

Recommendation 3: Increase General Asset Limits in the Food Stamp Program.

Congress should increase the Food Stamp Program's general resource limit to \$3,000. For households with an elderly or disabled member, Congress should increase the resource limit to \$4,000.

Rationale: The current resource limits (\$3,000 for households with an elderly or disabled member and \$2,000 for other households) are too restrictive. These limits have remained stagnant for many years now – the last increase in the general resource limit was 20 years ago! Meanwhile, inflation has eroded the value of these resources, and growing emphasis on self-sufficiency for lower-income families makes resources even more critical than before.

The current resource limits are so low that they force households into impoverishment before they are eligible for food stamps, and they leave these households with no “cushion” in case of an emergency, such as job loss or family illness. The resource limits have been stagnant for so long that now they are lower than the monthly income limits for many households. In areas with high housing costs, one month of shelter and utilities alone can exceed the resource limits.

Families should not have to forfeit the opportunity to save in order to participate in the Food Stamp Program. Low-income households with savings for retirement or college are forced to deplete these savings before they can access food stamp benefits. The same is true for seniors who are saving for burial, so as not to burden their children.

Increasing the resource limits for all household types will allow families to access the Food Stamp Program before they have exhausted their resources and are completely impoverished. This is critical to helping them rebound from financial emergencies, and it ultimately promotes self-sufficiency over the long-term.

Description: For households with a member who is age 60 or older or who is receiving disability benefits, the current resource limit is \$3,000. For all other households, the limit is \$2,000. Resources include cash, checking and savings accounts, most lump sum payments, unrestricted trusts, stocks, and bonds. Nonresident properties such as boats are also counted. The resource limits do *not* vary by household size.

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