

# 2021 Online KT Conference: Research Results for Policy Outcomes

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**KNOWLEDGE TRANSLATION FOR  
DISABILITY & REHABILITATION RESEARCH**

at American Institutes for Research ■

# Research Results to Policy Outcomes: From Asset Accumulation and Tax Policy Research to the ABLE Act

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## National Disability Institute (NDI) 2

NDI is a 15-year-old, national nonprofit organization dedicated to building financial health and wellbeing for people with disabilities.

NDI is the first national organization committed exclusively to championing economic empowerment, financial education, asset development and financial stability for all persons with disabilities. NDI affects change through public education, research, policy development, training, technical assistance and innovative initiatives to test and build scalable and sustainable community-based models of intervention and measurable impact.

Visit [nationaldisabilityinstitute.org](https://nationaldisabilityinstitute.org).

# NDI Vision

- We envision a society where people with disabilities have the same opportunities to achieve financial stability and independence as people without disabilities.
- NDI is designing a new roadmap for economic opportunity, financial capability and participation in the financial mainstream that will raise people up across the spectrum of disabilities to a new level of employment, financial wellness and physical and mental health.
- NDI is committed to raising awareness of the challenges confronted by and designing solutions for individuals at the intersection of race, ethnicity and disability.

# NDI History

- In 2000, no disability organization or government agency at any level wanted to talk about or address the challenges of poverty confronting millions of Americans with disabilities everyday.
- NDI was incorporated in 2005 as a 501(c)3 nonprofit.
- The Board of Directors are thought leaders in disability and financial communities.
- NDI has 35 staff located in 10 states and is headquartered in Washington, DC.
- In 2021, NDI has over 10 public and private funders with activities touching target audiences in all 50 states.
- In addition to funding from US Departments of Labor and Education, Social Security Administration, NIDILRR and state Developmental Disability Councils, NDI has been funded for multiple years by Prudential, Bank of America, Citibank, JPMorgan Chase, Wells Fargo and TD Bank.

# Asset Accumulation and Tax Policy Project (AATPP)

- Asset Accumulation and Tax Policy Project (AATPP) was a project funded by the National Institute on Disability and Rehabilitation Research (NIDRR). 2003–2008.
- Examined the potential of tax policy and asset accumulation to improve the economic stability of people with disabilities.
- AATPP united organizations serving persons with disabilities with credit unions and other financial institutions to produce groundbreaking research on barriers and opportunities of tax and public policies.

# Asset Accumulation and Economic Self Sufficiency (AAESS)

- Second Generation of Research, Demonstration, Knowledge Translation and Use, Funded by NIDRR, 2008–2012.
- Asset Accumulation and Economic Self-Sufficiency (AAESS) Syracuse University (H133A080014) led by Michael Morris. Delores Watkins, Project Officer.
- Building upon research conducted by the Asset Accumulation and Tax Policy Project (AATPP), the project provides understanding of economic status of working age adults with disabilities, and policy and system barriers to asset accumulation and community participation. Data analysis was used to identify increased use of asset building strategies, reduced dependence on payday and predatory lenders, reduction of debt, changes in economic status, and savings. Thematic analysis of focus groups and interviews produced knowledge on individual and system factors that diminish or facilitate opportunities to advance asset accumulation, self-sufficiency, and community participation measures of social, civic, and economic activities.
- AAESS continued collaboration with the IRS to design and conduct an updated and extended benchmark study in 2009 to further research on economic status of taxpayers differentiated by disability and demographics to help design future research. The project included creation and dissemination of asset development and financial literacy curricula to complement other poverty-alleviation strategies.

# Collaborators

- National Disability Institute (NDI)
- The Law, Health Policy, and Disability Center (LHPDC) at the University of Iowa College of Law
- Southern New Hampshire University School of Community Economic Development
- National Federation of Community Development Credit Unions
- World Institute on Disability
- National Cooperative Bank Development Corporation
- Internal Revenue Service (IRS)

# Key Research Questions

- What policies prevent the advancement of personal and economic freedom?
- What strategies effectively advance asset development for individuals and/or communities?
- What services, policies, and/or practices must change to increase effective and meaningful participation in asset development opportunities at an individual or community level for people with disabilities?

