

Support HB2262: Eliminating the Asset Limit on TANF

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Under current rules a family on TANF cannot save more than \$3000

Eliminating the TANF Asset Test Will:

1. Promote savings and encourage families to develop behaviors that lead to self-sufficiency.
2. Allow families to preserve the few resources they do have, like emergency or college savings, and avert financial disaster.
3. Increase government efficiency with substantial savings for taxpayers.



Impact on Families

- The asset test **sends the wrong message** to our poorest families. It tells TANF recipients to spend not save. It **prevents them from taking responsibility** for their family's financial future.
- Families should not be forced to spend down college savings or emergency savings in order to receive benefits.

Impact on the State

- Of the 192,000 individual TANF eligibility reviews last year, IDHS found **only 8 cases** where the family's assets exceeded \$3000.
- The **TANF asset limit policy consumes substantial administrative resources** because caseworkers have to go through extensive, unnecessary, verifications.
- **IDHS estimates a cost savings of \$960,000.** Eliminating the TANF asset test would saving considerable taxpayer dollars.

BOTTOM LINE: By eliminating the asset test on TANF, IDHS can save the state money while supporting families' efforts to become financially independent.

An Outdated Policy

Asset limits no longer serve a useful purpose:

Before the 1996 welfare reforms they served to limit welfare to those most in need.

Under the stringent work requirements put into place by welfare reform, a single parent with 2 children in Illinois must be engaged in 30 hours per week of work activities to receive a monthly grant of \$432.

This is a sufficient disincentive for a person with significant assets to apply for TANF – as demonstrated by how few cases are canceled for being over assets

Given these built in deterrents, asset limits have become outdated, unnecessary, and potentially harmful to families.

Questions:

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The following organizations support HB2262:

Center for Economic Progress

Chicago Coalition for the Homeless

Community Organizing & Family Issues (COFI)

Elev8 Chicago

Heartland Alliance for Human Needs & Human Rights

Illinois Asset Building Group (IABG)

Illinois Coalition for Community Service

Illinois Maternal and Child Health Coalition

Lutheran Advocacy

North Side Community Federal Credit Union

North Lawndale Employment Network

Ounce of Prevention Fund

Partners in Community Building

Project Irene

Protestants for the Common Good

Sargent Shriver National Center on Poverty Law

Woodstock Institute

YWCA Metropolitan Chicago