Prosperity Now’s Financial Security Priorities for 2020

February 18, 2020
Prosperity Now’s mission is to ensure everyone in our country has a clear path to financial stability, wealth and prosperity.
Housekeeping

- The webinar is being **recorded** and will be available online.

- **Ask a question** or make a comment at any time by typing it into text box of GoToWebinar Control Panel.

- If you experience any technical issues, email gotomeeting@prosperitynow.org.

- Follow us on **Twitter**: @ProsperityNow
Today’s Speakers

Vanna Cure
Senior Advocacy Manager

Joanna Ain
Associate Director, Policy

Holden Weisman
Associate Director, Policy

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Today’s Agenda

✓ Overview of Financial Security in America
✓ ASSET Act: What is it and Why Now?
✓ Promise Accounts Proposal
✓ Group Discussion and Q&A
✓ Next Steps & Close
Poll Question

Are you currently working on financial security-related policy issues?

- Yes, at the federal level
- Yes, at the state level
- Yes, at the municipal level
- No

(Use the poll tool on your screen to record your answer.)
Financial Security in America: An Overview

Holden Weisman
Associate Director, Policy
NEARLY 4 IN 10 HOUSEHOLDS ARE LIQUID ASSET POOR IN THE US

DON’T HAVE ENOUGH SAVED TO COVER A POVERTY-LEVEL INCOME FOR 3 MONTHS IN THE EVENT OF AN EMERGENCY ($3,168 for individual, $6,550 for family of four)

Source: Survey of Income and Program Participation
Liquid Asset Poverty Rates by Race

- Black Households: 58.2%
- Latino Households: 58.1%
- White Households: 29.1%
- Households w/ Disability: 60.5%
Policy Proposals

1. Remove barriers to saving by eliminating savings penalties on public assistance programs

2. Create opportunities to save through matched savings accounts
The ASSET Act

Removing barriers to saving by eliminating savings penalties on public assistance programs
Why Now?

Savings penalties force families to choose between their future and their current needs

A single mom saves $2,000 for her child’s college education in a CSA

She loses her job

Her family needs access to food, heat and other basic supports

- Spend down the CSA and receive public benefits such as SNAP, LIHEAP and TANF
- Keep the CSA and be unable to access the benefits that she and her family needs to survive

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Savings Penalties in Public Benefit Programs
8 States Have Eliminated Asset Test in TANF

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ASSET Act

- Allowing Steady Savings by Eliminating Tests (ASSET) Act
- S. 3276 introduced by Senators Chris Coons (D-DE) and Sherrod Brown (D-OH)
- H.R. 5848 introduced by Representatives TJ Cox (D-CA), Kim Schrier (D-WA) and Jimmy Gomez (D-CA)
- Eliminates asset limits on TANF, SNAP and LIHEAP
- Raises limits on Supplemental Security Income (SSI) from $2,000 to $10,000 for an individual and from $3,000 to $20,000 for a couple, indexed to inflation
What Changes Under the ASSET Act?

Savings penalties force families to choose between their future and their current needs.

<table>
<thead>
<tr>
<th>A single mom saves $2,000 for her child's college education in a CSA</th>
<th>She loses her job</th>
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<tr>
<td>CSA ACCOUNT $2000</td>
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- Spend down her CSA and receive public benefits such as SNAP, LIHEAP and TANF
- Keep the savings and be unable to access the benefits that she and her family needs to survive
2020 Advocacy Goals for ASSET Act

- Introduction of the bill in the House and Senate
- Drum up as many co-sponsors as possible in both chambers
- Build momentum for passage in 117th Congress
What Can You Do?

Email Your Legislators and Ask Them to Support the ASSET Act!

This week Senators Chris Coons (D-DE) and Sherrod Brown (D-OH) introduced the Allowing Steady Savings by Eliminating Tests (ASSET) Act, which would remove savings penalties on TANF, SNAP, and LIHEAP and raise asset limits for SSI. This act would allow recipients of these programs to build savings while maintaining their much needed benefits. Policies like this one are critical for promoting financial stability, as 37% of households lack enough savings to live for three months at the poverty level. U.S. Representatives TJ Cox (D-CA), Kim Schrier, M.D. (D-WA), and Jimmy Gomez (D-CA) introduced companion legislation in the House.

