RESOURCE GUIDE:
LIFTING ASSETS LIMITS IN PUBLIC BENEFIT PROGRAMS

PART 1: UNDERSTANDING THE ISSUE

Overview

Many public benefit programs—such as cash welfare, food assistance and energy assistance—limit eligibility to those with few or no assets. If individuals or families have assets exceeding the limit, they must "spend down" longer-term savings in order to receive what is often short-term public assistance. These asset limits, which were originally created to ensure that public resources did not go to "asset-rich" individuals, are a relic of entitlement policies that in some cases no longer exist. The cash welfare program Temporary Assistance to Needy Families (TANF), for example, now focuses on quickly moving individuals and families to self-sufficiency, rather than allowing them to receive benefits indefinitely. Personal savings and assets are precisely the kinds of resources that allow people to move off public benefit programs. Yet, asset limits can discourage anyone considering or receiving public benefits from saving for the future.

What states can do

Federal Flexibility

The authority to set and eliminate asset limits is shared by the federal and state governments. The federal government sets the asset limits in the Supplemental Security Insurance (SSI) program at $2,000 for individuals and $3,000 for couples, which states do not have the power to change. The federal government has given states the flexibility to set or remove asset limits in TANF, the Supplemental Nutrition Assistance Program (SNAP) and the Low-Income Home Energy Assistance Program (LIHEAP). Prior to the 2010 federal Affordable Care Act (ACA), states had *flexibility* to set or remove the asset test for Medicaid. However, the ACA *required* states to remove Medicaid asset tests for parents, kids, pregnant women and adults with incomes below 138% of the federal poverty level (FPL).[1] In theory, Congress could make similar changes in TANF, SNAP and LIHEAP. However, to date, it has left states to make their own decisions on a piecemeal basis.

Who Sets the Rules for Asset Limits?

Federal Government	Federally-Authorized State Flexibility
Supplemental Security Income (SSI): $2,000 for individuals, $3,000 for couples	TANF (cash welfare:) $2,000-3,000 in most states
Medicaid: States were required to remove asset tests by January 2014 for parents, children, pregnant women and childless adults with incomes below 138% of FPL.[2]	SNAP (food assistance): $2,000 ($3,250 if household includes disabled or elderly member) to $25,000 in states that have limits
	LIHEAP (energy assistance): $2,000-20,000

1 The ACA removed the asset test for parents, kids and pregnant women—three groups who were previously eligible for Medicaid—and added a new category of eligible adults (i.e., individuals ages 19 to 65) whose incomes are below 138% of the poverty level. However, the elimination of the asset test does not apply to seniors and people whose eligibility is based on disability.

2 States continue to have flexibility to set or eliminate the Medicaid asset test for seniors and people whose eligibility is based on disability.

States have several options for addressing asset limits in TANF, SNAP and LIHEAP. However, the best option is to eliminate asset limits entirely. The existence of an asset limit, no matter how high, sends a signal to program applicants and participants that they should not save or build assets.

Short of total removal of asset limits, states can mitigate the disincentive to save by increasing asset limits and/or indexing them to inflation, thereby reducing the likelihood that participants or applicants will reach the limit. Another option for TANF and LIHEAP is for states to exempt certain types of assets from their asset tests (this is not an option in SNAP). While most programs exclude some "illiquid" assets, such as a home or defined benefit pension, many other liquid holdings, such as defined contribution retirement accounts (e.g., 401(k)s), health savings accounts, education savings accounts (529s and Coverdells) or Individual Development Accounts, often count against the asset limits. States should exempt these types of assets. In addition, vehicles, which are vital for many to find and maintain employment, should be exempted.

Program	What States Can Do
TANF	■ Eliminate limits entirely, as eight states have done ■ Substantially increase limits so they do not affect most recipients ■ Exclude categories of assets, such as Individual Development Accounts, retirement accounts or college savings accounts
SNAP	■ Eliminate limits entirely, as 36 states have done ■ Substantially increase limits so they do not affect most recipients
LIHEAP	■ Eliminate or refrain from setting asset limits, as 40 states have done ■ Substantially increase limits so they do not affect most recipients ■ Exclude categories of assets, such as Individual Development Accounts, retirement accounts or college savings accounts
SSI	■ States do not have the power to change or eliminate asset test

What States Have Done

SNAP: Thirty-six states have removed the SNAP asset test. They have done so using a mechanism known as broad-based categorical eligibility (BBCE). BBCE is a policy that makes a household eligible for SNAP without regard to asset limits if it receives a TANF- or TANF-Maintenance-of-Effort-funded benefit, such as a pamphlet or an 800 number.[3] States have had this option since 2002. However, it was not until passage of the 2008 Farm Bill that a large number of states took up the option. During the Farm Bill debate in 2008, federal policymakers went on record in support of state elimination of SNAP asset tests.[4] These actions, along with the policy changes that the Farm Bill made directly to mitigate asset tests, generated new interest and willingness among state administrators to address this disincentive to save.

CHALLENGE TO STATES' RIGHTS TO ELIMINATE ASSET LIMITS

In 2013, there was a Congressional push to take away state flexibility to remove asset limits. The House passed a Farm Bill that proposed dramatic cuts to funding for SNAP. The majority of the savings would have come from eliminating broad-based categorical eligibility (BBCE), the mechanism that states use to eliminate SNAP asset tests. If this provision were adopted, 36 states would have been required to reinstate their asset tests in SNAP. Advocates across the country voiced outrage over the proposed change, which would have undone a decade of progress on SNAP asset reform. In February 2014, after a two-year debate, Congress passed a law that cut SNAP funding by $8.6 billion, but maintained states rights' to waive asset limits.

3 Individuals must still meet the SNAP income eligibility test. For more details about how broad-based categorical eligibility works, see this memo from the USDA Food and Nutrition Service: http://www.fns.usda.gov/sites/default/files/121509_1.pdf

4 The 2008 Farm Bill also directly eased SNAP asset tests in three important ways: it adjusted asset limits for inflation, harmonized program rules pertaining to retirement accounts, and excluded education savings and retirement accounts from counting as resources.

TANF: The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 gave states the flexibility to eliminate or raise asset limits for TANF and to exclude certain types of assets from eligibility determination. Since 1996, eight states have eliminated TANF asset limits. Many other states have excluded important categories of assets from TANF limits, including 529 accounts, retirement accounts, vehicles and Individual Development Accounts.

States have eliminated the TANF asset test both legislatively and administratively. Ohio, Colorado, Hawaii and Illinois enacted legislation to make the change. In Virginia, Alabama and Maryland, the state TANF agency used their authority to change administrative rules, without going through a legislative process. In Louisiana, the Department of Social Services led the process to eliminate the asset test; however, it was the legislature that, at the Department's request, revised the statute.

LIHEAP: LIHEAP has no federal asset test, but states have the flexibility to establish asset limits beyond the federal income eligibility requirements. Currently, forty states do not have an asset limit. Of the states with asset tests, the majority apply to heating, the largest program component. Several states have separate limits and provisions pertaining specifically to crisis assistance.

