Welcome to the Center for Financial Security 2011 Webinar Series

April 19, 2011

Attitudes Towards Savings and Financial Education Amongst People with Disabilities
Understanding Financial Education and Savings among Persons with Disabilities and their Caregivers

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Amongst People with Disabilities
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The opinions and conclusions expressed are solely those of the author(s) and do not represent the opinions or policy of SSA or any agency of the Federal Government or of the University of Wisconsin System, including the Center for Financial Security.
Research Focus Groups

• Focus groups held in 2010 with two specific population groups in Iowa (Des Moines and Mason City) and Wisconsin (Madison and Milwaukee):
  – Adults with disabilities receiving SSDI or SSI who work or want to work
  – Parents of children receiving SSI/Medicaid who are transitioning out of the school system (primarily 16-22 years old)
Research Focus Groups

Focus Groups with Adults with Disabilities:

- Number of Focus Groups: 4
- Total Participants: 26
- Age Range: 19 to early 60s
- Race/Ethnicity: majority white
- Gender: mixed gender
- Income: primarily lower-income
- Types of Disabilities: mixed
Research Focus Groups

• Parents of Children with Disabilities
  – Number of Focus Groups: 4
  – Total Participants: 25
  – Age Range: late 30s to 60s
  – Race/Ethnicity: Wisconsin – mixed race; Iowa – majority white
  – Gender: Wisconsin – majority female; Iowa – mixed gender
  – Income: Range of incomes
Core Research Questions

1. How do participants plan for their financial future?
2. What are SSDI/SSI beneficiaries’ attitudes about employment?
3. How do parents address financial and estate planning for their child’s needs?
4. How well do participants understand SSA rules and regulations?
General Findings

- People under considerable stress to address current and future financial needs
- Need to navigate complex network of programs and agencies
- Critical importance of medical coverage
- Need for accurate, up to date information
- Important role of schools, CILs, WIPAs, “word of mouth”
- Overall favorable experiences with SSA

WIPA: Work Incentives Planning and Assistance
CILs: Centers for Independent Living
1. Planning for Financial Future

- Sources of Information
  - Role of CILs, WIPAs, schools, informal networks of parents, co-workers, other family members, media
  - How people access and validate information
  - Important to understand where “sources” are getting their information
  - Interaction with SSA
1. Planning for Financial Future

- Legal and Estate Planning Services
  - Knowledge about options
  - Availability of services, especially in rural areas
  - Cost of services
  - Updating wills and guardianship documents
  - Other type of services available

- Involvement of other family members
  - Financial impact on other family members
  - Educating extended family members
2. Attitudes about Employment

– Employment Attitudes and Behaviors
  • Current employment status
  • Employment barriers
  • Understanding rules and regulations
  • Role of employers

– Financial Planning Concerns
  • Very limited income; “living day to day”; believe they have significant impediments to savings and financial planning; past credit issues; accessing 401ks
  • Careful budgeting
2. Adults with Disabilities

• Participants did not want to jeopardize any benefits
• Reliance on WIPAs, CILs to provide - and validate – information about SSA rules and regulations
• Overall, participants wanted to work:
  – Desire to be self-sufficient, but maintain medical benefits
  – Concern about lack of vocational training
  – Reduction in pay and stature
  – Income limits
  – Frustrated about career and salary advancement
3. Parents of Children with Disabilities

- Scrambling for information about financial and estate planning, benefits, and legal issues
  - Limited resources in rural communities
  - Don’t want to jeopardize loss of benefits or medical coverage
- Special Needs Trusts, Legal Guardianships
  - Finding legal and financial planning services
  - Informal family commitments about long-term care of sibling
  - Educating others about financial gifts and disbursements
- Involvement with Local School District
  - Information center for parents/guardians
  - Programs vary by district
  - Limited resources
  - Ideal role for school district and the family
  - Budget cutbacks – transition services, vocational training, transportation
- Critical need for accurate information – as soon as possible
4. SSA Rules and Regulations

• Mixed responses to understanding SSA regulations and policies. Rely on CIL and WIPA staff, schools, parents, etc. to get information and validate information.