# Barriers and Opportunities in Tax Reform – Steven Mendelsohn

- Tax system subsidizes the preservation and growth of capital but does not encourage or subsidize the initial formation of capital.
- Not nearly as useful a tool as it could be in facilitating the acquisition of stable middle class status, or the promotion of independence and self-sufficiency for low income people with disabilities.
- To the degree that asset development strategies need to take their place alongside income maintenance as key adjuncts to social safety net programs the tax system does offer great potential for facilitating such asset development for individuals with disabilities seeking to move out of poverty.

# Barriers to Savings and Asset Development – Results from Consumer Surveys and Focus Groups

- Eligibility for Social Security benefits requires evidence of inability to work
- Continued eligibility for SSI limits ability to save
- Eligibility for SSI and/or SSDI creates disincentives to increased income production and loss of health benefits through Medicaid and Medicare
- Other means-tested public benefits, such as food assistance, housing and healthcare, also create disincentives to saving and income production

# Profile of Taxpayers with Disabilities – Research Results (2006)

Survey results of 3,199 filers walking into free tax preparation sites in NYC, Wichita, West Palm Beach, and Boston (Ford Study, 2006)

- 30% had only a checking account
- 12% had only a savings account
- 24% had both checking and savings accounts
- One in three represented the status of unbanked
- Only one in four were receiving a benefit from the Earned Income Tax Credit, despite all being eligible

# Why EITC is Important

Earned Income Tax Credit (EITC) is the largest federal aid program benefiting working individuals and families:

- In 2007, EITC were approximately equal to Temporary Assistance for Needy Families (TANF) and Food Stamp Programs combined (in total dollars).
- More than 25 million eligible tax filers received almost \$63 billion in federal EITC during the 2019 tax year. The average EITC amount received per tax filer was \$2,476 during the 2019 tax year. Workers must file tax returns to receive the credit. An estimated 20% of eligible workers do not claim EITC.

# Results Real Economic Impact Tour (2005–2012)

- NDI's Real Economic Impact (REI) Tour – an eight-year collaboration with the Internal Revenue Service (IRS) and more than 900 public and private partners in 100 cities across America – helped more than 1.5 million Americans with disabilities move toward greater financial stability by receiving more than \$1.4 billion in tax refunds.
- NDI and IRS joined forces in 2005 to better serve taxpayers with disabilities and engaged over 900 community tax coalitions, asset development and disability organizations across America.
- The number of persons with disabilities accessing free Volunteer Income Tax Assistance (VITA) services and realizing they qualify for the Earned Income Tax Credit (EITC) as well as other tax credits has increased dramatically:
  - 5,316 percent increase in number of persons with disabilities filing taxes through REI Tour VITA sites (7,600 in 2005 to more than 411,000 in 2012);
  - 5,813 percent increase in the amount of tax refunds received by persons with disabilities through REI Tour VITA sites (\$6.8 million in 2005 to more than \$405.1 million in 2012);
  - 8,286 percent increase in Earned Income Tax Credit (EITC) claims filed through REI Tour VITA sites (\$0.7 million in 2005 to more than \$58.7 million in 2012).

# REI Tour Outcomes

Year	Cities	Returns Prepared	Refunds Received
2005	11	7,600	\$6,840,000
2006	30	17,223	\$15,300,000
2007	54	36,275	\$32,647,000
2008	62	90,653	\$81,000,000

# New Partnerships - EITC Collaboration

- Mayors' Offices
- United Way
- IRS
- FDIC
- Taxpayers Assistance Services
- IDA Providers
- EITC Coalitions
- Financial Institutions
- Community Action Agencies
- Goodwill International
- One Stop Employment Offices
- National Federation of Community Development Credit Unions
- AT&T
- State Developmental Disabilities Councils
- Easter Seals
- Work Incentive Planning and Assistance Workers
- Centers for Independent Living
- Disability Program Navigators
- Associations for the Blind and Deaf
- National Council on Independent Living
- Bank of America Disability Affinity Group
- Veteran Service Organizations

