



April 11, 2018

Dear Chairman Dean and Members of the committee,

On behalf of the 140 members of the Minnesota Asset Building Coalition (MABC), I'd like to share the reasons we oppose House File 118, a bill to change the eligibility requirements of the SNAP program to include stringent asset limits.

MABC is a statewide coalition of nonprofit organizations working to help low-income Minnesotans build and protect their assets. Our members are primarily direct service providers, including social service agencies, economic development organizations, immigrant organizations, and agencies focusing on transportation and education. These members work with low-income families struggling for financial stability and independence, and as a Coalition, we advocate with policymakers to create asset-building opportunities for all Minnesota families.

We're concerned about HF 118 because we know that the opportunity to work, save, and invest in a brighter future creates long-term financial security and independence. Multiple national studies<sup>i</sup> demonstrate that imposing asset limits on SNAP eligibility discourages families from saving and harms the long-term economic advancement of those families. If the goal of safety net programs like SNAP is to help stabilize families in the short term so they can work toward long-term financial security and independence, then asset limits that discourage saving are directly counterproductive. Discouraging saving is likely to prolong families' dependence on safety net programs like SNAP by leaving them vulnerable to economic shocks like job loss or unexpected medical expenses. In fact, a 2016 report from the Urban Institute<sup>ii</sup> verifies that imposing asset limits on SNAP eligibility increases the likelihood that households will cycle on and off SNAP.

MABC supports programs that encourage low-income families to build assets. Family Assets for Independence in Minnesota (FAIM) is a program that illustrates the importance of asset-building for low-income families. FAIM is a matched savings program established by the Minnesota Legislature in 1999 (authored by then-Senator Pawlenty) to help low-income families build assets. Participants in the FAIM program save \$40 per month, and their savings is matched by state and federal dollars. At the end of the two-year program, participants have accumulated \$3840, which they can put toward a down payment on a home, higher-education costs, or launching or expanding a small business – investments we know help families build a brighter financial future for themselves and their children.

MABC supports programs like FAIM that encourage saving for low-income families as a strategy to build long-term economic security and independence. HF 118 works directly against this principle by discouraging saving, making it more difficult for families to create a personal savings safety net that provides financial stability and the opportunity to invest in their own long-term prosperity. We respectfully ask Members of the committee to oppose HF 118.

Sincerely,



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Minnesota Asset Building Coalition  
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<sup>i</sup> See for example, "Asset Limits Are a Barrier to Economic Security and Mobility," Center for American Progress, September 10, 2014, <https://www.americanprogress.org/issues/poverty/reports/2014/09/10/96754/asset-limits-are-a-barrier-to-economic-security-and-mobility/>

<sup>ii</sup> "The Unintended Consequences of SNAP Asset Limits," Urban Institute, July, 2016, <https://www.urban.org/research/publication/unintended-consequences-snap-asset-limits>