



Why an Asset Test Would Hurt Pennsylvania

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The asset test punishes people for saving money: Saving money is one of the surest paths from poverty to self-sufficiency. Forcing a family to drain their savings before receiving help is not only cruel, but counterproductive in helping them move off government assistance. Recognizing the devastating effects of an asset states, 36 states and the District of Columbia have no asset test for SNAP.

An asset test would hurt seniors and people who've recently lost their jobs: Under the planned asset test, tens of thousands of Pennsylvanians could lose their SNAP benefits, particularly seniors living on fixed incomes and the recently unemployed—two groups that are more likely than others to have savings or cars.

The planned asset test limit (\$2,000 for most households/\$3,250 for seniors or people with disabilities) is unreasonable. The \$2,000 federal asset test has been in place since 1986, when that amount could buy twice as much as it can today. A household with \$2,000 in savings would be ill-prepared to pay for medical emergencies or the first and last month's rent required for an apartment of their own.

An asset test would hurt Pennsylvania businesses and the economy: Pennsylvania could lose tens of millions of dollars each year in federally funded SNAP benefits, which would otherwise be pumped into the state's economy as food stamps are spent at grocery stores, farmers' markets and small businesses across the state. Because every \$1 in SNAP benefits generates \$1.73 in economic activity, Pennsylvania stands to lose millions more if the asset test is reinstated.

An asset test would not save Pennsylvania any state taxpayer money: SNAP benefits are fully funded by the federal government, so no state tax dollars would be saved. The costs for administering food stamps are split between the federal government and the state. By adding an asset test, the state's administrative costs would actually increase to pay for technological upgrades, additional training and staff time.

An asset test would not weed out waste, fraud and abuse in the Department of Public Welfare: Pennsylvania currently has one of the lowest SNAP fraud rates in the nation: less than 1 percent, according to the USDA. The planned asset test would place further strain on already understaffed County Assistance Offices, increasing opportunities for errors in processing applications.