

# TATRA National Conference

Current Practices and New  
Directions in Vocational  
Rehabilitation, Post Secondary  
Education, and Career  
Development for Youth with  
Disabilities

# Advancing a Better Economic Future for Individuals with Disabilities

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***“An optimist sees the opportunity in every difficulty.”***

“Hi, my name is Claire and I am a freelance writer and home health care aide. I have a disability but I am an optimist. The disability does not have me. I am so much more than the label ‘disabled.’

“I am an aunt, a sister, a daughter, a writer, a reader, a photographer, a book club member, and a poetry-lover, among other things.”

***Blogger, Real Economic Impact Tour***

***[www.REITour.org](http://www.REITour.org)***

“My American Dream seems simple:

- To live on my own and be self-sufficient;
- To live with dignity and independence;
- To become a part of the mainstream economy.

- No group in America is more in need and more deserving of economic recovery

- One in five adults living in the US have a disability.

- Over 22 million families nationwide have a member with a disability

- Disability cuts across race, gender, ethnicity, age and geography

- Whether occurring at birth or acquired later in life, individuals with disabilities are three times more likely than their disabled peers to live at or below the poverty line.

# Individuals with Disabilities are

- 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

# Context

- Americans with Disabilities Act (ADA)
- Olmstead Decision
- GAO Perspective
- CMS (Disables and Elderly Health Programs Group - DEHPG) Strategic Action Plan 2007-2009
- Statistical Perspective

# The Americans With Disabilities Act of 1990

The Nation's proper goals regarding individuals with disabilities are to assure equality of opportunity, full participation, independent living, and economic self-sufficiency for such individuals;

42 U.S.C. § 1201(a)(8) (2005)

# Olmstead Integration Mandate (1999)

- Improve availability of community-based living options with needed long-term supports
- Rebalance public resources
- Improve consumer self-direction
- Improve community participation

# Government Accountability Office (GAO)

- Agencies and programs generally operate independently of one another;
- Difficulty communicating and coordinating with other programs serving individuals with disabilities (2005);
- A myriad of policies and procedures from other systems that do not work in concert with one another (2007);
- Fragmentation of federal disability programs;
- Patchwork of federal policy and program initiatives;
- Defining and articulating a common outcome will enhance and sustain collaboration among federal agencies (2008).

# CMS Strategic Action Plan (2007-2009)

- Person-centered long-term support system
- Respect choice and state flexibility
- Provide individuals the tools they need to lead self-determined lives
- Support economic self-sufficiency initiatives

# ICDR Conference

## **“Future Priorities of Employment Research” (June 2008)**

- The problem is fragmentation.
- The problem is complexity of rules.
- The problem is policy at cross-purposes.
- The problem is focus - short vs. long term
- The problem is expectations.

## ICDR (continued)

- The solution is improving collaboration.
- The solution is reengineering government.
- The solution is access to long-term supports.
- The solution is outside of government.

## Statistical Perspective (continued)

- SSA reports that 1.1 million children nationwide receive SSI benefits.
- Two-thirds of these children will remain on benefits for life.
- The cost will be in excess of 200 billion dollars.

# Statistical Perspective (continued)

- There are over 10 million recipients of Supplemental Security Income (SSI) and/or Social Security Disability Insurance (SSDI).
- In 2010, SSA will expend over 125 billion dollars in payments to SSI and/or SSDI beneficiaries.
- Only half of one percent (.5%) of SSI and/or SSDI beneficiaries return to work.

“Historically, public assistance in exchange for enforced poverty and the absence of freedom is a bad deal - one that fails all parties to the arrangement; people with disabilities, their families, and the American people.”

**President’s Committee for  
Intellectual Disabilities: 2004  
Report to the President**

# Enduring poverty and lack of economic empowerment will:

- Diminish choices and quality of life within communities and
- Singularly diminish freedom, opportunity, and self-determination.

