

New Frontiers for Building a Better Economic Future for Americans with Disabilities

NASI-NIDRR Workshop:
Pathways to Economic Security for People with Disabilities
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Purpose

Maximizing Community Participation

- ❖ **Research**
- ❖ **Demonstration**
- ❖ **Knowledge Translation & Use**
- ❖ **Outcomes – Individual & System Level**

National Institute for Disability and Rehabilitation Research (NIDRR)

First Generation of Research Asset Accumulation and Tax Policy Project (AATPP)

2003 – 2008 (NIDRR/DRPP)

#H133A03173

AATPP Partners

- National Federation of Community Development Credit Unions
- World Institute on Disability
- Southern New Hampshire University, Center for Economic Development and Disability
- Law, Health Policy & Disability Center, University of Iowa, College of Law
- Burton Blatt Institute, Syracuse University, College of Law
- National Disability Institute, Washington, DC

AATPP Focus

- 1) Barriers & Opportunities to Tax Reform
- 2) Profile of taxpayers with disabilities
- 3) Development and Testing of Financial Education Curriculum
- 4) Real Economic Impact Tour
- 5) Affordable and Accessible Financial Services (CDCUs)
- 6) Knowledge Translation and Use (WID – Equity E-newsletter)
- 7) National Policy Movement

New Agenda New Thinking

Institutions to Community Living

Special Schools to Public Education

Income Maintenance to Employment

Individual Plans to Self-Directed Accounts

Economic Insecurity to Full Citizenship

Building a Roadmap out of Poverty

Disability Market Segment

Demographics

- 54 million people
- 22 million families

Employment

- 22 million working age
- 7.6 million working

Geography

- 15% in the Northeast
- 31% in the South
- 28% in the Midwest
- 16% in the West

Ethnicity

- 12.7% White
- 17.5% Black/African American
- 21.7 Native American
- 6.3% Asian/Pacific Rim
- 11.9% Other

Cornell 2006 Disability Status Report

Disability Prevalence

- **Sensory** 4.3% or 11.7 million
- **Physical** 9.4% or 25.7 million
- **Mental** 5.8% or 15.9 million
- **Self-Care** 3.0% or 8.2 million
- **Go-Outside Home** 5.4% or 12.4 million
- **Employment** 7.0% or 13.6 million

Cornell 2006 Disability Status Report Ages 5 and Older

Barriers and Opportunities in Tax Reform – Steven Mendelsohn

- Strong social safety net but new demands for income support and long-term care arising from the coalescence of age and disability will put strains on the system that no existing programs or economic models are capable of meeting

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.

Barriers and Opportunities in Tax Reform – Steven Mendelsohn

- 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 and Opportunities in Tax Reform – Steven Mendelsohn

- Without courage and attention in removing barriers to self-sufficiency posed by means tested or needs-based provisions of most social insurance programs, all strategies for lifting people out of poverty, and reducing the burdens of social insurance on taxpayers are likely to fall far short of their potential.
- Develop means whereby social insurance, employment and asset development programs work in a complimentary fashion rather than in conflict.

Why EITC is Important

The largest federal aid program benefiting working individuals and families:

- EITC is approximately equal to Temporary Assistance for Needy Families (TANF) and Food Stamp Programs combined (in total dollars)
- Ten times the size of the Community Development Block Grant (CDBG) program
- \$43 billion paid out in 2007 to over 22 million Individuals and Families

EITC Goes Unclaimed

EITC is the most effective anti-poverty tool for working individuals and families:

- Lifts over 5 million individuals out of poverty each year, including 2.6 million children
- Unfortunately, studies (Brookings, GAO) show that up to 25% do not claim the EITC leaving Billions of dollars unclaimed each year

Dollar Value of EITC

The maximum amount of EITC for 2008 is:

- \$4,824 if you have more than one qualifying child
- \$2,917 if you have one qualifying child
- \$438 if you do not have a qualifying child

Research

Profile of Taxpayers with Disabilities

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

- 30% checking account
- 12% savings account
- 24% had both checking and savings
- 37% use check casher
- 25% received EITC
- 57% need special accommodations to file taxes and do banking
- 0% had an IDA
- 12% on SSI
- 9% on SSDI
- 42 average age

Research

Beliefs and Barriers –Focus Group Themes (Ford Study)

