

FINANCIAL STABILITY FOR PERSONS WITH DISABILITIES

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Objectives

- Mission of National Disability Institute
- Understand why economic empowerment is important for persons with disabilities
- Identify economic empowerment strategies & resources
 - Benefits Planning
 - Employment
 - Financial Education
 - Asset Development

National Disability Institute

A national research and development organization with the mission to promote income preservation and asset development for persons with disabilities and to build a better economic future for Americans with disabilities.



Individuals with Disabilities are

- Three times more likely than their non-disabled peers to live at or below the poverty line.
- 5x more likely to be unemployed
- 7x more likely to have a majority of total income to be from public assistance
- For millions of working age adults with disabilities a dependence on public benefits for income, health care, food, and housing becomes a trap that requires staying poor to stay eligible.

Enduring poverty and lack of economic empowerment

- Diminishes freedom
- Limits opportunity
- Stifles self-determination

Economic Empowerment

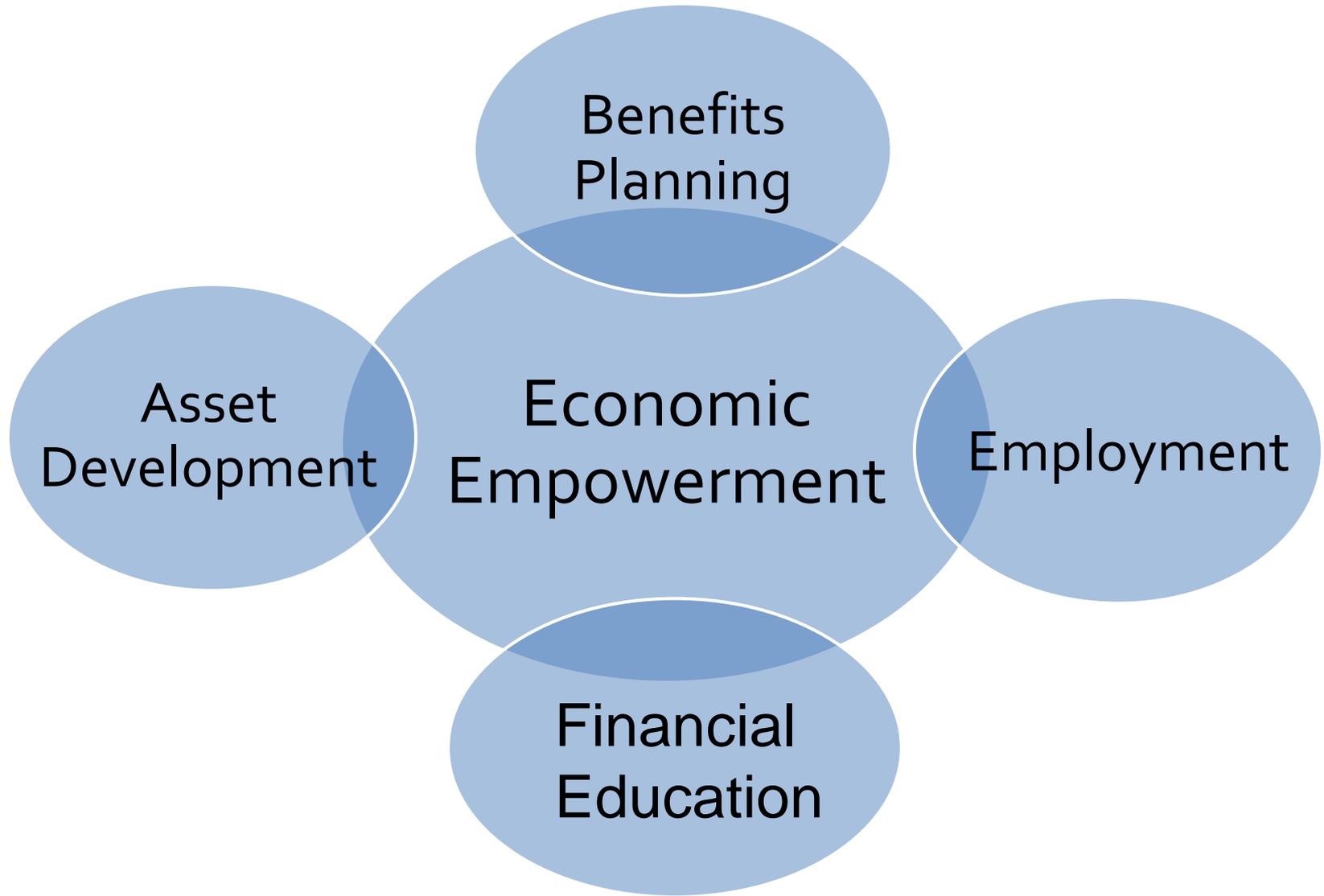
- The capacity to preserve and grow resources that expand life choices.
- The ability to develop and control income and assets.

