



## The Asset Test for FoodShare Issue Brief

The state budget proposes to reinstitute an asset test as a condition of eligibility for the FoodShare program (also known as SNAP nationally). Under such a policy, people with more than \$25,000 in savings and other assets will not be eligible for FoodShare despite facing tough situations like job loss, unexpected healthcare costs, or other family economic shocks.

Like a majority of states across the nation, Wisconsin does not require an asset tests for FoodShare because it is ineffective at targeting benefits and is disincentive to save. Currently, only 17 states implement an asset test for SNAP eligibility.

Feeding Wisconsin is opposed to this measure in the state budget for these reasons:

- Asset limits **discourage** low-income families from saving and force families in need to spend down their savings in order to seek SNAP benefits. This puts struggling families with nominal savings at a higher risk of long-term poverty. There should be incentives for families to save money in order to **achieve self-sufficiency**, not the other way around.
- Asset limits **unfairly target families who have worked hard a played by the rules**. If an average middle class Wisconsin family with savings and a 401K experiences a prolonged job loss, it would be forced to spend down the family's savings and liquidate their retirement savings just to qualify for basic food assistance, making it harder for the family to bounce back when they find a new job. We should not be penalizing families for doing the right thing.
- Savings are important, not only to long-term financial health but it has been found that assets are **important to a family's physical and mental health**, as well as its economic and social well-being
- Since the average FoodShare recipient only has \$333 in savings, implementing an asset test only serves to **create an unnecessary administrative barrier** for families trying to get short term assistance to receive vital food buying benefits. These families would have to go through onerous verification procedures to prove they qualify.
- Asset tests are a prime example of bad regulation. They **cost additional taxpayer money** without any positive results for the people who need assistance.

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