We need your help to drum up support for this bill in Congress! Take a moment to email your legislators and ask them to sign onto the ASSET Act! If this is your first time taking action here, please enter your contact information so that we can locate your Senators and Representative. After that, the pre-drafted email will appear, and all you have to do is click "Send". It's that easy!

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Act now!

Select Recipients

- Sen. Tim Kaine (D-VA)
- Sen. Mark Warner (D-VA)
- Rep. Don Beyer (D-VA-8)

Submit Selected Letters

Or edit letters before submitting

Sen. Tim Kaine (D-VA)

Subject

Please Co-Sponsor the ASSET Act!

Message

Dear Sen. Kaine,

My name is Yanna Cure and I'm a constituent of yours here in Virginia. I'm writing to request that you co-sponsor the Allowing Steady Savings by Eliminating Tests (ASSET) Act, a bill that was recently introduced by Senators Chris Coons (D-DE) and Sherrod Brown (D-OH). If passed, this bill would allow financial assistance program recipients to build their personal savings while maintaining their much needed SSI, SNAP, TANF, and LIHEAP benefits.
Promise Accounts: A New Matched Savings Program

Joanna Ain
Associate Director, Policy
Why Now?

- Working families need more support in order to save for the future—especially Black and Latino households.
- Each year, the federal government provides fiscal resources to help families build wealth, but...
  - The wealthiest 20% of Americans received 71% of the benefits coming out of the Tax Cuts and Jobs Act.
  - Almost 80% of the $218 billion in tax cuts went to White households (an average of $2,020 in tax cuts), while Latino and Black households received an average of $970 and $840 respectively.
- While many exciting proposals are advancing through Congress highlighting the need of saving in the short term for emergencies and in the long term for retirement, we also need more flexible savings options for the medium term to support critical assets like higher education and homeownership.
Proposed Promise Accounts Proposal

- Standardized accounts created through one platform
- More types of purchases eligible for the program
- More families eligible to participate
- A strong role for local organizations
What would the Promise Accounts experience look like?

Promise Accounts Will Help Working Families Make Important Purchases

**STEP 1**
A local organization recruits Jane in their Promise Accounts program.

**STEP 2**
Jane enrolls in the program and opens a Promise Account with the help of the local organization.

**STEP 3**
Jane saves $1,000 for at least 6 months for a car so that she can get to work. She also meets with a financial coach to create a budget for her household and to get help with her credit card debt.

**STEP 4**
Jane receives $2,000 in her Promise Account as a 2:1 match for her savings. She puts a down payment on a car—allowing her to keep her steady job so that she can continue to pay her bills and build wealth.

**STEP 5**

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2020 Advocacy Goals

- Introduction of the bill in the House and Senate
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Discussion Questions

1. Which parts of this proposal interest you the most?

2. What matched-savings proposals are being considered in your state?
Audience Q & A

What questions do you have?

Share them in the Questions box!
Stay in Touch!

Joanna Ain | Associate Director
✉️ jain@prosperitynow.org

Vanna Cure | Senior Advocacy Manager
✉️ vcure@prosperitynow.org

Holden Weisman | Associate Director
✉️ hweisman@prosperitynow.org
Next Steps and Wrap Up

Vanna Cure
Senior Advocacy Manager
Prosperity Now
Next Steps

▪ Please **complete the survey**!

▪ Attend our **final webinar** in the series on Feb. 25th for a discussion on our RWE/Tax priorities!

▪ Explore new state and Congressional district Scorecard data: [https://scorecard.prosperitynow.org/](https://scorecard.prosperitynow.org/)

▪ Visit our online Advocacy Center at [https://prosperitynow.org/take-action](https://prosperitynow.org/take-action)
Thank You!

Please complete our survey and we’ll see you Feb. 18 for our next webinar!