# What is Economic Empowerment?

- The ability to develop and control income and assets
- The capacity to preserve and grow resources that expand life choices (live, work, play)
- Assets include savings, investments, home and/or business ownership, a means of transportation, and products

# Economic Empowerment is Also Defined by Human Capital

- Education
- Work Experience

# Understanding the Difference Between Income and Assets

- Income is the flow of resources to an individual household to meet daily living expenses.
- The focus is on short time needs.

- Assets are the accumulation or aggregation of wealth.
- The focus is on longer term economic stability.

# Why is income preservation and asset development important?

- It will positively impact self-concept and level of community participation.
- It will change expectations and status with other community stakeholders.

- There is no single strategy or solution that will overcome multiple barriers to advance greater self-sufficiency for persons with significant disabilities.

# Economic Empowerment

- New Way of Thinking
- New Set of Tools and Strategies
- New Set of Partnerships

# Emerging Tools and Strategies

- Financial Literacy and Access to Financial Services
- Favorable Tax Provisions (EITC) and Free Tax Preparation
- Individual Development Accounts
- Home Ownership
- Work Incentives
- Microenterprise Development
- Ticket to Work

# Financial Literacy

- Understanding Banking Basics
- Budgeting
- Money Management
- Understanding Credit

# Financial Literacy

- [www.fdic.gov](http://www.fdic.gov)
- Money Smart Curriculum
- FDIC Regional Community Affairs Offices

# Building Economic Strength Together: BEST Project

- University of North Florida
- Students with Intellectual Disabilities
- Six modules – twelve hour course
- Michael Roush
  - [mroush@ndi-inc.org](mailto:mroush@ndi-inc.org)

# Building Assets and Promoting Choice

- Piloted in Ohio, Florida, and North Carolina
- Introduce Savings and Asset Building Strategies
- Pre and Post Tests
- Homework Assignments

# Earned Income Tax Credit (EITC)

- Created by Congress in 1975 to provide an incentive to work for low-income families.
- Refundable Tax Credit
- Twenty percent of individuals who are eligible do not claim the credit.
- An estimated 1 million individuals with disabilities annually do not claim the credit.
- Split Refund: New Option
- VITA - Free Tax Preparation

## **PURPOSE**

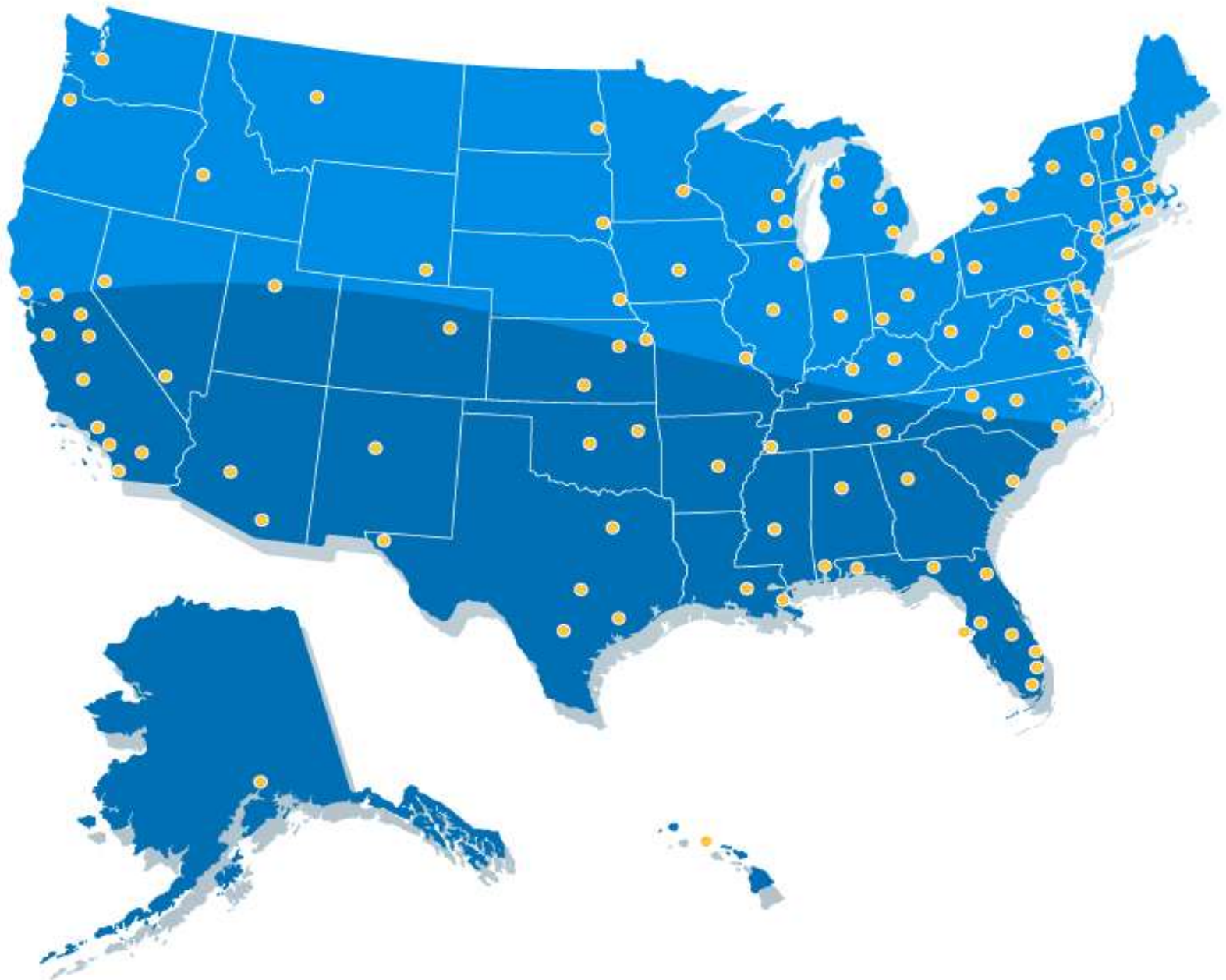
- Build disability inclusive free tax assistance through trusted networks

