



# REPRESENTATIVE GARY PETERS

## **Why the EAT Act is needed**

- Nearly 50 million Americans are facing hunger, 16 million of whom are children. Five million households experiencing food insecurity include at least one senior.
- Current Federal SNAP policy subjects vehicles used for personal transportation and employment to a maximum “fair market value” limit of \$4,650. Families with vehicles that exceed the limit are ineligible for SNAP.
- Already 47 States have recognized that this is a backward federal policy and have allowed SNAP applicants to have their first vehicle exempted from asset calculations.
- Recently, Governor Snyder passed legislation to move Michigan backward by subjecting a family's household vehicles to an asset test - this could result in families owning just one car being denied food assistance.
- Restricting vehicle ownership is counter-intuitive: Vehicle ownership allows people to get to work so that they can transition off public assistance.
- Asset ownership has been shown to be one of the surest paths out of poverty, and discouraging savings and assets in federal programs only creates a perverse incentive that reinforces the cycle of poverty. The SNAP program already excludes retirement and educational savings accounts, and should exclude vehicles as well.
- Relying on an outdated fair market value limit also incentivizes families to downgrade to smaller or older vehicles that are less reliable or unfit for their family needs. This can jeopardize safety and create additional financial hardship.
- Many seniors may own their vehicles and be adversely affected by this policy. Additionally, the newly unemployed are more likely to own cars that exceed the value limit and are harmed by policies that do not exclude vehicles from asset tests.

**The EAT Act simply excludes vehicles from the asset limit, aligning federal statute with what states have already done. This will help break the cycle of poverty and to get Americans back to work without punishing children.**