“Social Security Won't Let You Have a Nest Egg”: The Case for Updating Supplemental Security Income’s Asset Limit

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Summary

The roughly 7 million older and/or disabled Americans who receive Supplemental Security Income (SSI) must adhere to numerous complex, rigid, and outdated program rules in order to keep their benefits, one of the most punishing of which is the asset limit. SSI recipients are limited to just $2,000 in assets (including cash, money in bank accounts, and the value of life insurance policies and burial funds) for individuals and $3,000 for married couples.

These limits were never indexed to inflation at SSI’s inception in 1972 and have not been updated since 1989. If the asset limit had been indexed to inflation in 1972, it would be approximately $10,000 for an individual today (Romig, et al., 2023). Recent polling by the National Academy of Social Insurance reveals strong, bipartisan support for increasing SSI’s asset limit, with two-thirds Americans in favor of raising it to at least $10,000 for individuals and $20,000 for couples (National Academy of Social Insurance, 2025).

On April 1, 2025, a group of bipartisan legislators took a vital step towards modernizing SSI in their re-introduction of the SSI Savings Penalty Elimination Act. The SSI Savings Penalty Elimination Act would update the SSI asset limit to $10,000 for individuals and to $20,000 for couples, thereby bringing SSI into the 21st century and eliminating the marriage penalty (an asset limit reduction of 25 percent) embedded in current policy. The legislation would also index the asset limit to inflation, so that future generations of SSI recipients will not find themselves trapped in a policy designed for a decades-old economy.

This brief uses a secondary analysis of qualitative research with over 75 working-age, disabled, SSI recipients to describe the harmful impacts of SSI’s asset limits (Savin, 2021, 2023, 2024a, 2024b; Savin & Jones, 2025). Four main themes emerged: SSI asset limits 1) exacerbate financial precarity; 2) force ill-advised financial behavior; 3) prevent beneficiaries from planning for the future; 4) cause a psychological toll. The reflections from recipients of SSI below are clear: it’s time to update SSI’s asset limits.

Personal Safety Net

Economic stability feels precarious to many SSI recipients, many of whom have experienced--or know people who have experienced--benefit delays, pauses or terminations. In the context of SSI's complicated administrative rules, many SSI recipients worry that they could accidentally break a rule and lose access to their benefits without any safety net to catch them.

> ***"I do want to save up…but I know I can't, which is way hard. 'Cause I do want to have like extra money, you know, as for like emergencies like that and I can't have it. So, yeah, that's why I'm saying once I get cut off the SSI, I'm not going to have any money. I'm not going to have any money." - Emily, age 40***

> ***"And I guess before SSI, I [had] a job that I tried to manage to keep, and everything I had from that, I saved… So, I really wanted to maintain those savings for myself. But with SSI, they had made it clear that you're not supposed to keep more than a certain amount in the bank. So, I think that was one thing that was difficult because it's kind of hard to not really have a security net because we're fully dependent on however much the government gives us and however much they allow us to keep stored. And other than that, if that runs out, if we get disqualified one month or something just happens and we don't get our check that month, it can be really difficult."* – Joy, age 25**

Not ever having more than $2,000 in the bank feels particularly tenuous to SSI recipients who lived in poverty and depended on their monthly check to make rent and afford basic needs like food and utilities. They share fears that a single unexpected event, like an emergency or a bureaucratic delay or error, could threaten their basic safety with no cushion to fall back on.

Financial Literacy

For young people who come of age on SSI, their first financial lessons are anti-savings as they must navigate the asset limit first and foremost. The anxiety that accompanies SSI rules, as benefits maintenance is a high stakes endeavor, serves to underscore these lessons.

