



Maine Equal Justice

People Policy Solutions

Support LD 945 to Help Maine Families To Increase Their Savings and Manage Life's Emergencies

Families should be able to save for unexpected costs without fear of losing their income support through Maine's Temporary Assistance for Needy Families (or TANF) program.

By **removing the \$2,000 asset limit**, Maine families will be able to create lasting economic independence. **Maine could be a leader, joining eight other states** including Alabama, Colorado, Hawaii, Illinois, Louisiana, Maryland and Virginia, that have designed their TANF eligibility guidelines to **allow and encourage families to save** for long-term goals and emergencies.

TANF is **meant to help families find an economic footing**, yet an asset test works directly against this goal. The rule is **costly and a burden for DHHS to administer**. States that have eliminated asset tests for SNAP and TANF benefits have **saved valuable staff time**.

Make TANF program rules match the program's goals

People who have had low income know: a simple emergency car repair or a few unpaid sick days can **derail months or years of hard work** toward economic stability. Maine families should be able to increase their savings for greater long-run financial security, and **avoid unnecessary debts** and borrowing fees.

LD 945 would:

- **Remove the current asset limit of \$2,000** allowing for families to increase their economic independence through saving;
- **Align TANF with MaineCare and SNAP** which have already removed asset limits for most participants;
- **Allow Maine to join eight other states** that have already removed asset limits for TANF;
- **Improve long-term outcomes** by ensuring that TANF recipients transitioning out of the program and into the workforce have the financial security necessary to succeed.



Savings spell security

“My car needed just over \$3k of repairs to pass inspection this year. TANF only helped with part of that, leaving me with well over \$2k to cover across multiple credit cards. I am **still paying down those charges, with interest**. If I had been allowed to save adequately, I could have covered this **unexpected cost** and avoided the fees. It's a scary prospect to be graduating soon, transitioning out of TANF and heading off into the workforce **without any savings behind me** to cover an emergency.”