

Maura T. Healey
Governor

Kimberley Driscoll
Lieutenant Governor



Kathleen E. Walsh
Secretary

Jeff McCue
Commissioner

Report on Economic Independence Accounts

December 2024



DEPARTMENT OF TRANSITIONAL ASSISTANCE REPORT ON ECONOMIC INDEPENDENCE ACCOUNTS

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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.

LEGISLATION

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.

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

DTA supports the economic mobility of families by providing educational and training opportunities that lead to meaningful career pathways and longer-term economic security. These opportunities are provided through Pathways to Work, DTA's strategy in connecting individuals and families to education, employment, employment and training programs, and support services that promote career pathways, economic mobility and well-being. DTA engagement staff connect clients to the appropriate program based on assessments, skill level and personal choice.

Pathways to Work employment services include:

- Competitive Integrated Employment Services (CIES)
- Employment Supports Services Program, via the Office for Refugees and Immigrants (ORI)
- DTA Works Program
- Young Parents Program (YPP), and
- Empowering to Employ (ETE).

Additional TAFDC Pathways to Work employment programs in this report include the:

- Secure Jobs Program (line item 4400-1020), and
- The Work Participant Program (line item 4400-1979).

More information regarding DTA's Pathways to Work can be found here: [DTA Pathways to Work | Mass.gov.](#)

In addition to Pathways to Work programs, DTA offers financial education and coaching services as a core component of the DTA Works program. DTA Works is a TAFDC Pathways to Work program offered statewide for eligible TAFDC recipients seeking to acquire and develop skills necessary to re-enter the workforce, through direct internship experience and sector-based, regional training tracks focused on high demand career pathways. Participants in DTA Works receive group and individualized financial coaching and education services from Women's Money Matters that supports financial wellness for the whole family. Since the addition of this curriculum in 2023, DTA Works participants have made progress in their transition to economic mobility through improved credit scores, increased savings, and reduced debt.

DTA is supporting cliff effects work by using ARPA funding for the Bridge to Prosperity Program through Springfield Works. The program will provide cash assistance, individualized coaching, and employer partnerships that will ease the transition off of safety net benefits. The program seeks to enroll participants beginning in 2025 from Springfield, Worcester and Boston, with an emphasis on Black and Latino residents.

DTA also has been collaborating with the Office of the Treasurer to leverage the Commonwealth's infant savings program, the BabySteps savings program, as a mechanism to interrupt multigenerational poverty. Every child who is a Massachusetts resident is eligible for a

\$50 BabySteps deposit within one year of his or her birth or adoption, and through partnership, every child enrolled in both the BabySteps Savings Plan **and** SNAP within one year of their birth or adoption is eligible to receive an additional monthly deposit of \$10 to their MEFA U.Fund 529 account for one year.

DTA also remains a key partner in the state's implementation of the federal Workforce Innovation and Opportunity Act (WIOA) focused on addressing "cliff effects" for families receiving public assistance. Through these partnerships with other state agencies and community-based organizations, DTA remains committed to exploring new strategies to incorporate financial coaching and education services in workforce programming to better prepare families for mitigating the financial cliff effects that are associated with finding employment and supporting the transition to economic mobility.