruel penalty against families who save more than \$2,250. It encourages savings in ways that actually lift people out of poverty and build financial security.” — **Rashmi Rangan, Executive Director, Delaware Community Reinvestment Action Council**

“Over time, public policies, private sector actions, and disinvestment have combined to perpetuate segregation in our cities and concentrate poverty in certain neighborhoods. Intergenerational urban poverty continues to persist and conditions need to be created to ensure that all people can sustain a decent standard of living. We applaud and thank Senator Coons for introducing the ASSET Act, which will eliminate asset limits for programs such as SNAP and TANF. This Act will allow people, who need these programs, to improve their financial security through savings for emergencies, education, reliable transportation, or a new home.” — **Logan Herring, Chief Executive Officer, REACH Riverside**