## Inclusiv (formerly known as National Federation of Community Development Credit Unions (CDCU)) 230 credit unions

- CDCU clients are 69% minority, 75% low- or moderate-income, 28% rural and 61% female
- Conducted two national surveys 2004 and 2006
- Increased percent of customers with disabilities from 8 to 11%
- 18% or 45 member credit unions have made policy and operational changes to address disability issues
- Developed disability supplement to Each One, Teach Many financial education curriculum— served 1,800 adults with disabilities and 38% opened savings accounts for the first time

# Achieving a Better Life Experience (ABLE) Act History

- ABLE Act of 2009 H.R. 1205 - 111th CONGRESS 1st Session (February 26, 2009)
- Ander Crenshaw (FL), McMorris Rodgers (WA) and others introduced the bill; which was referred to the Committee on Ways and Means, and the Committee on Energy and Commerce
- The ABLE Act proposed to amend the Internal Revenue Code of 1986 to provide for the establishment of ABLE accounts for the care of family members with disabilities, and for other purposes.
- Short title - This Act may be cited as the Achieving a Better Life Experience Act of 2009 or the ABLE Act of 2009.

# Achieving a Better Life Experience (ABLE) Act History

## Purposes:

- To encourage and assist individuals and 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 will supplement, but not supplant, benefits provided through private insurance, the Medicaid program under title XIX of the Social Security Act, the supplemental security income program under title XVI of such Act, the beneficiary's employment, and other sources.

# Achieving a Better Life Experience (ABLE) Act History

- ABLE Act of 2014 H.R. 647 - 113th CONGRESS 1st Session (February 13, 2013)
- Ander Crenshaw (FL), McMorris Rodgers (WA) and others introduced the bill; which was referred to the Committee on Ways and Means, and the Committee on Energy and Commerce
- The ABLE Act proposed to amend the Internal Revenue Code of 1986 to provide for the establishment of ABLE accounts for the care of family members with disabilities, and for other purposes.
- Short title - This Act may be cited as the “Achieving a Better Life Experience Act of 2014” or the “ABLE Act of 2014.”

# Achieving a Better Life Experience (ABLE) Act History

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# HR Report 113-614 – ABLE Act of 2014

## Reasons for Change

The Committee recognizes the special financial burdens borne by families raising children with disabilities and the fact that increased financial needs generally continue throughout the child's lifetime. Present law provides for various types of tax-advantaged savings arrangements; however, none of these arrangements adequately serves the goal of promoting saving for these financial needs. The creation of qualified ABLE programs with tax-favored treatment of ABLE accounts for eligible beneficiaries will assist families and disabled individuals in meeting their financial needs.

# From Research to Knowledge Translation

- The findings from the NIDRR-supported research laid the groundwork for changes in tax law to respond to the needs of parents raising children with disabilities and adults with disabilities.
- The framework of the ABLE Act modeled Section 529 of the tax code, which allows individuals and families to set money aside in tax-advantaged savings accounts to pay for college-related expenses.
- The ABLE Act, which created a Section 529a of the tax code, established for the first time the authority for individual savings accounts that could promote savings and investments to help cover costs short- and long-term that are a part of the life experience of an individual with a disability.
- The intent of the ABLE Act is clear that such savings accounts would not adversely impact eligibility of individuals with disabilities for means-tested public benefits, such as SSI, Medicaid, food and housing assistance.

# From Research to Knowledge Translation

- Research findings cannot alone produce policy change without the active involvement of critical stakeholders who, in this case, are parents of children with disabilities and adults with disabilities.
- Representative Crenshaw was moved to introduce the ABLE Act based on personal stories from families who shared with him the challenges of extra costs associated with living with a disability and the adverse consequences of means-tested public benefits, which discouraged savings and compelled individuals with disabilities to have a life sentence of poverty.
- Although it took multiple two-year sessions of Congress to move the ABLE Act to passage, it was the extraordinary efforts of families who validated the compelling need for the legislation, complemented by the qualitative and quantitative research funded by NIDRR, that produced this historic change to the tax code.