PART 2: ADVOCACY STRATEGY

Key Strategic Decisions

Elimination versus reform of asset tests. Elimination of asset tests is the only way to reduce the administrative burden of verifying assets as part of the eligibility determination process. Eliminating asset limits also sends a clear message to applicants and participants that saving and building assets are encouraged. If, however, complete elimination of asset rules is not politically feasible, advocates may decide to pursue substantially raised asset limits—for both applicants and recipients—and exemption of additional categories of assets.

Legislative versus administrative approaches. Reform through a legislative approach is more likely to withstand changes in the Administration. However, it may require more advocacy than an administrative strategy. Whereas administrative rules can change at the discretion of agency leadership, legislative change requires the introduction of new legislation, a majority vote, agreement by both chambers of the legislature and the Governor's signature. Note, however, that some states require approval of regulative changes by a legislative body.

Legislative advocacy has the potential to generate more public interest and media coverage than an administrative rule change, which, depending on political environment, may either help or hurt chances of success. If public sentiment and media coverage are positive, it may put pressure on legislators to eliminate asset limits. However, if public debate focuses on pejorative stereotypes or claims that people will take advantage of the system, it could persuade legislators to vote against removing limits.

An administrative strategy can be low-cost and often attracts less public attention than a legislative change. Further, a rule change usually only requires support from the agency and the governor's office. Another advantage to an administrative strategy is that organizations that are concerned about running afoul of "lobbying" restrictions (these concerns may be unfounded) can be reassured that administrative advocacy is not considered lobbying by the Internal Revenue Service.

Some groups may have "lobbying" restrictions or discomfort with legislative advocacy. Advocating for an administrative rule change does not fall within most restrictions and may offer an alternative for groups subject to such restrictions. (State laws vary on whether administrative advocacy counts as lobbying. In some states, advocates may need to register as lobbyists).[5]

Incremental versus wholesale policy change. Before launching a campaign, advocates should assess whether immediate wholesale policy change is possible or whether incremental change is more likely to result in success. One possible incremental step to gaining support for eliminating asset limits is to create a study commission or task force to examine the impact of eliminating asset tests. This strategy can increase understanding of the issue and build initial support by key legislators and/or agency stakeholders. A study commission can weigh the potential impact of asset limit elimination versus reform on current caseloads and administrative costs savings. It can be a forum to learn from other states' experiences, and it can recommend policy changes to the legislature. In addition, convening a task force or study commission may be a way to keep the issue alive when competing policy priorities make immediate action unlikely. Experience shows, however, that although a task force or commission can buy time, even a favorable report to the legislature is no guarantee that a policy proposal will be enacted.

Identifying Influencers

Key influencers to asset limit policy change include state agency leadership and staff, the Governor's office and legislative policymakers (if pursing a legislative strategy). Other important influencers include policy advocates with expertise related to the relevant program—TANF, SNAP or LIHEAP—and the media.

State agencies. It is important to reach out to agency leaders and staff to discuss proposed changes in asset limits. Advocates who do not have a direct relationship with the agency should collaborate with an organization that does.

The agency's cooperation is critical for legislative and administrative changes. Even when pursuing a legislative strategy, agency support for removing asset limits can go a long way towards convincing legislators to sponsor asset reform legislation. Agencies that administer state-funded Individual Development Accounts (IDAs) or financial education are often good allies because they understand asset-building issues and recognize their importance. If the agency that administers state-funded IDAs or financial education is not the same agency that administers assistance programs, seek the IDA agency's advice and support.

Another important reason to build relationships with the agency staff that administers the program is that they maintain databases on how many people were denied benefits due to assets in excess of the limit. As described below (page 7), these data are important in making the case that eliminating asset limits will not substantially increase program costs. The agency is the gatekeeper for this information; building a positive relationship will make it easier to get access to the data.

A first step to building relationships with agency staff is to request a meeting to discuss the asset rules and possible changes, and present the information, arguments and questions gathered. It may make sense to raise the topic of reforming asset limits in the context of discussion of other public benefits-related issues. Advocates can use that first meeting to explain the problems that the rules create and to remind the agency of their authority to change them. Asking agency staff's opinion and advice on how to proceed can build

5 For example, in Maryland, executive branch lobbying still requires registration if it exceeds $500 in agency resources.

trust and avoid creating an adversarial relationship. Advocates can ask for advice on which allies to recruit and how public the asset reform efforts should be. Advocates should share research and examples from other states and offer to connect agency staff to administrators from states that have successfully removed asset limits. Ideally, agency staff will look to advocates as a resource. Advocates can offer to help draft rules or comment on existing drafts. When new rules are proposed, advocates should submit public comments and generate additional support from other advocates and legislators.

In addition to meeting with agency staff, advocates should also leverage formal channels of communication with government. Agencies receiving federal LIHEAP funds, for example, are required to solicit the public's input into the development of the LIHEAP program each year by holding public hearings. Advocates should attend these hearings to voice concerns about asset limits. Advocates can also respond to requests for public comments—even on topics that are somewhat tangential—with their case for eliminating asset limits. For example, advocates might respond to a request for public comment on service delivery or delays in processing applications or renewals, by presenting removal of asset tests as a way to speed up the process (i.e., verifying the assets for all applicants/recipients when very few have countable assets slows down the application process and is an administrative burden).

If the agency is not supportive or is opposed to changing the rules, the only recourse may be legislation. However, agency opposition will make it substantially more difficult to get a bill through the legislative process. In these situations, the best outcomes would be for the agency to remain neutral or not take a position on the issue.

Governor's Office. Whether a governor is newly elected or has been in office for years, it is important to engage the governor's staff. Newly elected governors usually create transition teams. Use any opportunity to participate in or influence those who participate in a governor's transition team to suggest the reform of rules on asset limits. For governors who have been in office longer, look to experienced staffers—particularly those on the governor's policy and budget staff—for advice. They can lend an insider's view of the governor's likely position on such reform and possible conflicts with other issues. Advocates should consult with these staff to identify concerns and potential opposition, and determine whether an administrative or legislative route makes more sense. This communication can be accomplished through a simple phone call or email, or through a more formal letter or meeting. Advocates who do not have relationships with staffers should find an ally who does who can make an introduction.

Legislators and their staff. Legislators are more likely to sponsor or support legislation if it is proposed by a credible organization that they know and trust. Advocates should assess which organization has the best relationship with a legislator or their staff and have that group make "the ask." The choice of a legislator as the bill sponsor is also important. Advocates should consider the reputation, power and influence of potential sponsors. Depending on a state's politics, advocates may be better off not asking a legislator who is seen as a "bleeding heart" liberal, despite alignment on principles.

Compared to agency staff, legislators and their staff may be much less familiar with what asset limits are and how they work. Because it is easy to get "into the weeds" about the details, initial conversations should focus on how asset limits impact the legislator's constituents. However, advocates should be prepared to *concisely* explain what asset limits are and why they are a problem. In addition to client stories, advocates should also come ready with data and written documents to leave behind for staffers to refer to after the meeting. One such document is the customizable policy brief on asset limits. Once a legislator is on board, advocates may want to share additional background materials, such as this Resource Guide and study commission reports from other states. Ideally, legislators and their staff will come to see advocates as their go-to source for data, arguments and case studies throughout the legislative process. Advocates can offer to help staff write analysis and draft amendments. Staff—who are privy to party caucuses and private meetings—can be a critical source of information for advocates.