## **OUTCOMES**

- Growing awareness that disability is a key component of diversity
- New income poverty research linked to disability

## **ACTIVITIES**

- Create disability workgroups within free tax coalitions
- Design free tax services and products that are accessible across the disability continuum
- Create volunteer tax modules that address serving taxpayers with disabilities
- Hold asset summits to introduce disability community to financial community
- Provide benefits education about receipt of public benefits and tax credits



# REI Tour Outcomes

YEAR	CITIES	PARTNERS	RETURNS PREPARED	TAX REFUNDS RECEIVED	\$\$ SAVED
2005	11	-----	7,600	\$6.8 mil	\$1.5 mil
2006	30	200	17,223	\$15.3 mil	\$3.4 mil
2007	54	355	36,275	\$32.6 mil	\$7.2 mil
2008	62	555	90,653	\$81.0 mil	\$18.1 mil
2009	84	TBA	181,152	\$176.6 mil	\$36.2 mil
2010	100				
<b><u>TOTAL:</u></b>			332,903	\$312.3 mil	\$66.4 mil

# Individual Development Accounts (IDA)

- Matched Savings Plans
- Targeted Asset Goals
- Financial Education
- Over 30,000 IDA Accounts Open
- Match Earned Income

# Family Self-Sufficiency Program

- Escrow Account with a bank/credit union
- Intensive oversight of employment goals
- Withdrawals on a case-by-case basis for home ownership, transportation, education, other
- Housing Choice Vouchers limits rent to 30 percent of income

# Social Security Work Incentives

- Options to increase income, save, and advance self-sufficiency
- Over a dozen different work incentives
  - **IRWE**: reduce income due to out of pocket disability-related expenses
  - **1619(A) and (B)**: increase earning beyond SGA to remain eligible for Medicaid
  - **PASS**: Plan to Achieve Self-Support excludes income and resources from countable assets that are set aside to reach a specific occupational goal.

# Work Incentive Planning and Assistance Program (WIPA)

- Provide individual benefit planning
- [www.socialsecurity.gov/work](http://www.socialsecurity.gov/work)

# What is Missing?

A bridge to connect existing programs to other organized efforts to advance community inclusion and self-sufficiency.