# From Research to Knowledge Translation

- Reinforced the importance of participatory action research
- Engaged people with disabilities to formulate research questions, serve as members of the research team, analyze research results and help formulate findings
- Led knowledge translation activities and complemented with qualitative evidence to inform policy making

## ABLE Ambassador: Rachel Mast



Rachel Mast completed MSU's BEAR Power Program, a two and a half year program designed for students with developmental disabilities. A savvy saver, she deposited all her birthday and graduation money into her Kansas ABLE account asking her friends and family to contribute to it for her college expenses and for future plans.

Rachel, who has Down syndrome, used her savings to help augment other supports such as scholarships she received for college and also to save for the pink house she dreams of living in one day.

Rachel played a pivotal role in getting ABLE passed in Congress, traveling to Washington, D.C. to speak with her congressmen and senators. She testified before the Kansas Legislature about the importance of ABLE, which led to her being the first person in Kansas to open an ABLE account.

# ABLE Act Basics

# ABLE Legislation and Financial Independence

- Millions of individuals with disabilities and their families receive and depend on a variety of public benefits for income, healthcare, food and housing assistance. There is a resource limit of \$2,000 for most means-tested benefits.
- The ABLE Act, signed into law December 19, 2014, creates tax-advantaged savings accounts for eligible individuals with disabilities, allowing 8 million people with disabilities to save more than the \$2,000 resource limit.
- The IRS finalized ABLE regulations on November 19, 2020.

# What is an ABLE account?

- An ABLE account is a tax free savings and investment account for eligible people with a disability that began before age 26. It allows them to:
  - Save and invest money in a tax-exempt account
  - Use the funds in the ABLE account for qualified disability expenses, and
  - Maintain eligibility for federally funded public benefits.

# Why the Need for ABLE Accounts?

- Funds in an ABLE account can supplement, and are not meant to take the place of Federally funded means tested benefits (Supplemental Security Income, Medicaid/Medicaid Waiver, housing assistance through HUD, Supplemental Nutrition Assistance Program benefits) or other benefits including those provided by:
  - Private insurance
  - The beneficiary's employment or
  - Other sources.
- ABLE savings up to \$100,000 will NOT affect Supplemental Security Income (SSI) benefits and is not counted as a resource.
- SSDI is not a means tested benefit.

# Who Is Eligible for an ABLE Account?

An ABLE account is a Section 529A tax-advantaged savings and investment account owned by a person who has a Social Security number or tax filing I.D. and has a disability or blindness;

- **WITH** an onset of disability before age 26, **AND**
- Receives Supplemental Security Income (SSI) and/or Social Security Disability Insurance (SSDI) benefits, **OR**
- Self-certifies that they have a written and signed [disability certification](#) from a qualifying physician.

# Who May Contribute to ABLE

- An annual total of \$15,000 from:
  - Friends and Family
  - Special Needs / Pooled Trust
  - 529 college savings rollover
- Able Account Owner:
  - Earned income, unemployment insurance, stimulus payments, tax refunds
  - Eliminates need to spend-down
  - An ABLE account owner who works and does not participate in a retirement plan may contribute up to an additional \$12,760\* from their earnings within a calendar year

# ABLE Qualified Disability Expenses

- Education
- Housing
- Food
- Transportation
- Employment training and support
- Assistive technology and personal support services
- Health prevention and wellness
- Financial management and administrative services
- Legal fees
- Expenses for oversight and monitoring
- Funeral and burial expenses

# ABLE Savings: Expanding Upon Traditional Services

- Additional job coaching
- Private transportation to competitive worksite
- Additional counseling services
- Additional assistive technology to reduce social-isolation
- Respite services
- Supplement housing costs
- Funds to enhance PASS and other work supports
- ABLE is a protected account for retirement savings.