Even for administrative policy changes, in states where a board or committee of legislators is required to approve administrative rule changes, a subset of legislators are important allies. Advocates should determine which legislators sit on the board or committee, and work to gain their support. At minimum, advocates should try to neutralize any vocal opposition. However, in states that do not require administrative rule changes to be approved by a legislative body, the best strategy may be to avoid raising the issue with them. The agency can quietly advocate rule changes without attracting much attention.

Advocates and policy groups. Advocates should remember the adage that there is strength in numbers. Important allies include other advocates, policy think tanks and coalitions that are likely to know about and support the reform of rules on asset limits (e.g., those that focus on food security, children, and budget and tax issues). These groups may have contacts with the relevant agency, governor's office or legislators. In addition to making introductions and sharing their expertise, they can support advocacy through comment letters, phone calls and other contacts. They can also provide testimony at legislative hearings, or help draft legislation or administrative rules.

Allies, such as legal aid attorneys and food banks, can also be a source for real stories of people who have been affected by asset limits. Legal aid attorneys handling benefit cases are likely to have first-hand knowledge of how asset limits adversely affect clients. Food banks can speak to the demand for assistance by families. The majority of states now have asset-building coalitions, which can be supportive allies. One nontraditional ally advocates should consider approaching for support is the state bankers' association. Recent research from the Department of Treasury-funded Assessing Financial Capability Outcomes project found that, in a sample of people transitioning off of TANF benefits in New York City, a significant number considered their eligibility for public benefits when they made decisions about opening bank accounts or saving money.[6] Removing the fear of losing benefits may increase savings and mean more deposits for financial institutions, especially if recipients opt for direct deposit of cash benefits into bank accounts.

Reporters. Advocates who decide to engage media in their campaign should get them on their side early. It is critical to make sure that they understand the issue because of their ability to influence public opinion. Misinformed reporters can unintentionally do substantial damage to advocacy efforts. For example, in 2011, Michigan reporters released a story about a lottery winner who continued to claim SNAP benefits despite the windfall. Policymakers could have adopted a straightforward policy change to address the loophole—count lottery winnings as income, thus making them ineligible based on the SNAP income test. However, the media firestorm that ensued, which painted SNAP recipients as trying to game the system, pushed policymakers to adopt the more drastic—and harmful—policy to reinstate an asset test. To guard against this type of situation, advocates should document real stories that show how asset limits directly impact the people affected by them. Real stories also make the issue more accessible to the public. Given the potential for negative coverage, it may be more effective in some cases to keep the issue out of the media.

Using Data to Make the Case

Data can demonstrate the impact of proposed changes to asset limit policy and help make the case to policymakers and other stakeholders. There are five types of data that are relevant: data that show how financially stretched low-income families are, demonstrating the need for emergency savings; data that show that eliminating asset tests would not increase caseload; data on applicants denied benefits because of their assets, showing few people are likely to become eligible as a result of rule changes; data on the existing assets of program participants, illustrating they have zero or very few assets; and data that show that eliminating asset tests would reduce administrative costs.

6 Wiedrich, Kasey, et. al., "Financial Counseling & Access for the Financially Vulnerable: Findings from the Assessing Financial Capability Outcomes Adult Pilot – Webinar." (Washington, DC: CFED, 2014) http://cfed.org/assets/video/Edited_Findings_from_the_AFCO_Adult_Pilot.wmv.

Cost of living and need for emergency savings. Data on cost of living—especially in high-cost states—and the amount of emergency savings a family needs can help policymakers grasp why asset limits are a problem. For example, in Maryland, advocates used the Maryland Minimum Living Level (MML), the state's version of a basic needs budget. (Similar information is available from Wider Opportunities for Women's Basic Economic Security Tables Index.) Using the MML, the amount a three-person family would spend in basic needs ($2,228) for even one month was above the $2,000 TANF asset limit. Advocates should, however, use this data with caution, as it might encourage policymakers to increase the asset limit slightly, but not to eliminate the asset test altogether.

Caseload impact. Data from states that have eliminated asset limits show that caseloads did not increase as a result of the policy change.[7] In Ohio and Virginia, the "early adopters" of TANF asset limit elimination, caseloads actually decreased in the years following the change. Similarly, in Louisiana, where the asset test in TANF was eliminated in January 2009, there has not been a significant increase in caseloads. A number of states, such as Oregon, that raised or eliminated their vehicle asset tests found that doing so had a negligible effect on caseloads.[8]

Denials. The state agency that administers SNAP, TANF or LIHEAP should be able to determine from its database how many applicants and recipients were denied benefits or cut off benefits due to assets in excess of the limit. (If the state agency is unwilling to share the information, advocates can file a Freedom of Information Act request).[9] Data from states that have done this analysis show that very few people are likely to become eligible as a result of rule changes:

- In Maryland, an average of only .11% to .13% (between three and four people) was denied each month because they had assets above the limit, between FYs 2007-2009.
- The Illinois Department of Human Services found that only eight out of 192,000 "checks" for assets at application and redetermination of benefits had assets over the $3,000 asset limit in 2012.[10]
- In Louisiana, only a total of four cases were closed due to excess resources in FY 2007-2008.[11]
- In Alabama, only 15 out of 21,429 TANF denials were due to excess resources in FY 2007-2008.[12]
- In Idaho, between June 2011 and March 2012, only about 0.5% of total applications for SNAP were denied because applicants' assets exceeded the state's $5,000 limit.[13]

When possible, it is helpful to have data showing several years of information to demonstrate that a single year is not an anomaly.

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7 Leslie Parrish, To Save, or Not to Save? Reforming Asset Limits in Public Assistance Programs to Encourage Low-income Americans to Save and Build Assets, (Washington, DC: New America Foundation, 2005), p.9.

8 See Oregon TANF Caseload Reduction Report, December 2010, (http://www.dhs.state.or.us/policy/selfsufficiency/publications/2010ACF-202Overall.pdf).

9 Freedom of Information Act, 5 U.S.C. 552 (2007).

10 Illinois Asset Building Group (2013). "Illinois Votes To Eliminate The TANF Asset Test," http://www.illinoisassetbuilding.org/content/illinois-votes-eliminate-tanf-asset-test.

11 Louisiana Department of Social Services (2008). "FITAP/KCSP Program - Cases Closed by Reason," http://www.dss.state.la.us/assets/docs/searchable/OFS/Statistics/Stats07-08/FITAP/fy0708_FITAP_Closure.pdf

12 Alabama Department of Human Resources (2009). "FY 2008 Annual Report," http://dhr.alabama.gov/documents/Annual_Reports/AR08.pdf/.

