

# NATIONAL DISABILITY INSTITUTE PUBLIC POLICY AGENDA

## 2019-2020

National Disability Institute (NDI) welcomes the 116th Congressional Session and stands ready to assist our Members of Congress in better understanding the economic challenges facing the more than 50 million individuals with disabilities and their families living in the United States.

As National Disability Institute continues to push forward to build a society where people with disabilities have equal opportunity to achieve financial capability and independence as people without disabilities, the drive to advance economic certainty and a better economic future for all Americans needs to remain a priority for our nation. We acknowledge that progress has been made in these areas; however, much more work still remains. Census data indicates that adults with disabilities are twice as likely to live in poverty as those without a disability, and that the circumstance of poverty for people with disabilities is often further compounded with other characteristics related to race, gender and level of education.

The NDI published reports [\*Banking Status and Financial Behaviors of Adults with Disabilities: Findings from the 2015 FDIC National Survey of Unbanked and Underbanked Households\*](#) and [\*Financial Capability Of Adults With Disabilities: Findings From The FINRA Investor Education Foundation National Financial Capability Study\*](#) document the challenges of financial inclusion for individuals with disabilities. The reports find that, in the 28 years since the landmark Americans with Disabilities Act (ADA) was signed into law, ensuring all individuals with disabilities the opportunity to achieve “economic self-sufficiency,” this population still faces numerous financial hurdles and roadblocks to financial inclusion. More specifically, the publications document the extent to which individuals with disabilities are vastly unbanked and underbanked, resulting in an inability to build credit and a financially unhealthy use of alternative banking services.

Furthermore, individuals with disabilities often have difficulty navigating the web of federal disability programs. In fact, federal government reports continue to highlight the fragmentation of federal disability programs and the lack of alignment of policy goals that define common outcomes. In addition, too many public benefits

(Social Security, Medicaid) require, as a condition of eligibility, that people with disabilities stay poor and prohibit saving and building assets - causing them to fall further and further behind their fellow Americans.

To overcome these challenges, NDI makes the following recommendations to improve tax and social policy and cross-agency collaboration. Join us in our work to advance solutions that promote a better economic future for people with disabilities and their families.

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## Improve Financial Inclusion and Stability

### Challenge

Almost one in two working-age adults are unbanked and almost two in three are unemployed, creating enormous challenges of financial instability.

### Opportunities

1. Work with Congress to expand the opportunities under the Stephen Beck Jr., Achieving a Better Life Experience (ABLE) Act, including expanding eligibility by increasing the age of onset cited in the law, expanding the opportunity to build assets under management by increasing contribution levels and offering a tax deduction for employer matches of contributions. Require Treasury to issue an annual report with data on status of ABLE Act implementation and need for amendments.
2. Publish final rules to implement the Achieving a Better Life Experience Act that encourages active participation by states and offers individuals with disabilities and their families multiple investment options for savings and/or investment choices in an ABLE account that is easy to set up. Have HUD and U.S. Department of Education publish regulations that clearly explain the exclusion of ABLE accounts as an asset for means-tested eligibility requirements for financial aid for higher education and for housing benefit programs. NDI will be actively involved in offering suggestions that help shape the regulations regarding eligibility, documentation of expenses, and

limitations to Medicaid payback. NDI will also provide assistance to all states to establish ABLE programs.