# Qualified Disability Expenses (QDEs) - Related to Employment

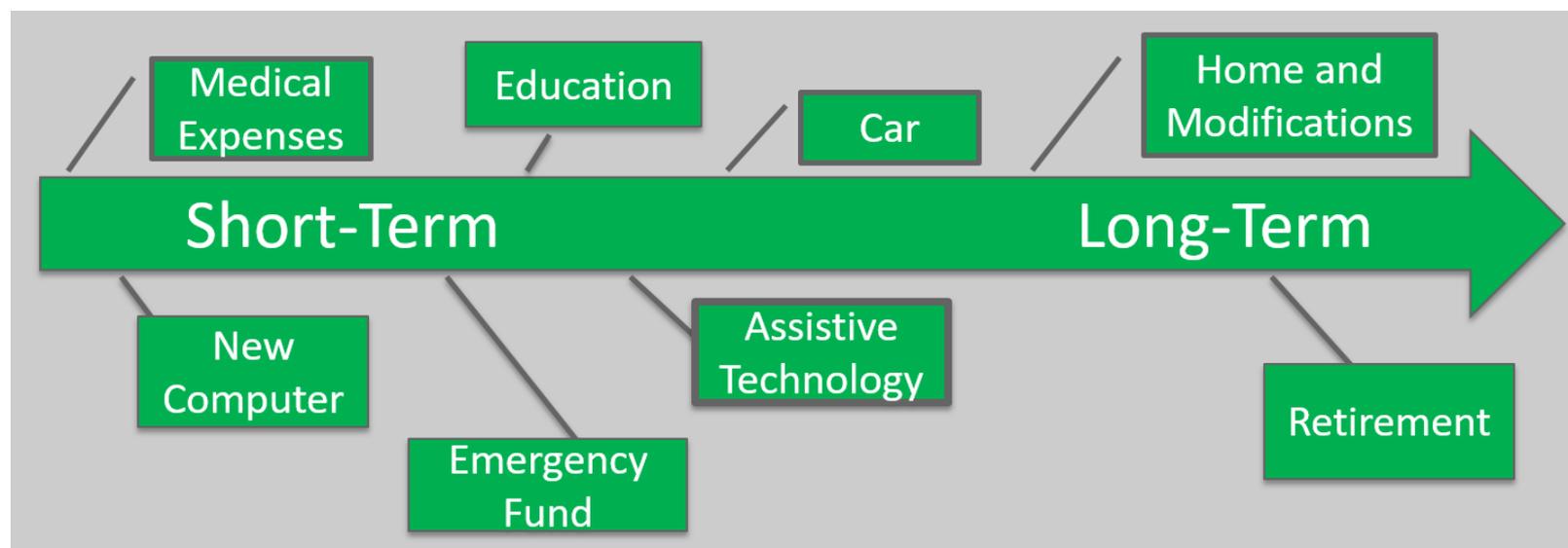
Education- and work-related QDEs can enhance career development, help to address barriers to securing employment, help an individual retain employment and support individuals to work to their fullest capability.

Examples of education or work-related Qualified Disability Expenses include:

- Job coaching or additional job coaching
- Job accommodations
- Home modifications
- Assistive technology
- Tools or uniforms
- Transportation including vehicle purchase
- Tuition, books and fees
- Laptop computer
- Fees for licenses or certifications
- Dormitory fees
- Costs associated with self-employment

## Examples of Short-Term and Long-Term Savings Goals: The “Why” for Saving in an ABLÉ Account

- Identify short- and long-term goals and identify savings opportunities.



- Reassess and make changes, as needed.

# When is the Right Time to Open an ABLA Account?

## Things to consider:

- A child is born with a disability;
- The child has an Individual Education or transition plan;
- The need to spend down;
- The \$2,000 resource limit inhibits saving.

## The person who has a disability:

- Is working;
- Is not qualifying for services or supports which are needed;
- Has family who would like to help;
- Needs Medicaid;
- Would like to save for retirement but cannot due to resource limits.

# BIG PICTURE: Where does ABLE stand today?

## ABLE Programs

- 43 states plus D.C.
- IRS Finalized ABLE Regulations November 19, 2020
- New Legislation Proposed: *ABLE Age Adjustment Act*

## ABLE By the Numbers (end of second quarter 2021)

- 100,874 ABLE accounts
- \$878 million in assets
- \$8,704 average account balance



## Roadmap to ABLE Enrollment:

[ablenrc.org/get-started](https://ablenrc.org/get-started)

## Roadmap to Independence:

[ablenrc.org/manage-account](https://ablenrc.org/manage-account)

### Roadmap to ABLE

For detailed information and videos on each roadmap step, visit [ablenrc.org/road-map-enrollment](https://ablenrc.org/road-map-enrollment) or [ablenrc.org/road-map-independence](https://ablenrc.org/road-map-independence).