13 Aleta Sprague and Rachel Black, "State Asset Limit Reforms and Implications for Federal Policy," New America Foundation, October 2012, http://assets.newamerica.net/sites/newamerica.net/files/policydocs/SpragueBlackFinal10.31.12_0.pdf. (See page 9).

Amount of assets. Data on the percentage of applicants that have any resources and the value of those resources show that few households have any assets, and the ones that do have almost nothing. In Arizona, for example, only 9.6% of TANF families have cash resources. Of those who do, the average amount of cash resources is only $139.40. (See footnote for data from all states).[14] Among the states that still have SNAP asset tests, the average SNAP household has only $331 in resources.[15]

Administrative costs savings. Verifying a client's assets is an incredibly complex, time-consuming process.[16] Estimates on how much it costs the state to verify a client's assets can help make the case for asset test elimination. The Illinois Department of Human Services (IDHS) estimated that it spent $960,000 worth of caseworker time checking TANF families' assets in 2012, based on the assumption that caseworkers spent 10 minutes on each case. Of the 192,000 individual TANF eligibility reviews conducted, IDHS found only eight cases where family assets exceeded the $3,000 asset limit.[17]

Although Medicaid asset tests are largely no longer an issue, the cost savings from eliminating them provides relevant data. A 2001 report by the Kaiser Family Foundation highlights states' experiences eliminating the Medicaid asset test, including models for cost savings estimates that can be applied to TANF and SNAP. The report highlights Oklahoma, where officials indicated that they had spent $3.5 million in general revenue dollars annually for administrative activities related to the verification of assets. They found they would spend just two-thirds that amount, or $2.5 million, in general revenue on benefits for persons who might have been denied, for net savings of $1.2 million in state general funds.[18]

To achieve cost savings, states must eliminate the limits altogether, rather than increase them. With raised limits, there would still be administrative costs involved in individual eligibility determinations and verifications.

Crafting Messages that Resonate with Influencers

Public education. If raising awareness about the issue is the right strategy (as opposed to flying under the radar), advocates can communicate through the media, through presentations and policy briefings, at agency meetings, in legislative committee hearings, through websites and through other, less formal channels.

Key messages

Assets are central to household financial security.

- Research has shown that assets are crucial to helping families escape poverty and climb the economic ladder.
- Asset limits send the wrong message and discourage saving.

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14 2011 TANF resources data: Table 14 (page 17, state and national) – the "cash resources" column shows that for the few TANF households with resources, the average amount of cash resources (cash on hand, bank accounts, certificates of deposit) is very low. Right now ACF has only released the appendixes for this report. When the full report comes out, there may be some additional explanation.

15 "Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2011," Table A.5 (page 41, national), U.S. Department of Agriculture, November 2012, http://www.fns.usda.gov/sites/default/files/2011Characteristics.pdf.

16 The Ohio Department of Job and Family Services created two flow charts to illustrate the complexity of assessing asset eligibility. The first flow chart shows the process for assessing if the applicant's property produces income. The second flow chart shows the process for assessing which resources to exempt from eligibility calculations .

17 For more information, see: http://www.illinoisassetbuilding.org/content/illinois-votes-eliminate-tanf-asset-test.

18 Smith, Vernon and Eileen Ellis, "Eliminating the Medicaid Asset Tests for Families: A review of State Experiences." (Washington, DC: The Kaiser Family Foundation, 2001.) http://kaiserfamilyfoundation.files.wordpress.com/2001/04/2239-eliminating-the-medicaid-asset-test.pdf

- Asset limits are confusing to caseworkers and recipients who, out of fear of losing benefits, avoid saving.
- Accumulating and being able to pass assets on to the next generation is a key strategy for families to escape the cycle of poverty.
- Workers need cars and savings to obtain and retain jobs, address emergencies and advance in the labor market.

Eliminating asset limits can result in significant cost savings.

- Removing the requirement to verify assets reduces administrative burdens and cost and increases efficiency.
- Very few households are rejected because of the asset test. Therefore, eliminating the asset test won't result in a dramatic increase in caseload.
- Experience from other states shows that eliminating asset limits can save over $1 million in administrative costs.
- Eliminating asset limits streamlines and simplifies program rules, aligns TANF/SNAP/ LIHEAP with other assistance programs, and improves service delivery.

Asset Limits are counterproductive to program goals.

- Reforming rules on asset limits is good public policy and consistent with state goals of encouraging saving, promoting self-sufficiency and reducing dependence.
- In light of TANF's emphasis on work, caseworkers should focus on helping people find employment and maintain their connection to the labor force.
- TANF's time limits and work requirements make asset limits obsolete.

Not all of the above messages will resonate with all audiences. Advocates should test messages with key audiences and focus on the ones that resonate. In Illinois, for example, neither the argument that other states had eliminated asset limits successfully, nor the argument that elimination of TANF asset limits would create a cost savings by aligning rules with SNAP and Medicaid rules, were effective messages. Noting this, advocates zeroed in on other core messages that did strongly resonate with policymakers.

Responding to concerns. Advocates should anticipate certain questions and be prepared with firm answers.

Q: Will asset reform make the state appear "soft on welfare?"

A: No. Removing asset limits is consistent with program goals [TANF in particular] to help people become self-sufficient. Removing limits sends the message that the state encourages low-income families to build a "personal financial safety net" so that they can get off and stay off public benefits.

Q: Will elimination of asset tests lead to fraud by those who are not truly needy?
A: No. Public benefit programs would continue to limit eligibility to only those with very low incomes [insert actual state-specific income limit]. To a family at that income level, [$x insert state-specific benefit amount] is significant and worth the hassle and indignity of the onerous application process, as well as meeting stringent work requirements [for TANF]. However, it is unlikely that anyone who truly does not need the resources would be willing to jump through the hoops and embarrassment of applying for public benefits.

Q: Why should TANF recipients be able to save when people working and living paycheck to paycheck can't afford to?
A: Saving money is hard for everyone, but barriers to saving should not exist for anyone.

Q: Why should asset limits be eliminated rather than just raised?
A: Raising asset limits or carving out exemptions, such as a car or college savings, does not result in the savings to the state in administrative costs. Furthermore, these alternatives continue to communicate the message to program participants that they should not save.

PART 3: CASE STUDIES AND RESOURCES

State Precedent: Eliminating the TANF Asset Test in Illinois

Advocates in Illinois have been fighting to raise and/or eliminate asset tests in the Temporary Assistance for Needy Families (TANF) program for over a decade. In 2001, they successfully exempted Individual Development Accounts sponsored by the federal Assets for Independence Program and the Illinois Human Services Department (IDHS)—the state agency that oversees TANF—from TANF asset tests. In 2005, they exempted retirement accounts, and in 2009, they unsuccessfully attempted to remove asset limits in TANF by administrative rule.

In 2013, advocates tried again, but this time, with the aim to eliminate asset limits through legislative change. The 2013 campaign was led by the Illinois Asset Building Group (IABG), a statewide advocacy coalition made up of community leaders, service providers, researchers, advocates and financial institutions focused on asset ownership and asset protection issues facing Illinois families. Four IABG members took lead roles in the 2013 campaign: the Heartland Alliance for Human Needs and Human Rights, the Sargent Shriver National Center on Poverty Law, Community Organizing for Family Issues (COFI) and the Woodstock Institute.