# “The Bridge”

- Person-centered planning
- Individualized plans
- Individual-directed asset account

# Individualized Plans (Nine Federal Authorities)

<b>Agency</b>	<b>Approach</b>
A. CMS	• Individual Budgets
B. SSA	• Ticket to Work
C. Labor	• Individual Training Accounts
D. SSA	• Plan to Achieve Self-Support
E. HHS	• Individual Development Accounts
F. Education	• Individual Transition Plan
G. VR	• Individual Plan for Employment
H. MH	• Recovery Plan
I. HUD	• Family Self-Sufficiency Plan

# Refine and Reframe the Focus!

- Focus on “Advancing Self-Sufficiency” and raise expectations beyond community participation.
- Focus on income production, saving and asset building to advance the level and scope of community participation.
- Focus across federal systems of support to access tools to preserve income and build assets.

# Braiding of Resources

- IDAs, PASS, Family Self-Sufficiency and Housing Choice Voucher, EITC, and start your own microenterprise.
- The possible pathways to advance economic independence are greatly expanded.

# Braiding of Resources

- Knowledge is power!
- What happens when you use all of these tools and strategies to advance your economic independence?

# Emerging New Partnerships

- Mayor's Offices
- United Way
- IRS  
FDIC
- IDA Providers
- EITC Coalitions
- Financial Institutions
- Microenterprise Lenders
- Home Ownership and Credit Counseling Programs
- DD Council
- VR Agency
- Social Security Field Office
- WIPA Grantees
- ARC
- Centers for Independent Living
- Goodwill
- Community Action Agencies

# For Youth with Disabilities

- Better Economic Future Orientation
- Individual Plan Changes
- Awareness, Access, Use of New Tools and Strategies

# Federal Agencies

- Individual Account and Asset Building Workgroup
- Collaboration with REI Tour
- Training and TA
- Disseminate Best Practice Examples
- Pilot Braided Individual-Directed Asset Account Approach with Selected States

# Common Goals

- Explore options to create a unified individual account;
- Simplify the assessment and application process for potential eligible individuals;
- Centralize the collection of and share background information on applicants;
- Pool resources for a collaborative person-centered planning process; and
- Create a braided account that promotes self-determination.

# Conclusion - Better Economic Future

- Disability-Specific and Generic Policy
- Public and Private Sector Resources
- Individual and Community Contributions
- Level and Scope of Community Participation

# NDI and BBI's 2010 Federal Policy Platform: *4-Pronged Approach*

1. Increase Existing Asset & Income Limitations tied to Federal Entitlement Programs to Promote Work & Savings.
2. Expand Savings Vehicles for Citizens with Disabilities to Promote Asset Development.
3. Foster Viable Employment Opportunities for Citizens with Disabilities through Appropriate Supports.
4. Increase Access to Tax Preparation Assistance and Financial Literacy Opportunities for Citizens with Disabilities.

# 2010 Federal Policy:

## *Increase Existing Asset & Income Limitation to Promote Work & Savings*

- Increase Existing Asset & Income Limitations tied to Federal Entitlement Programs to Promote Work & Savings
  - Reform asset limits to determine eligibility under SSI and Medicaid, as well as exclude as assets all restricted savings vehicle such as IRAs, 401(k) and 529 plans.
  - Raise the Substantial Gainful Activity (SGA) level under SSI and SSDI by 100 percent.