#### Roadmap to Enrollment

**START HERE**

- 1. What Is ABLE?**  
Achieving a Better Life Experience (ABLE) accounts are protected savings accounts for qualified individuals with disabilities and are available nationwide.
- 2. Who Is Eligible?**  
An ABLE account owner must have had a significant disability onset prior to age 26. An account can be opened at any age.
- 3. How Can Funds Be Used?**  
Funds in ABLE accounts can be used for a wide array of qualified disability expenses such as education, transportation job training, housing and more.
- 4. How Do I Open An Account?**  
ABLE accounts are opened through the state ABLE program website. It takes about 10 minutes to open an account.
- 5. How Do I Manage My Account?**  
ABLE accounts are savings accounts that offer choices for investing. You can make changes to your investments twice a year.

#### Roadmap to Independence

**MANAGE ACCOUNT**

- 6. Setting My Financial Goals**  
ABLE accounts allow you to set financial goals based on your disability-related needs.
- 7. Building a Circle of Support**  
Let family, friends and your employer know they can contribute directly to your ABLE account.
- 8. Making Smart Financial Decisions**  
Making smart financial decisions isn't always easy. Learn how to with an ABLE account.
- 9. Monitoring My ABLE Account**  
Learn how to keep an eye on your ABLE account and track your qualified disability expenses.
- 10. Celebrating Being ABLE**  
Celebrate and share your ABLE experiences with others!

For more information on the ABLE Act and ABLE accounts, visit [ablenrc.org](https://ablenrc.org).

# ABLE Account Owner: Edward Mitchell

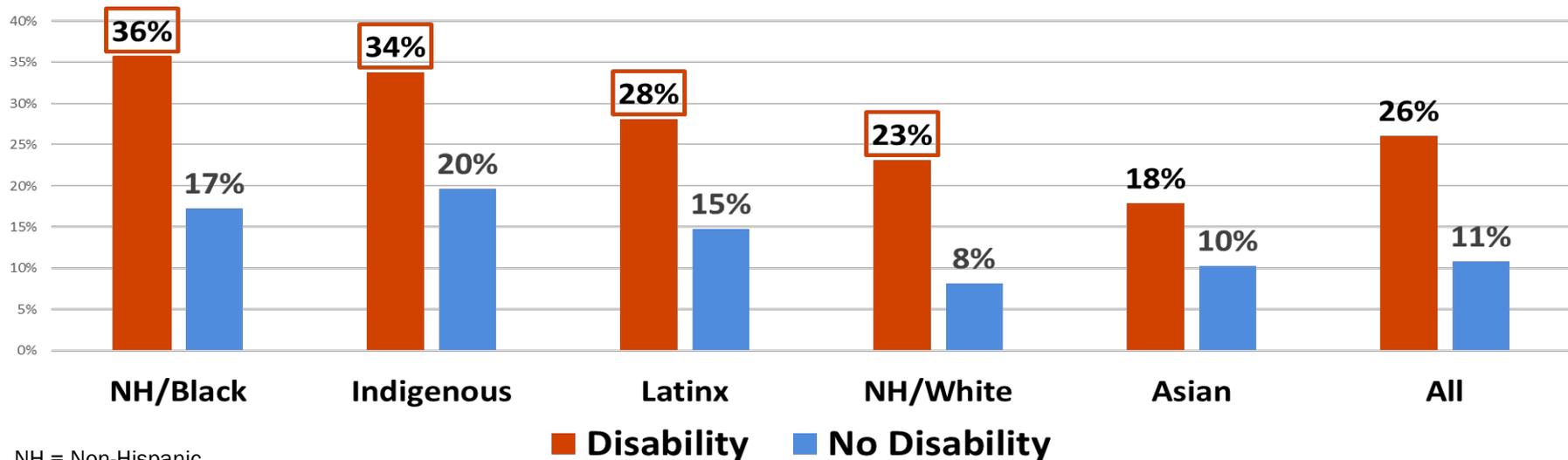


Edward is 31 and ABLE-eligible due to a spinal cord injury from a hit and run car accident when he was 17-years-old. He has an MBA and is working two part-time jobs. He's using his ABLE account to save up for vehicle modifications and to finally move out of his parents' house and into his own accessible housing.