• Fear of contacting SSA because it will “open my file”.

• Important need to ensure that parents of children with disabilities get benefit information.
  – Some parents reported not getting any information until their children were enrolled in school.
Implications

• **Financial Education and Planning**
  – Not a lack of financial education; know how to budget
  – Beneficiaries live on very tight budgets
  – Most beneficiaries do not have a “nest egg” of funds for emergencies
  – No extra funds to save or build assets; concern about retirement, college educations

• **Social Security Benefits and State Resources**
  – Confusion about programs/resources
  – Importance to remain in compliance
  – Concern about cutbacks to State-funded programs – vocational rehabilitation; disability navigators; supplemental health programs; transportation services

• **Employment**
  – Strong interest in employment and increasing ability to be self-sufficient
  – Fear of jeopardizing benefits or Medicaid buy-in
  – Frustration at not being able to accept raises, bonuses, or other cash incentives

• **Rules and Regulations**
  – Mixed confusion about SSA regulations and policies. Rely on schools, WIPAs, CILs, friends/families, others to validate current information
  – Critical need to ensure that that parents get information as soon as possible
Implications

• Role of School District Working with Parents
  – Many participants viewed their local school district as their focal point for information
  – Parents want to be viewed as partners, advocates, and navigators within the school system
  – Some participants moved into school districts based on their special needs programs or district commitment
    • An option not available to all families
  – Concern about state and school district cutbacks impacting services
  – Role for school districts helping to educate parents and families on SSA regulations, legal issues, financial and estate planning, community resources, family support
  – Desire to educate ALL school district staff about needs of children with disabilities, not just Special Education Program staff
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Applying Research to Practice

April 19, 2011

Karen Harris
Director, Asset Opportunities Unit

Sargent Shriver National Center on Poverty Law
Shriver Center

• The Sargent Shriver National Center on Poverty Law
  ◦ A national law and policy center that provides national leadership in identifying, developing and supporting innovative and collaborative approaches to achieve social and economic justice for low-income people.

• Asset Opportunity Unit
  ◦ Takes action against poverty by advocating for policies that expand asset-building opportunities for all.
Asset Poverty

- **Asset poverty** focuses on total household wealth, rather than just income.
- An “asset poor” household **does not have** enough assets to meet its expenses for **3 months** if no outside sources of income.
Asset Poverty

• 1 in 5 U.S. families are asset poor and in Illinois it is 1 in 4.

• 1/3 of U.S. households have zero or negative assets.

• 60% of African Americans and 54% of Hispanic households experience asset poverty.

• As many as 80% of households with a disability have zero assets.
Working Age People (25-61) with Income Below the Annual Poverty Line in 1997 By Disability Status

1 or More Disabilities: 47%
No Disabilities: 53%

Source: Peiyun She and Gina A. Livermore, “Long-Term Poverty and Disability Among Working-Age Adults,” Journal of Disability Policy Studies 2009; 19; 244.
Clearinghouse REVIEW

ASSET BUILDING by People with Disabilities
Accessible Assets Webinar, Part 1

Asset Building and the Disability Community
Disability Rights Consortium
State Treasurer’s Office
Mayor’s Office on People with Disabilities

• How asset building tools can be effectively used to increase the financial stability and independence of individuals with disabilities
  ◦ Overview of the need for asset-building policy and programs to support long term financial stability
  ◦ Links between disability and poverty
  ◦ Successful national and local programs
  ◦ Political and legal obstacles

• Recording available at
  http://www.illinoisprobono.org/index.cfm?fuseaction=home.dsp_content&contentID=7142
Financial Planning Strategies for Disability Beneficiaries

- Free trainings on practical strategies for saving and increasing financial stability for Social Security Disability beneficiaries

- First training on May 12, 2010 at Access Living (Accessible Assets Training: Financial Planning Strategies for Disability Service Providers)