Why is it important?

- Savings and asset building will:
 - ▣ Impact mental and physical health.
 - ▣ Impact positively self-concept.
 - ▣ Change status with other community stakeholders.
 - ▣ Directly impact quality of life.

Tools and Strategies For A Better Economic Future

- ❑ Financial Literacy
- ❑ Income Production and Preservation
- ❑ Matching Savings
- ❑ Use of Work Incentives
- ❑ Microenterprise Development and Home Ownership
- ❑ Blending of Public and Private Resources
- ❑ Use of Favorable Tax Provisions
- ❑ Family Self-Sufficiency
- ❑ Housing Choice Vouchers



Benefits Planning

- Work Incentive Planning Assistance (WIPA)
 - The primary objective of the WIPA initiative is to assist SSA beneficiaries with transitioning from dependence on public benefits to paid employment and greater economic self-sufficiency
 - Community Work Incentives Coordinator (CWIC) are trained experts who will help you in understanding your federal and state benefits and how to use work incentives that may be available to you

Benefits Planning

- How to locate a CWIC in your area:
 - If you want to locate the WIPA project nearest you, please call 1-866-968-7842 or 1-866-833-2967 (TTY/TDD) for the hearing impaired. You can also find a list with contact information on our web site at:
 - <http://www.socialsecurity.gov/work/ServiceProviders/WIPADirectory.html>.

Benefits Planning

Protection & Advocacy of Beneficiaries on Social Security (PABSS)

<http://www.socialsecurity.gov/work/ServiceProviders/pafactsheet.html>

PABSS was created to assist SSA beneficiaries with disabilities in obtaining information and advice about receiving vocational rehabilitation & employment services and to provide advocacy or other related services that beneficiaries may need to secure or regain gainful employment.

Employment

- One-Stop Career Centers are designed to provide a full range of assistance to job seekers under one roof. Established under the Workforce Investment Act.
- The centers offer:
 - training referrals, career counseling, job listings, and similar employment-related services.
 - Customers can visit a center in person or connect to the center's information through PC or kiosk remote access.

<http://www.servicelocator.org/>

Financial Education Resources

- National Disability Institute
www.realeconomicimpact.org
- VISA Financial Soccer (REI Tour version)
www.realeconomicimpact.org
- FDICs Money Smart Curriculum
www.fdic.org/moneysmart
- Practical Money Skills for Life
www.practicalmoneyskills.com/games
- Doorways to Dreams
www.d2d.org

FDIC

Money Smart for Young Adults

- The FDIC developed the *Money Smart* program to help low- and moderate-income individuals understand basic financial services, develop money management skills, and learn how to use banking services effectively.
- *Money Smart* is available from the FDIC in English, Spanish, Chinese, Korean and Vietnamese and is free of charge to the user.
- Instructions for obtaining copies of the curriculum can be found by clicking on the *Money Smart* link at www.fdic.gov

Asset Development

- ❑ Individual Development Accounts (IDAs) are matched savings accounts that allow individuals with limited income and limited wealth to save money and to build assets.
- ❑ The IDA Provider partners with Financial institutions, foundations, churches, private donors, and state and local governments to fund the matches to the personal savings of IDA holders (usually at a rate ranging from \$1 to \$8 for each dollar saved).
- ❑ For example, an IDA program with a 2:1 match would provide \$2 for every \$1 dollar saved in the IDA, \$1000 saved in the IDA would receive a \$2000 match.