*"ABLE has allowed me to start saving without penalizing or jeopardizing my benefits. My parents worry what will happen to me when they are no longer able to help or they have died. ABLE gives them some peace of mind about my future. Plus, unlike a special needs trust that must be controlled by a trustee or trustees, ABLE gives me - a person with a disability - control over my finances and increased independence." – Edward Mitchell*

- [ABLE Spotlight on ABLE Ambassador Edward Mitchell](#)
- [Podcast E06: Perspective on ABLE From a Working-Age Account Owner and Service Provider](#)

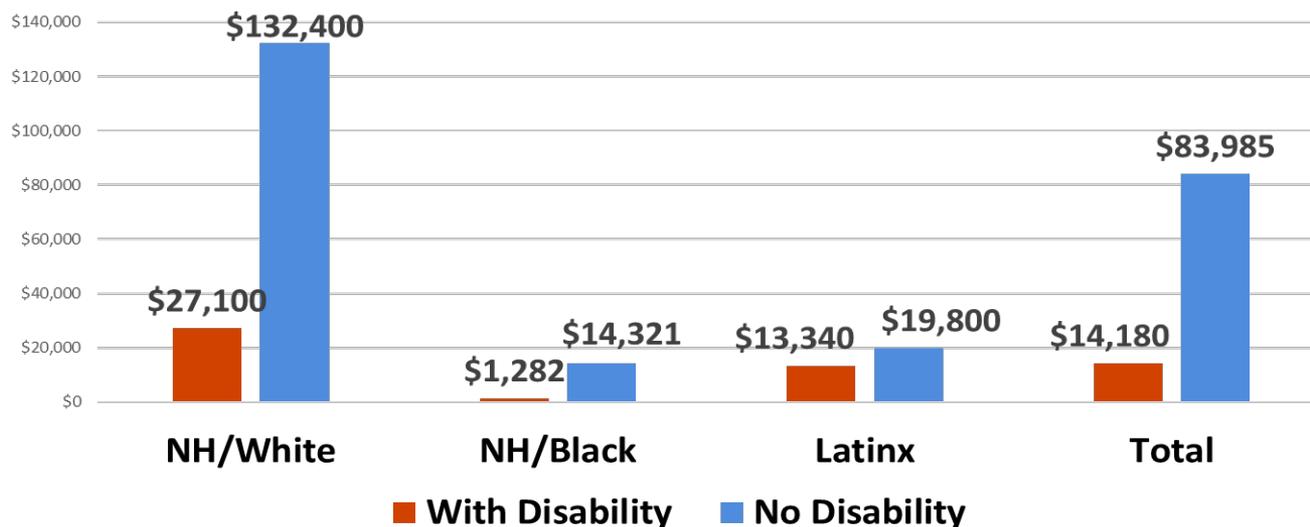
Employment and ABLÉ savings can change the cycle of poverty for working-age people with disabilities who are Black, Indigenous, Latinx or White who **have higher poverty rates**.