3. Support modernization of Community Reinvestment Act (CRA) regulations to clarify coverage of investment, lending and services to low and moderate income individuals with disabilities to meet CRA requirements.
4. Work to assist Community Development Financial Institutions (CDFIs) in incorporating the needs of individuals with disabilities into their mission and business models to improve access to affordable financial products and services, support of affordable and accessible housing and access to capital for small business development.
5. Push for passage of the Savings for Working Families Act, which would increase the number of available Individual Development Accounts (IDAs) to an estimated 900,000 for low-income workers, including individuals with disabilities. IDA beneficiaries establish asset goals, such as buying a home, starting a business or getting additional education, and must participate in financial education programs. IDAs would be funded by contributions from financial institutions who would receive a tax credit. The IDA beneficiary has his or her savings matched in a tax exempt account which will not impact eligibility for various public benefits.
6. Expand the IRS community partnership development and volunteer tax preparation assistance programs (on-site and virtual) to support the Volunteer Income Tax Assistance Act (VITA), which would increase funding for volunteer tax preparation programs and improve access for low-income taxpayers with disabilities.
7. Support passage of legislation which would prevent employers from using credit report scores to deny a job seeker the opportunity to compete for employment. Credit reports bear no relationship to job performance and may adversely impact applicants with disabilities who have credit scores impacted by medical expenses and related debt.
8. Support changes to the Earned Income Tax Credit (EITC) that lower the age of eligibility from 25 to 21 and increase the amount of the benefit for individuals who are not part of families with children. Such a change would impact thousands of individuals with disabilities who are single and encourage work at a younger age as a pathway out of poverty.

## Improve Cross-Agency Collaboration to Promote Financial Capability for Working-Age Individuals with Disabilities

### Challenge

No one federal agency has lead responsibility to build financial capability and improve positive financial behavior for individuals with disabilities and their families.

### Opportunities

1. Continue to encourage states and local Workforce Investment Boards to integrate financial capability supports and services into career and supportive services for job seekers with and without disabilities with the collaboration of Workforce Innovation and Opportunity Act (WIOA) partners and other service delivery systems. Assist states to meet their obligation under the final rules of WIOA with respect to job seekers with disabilities, including addressing the challenges of job seekers with disabilities within their WIOA state plans.
2. Continue to pilot and test the integration of financial stability strategies in human and social service programs through the use of Innovation and Demonstration Funds across federal agencies.
  - Workforce Development
  - Vocational Rehabilitation
  - Medicaid
  - Centers for Independent Living
  - Peer Support - Mental Health (MH) Block Grants
  - Education (K-12, postsecondary)
  - HUD Family Self-Sufficiency Program
3. Explore the idea of establishing, by Executive Order, an Interagency Federal Task Force on Economic Empowerment for working-age-individuals with disabilities to identify barriers and propose solutions to federal policies that create disincentives to work, saving and asset-building.

## Make Changes to Social Security

### Challenge

The current rules of eligibility for Supplemental Security Income (SSI) and/or Social Security Disability Insurance (SSDI) create disincentives to work, saving and building assets. Current utilization of work incentives, including the Ticket to Work program, is low with limited awareness and understanding by beneficiaries.

### Opportunities

1. 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.
2. Encourage the expansion of Plans for Achieving Self-Support (PASS) and similar tools to foster focused asset development and financial planning among the more than 12 million recipients of SSI and SSDI in an effort to help design, customize and accomplish financial goals on an annual basis based upon individual needs and preferences.
3. Offer all SSI and/or SSDI recipients access to financial coaching and links to resources to improve their financial capability and plan for a better economic future.
4. Consider a gradual decrease in SSDI benefits based on work activity above the SGA limit rather than the cash cliff which SGA employment currently represents.
5. Make SSA Benefits and Work Incentive advisement services a part of the Workforce Development system, because many work-oriented SSA beneficiaries access the services of American Job Centers (AJCs) and there is an increasing number who are becoming Employment Networks (ENs).

## Improve Consumer Education and Protection

### Challenge

People with disabilities as a group are more likely to be victims of financial scams and abuse than their non-disabled peers. As a group, they are also less likely to see a financial advisor and more likely to use nonbank financial services with higher interest rates for short and longer term borrowing.

## Opportunities

1. Amend Individual Plan requirements under IDEA, the Rehabilitation Act (VR) and Home and Community Based Service Waivers (Medicaid) to require annual consideration of the need for financial capability skills development and objectives to advance economic self-sufficiency.
2. Monitor and influence implementation of the Affordable Care Act (ACA) in order to prevent further financial destabilization for persons with disabilities.
3. Monitor the Direct Express program at the Department of the Treasury to advocate for elimination of bank fees on mandatory debit card use for Social Security beneficiaries who are unbanked.
4. Implement comprehensive financial education in grades K-12 and at the college and university level, and include people with disabilities.