Individual Development Accounts

- ❑ An IDA can be used to purchase
 1. a home
 2. higher education and training
 3. business capital

Program Variations

- Programs can vary in several ways....
 - Target population
 - Program requirements
 - Minimum investment
 - Minimum/maximum amount saved each month
 - Length of required savings
 - Savings goal (may be more limited or broader)

- **It's important to know up front the program rules and whether or not the program is TANF or AFI funded.**

Earned Income Tax Credit

- The Earned Income Tax Credit (EITC) is a credit for people who earn low-to-moderate incomes. EITC can reduce your taxes, and can mean a refund. In simple terms, working families and individuals may keep more of what they work for.
- The EITC is a refundable credit. What this means is that if you qualify based on your income, even when you have no tax liability, you will receive a tax refund.
- You must file your taxes to receive this refund, even if you do not have any tax liability.
- If you are filing for the EITC for the first time, you may file to claim the credit for a three-year period.

2010 Tax Year EITC

Earned Income and adjusted gross income (AGI) must be less than:

- \$43,352 (\$48,362 married filing jointly) with three or more qualifying children
- \$40,363 (\$45,373 married filing jointly) with two qualifying children
- \$35,535 (\$40,545 married filing jointly) with one qualifying child
- \$13,460 (\$18,470 married filing jointly) with no qualifying children

Tax Year 2010 maximum credit:

- \$5,666 with three or more qualifying children
 - \$5,036 with two qualifying children
 - \$3,050 with one qualifying child
 - \$457 with no qualifying children
- **Investment income** must be \$3,100 or less for the year.

*For more information on whether a child qualifies you for the EITC, see IRS [Publication 596](#), Chapter 2.

EITC Requirements

- ❑ Must have a valid Social Security Number
- ❑ You must have earned income from employment or from self-employment.
- ❑ Your filing status cannot be married, filing separately.
- ❑ You must be a U.S. citizen or resident alien all year, or a nonresident alien married to a U.S. citizen or resident alien and filing a joint return.
- ❑ You **cannot** be a qualifying child of another person.
- ❑ If you do not have a qualifying child, you must:
 - ❑ be age 25 but under 65 at the end of the year,
 - ❑ live in the United States for more than half the year, and
 - ❑ not qualify as a dependent of another person
- ❑ Cannot file Form 2555 or 2555-EZ (related to foreign earn income)

Taxpayers with Disabilities

An estimated 1 million individuals with disabilities annually do not claim the credit.

- As with other communities, this number reflects individuals who are not aware of their right to claim.
- Individuals on public benefits have an added fear of a loss of public benefits when the EITC is claimed.

VITA

Volunteer Income Tax Assistance

File For Free!!!

- The VITA Program offers free tax help to low- to moderate-income (generally, \$49,000 and below) people who cannot prepare their own tax returns. Certified volunteers sponsored by various organizations receive training to help prepare basic tax returns in communities across the country. VITA sites are generally located at community and neighborhood centers, libraries, schools, shopping malls, and other convenient locations. Most locations also offer free electronic filing.

To locate the nearest VITA site, call 211 or 1-800-829-1040.

