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Report on Economic Independence Accounts

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Massachusetts Department of Transitional Assistance

DEPARTMENT OF TRANSITIONAL ASSISTANCE
REPORT ON ECONOMIC INDEPENDENCE ACCOUNTS
JANUARY 2022

OVERVIEW

The Department of Transitional Assistance (DTA) is required to report to the Legislature annually on the development of Economic Independence Accounts. This savings program is intended to allow families receiving Transitional Aid to Families with Dependent Children (TAFDC) to accumulate assets without risking the loss of eligibility for assistance. G.L. c. 18, § 2(B)(q) and c. 118, §16.

DEPARTMENT OF TRANSITIONAL ASSISTANCE MISSION

DTA's mission is to assist and empower low-income individuals and families to meet their basic needs, improve their quality of life, and achieve long-term economic self-sufficiency. DTA offers a comprehensive system of programs and supports to help individuals and families achieve greater economic self-sufficiency, including food and nutritional assistance, economic assistance, and employment supports.

ECONOMIC INDEPENDENCE ACCOUNTS

In 2014, *An Act to Foster Economic Independence* was signed into law, Chapter 158 of the Acts of 2014, incorporating significant reforms to the state's TAFDC program. These reforms bolstered DTA's efforts to support the economic mobility of families while also strengthening agency program integrity capabilities.

The law required DTA to develop a savings program (i.e., Economic Independence Accounts (EIAs)) for TAFDC clients so that eligible families could accumulate assets outside of the asset limit applied to savings accounts. The accounts were to be modeled after similar asset-building accounts such as Individual Development Accounts (IDAs) and Individual Asset Accounts (IAAs). The EIAs allowed TAFDC recipients to accumulate assets beyond the program's asset limit of $5,000.

RECENT LEGISLATIVE ACTION

In September 2021, the Legislature enacted An Act relative to eligibility for transitional aid to families with dependent children, Chapter 72 of the Acts of 2021, which eliminated the asset limits for the TAFDC program.

As a result of the elimination of the asset limit for the program, families may be eligible for TAFDC benefits with existing assets and accumulate assets while receiving TAFDC. As such, specific asset-building accounts, which could be deemed non-countable for the purposes of determining TAFDC eligibility, are no longer necessary.

Supporting Economic Mobility for DTA Families

Helping families build and retain assets is an important strategy in DTA's overall approach to supporting our clients to set and achieve their economic mobility goals. In the past several years, DTA has implemented a broad set of policy reforms and changes to business practices to provide families with the education and training opportunities that lead to meaningful career pathways and longer-term economic security.

Most recently, in October 2021, DTA launched a redesign of employment and training programming, now known as DTA Pathways to Work. The goal of the program redesign is to provide individualized career services for families by offering participants more time and resources to invest in training, education, job readiness activities. The program employs new goal-setting and coaching strategies to connect participants with opportunities that best match their individual career and family goals. Career pathway programs, when combined with supportive services and resources, make it easier for clients with barriers to employment to attain market identifiable skills and earn industry-recognized credentials necessary for higher wage jobs.

DTA also remains a key partner in both the state's implementation of the federal Workforce Innovation and Opportunity Act (WIOA) and the Governor's Learn to Earn Initiative, focused on addressing "cliff effects" for families receiving public assistance.