# 2010 Federal Policy:

## *Expand Savings Vehicles to Promote Asset Development*

- Expand Savings Vehicles for Citizens with Disabilities to Promote Asset Development
  - Support passage of the Achieving a Better Life Experience Act (ABLE Act), which would enact a tax-advantaged family savings program to encourage individuals with disabilities and families to set aside funds for future asset goals.
  - Enact the Savings for Working Families Act to expand the available number of Individual Development Accounts (IDAs) by 1.2 million and provide over \$120 million to support the dissemination of financial literacy and asset development education programs

# 2010 Federal Policy:

*Foster Viable Employment Opportunities through Proactive Supports*

- Foster Viable Employment Opportunities for Citizens with Disabilities through Individualized, Proactive Supports
  - Protect the continuation of best practices created through the Disability Program Navigator (DPN) initiative

# **The ABLE Account Act of 2009 H.R. 1205/S. 493**

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**Achieving a  
Better  
Life  
Experience**

Overview & Status Report

# ABLE Act (S 493/HR 1205)

- CONGRESSIONAL CHAMPIONS & COSPONSORS:
  - S. 493: Sens. Casey (D-PA), Hatch (R-UT) and Dodd (D-CT) co-introduced the bill in February 2009. The legislation currently has 11 cosponsors.
  - H.R. 1205: Reps. Crenshaw (R-FL), Meek (D-FL), Kennedy (D-RI), and McMorris Rodgers (R-WA) co-introduced the legislation in February 2009. The legislation currently has 145 cosponsors.

<http://www.govtrack.us/congress/bill.xpd?bill=h111-1205>

# Overview of ABLE Accounts

- An ABLE Account is an account established by or on behalf of an individual with a disability for the purpose of saving for life's necessities, many of which Medicaid does not cover.
  - The assets in an ABLE Account can only be used to pay for qualified expenses, such as education, housing, employment support, health, transportation, and other life necessities.

# ABLE Accounts cont.

- The income earned on amounts contributed to an ABLE Account is tax exempt, so ABLE Accounts grow tax free.
- The assets held in an ABLE Account are not counted for purposes of determining the individual's eligibility to qualify for Medicaid and Supplemental Security Income.

# ABLE Account Eligibility

- An ABLE Account may be established for or by any individual with a disability, including:
  - An individual who has received a determination that he or she is eligible to receive SSI or OASDI disability benefits due to blindness or disability under Titles XVI or II of the Social Security Act.
  - An individual who would be eligible under the above test, notwithstanding:
    - The fact that no determination has been made with respect to his or her eligibility to receive these benefits; and
    - The fact that the individual would otherwise fail the income and assets test or the substantial gainful activity test.

# Opening an ABLE Account

- An ABLE Account is a custodial account or trust created or organized in the United States whose beneficiary is an individual meeting the eligibility requirements.

# Opening an ABLE Account cont.

- Typically, ABLE Accounts would be custodial accounts held at national banks and would be as easy to open as an ordinary savings account.
  - A custodial account is a contract in which a bank agrees to hold and invest funds on behalf of a third party, such as a minor or individual with a disability. The custodian of a custodial account is authorized to make decisions about the account if the beneficiary of the account is unable.

# Opening an ABLE Account cont.

- If the ABLE Account is a trust rather than a custodial account, the trustee can be a bank, a parent or guardian of the designated beneficiary, the beneficiary him- or herself (provided the beneficiary is capable of fulfilling that role), or a third-party appointed by the beneficiary (or his or her parents).

# Contributions to ABLE Accounts

- Contribution Cap
  - Individuals with a disability, their families, their employers, and any other person wishing to contribute assets for the individual with a disability, may contribute up to \$500,000 to an ABLE Account for that individual until the individual reaches the age of 65.
  - Once the cap has been reached, the ABLE Account cannot receive additional contributions, but the assets in the ABLE Account may continue to grow.

# Tax Deduction for Contributions

- The beneficiary of an ABLE Account would be eligible for a tax deduction equal to 50% of his or her annual contributions to the account.
  - The deduction is capped at \$2,000 per year.
  - The deduction is also subject to a phaseout at higher income levels (\$35,000 for individuals, \$52,500 for heads of household, and \$70,000 for joint filers).
- Other contributors to the ABLE Account are not entitled to a tax deduction for contribution to the account.

# Tax Treatment of ABLE Accounts

- The earnings of the assets held in an ABLE Account are not subject to federal income tax while they remain in the Account.
- Withdrawals from an ABLE Account are tax-free to the extent that those funds are used to pay the beneficiary's "qualified disability expenses."