- Second training on June 15, 2010 at the Mayor’s Office for People with Disabilities to inform community partners

- Sponsored by Shriver Center, Financial Planning Association of Illinois, Legal Assistance Foundation of Metropolitan Chicago and ACTS

- Over 20 organizations interested in coordinating one-on-one financial planning workshop
Accessible Assets Webinar, Part 2

Asset Development Strategies for People with Disabilities
Asset Coalition Toolkit for States

Asset Building At Your Finger Tips

www.assetcoalitiontoolkit.org
Disability

According to the 2000 U.S. Census, approximately 20% of the United States population (or 52.6 million) live with some level of disability. Over one-third of adults with disabilities live in households with incomes of $15,000 or less, compared to only 12% of those without disabilities. Even when people with disabilities are employed, they earn significantly less than their non-disabled peers, roughly 72 cents to the dollar. It has been estimated that 80% of disability households have zero or negative assets. Thus, people with disabilities not only struggle with their individual disabilities and are often excluded or ignored by society, but they frequently are excluded from the economic benefits that generally accrue to the population at large.
Policy and Advocacy Issues

• Asset Limits

• Individual Development Accounts (IDAs)/Assistive Technology Purchases

• Targeted Legislation

• Leveraging Multiple Programs
Federal Asset Limit Reform

• **SSI Savers Act of 2010 (H.R. 4937)**
  – Introduced by Rep. Niki Tsongas (D-MA)
  – Revise Asset Limits:
    • $5,000 per individual, $7,500 per couple
    • Index to inflation
    • Education savings accounts excluded
Federal IDA Reform

- **Assets for Independence Reauthorization Act of 2010 (H.R. 6354)**
  - Raises the authorization limit to $75 million
  - Simplifies asset purchase processes
  - Expands eligibility standards
  - Allows matches to be placed into a 529 college savings account

- **IDA Protection Act of 2010 (H.R. 6067)**
  - Increase federal funding available for IDAs by $25 million
  - Eliminate requirement for state matching funds
Achieving a Better Life Experience (ABLE) Act of 2009

• **H.R. 1205 & S. 493** (February 26, 2009)

• Introduced by Sen. Robert Casey (D-PA) and Rep. Ander Crenshaw (R-FL)

• **Purpose:**
  ◦ To encourage & assist individuals & families in saving private funds for the purpose of supporting individuals with disabilities to maintain health, independence, and quality of life
  
  ◦ To provide secure funding for disability-related expenses on behalf of designated beneficiaries with disabilities that supplement, not supplant, public benefits
ABLE Act of 2009

• One tax exempt account per SSI beneficiary up to $500,000

• Allowable expenses include:
  ◦ Preschool & postsecondary education; tutoring; special education services; training;
  ◦ Employment supports;
  ◦ Personal assistance and community-based supports;
  ◦ Respite care;
  ◦ Assistive technology and home modifications;
  ◦ Out-of-pocket medical, vision, or dental expenses;
  ◦ Transportation vehicle purchases or modifications;
  ◦ Insurance premiums;
  ◦ Habilitation and rehabilitation services; and
  ◦ Other services or products allowed by regulation
Connect-Ability

• Connect to Work Center, Bureau of Rehabilitation Services, CT Dept. of Social Services

• PASS + IDA + Ticket to Work
Asset Building Resources

• Accessible Assets Webinar Resource Page -
  http://www.povertylaw.org/clearinghouse-review/web-extras/asset-building-disability-webinar

• Asset Coalition Toolkit for States
  www.assetcoalitiontoolkit.org

• Disability Rights Consortium Presentation
  http://www.illinoisprobono.org/index.cfm?fuseaction=home.dsp_content&contentID=7142

• Illinois Asset Building Group
  http://www.illinoisassetbuilding.org/
Thank you!

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Thank You for your participation in the Center for Financial Security 2011 Webinar Series. For more information: http://cfs.wisc.edu