From the start, IABG made a series of calculated decisions related to campaign strategy. Foremost, they decided to push for asset limits to be eliminated rather than raised, which was supported by one of their most influential arguments—that eliminating asset limits creates a huge savings in administrative costs annually. They enlisted national experts on both TANF and asset limits to help advise and inform their efforts. They worked to get strong bill sponsors in both the House and Senate, securing the chairs of the Human Services Committees—which oversees the TANF program—Representative Robyn Gabel (D-18th District) and Senator Mattie Hunter (D-3rd District) as the chief sponsors. They also introduced two bills (HB 2263 and SB 2319), anticipating the possibility that only one might make it through. Finally, they made a decision not to work with the media on the campaign and to keep efforts under the radar given widespread misconceptions about TANF and welfare recipients.

IABG mapped out a set of key messages to build support for the passage of the bill, which they used consistently with IDHS staff and legislators in both chambers, including (1) asset limits are contrary to goals of the TANF program, as they prevent families from building financial security, (2) they cause families to deplete college savings or sell a car they need to get to work, (3) they do not promote good savings behavior and (4) elimination of the asset limits in TANF would save the state almost $1 million in administrative cost annually.

Throughout the campaign, advocates worked closely with IDHS. It was important for everyone to agree on the bill's intent and language and to have a set of agreed-upon cost estimates on the impact of eliminating asset limits.[19] Although agency staff provided positive feedback on the bill, their official position remained neutral until later in the campaign. Advocates worked closely with leaders in the Department to move their official position to proponents.

Before approaching House and Senate members, one of the first strategies IABG undertook was developing

19 IDHS estimated that it spent $960,000 worth of caseworker time checking TANF families' assets in 2012, based on the assumption that caseworkers spent ten minutes on each case. Of the 192,000 individual TANF eligibility reviews conducted, IDHS found only 8 cases where family assets exceeded the $3,000 asset limit.

a clear analysis of the political dynamics of both chambers. Democrats controlled the House, although 12 Democratic members were new or from swing districts and considered less likely to vote in favor of any controversial issue. Taking these members into account, advocates were looking at a House that was split 59/59 between Democrats and Republicans. This count meant that their primary targets were moderate Republicans. IABG made it a goal to get Republican co-sponsors and found that their messages around savings were met with bipartisan support in the House. They were able to get a diverse group of co-sponsors—by party, gender, ethnicity and region.

The Senate had a different political landscape, with a large Democratic majority and strong ideological split between the two parties. Advocates knew they could not get the Republican vote, so they focused their Senate efforts on Democrats in conservative and swing districts who might be cautious of supporting something that could be perceived as "soft on welfare." They used the same basic messages stressing the positive value of savings. They already had a House vote on the bill, which helped advocates point to other representatives from the Senators' districts that supported the bill.

Ultimately, the bill passed by a margin of two votes in both chambers and was signed into law on June 29, 2013, by Governor Quinn.

State Precedent: Eliminating the TANF Asset Test in Louisiana

Agency leadership was instrumental in eliminating the TANF asset test in Louisiana. The Assistant Secretary of the Louisiana Department of Social Services, Adren Wilson, championed the effort and shepherded the change through. Recognizing that accumulating and being able to pass assets on to the next generation is one key strategy for families to escape the cycle of poverty, Wilson argued that rejecting a family's TANF application because of assets was counter-productive to the agency's goal of promoting self-sufficiency. Furthermore, Wilson did not believe eliminating the asset test would impact caseloads, since few TANF applicants had substantial assets.

In July 2008, the Department of Social Services began holding Joint Application Design Sessions to discuss the impact the change would have on information-technology systems, along with larger programmatic implications. TANF administrators were particularly influenced by a cost-benefit analysis conducted by an outside contractor earlier that year. The analysis pointed out that the state's successful TANF-funded Individual Development Account (IDA) program was in direct conflict with the asset test. On the one hand, the state was encouraging families to save and accumulate assets through the IDA program, while on the other hand, families were being penalized for owning assets through the TANF asset test. After a number of design sessions, TANF administrators were convinced that eliminating the asset test would benefit families and streamline program rules.

In December 2008, at the request of Wilson and the Department of Social Services, the Louisiana Legislature repealed the revised statute, effectively eliminating the asset test. The change took effect on January 1, 2009. The state TANF Plan was subsequently amended to reflect the change. Almost four years after the change, TANF administrators report that there has been little to no change in caseload.

State Precedents: Ohio and Virginia Pioneer the Elimination of TANF Asset Limits[20]

Ohio was the first state to abolish asset limits in TANF; it did so in 1997.[21] Long-serving legislator Rep. Bob Netzley (R) proposed the abolition. Proponents argued that:

- In light of welfare reform's emphasis on work, caseworkers should focus on helping people find employment and maintain their connection to the labor force.

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20 This section is from: Dory Rand, "Reforming State Rules on Asset Limits: How to Remove Barriers to Saving and Asset Accumulation in Public Benefit Programs," Clearinghouse Review Journal of Poverty Law and Policy, (March-April 2007), p.625-36.

21 Time-limited cash assistance, Ohio Rev. Code Ann. § 5107.10(C) (2007).

- Workers need cars and savings to obtain and retain jobs, address emergencies and advance in the labor market.
- The state's responsibility is to support work efforts through policies such as work requirements, earned income disregards and car ownership programs.

Although Ohio budget analysts predicted a small increase in the TANF caseload as a result of eliminating the asset test, no caseload increase or political fallout occurred. In fact, Ohio caseloads remained at record-low levels (less than 25% of 1992 peak levels) as of late 2011, despite the national recession and increases in the TANF benefit level.[22]

In 2003, the Virginia State Board of Social Services adopted administrative rules that eliminated asset limits in its TANF and family and child medical programs, evaluated only liquid assets in its SNAP Program, and eliminated the TANF lump-sum rule, which made recipients ineligible for cash assistance after receiving lump-sum payments such as retroactive Supplemental Security Income (SSI) benefits or personal injury settlements.[23] The Virginia Department of Social Services proposed these TANF changes during Governor Mark Warner's Democratic administration. The state board of the Department of Medical Assistance Services promulgated the regulatory changes relating to Medicaid for families and children.