Real Economic Impact Tour

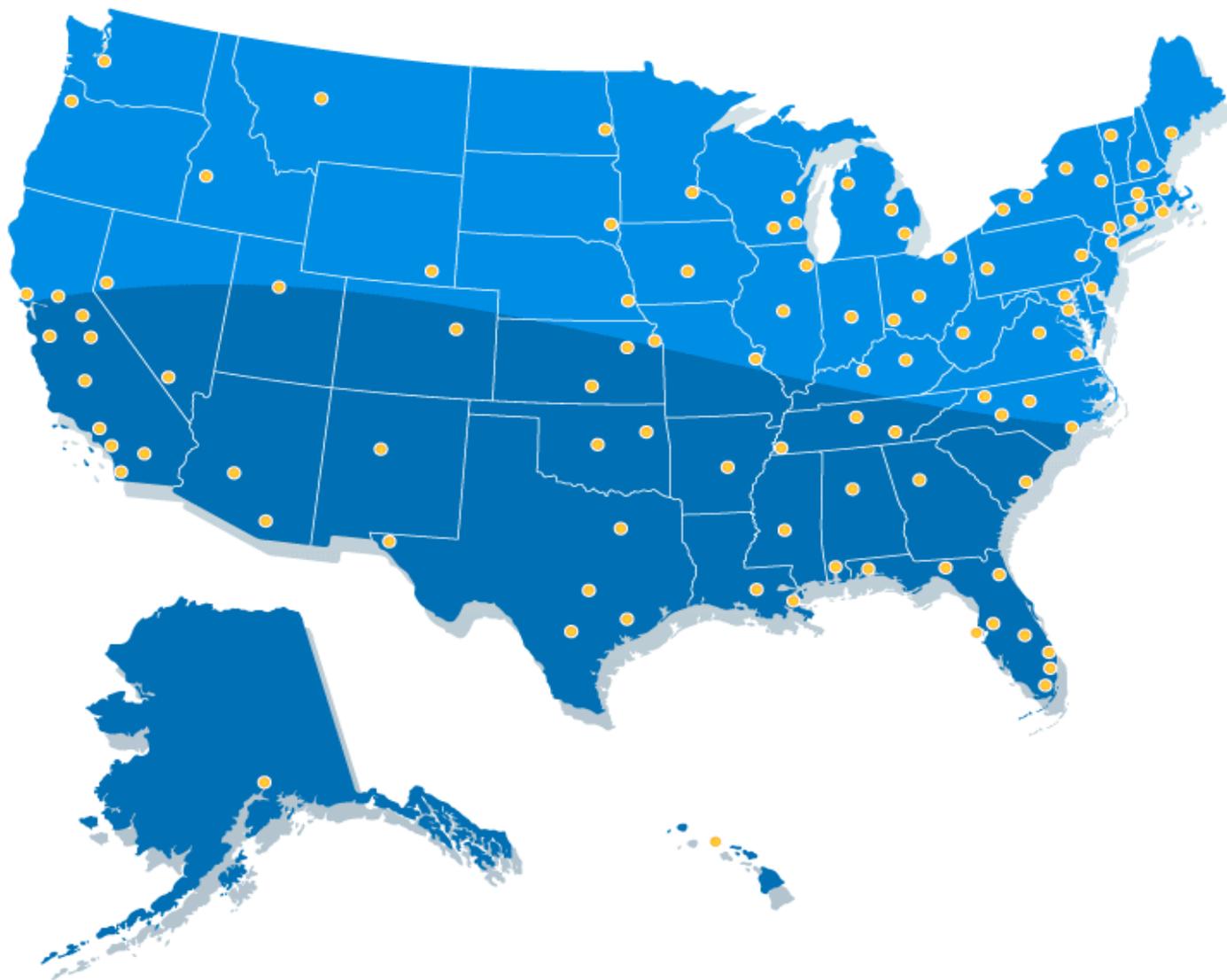


PURPOSE

- Build disability inclusive free tax assistance, financial education and asset building opportunities for persons with disabilities through trusted networks

OUTCOMES

- Growing awareness that disability is a key component of diversity
- New income poverty research linked to disability
- New partnerships between the asset building and disability communities
- Improving access and accommodations to VITA and financial education programs



To learn more about the REI Tour partners in your area, go to www.reitour.org

New Partnerships Are Making A Real Economic Impact

- Mayor's Offices
- United Way
- IRS
- FDIC
- EITC Coalitions
- Financial Institutions
- Microenterprise Lenders
- Home Ownership and Credit Counseling Programs
- AFI Grantees
- VR Agency
- Social Security Field Office
- WIPA Grantees
- DD Council
- Independent Living Centers
- Disability Service Providers
- Medicaid Infrastructure Grants
- Community Action Agencies

As a Motivator...

- It is essential that you believe that every individual has the potential to move towards financial stability.
- Start the conversation. Don't assume that another touch point is discussing financial literacy, budgeting or thinking about a financial future with your client.
- Fear is a bad decision maker. It is important to encourage individuals to get the right information about their benefits before making limiting decisions.
- Don't let your own insecurity about your finances deter you from making connections for those you serve.

Don't underestimate your power to create change through encouragement.

As a Connector...



Facilitating connections does not require being an expert.

- Offer available online financial literacy tools and information on local organizations working to increase financial literacy.
- Connect individuals to local REI Tour Partners/Tax Coalitions at tax time to have their taxes done free and to apply for the Earned Income Tax Credit
- Connect individuals to their local WIPA.
- Refer individuals to financial stability programs within their local area.... such as Family Self-Sufficiency programs, Individual Development Accounts, Way to Work, First-Time Homeowners, Savings Clubs, etc.

Join NDIs

Real Economic Impact Network

- www.realeconomicimpact.org
 - [Facebook.com/realeconimpact](https://www.facebook.com/realeconimpact)
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 - NDIs Blog realeconomicimpact.tumblr.com

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