> ***"I will say that experience did not help developing my financial sense. I'm getting better, but having a start like that where you're-- that's insane to me that cap, by the way. Imagine telling a kid not to save money, but to spend it so that you always have less than $2,000. What kid would benefit from that financially? What are they going to learn from that? They're going to learn that they have to spend money, and they're going to get anxious if they have any more than that, which is what happened to me."* – Onyx, age 24**

> ***"When my mother died, I got a little change. And I called them and say, "Hey, I got this change." They said, "Get rid of it." Let's say it was 10,000. I had to go out in 30 days and spend it. I spend it down to $2,000. So you're spending recklessly because-- you're just spending it recklessly. I bought a car and I bought furniture... But it wasn't right because I should have been pinching on that every month. So I spent down to $2,000 because you can't have no more than $2,000 in your account… Social Security won't let you have a nest egg."* – Sunflower, age 60**

Some SSI recipients who hope to get off SSI by eventually earning enough money through work find that messaging around transitioning off benefits runs contrary to the asset limit. Recipients hoping to move into financial independence find that having only minimal allowable financial reserves makes that transition less feasible.

> ***"But it doesn't make sense to me because if you're--basically, from what I understand, especially with the governmental system we have now, someone who can work but is receiving SSI or SSDI, the end game is to get them off of it. So if you're telling me at any time I can't have more than $2,000, that doesn't even compute."* – Willie, age 30**

Keeping a low amount of money in a bank account, spending recklessly, and avoiding even a modest personal nest egg that could support with financial stability were all lessons SSI recipients were forced to learn, through adherence to program rules and against their better judgement, in order to maintain their benefits.

Planning for the Future

The ability to plan for one's own legacy and contribute to the memory and finances of future generations are fundamental existential human needs that the SSI asset limit puts in jeopardy. As life insurance policy valuations count against the asset limit, they are virtually off limits to SSI recipients. The inability to accrue wealth renders SSI recipients unable to pass on money to the next generation or to receive an inheritance from the previous one.

"And you can't even have a life insurance policy. They will make you cash that out or something. So I don't hold a-- I don't have one of those either. So I told my kids, "The state will bury you for free," the county. They'll put you in a box somewhere. I don't even have one of them. If I died, I just told my kids, "Let the state put me somewhere." Because with way funerals are going, they too expensive for nothing anyway." **– Sunflower, age 60**

"You know, like what happens if, you know, like me, my father just died. He had some property. I asked the lady, who said … They'll tap into your check. You know what I'm saying? And by me being disabled, what happen if they tap into my check, take my check or something? I can't pay my rent. So I'm worried about something like that…" **– Melvin, age 52**

SSI participants reflect on how program rules exclude them from intergenerational wealth transfers, serving not only to further exacerbate wealth inequality, but also to deny them the dignity of knowing that they will not be a financial burden on their families after death (Brown et al., 2024).

Psychological Toll

While in some safety net programs, beneficiaries must provide financial information on a periodic basis, SSI recipients are subject to routine surveillance of their assets. Thus, layered on top of these financial harms is the psychological toll that managing the asset limit takes on SSI recipients; a high stakes endeavor with a very slim margin for error.

"Whenever I see anything when my bank is even near 2,000, I have fear… Twice a year, I get financial aid and it will put me over the limit. That scares me." **– Harper, age 27**

> ***"I mean, overall it's good to have that income, but now that I'm older, it's a double-edged sword because there are the limitations. There's always the fear that you could be a dollar over your limit if they check your balance and you haven't paid all your bills yet."*** **– Irridescence, age 48.**

Conclusion

While SSI provides a critical source of income and health coverage for its recipients, it does not allow for its recipients to fully participate in society by building financial security, developing financial literacy, planning for the future, or even preparing a legacy for future generations.

Stevie, age 48, imagined a different version of SSI that could empower older and disabled Americans rather than trapping them in poverty with no opportunity to build their own safety net:

> ***"My problem with the system is that it doesn't, it doesn't expect people with disabilities to want or to become empowered... what do you mean you can only have two thousand dollars in assets, including what you make every month? You know, I mean, that's not that's not going to empower people... And you know what a different system it would be if they just said, OK… We're going to raise the ceiling on the two-thousand-dollar assets. We're going, you know, we're going to do it differently."*** **– Stevie, age 48**

The message to Congress from SSI beneficiaries is clear: asset limits are overdue for an update.

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