Like Ohio's policy revisions, Virginia's elimination of asset tests was part of a broader state welfare reform package that simplified earned income disregards, disregarded student earnings, simplified the determination of self-employment and aligned processing time with other assistance programs. When these rules were proposed, Virginia provided cash assistance to families with countable resources of up to $1,000, one vehicle and up to $5,000 in an account for the purposes of self-sufficiency. The Department of Social Services estimated that eliminating the asset test would "increase the assistance provided by $127,200 for 40 families and provide $323,050 savings in administrative staff time annually."[24]

The Department argued that asset test elimination would streamline and simplify program rules, align TANF with other assistance programs, improve service delivery, and reduce the administrative burden on the agency, applicants and recipients. Mark Golden, the Department's manager of economic assistance and employment, explained that asset tests were no longer necessary because:

- Welfare reform's time limits and work requirements made them obsolete.
- People use their resources before applying for benefits.
- Making people get rid of resources, only to encourage them to build resources back up, is counterproductive.
- Allowing asset development puts greater emphasis on employment and self-sufficiency.
- Eliminating the asset tests has little impact on the caseload (only 1,200 of 60,000 applications, or 0.5%, were denied due to excess assets).[25]

The Virginia Department of Planning and Budget believed the proposed change posed a fiscal risk and suggested that the state retain the asset test. They recommended that the state instead achieve administrative savings by enforcing the test only through random verification. Despite this pushback, the rules were adopted as proposed, and all eligibility workers attended training sessions on the new rules.

22 Administration for Children and Families, "Caseload Data 2011," U.S. Department of Health and Human Services, http://www.acf.hhs.gov/programs/ofa/data-reports/caseload/caseload_current.html, (Accessed August 16, 2012).

23 Income Eligibility, 22 Va. Admin. Code § 40-295-50 (2003).

24 Virginia Department of Planning and Budget, Economic Impact Analysis, Code of Virginia, Volume 22, Section 40-295-50 (2003).

25 Mark Golden, "Asset Policy in Virginia," (presentation, Center for Social Development State Policy Conference, April 21, 2005).

Since enactment of the new rules, Virginia has not seen a significant long-term caseload increase, even during the recession in the late 2000s. In December 2011, Virginia's TANF caseload was 35% lower than in 1997.

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Resources

For more information on this policy, visit http://scorecard.cfed.org.

Organizations and Experts

- Center on Budget and Policy Priorities (http://www.cbpp.org): Stacy Dean
- CFED (http://www.cfed.org): Jennifer Brooks, Jennifer Medina and Leigh Tivol
- Woodstock Institute (http://www.woodstockinst.org): Dory Rand
- Center for Law and Social Policy (http://www.clasp.org): Amy-Ellen Duke-Benfield
- New America Foundation (http://assetlimits.newamerica.net/): Rachel Black
- Sargent Shriver National Center on Poverty Law (http://www.povertylaw.org): Karen Harris
- Urban Institute (http://www.urban.org): Henry Chen and Robert I. Lerman

Examples of reports by state commissions

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26 Administration for Children and Families,"Caseload Data 2010," U.S. Department of Health and Human Services, http://www.acf.hhs.gov/programs/ofa/data-reports/caseload/caseload_current.html, (Accessed August 16, 2012).

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Appendix: Table of Excluded Assets by State (updated June 2014)

State	Assets excluded from TANF
Alabama	Asset test eliminated
Alaska	■ A vehicle is exempt if used for transportation to meet basic needs, including subsistence hunting and fishing; to carry the household's primary source of heating fuel or primary source of water; to go to and from work, school, training or a work activity; for self-employment; or to transport a disabled household member ■ Funeral agreements up to $1,500 ■ Tools, stock and inventory used for self-employment ■ Earned Income Tax Credit
Arizona	■ All vehicles ■ Individual Development Accounts up to $9,000 (for current recipients only) ■ 529 and 530 educational savings accounts ■ Retirement accounts including 401(k)s, 403(b)s and 457 plans ■ The first $1,500 in equity value of one prepaid burial plan or funeral agreement for each participant ■ Tools, equipment, machinery, animals and other items that may be used to produce income ■ A business checking account used only for self-employment ■ Earned Income Tax Credit
Arkansas	■ One vehicle per household ■ Individual Development Accounts ■ Saving for Education, Entrepreneurship and Downpayment (SEED) accounts ■ Educational grants and settlement payments that are intended and used for purposes which preclude their use for current living costs ■ Life insurance ■ Income-producing real or personal property ■ Funds in escrow up to $10,000 if recipient is engaged in microenterprise ■ Earned Income Tax Credit and other tax refunds
California	■ One vehicle up to $9,500 ■ Individual Development Accounts ■ Education savings accounts, including 529 accounts and Coverdells (applies only to current participants) ■ Retirement plans, including 401(k)s, 403(b)s and 457 plans ■ Cash value of life insurance policies ■ For current recipients, any amount for education or job training of a parent or child, a business start-up or purchase of a home ■ Earned Income Tax Credit up to 12 months
Colorado	Asset test eliminated

State	Assets excluded from TANF
Connecticut	■ One vehicle, up to $9,500, or any vehicle needed to transport a disabled household member ■ Assets set aside for future postsecondary education (if assets are not commingled with other assets and if the assets are under the child's name in an Uniform Gift to Minor's Act (UGMA) account or similar account) ■ Individual Retirement Accounts, 401(k)s and Keoghs ■ Up to $1,800 in a revocable burial fund for each household member ■ Cash surrender value of life insurance ■ Assets of a trade or business that are essential to self-support ■ Student financial rewards[27]
Delaware	■ All vehicles ■ Up to $5,000 in Education and Business Investment Accounts (EBIAs) ■ Saving for Education, Entrepreneurship and Downpayment (SEED) accounts (treated as EBIAs) ■ Financial assistance received from school grants, scholarships, vocational rehabilitation payments and Job Training Partnership Act payments ■ Cash value of a life insurance policy ■ Funeral agreements up to $1,500 for each member ■ Tools and equipment used for self-employment ■ Earned Income Tax Credit up to 12 months
District of Columbia	■ All vehicles ■ Individual Development Accounts up to $10,000 ■ 529 college savings accounts ■ Individual Retirement Accounts, Keoghs, 401(k)s, 403(b)s and 457 plans; all other retirement funds as long as the funds remain in the retirement plan ■ All funds in a prepaid burial account, burial plan or burial trust ■ Property that produces income consistent with its fair market value ■ Income-producing assets essential to self-support ■ Earned Income Tax Credit ■ Cash surrender value of a life insurance policy
Florida	■ Vehicles with equity value up to $8,500 ■ Vehicles used to transport the physically disabled ■ Retirement accounts ■ $1,500 of equity value in a single funeral agreement ■ Any grants, gifts or scholarships received by the individual for educational expenses ■ Earned Income Tax Credit up to 12 months and other federal tax refunds
Georgia	■ One vehicle up to $4,650 if used for travel to work or school, two vehicles up to $4,650 in a two parent Assistance Unit[28] ■ Individual Development Accounts up to $5,000 ■ Health savings accounts ■ Child care savings accounts ■ Retirement plans, including 401(k)s and 457 plans, but not Individual Retirement Accounts ■ Life insurance ■ Up to $1,500 of the combined equity value of all burial contracts and burial insurance for each household member ■ Income-producing property ■ Real property rented to others that annually produces income consistent with fair market value ■ Earned Income Tax Credit

27 Individual Development Accounts and EITC payments are not formally excluded, but are generally not counted.

28 An Assistance Unit (AU) is as an individual or group of individuals who either apply for or receive assistance through a program.

