

Thousands in Pennsylvania to lose food stamps due to asset test

Samuel Davidson
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The Pennsylvania Department of Public Welfare quietly announced that it is imposing a little-used asset test that will force tens of thousands off the federal food stamp program, SNAP.

To take effect May 1, the new rule will eliminate food stamps for those with total assets of more than \$2,000, or \$3,250 for those over 60. The only exemptions from what are considered assets are a person's home and first car. Other cars worth more than \$4,650 and general savings (for college, monthly bills, etc.) all count.

The \$2,000 lower limit was first set by the federal government in 1980, and has not been raised since, including during either the Clinton or Obama administration. If inflation were taken into effect, the limit would be the equivalent of about \$5,500 today.

The Department of Public Welfare estimates that 2 percent of Pennsylvania's 1.8 million people would be affected by the decision. That translates into 36,000 who will lose their benefits. In reality, the number will be much higher.

Advocates for the poor and unemployed say that thousands of others will not apply out of fear that they won't qualify. Estimates already show that 30 percent of people who are eligible for food stamps do not apply for them.

To qualify for food stamps, a family must earn less than 160 percent of the federal poverty level, which is \$22,350 for a family of four. This means such families must earn below \$35,760 to qualify for the program.

For many families, \$2,000 is not enough to cover two months' rent or mortgage payments. It would equal a major car repair, but is a paltry amount compared to most medical bills, and would pay for only a single class for one semester at a public university, and much less at a private institution. Starting May 1, families

will have to choose between saving for any emergency versus having a few extra dollars to buy food.

This will especially hurt the hundreds of thousands of families where one or both adults had been working, but have been laid off during the recession. They will be forced to use up any savings they may have had, with no regard for future expenses. Most second cars would have to be sold since, according to Kelly Blue Book, it takes more than 10 years and over 100,000 miles for the value of most cars to fall under the \$4,650 limit.

Under the conditions of recession, the use of food stamps statewide and nationally has soared as millions of people have been thrown out of work. Currently, one in seven adults and one in four children rely on food stamps to help pay for groceries. Food stamps are credited with keeping 3.9 million people out of poverty.

Only 10 other states—Alaska, Arkansas, Indiana, Kansas, Missouri, South Dakota, Tennessee, Utah, Virginia and Wyoming—impose the minimal asset test on residents for food stamps. Four other states impose a \$5,000 asset test for residents to qualify; 35 states impose no asset test.

The ability of the Department of Welfare to impose the asset test requirement without it being first part of a bill passed by the state legislators is the result of the Pennsylvania budget passed last year. In that bill, the Department of Welfare and, specifically, its director were given the authority to impose new regulations aimed at reducing costs. Involved in this were new documentation requirements for Medicare that led to more than 100,000 people being denied health benefits.

The past four years have seen a dramatic cut in social spending throughout Pennsylvania. Both Democratic and Republican lawmakers, including former governor Ed Rendell, a Democrat, have spearheaded cuts that

have resulted in the loss of jobs for thousands of state workers as well as massive cuts to transportation, libraries, and early childhood education.

The Republican administration of Governor Tom Corbett has taken this further. Upon taking office one year ago, Corbett ended the state's Adult Basic health insurance program, which provided coverage for nearly 50,000 low-income residents. His first budget cut consisted of slashing \$1 billion from public education and state universities, forcing most school districts to raise taxes, lay off teachers, and cut back kindergarten and other programs. Tuition at the state universities increased by a minimum of 7 percent.

Already, the Corbett administration has announced that tax collection is \$500 million behind expectations and ordered a freeze in state spending. Corbett's budget secretary has warned that another round of spending cuts will be made this summer when next year's budget begins.



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