# Organizations Supporting the ABLÉ Act

- APSE
- The Arc of the United States
- Association of University Centers on Disabilities (AUCD)
- Autism Society of America
- Autism Speaks
- Center for Outcome Analysis
- Center for Self-Determination
- Consortium for Citizens with Disabilities Asset Development Task Force
- Collaboration to Promote Self-Determination
- Down Syndrome Association of Northern Virginia
- Easter Seals
- ❖ National Association of Councils on Developmental Disabilities
- ❖ National Association of State Directors of Developmental Disabilities Services (NASDDDS)
- ❖ National Fragile X Foundation
- ❖ National Disability Institute
- ❖ National Down Syndrome Congress
- ❖ National Down Syndrome Society
- ❖ TASH
- ❖ TecAccess
- ❖ United Cerebral Palsy
- ❖ World Institute on Disability

# Hill Contact Information for ABLE Act

- For more information, please contact:
  - Senator Casey's office:
    - Will Hansen, 202-224-6324
  - Congressman Crenshaw's office
    - Dustin Krasny, 202-225-2501

# Next Research Agenda

- Testing different interventions with working age adults with disabilities in New Hampshire and Wisconsin (NIDRR and US Department of Education funding).
- Collaborating with the National Federation of Community Development Credit Unions to test a menu of affordable and accessible financial services.

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# ADDITIONAL RESOURCES

# Financial Education

- FDIC's Money Smart - [www.fdic.gov/consumers/consumer/moneysmart/](http://www.fdic.gov/consumers/consumer/moneysmart/)
- FDIC Community Affairs Program - [www.fdic.gov/consumers/community/](http://www.fdic.gov/consumers/community/)
- U.S. Financial Literacy and Education Commission - [www.mymoney.gov/](http://www.mymoney.gov/)
- Jump\$tart Coalition for Personal Financial Literacy - a national coalition of organizations that strive to prepare youth for life-long successful financial decision-making – [www.jumpstart.org](http://www.jumpstart.org)

# Links for Financial Empowerment

- <http://www.realeconomicimpact.org/RESOURCES/Links.aspx>

# Individual Development Accounts

- The Corporation for Economic Development – [www.cfed.org](http://www.cfed.org)
  - CFED's IDA Network – [www.idanetwork.org](http://www.idanetwork.org)
  - Assets and Opportunity Scorecard - <http://scorecard.cfed.org/>
- Assets for Independence (AFI) Program - [www.acf.hhs.gov/assetbuilding/](http://www.acf.hhs.gov/assetbuilding/)
  - AFI Resource Center offers technical assistance and training for AFI grantees, their project partners, and other organizations that are providing asset building services across the nation - [IDAresources.org](http://IDAresources.org)
    - Issues of particular importance to individuals with disabilities are addressed at [http://idaresources.org/IDA\\_disabilities.php](http://idaresources.org/IDA_disabilities.php)

# Home Ownership

- HUD – [www.hud.gov](http://www.hud.gov)
  - Housing Choice Vouchers - [www.hud.gov/offices/pih/programs/hcv/](http://www.hud.gov/offices/pih/programs/hcv/)
  - Family Self-Sufficiency Program - [www.hud.gov/offices/pih/programs/hcv/fss.cfm](http://www.hud.gov/offices/pih/programs/hcv/fss.cfm)
- National Council of State Housing Agencies – Offers directory of Housing Finance Agencies that offer support to individuals, families, and businesses - <http://www.ncsha.org/housing-help>

# Microenterprise Development

- Association for Enterprise Opportunity - [www.microenterpriseworks.org](http://www.microenterpriseworks.org)
- Start-Up USA - [www.start-up-usa.biz](http://www.start-up-usa.biz)
- Mind Your Own Biz – joint project of the Small Business Administration and Junior Achievement to encourage youth entrepreneurship - [www.mindyourownbiz.org](http://www.mindyourownbiz.org)
- Network for Teaching Entrepreneurship - resources including a Biz Camp designed for youth - [www.nfte.com](http://www.nfte.com)