NH = Non-Hispanic

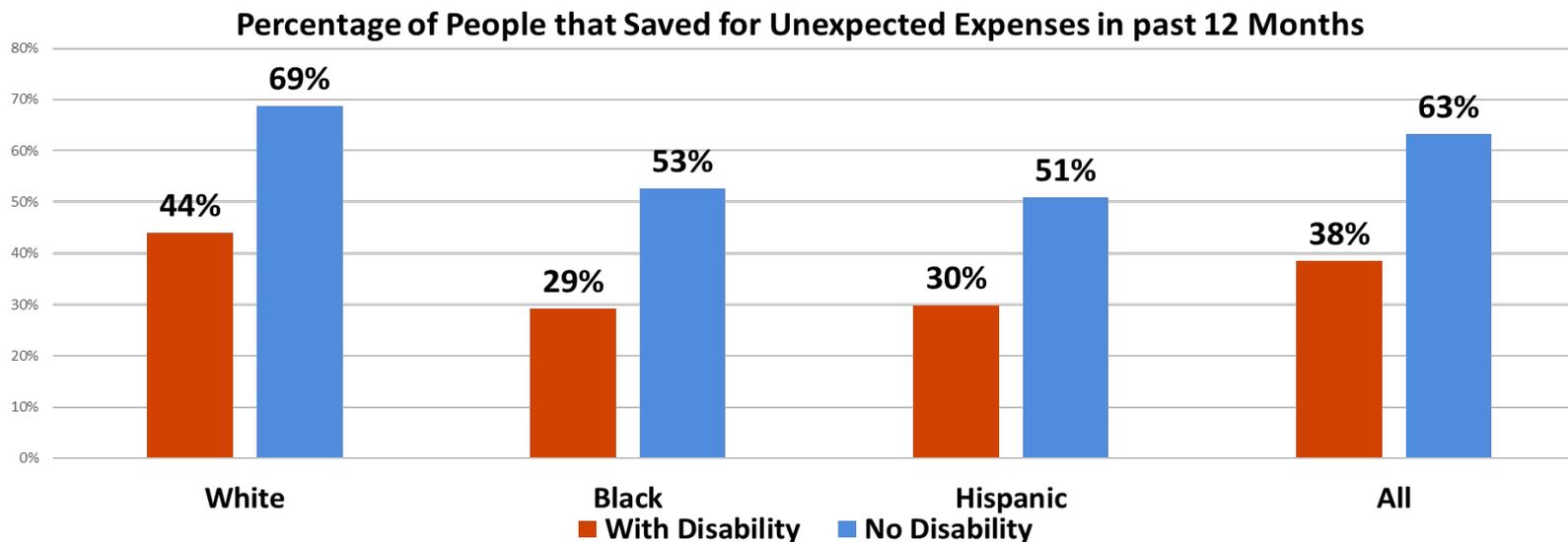
Source: NDI Analysis of U.S. Census Bureau. (2019). 2018 American Community Survey 1-Year Public Use Microdata Sample.

Across all racial/ethnic groups, **households with a disabled working-age householder have lower net worth**, compared to households without disability (\$14,180 versus \$83,985). Households with householders who are **Black and disabled have the lowest net worth** (\$1,282).



Source: NDI Analysis of U.S. Census Bureau. (2019). Survey of Income and Program Participation Microdata, 2014 Panel, Wave 4.

Across all racial/ethnic groups, a lower percentage of people with disabilities saved for unexpected expenses, compared to people without disability. Lower percentage of people with disabilities who are also Black and Hispanic saved for unexpected expenses, compared to those who have disabilities and are White



Source: Goodman, N. and Morris, M. (2019). Banking Status and Financial Behaviors of Adults with Disabilities. National Disability Institute.

# Next Generation of Financial Behavior Research

- Quantitative and qualitative on the impact of ABLE accounts on quality of life experience related to employment, independent living and community participation
- Testing the impact of different interventions (i.e. financial education, financial and benefits counseling) on financial health and behavior of individuals at the intersection of race, ethnicity, gender, age, type of disability and sexual orientation
- Data collection and analysis of disparities of financial health and behavior comparing individuals with and without disabilities

# Additional Resources

- [ABLE National Resource Center](#)
- [Center for Disability-Inclusive Community Development](#)
- [The Extra Costs Of Living With A Disability In The U.S. — Resetting The Policy Table](#)
- [Race, Ethnicity And Disability \(2020\)](#)
- [Financial Inequality: Disability, Race and Poverty in America \(2017\)](#)
- [Banking Status and Financial Behaviors of Adults with Disabilities: Findings from the 2017 FDIC National Survey of Unbanked and Underbanked Households and Focus Group Research](#)
- [Financial Capability of Adults with Disabilities: Findings from the FINRA Investor Education Foundation National Financial Capability Study](#)
- [Access to Credit for Adults with Disabilities](#)
- Michael Morris [mmorris@ndi-inc.org](mailto:mmorris@ndi-inc.org)

*“... progress is never permanent,  
will always be threatened,  
must be redoubled, restated, and reimagined  
if it is to survive.”*

*~ Zadie Smith*



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