State	Assets excluded from TANF
Hawaii	Asset test eliminated
Idaho	■ One vehicle per adult ■ Accounts with funds legally identified as monies to pay for educational expenses ■ Retirement accounts ■ Cash surrender value of a life insurance policy ■ Cash value of an irrevocable funeral agreement ■ Real property that produces income consistent with its fair market value ■ Equipment used in a trade or business, including tools, equipment and farm animals ■ Earned Income Tax Credit and other state and federal tax refunds ■ Educational grants, scholarships and fellowships
Illinois	Asset test eliminated
Indiana	■ One vehicle up to $5,000 ■ Funeral agreements up to $1,500 ■ Earned Income Tax Credit payments ■ College Savings Accounts, Coverdells, grants ■ Individual Development Accounts ■ Health savings accounts
Iowa	■ One vehicle regardless of value and $5,874 of equity for each motor vehicle beyond that per adult or working teenager ■ Individual Development Accounts ■ Life insurance with no cash surrender value ■ Funeral agreements up to $1,500 ■ Non-homestead property that produces income consistent with the property's fair market value ■ Equity up to $10,000 for tools of the trade or capital assets of self-employed households ■ Educational grants and scholarships
Kansas	■ All vehicles ■ 529 college savings accounts ■ Funeral agreements up to $7,000 ■ Burial funds of up to $1,500 per household member ■ Insurance with no cash surrender value ■ Property essential to employment or self-employment ■ Real property that produces income consistent with its fair market value ■ Educational grants and scholarships ■ Earned Income Tax Credit up to 12 months
Kentucky	■ All vehicles ■ Individual Development Accounts up to $5,000 ■ Funds in an Individual Retirement Account, state retirement, deferred compensation, etc., during period of unavailability ■ All illiquid assets ■ Earned Income Tax Credit and federal taxes
Louisiana	Asset test eliminated
Maine	■ One vehicle per household ■ Individual Development Accounts, Family Development Accounts or Separate Identifiable Accounts up to $10,000 ■ Cash surrender value of insurance policies ■ Prepaid burial contracts ■ Income-producing property ■ Livestock used to produce income ■ All educational grants, loans and scholarships
Maryland	Asset test eliminated

State	Assets excluded from TANF
Massachusetts	■ The first $10,000 of the fair market value of one vehicle and the first $5,000 of the equity value of one vehicle ■ Individual Development Accounts ■ Prepaid funeral arrangements up to $1,500 ■ Educational grants or scholarships ■ Property essential to employment or self-employment ■ Earned Income Tax Credit up to 12 months
Michigan	■ All vehicles owned by household ■ Individual Development Accounts ■ Retirement plans (Individual Retirement Accounts, Keoghs, 401(k)s) that are not available unless a person quits their job ■ Funds in a separate account under a student's name and accrued solely from a student's earnings ■ 529 college savings accounts ■ Tax refunds and credits
Minnesota	■ Vehicles used for self-employment, to transport a physically disabled Assistance Unit member, for long-distance employment-related travel, if more than 50% of use is to produce income ■ First $10,000 loan value for vehicle with highest loan value, $7,500 in loan value for all other vehicles ■ Individual Development Accounts through the Family Assets for Independence in Minnesota (FAIM) program ■ Educational grants and scholarships ■ Assets used for self-employment ■ Money held in escrow for a self-employment business ■ Burial funds ■ Life insurance policies
Mississippi	■ All vehicles, except recreational vehicles ■ 529 college savings and Coverdell accounts ■ Retirement plans including Individual Retirement Accounts, 401(k)s, 403(b)s and Keogh plans ■ Up to $1,500 in a funeral agreement per household member ■ Cash surrender value of life insurance ■ Equipment essential to operation of a small business ■ Real property that brings in annual rent ■ Earned Income Tax Credit up to 12 months
Missouri	■ One vehicle and up to $1,500 equity value of an additional vehicle ■ Individual Development Accounts ■ $1,500 of equity value of prepaid burials for each family member ■ Income received on an annual basis (such as sale of livestock in the fall) and put aside in a separate account for yearly maintenance as cash and securities ■ Saleable personal property used to produce income (livestock, merchandise, etc.)
Montana	■ One vehicle per household ■ Business Asset Development Accounts ■ Burial accounts up to $1,500 ■ Term life insurance policies ■ Cash and face value of ordinary (whole) life insurance policies ■ Employment-related retirement accounts that can only be accessed upon termination ■ Income producing property for self-employment ■ Individual Development Accounts

State	Assets excluded from TANF
Nebraska	■ One vehicle if used for employment, medical transportation, or as a home ■ Individual Development Accounts ■ Cash value of life insurance policies ■ Irrevocable burial trusts up to $3,000 per individual ■ Proceeds of an irrevocable burial insurance policy ■ Unavailable job-related retirement account held by the employer ■ Stocks, inventory and supplies used for self-employment
Nevada	■ One vehicle per household ■ Individual Development Accounts ■ Retirement accounts, including 401(k)s, 457 plans, Federal Employee Thrift Savings plans, 501(e)(18) plans and 403(b) plans, but not including Individual Retirement Accounts or Keogh plans ■ Prepaid burial insurance policies, funeral plans, funeral agreements and insurance policies ■ Property used for self-employment ■ 529 college savings and Coverdell accounts
New Hampshire	■ One vehicle per licensed household member ■ Individual Development Accounts ■ Contractual Keogh plans ■ One burial contract for each household member, up to $1,500 ■ Life insurance policies for which the total combined equity value of the policy or policies is less than or equal to $1,500 or the state has been made the beneficiary to the policy or policies ■ Farm machinery and farm vehicles, livestock, farm tools, farm equipment and other tools and equipment
New Jersey	■ All vehicles ■ Individual Development Accounts ■ Prepaid burial plots and funeral arrangements up to a total value of $4,000 per Assistance Unit member ■ Life insurance policies ■ Livestock, machinery, tools and equipment used to produce income ■ Earned Income Tax Credit payments ■ Educational grants and scholarships
New Mexico	■ All vehicles ■ Individual Development Accounts ■ Equity value of funeral agreements ■ Buildings used for rental purposes, if located on land contiguous to the land upon which the residence building is constructed ■ Work-related equipment up to $1,000 per individual
New York	■ One vehicle up to $9,300, if needed for employment ■ Individual Development Accounts ■ Up to $4,650 in a separate bank account established by an individual while currently in receipt of assistance, for the sole purpose of enabling the individual to purchase a first or replacement vehicle to seek, obtain or maintain employment, so long as the funds are not used for any other purpose ■ One funeral agreement up to an equity value of $1,500 per household member ■ Business/farm equipment and tools used for employment ■ Earned Income Tax Credit

