



Ending the Broad-Based Categorical Eligibility Loophole

THE PROBLEM: STATES BYPASS FOOD STAMP ASSET TESTS WITH BBCE LOOPHOLES

Individuals made eligible through broad-based categorical eligibility (BBCE) may never have their assets checked at all.



Thirty-nine states and Washington, D.C. **use BBCE loopholes.**



Taxpayers spend nearly **\$7 billion per year** on food stamps for individuals made eligible by the BBCE loophole.



This adds more than five million people to the food stamp program who do not qualify—**taking resources meant for the truly needy.**

ASSETS

cash, bank deposits, stocks, bonds, and other liquid assets

EXEMPT

home equity, one or more vehicles*, household or personal goods, life insurance, pension funds or retirement accounts, education savings accounts

*all states exempt at least one vehicle; most states exempt all

THE RESULT: EVEN MILLIONAIRES CAN QUALIFY FOR FOOD STAMPS



In 2015, nearly **four million** enrollees had countable assets above the federal threshold, while **more than 1.2 million** had incomes above the federal limit.

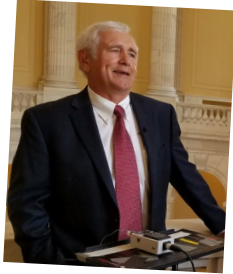


This broad misapplication of federal law has even **allowed millionaires and lottery winners to qualify** for the program.



Ending the Broad-Based Categorical Eligibility Loophole

THE PROOF: MILLIONAIRE RECEIVES FOOD STAMPS



In Minnesota, **millionaire Rob Undersander and his wife spent 19 months on food stamps just to prove a point:** His state's abuse of federal loopholes is siphoning away resources meant for the truly needy. Although he and his wife had millions of dollars in financial assets, eligibility workers never even checked them when the Undersanders applied for food stamps, as Minnesota uses the BBCE loophole.

For those with countable assets above the federal limit:



Most have **more than \$20,000**

More than one-third have **at least \$50,000**

More than one-fifth have **more than \$100,000**



THE SOLUTION: ELIMINATE THE BBCE LOOPHOLE

Four million individuals receive food stamps despite having more assets than federal law allows. **Every dollar spent on these individuals means less resources for the truly needy.**



If every state implemented asset tests, **taxpayers would save up to \$7 billion dollars**, which could be spent on critical services like education, public safety, and infrastructure.

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