OPPORTUNITIES FOR FINANCIAL ASSET BUILDING

People with intellectual and/or developmental disabilities[1] (IDD) must have the same opportunities to advance their economic and personal freedom by earning and saving money to enhance their physical, social, emotional, and financial well-being and the right to exercise choice in investment and spending decisions as their peers who do not have disabilities.

ISSUE

Often, people with IDD face greater economic inequalities than their peers without disabilities. People with IDD also typically have not had adequate supports for full participation in financial life and decision-making, including earnings, saving, budgeting, spending, investments, and estate planning.

When people use government benefits, certain income-based and/or asset-limit eligibility policies put some people at risk of being denied for and/or losing critical supports such as Medicaid, Supplemental Security Income, and Social Security benefits if they earn or save very modest sums of money. While some savings are allowed through certain self-settled trusts and the ABLE Act which accommodate SSI and Medicaid means-testing rules, these plans do not address the needs of everyone. Thus many people with disabilities cannot plan and save for future needs like others, contributing to ongoing economic inequalities often resulting in lifelong poverty. Public policy should encourage rather than inhibit planning for financial independence, productivity, and self-determination.

In addition, families are the largest group of providers of physical, material, and emotional supports for people with IDD across the life course. Families incur increasing amounts of out-of-pocket expenses due, in part, to the decreasing federal funds contributing to family support services[2] in the states. Many families are restricted to a single income or underemployment due to the necessity to provide medical care or supports to their family member with IDD. This

[1] Intellectual Disability (ID) is a lifelong condition where significant limitations in both intellectual functioning and adaptive behavior emerge during the developmental period (before adulthood).

Developmental Disabilities (DD), first defined in 1975 federal legislation now known as "The DD Act", are a group of lifelong conditions that emerge during the developmental period and result in some level of functional limitation in learning, language, communication, cognition, behavior, socialization, or mobility. The most common DD conditions are intellectual disability, Down syndrome, autism, cerebral palsy, spina bifida, fetal alcohol syndrome, and fragile X syndrome.

The acronym "IDD" is used to describe a group that includes either people with both ID and another DD or a group that includes people with ID or another DD. The supports that people with IDD need to meet their goals vary in intensity from intermittent to pervasive.

greater reliance on family support requires families to explore and invest in a variety of financial security strategies to ensure opportunities for self-directed options and family quality of life.[3]

POSITION

Individuals with IDD and their families should have equal access to economic self-security, including opportunities to save money and build financial assets to maintain or improve their basic economic and social status, strengthen their financial security, and save for retirement through education, financial literacy, employment, home ownership, and asset development.

These opportunities should include the following:

- Access to Individual Development Accounts (matched savings accounts similar to a 401(k)) that enable a person to save for education, home ownership, or one's own business and/or employment;
- Ensuring that government assistance programs allow people to retain reasonable portions of their income for daily living expenses, and permit savings. Access to low-cost, user-friendly approaches such as ABLE accounts (savings accounts that enable eligible individuals to save for disability related expenses), for people with disabilities of all ages, for acquiring, maintaining, and expending assets while remaining eligible for publicly financed services and benefits;
- Equity with other savings programs, such as catch-up provisions and reasonable increases and limits on contributions and maximum contributions;
- Ensuring incentives in the tax code for charitable gifts and special needs trusts (a legal vehicle that manages funds for the benefit of a person who needs some assistance in daily living); and
- Ensuring that tax rates for wealth accumulation by people with disabilities (such as special needs trusts) are not excessive.

Policy reforms must allow people with IDD to have opportunities to earn money and invest in their futures without risking the health care, benefits, and supports and services necessary to live a full life in their community.

On a personal level, people with IDD and their families should have opportunities to learn how to manage their money and spend it wisely through such means as:

- Supports for full participation in financial planning and decision-making, including earnings, saving, budgeting, spending, investments, including tax-deferred investments like IRAs and 401(k)s, and estate planning;
- Financial literacy education throughout the school years and, particularly, contemporary practices in financial literacy curricula in high schools and other educational settings;
- Inclusive adult and higher education and consultation/coaching in communities;

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[2] From The Arc and AAIDD position statement on Family Support: http://www.thearc.org/who-we-are/position-statements/life-in-the-community/family-support

[3] Braddock, D., Hemp, R., Rizzolo, M.C., Tanis, E.S., Haffer, L., & Wu, J. (2015). *The State of the States in Intellectual and Developmental Disabilities: Emerging from the Great Recession.* Washington, DC: American Association on Intellectual and Developmental Disabilities (AAIDD).

- Access to free information in user-friendly print and electronic formats (similar to materials produced by the Consumer Financial Protection Bureau); and
- Training for human services support and professional staff, advocates, bank/credit union and investment personnel, government officials (from service coordinators to Internal Revenue Service (IRS) staff) in how best to help people enhance their assets.

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