State	Assets excluded from TANF
North Carolina	■ All vehicles ■ All retirement accounts ■ Burial and life insurance ■ Income-producing property ■ Earned Income Tax Credit
North Dakota	■ One vehicle ■ Prepaid burial plans up to $3,000 ■ Educational loans, grants, scholarships and stipends ■ Individual Development Accounts through the Personal Responsibility and Work Opportunity Reconciliation Act ■ Employer sponsored retirement plans
Ohio	Asset test eliminated
Oklahoma	■ One vehicle up to $5,000 ■ Individual Development Accounts up to $2,000 ■ Saving for Education, Entrepreneurship and Downpayment (SEED) accounts up to $2,000 ■ Face value of a life insurance policy to fund a prepaid burial contract ■ Burial funds up to $1,500 per Assistance Unit member ■ Education grants, including work study, scholarships and similar grants ■ Accounts, stocks, bonds or other resources held under the control of a third party if the funds are designated for educational purposes for a TANF child ■ Livestock and equipment used in a business enterprise
Oregon	■ Up to $10,000 equity value of all motor vehicles ■ Recreational vehicles with equity value of less than $1,500 ■ Individual education accounts for participants in JOBS PLUS program ■ Educational income ■ Cash surrender value of a life insurance policy ■ One prepaid burial arrangement per Assistance Unit member ■ Capital assets for self-employed clients participating in the microenterprise component of the JOBS program ■ All Earned Income Tax Credit payments ■ Individual Development Accounts
Pennsylvania	■ One vehicle ■ Individual Development Accounts ■ Saving for Education, Entrepreneurship and Downpayment (SEED) accounts ■ Educational savings accounts ■ Educational assistance in the form of grants and scholarships ■ The face or cash surrender value of life insurance policies ■ Up to $1,500 in a bona fide revocable burial reserve for each household member ■ Farm equipment or farm animals ■ Equipment needed for employment, rehabilitation or self-care ■ Earned Income Tax Credit and any income tax refund
Rhode Island	■ One vehicle for each adult household member, up to two vehicles per household ■ Vehicles used primarily for income-producing purposes ■ Funeral agreement up to $1,000 for each household member ■ Income-producing property other than real estate ■ Earned Income Tax Credit ■ Educational grants and scholarships

State	Assets excluded from TANF
South Carolina	■ One vehicle per licensed driver ■ Leased vehicle if owner retains title ■ Individual Development Accounts up to $10,000 ■ Income-producing property with market rate of return ■ Property essential to employment/self-employment ■ Vehicles if used to transport a person with a disability for self-employment or income-producing purposes as long as number of vehicles does not exceed number of licensed drivers ■ Up to $1,500 in a prepaid burial contract ■ Cash value of burial insurance ■ Cash value of life insurance
South Dakota	■ One primary vehicle, regardless of value ■ One additional vehicle valued up to $4,650 if used to obtain or continue employment, attend training preparatory to employment or attend school ■ A vehicle necessary to transport a member of the household who has a physical disability, or is on Supplement Security Income (SSI) and would be a member of the Assistance Unit if not on SSI ■ An income-producing vehicle ■ The equity value of a prepaid burial contract up to a maximum of $1,500 ■ Educational grants ■ The first $1,000 of the cumulative balance of a dependent child's savings account, checking account, bonds or certificates of deposits, if the excluded funds are owned solely by the dependent child or jointly with the caretaker or another adult relative; the child is at least a half-time student; the child is employed at least part-time or has been employed at least part-time in the preceding 12 months; and a portion of the account was derived from the child's earnings
Tennessee	■ One vehicle with equity value of up to $4,600 ■ Individual Development Accounts up to $5,000 ■ Individual Retirement Accounts, 401(k)s and Keoghs of $20,000 or less ■ Burial policies ■ Cash value of life insurance policy ■ Student grants ■ Equipment used in a self-employment enterprise ■ Low-income Entrepreneur Escrow Accounts administered by a Community Based Organization (CBO) up to $5,000
Texas	■ $4,650 is exempt for each vehicle owned by a TANF-certified or disqualified household member ■ All licensed vehicles used for income-producing purposes ■ One vehicle per disabled household member regardless of whether the vehicle is used to transport the disabled person ■ Texas 529 college savings accounts and Coverdell accounts ■ Individual Retirement Accounts, 401(k)s, 403(b)s, Simplified Employee Pension and Keogh plans ■ Cash value of life insurance policies ■ Up to $7,500 cash value of a prepaid burial insurance policy, funeral plan or funeral agreement for each household member ■ Personal property that is essential to employment or self-employment, annually produces income consistent with a fair market value comparable in the community, is necessary for the maintenance or use of a vehicle exempted as income-producing or as necessary for transporting a physically disabled household member ■ Earned Income Tax Credit up to 12 months

State	Assets excluded from TANF
Utah	■ All vehicles, excluding campers and trailers ■ Burial/funeral funds up to a maximum of $1,500 per household member ■ Reasonable assistance received for post-secondary education ■ Income-producing property (except real property) necessary for employment ■ 529 and Coverdell education accounts ■ Retirement plans, including Individual Retirement Accounts, 401(k)s, 403(b)s, Keoghs ■ Earned Income Tax Credit ■ Individual Development Accounts
Vermont	■ One vehicle per Assistance Unit with one adult and 2 vehicles per Assistance Unit with two or more adults ■ Individual Development Accounts ■ Loan and cash value of whole life insurance ■ One burial plot and funeral agreement per individual with an equity not in excess of $1,500 ■ Assets accumulated from subsidized or unsubsidized earnings of adults and children (for current recipients) ■ Interest on excluded assets ■ Illiquid assets purchased with savings from earnings or with a combination of savings from earnings and other excluded income or resources, such as SSI/AABD retroactive benefits or federal Earned Income Tax Credit (EITC) lump-sum income ■ Personal property used to produce income ■ Vermont and federal EITC payments ■ If a family reapplies for assistance after Reach Up (Vermont's TANF program) benefits terminate, assets accumulating during the time the family was not participating in Reach Up are excluded, provided that all other criteria specified for exclusion are met
Virginia	Asset test eliminated
Washington	■ A licensed vehicle needed to transport a physically disabled household member ■ One additional vehicle with equity value up to $5,000 ■ Savings accounts with combined balances of up to $3,000, over and above the current $1,000 resource limit (for current recipients) ■ Educational assistance in the form of grants or work study ■ Burial agreements up to $1,500 ■ Property that produces income consistent with fair market value ■ Property needed for self-employment ■ Individual Development Accounts ■ EITC payments up to 12 months
West Virginia	■ One vehicle per household, regardless of value ■ Leased vehicles ■ 529s, Coverdells and prepaid tuition plans ■ Funds held in certificates of deposit (CDs) that cannot be withdrawn prior to maturity under any circumstances (the certificate is not an asset until the first month after it matures) ■ Individual Development Accounts
Wisconsin	■ Combined equity value of vehicles up to $10,000 ■ Scholarships for tuition and books

State	Assets excluded from TANF
Wyoming	■ One vehicle up to $15,000; two vehicles up to $15,000 combined value for a married couple ■ All leased vehicles ■ Savings account designated for higher education, established from earnings of a dependent child under age 18 who is a full-time high school student ■ Burial funds for each Assistance Unit up to $1,500 ■ Educational grants, and scholarships ■ Livestock, farm machinery, tools for self-employment

RESOURCE GUIDE:

LIFTING ASSETS LIMITS IN PUBLIC BENEFIT PROGRAMS