- Fear of losing public benefits if they save, file taxes and/or work due to income and savings limits allowed
- Desire to get off public benefits
- Lack of basic financial and tax knowledge
- Lack of relationship with local financial institution
- Financial institutions not always accessible
- Lack of materials in alternative formats (Braille, CD, large print, etc.)
- Find that in general there is a lack of awareness of needs of customers with disabilities

Research

IRS SPEC Benchmark Study (May 2007)

Customer Characteristics:

- 5.0 million taxpayers filing a return with a disability between 18 & 59
- Additional 1.3 to 1.6 million non-filers working with a disability
- Median AGI of \$19,100 vs. \$33,800 for non-disabled
- 51% had AGI < than \$20,000 vs. 32% of non-disabled

Research

- **59% use a computer at home**
compared to 76% of persons with no disability
- **31% prepare own return**
compared to 42% with no disability
- **66% use paid preparer**
compared to 56% with no disability
- **10% use tax prep software**
compared to 20% with no disability
- **37% less likely to have savings or investments**
compared to 51% with no disability

IRS SPEC Benchmark Study (May 2007)

Research Needs

Financial Education Curriculum

- More information about complex rules of eligibility and re-determination of eligibility for taxpayer on SSI and/or Medicaid or VA benefits
- More information about Social Security work incentive provisions and IDA participation for individuals on SSI
- More information about making financial services and products more accessible

Research Needs

- **More information about developing alternative formats for universal access (e.g., FDIC Money Smart Program in Braille)**
- **More information about braiding disability specific and generic tools to advance self-sufficiency (PASS, Individual Budgets, EITC, IDAs)**
- **Train the trainer manuals provide more tips for teaching students with disabilities and what accommodations should be made**

Research Needs

- Graphics need to have a downloaded version for people with visual disabilities with alternative tags to be interpreted by a screen reader (requires special software)
- Customers with intellectual disabilities may need more graphic descriptions and verbal promoting rather than narrative documents
- Deaf taxpayers and community-based VITA coalitions exploring use of video phones for expanding access

New Generation Voices

“Before I see my paycheck I would like some allocated to some kind of retirement.”

“I’d like to start investing, I don’t know how. I am a young retiree but still working a few hours a week. I need to add to my future.”

“When we begin working for the first time we have no idea how to work a checking account or ATM card.”

Ford Study: Educating Democracy: Tax and Financial Services Needs of Working Americans with Disabilities (Wichita, West Palm Beach, Boston and New York City Focus Groups) 2006 (Hartnett.)

New Generation Voices

“Those who don’t drive because of our disabilities don’t have a way to get to many of the free tax sites.”

“The American Dream for me is to own my home, even if it is a trailer.”

“Why don’t people teach us how to file taxes ourselves so we can do it on our own so we are more independent?”

“ I would be willing to travel 25 miles for one on one help with my taxes.”

Ford Study: Educating Democracy: Tax and Financial Services Needs of Working Americans with Disabilities (Wichita, West Palm Beach, Boston and New York City Focus Groups) 2006 (Hartnett J.)

Real Economic Impact Tour

Nuts & Bolts at the Local Level

- **Develop Workgroups**
- **Collect Data Question on Disability**
- **Build new partnerships with non-disability community-based groups**
- **Provide Disability Training to Volunteers**
- **Check Accessibility of Free Tax Sites**

Real Economic Impact Tour

Nuts & Bolts at the Local Level

- **Check Accessibility of Program Materials**
- **Expand and increase role of disability**
- **Provide financial education**
- **Provide education on benefits of tax filing**
- **Increase disability visibility through media and planned events**

Real Economic Impact Tour

Nuts & Bolts at the Local Level

- Explore transportation challenges & role of mobile tax clinics
- Provide financial fitness programs
- Leverage REI Tour grants to help expand base of support
- Invite new partners to host free tax sites

Real Economic Impact Tour

Nuts & Bolts National Level

- Participate in monthly peer-to-peer calls
- Participate in Four Part Audio Conference Series
- Receive REI Tour mini-grants
- Visit REIT Tour website to post information and learn from other cities www.reitour.org

Real Economic Impact Tour

Nuts & Bolts National Level

- **3rd Mayor's Leadership Academy brought 47 cities together and 26 national partners to network and share best practices in San Antonio, September 2008**
- **Participate in annual National Press Club Celebration honoring five outstanding cities**

REI Tour Outcomes

<u>Year</u> <u>Received</u>	<u>Local</u> <u>Cities</u>	<u>Returns</u> <u>Partners</u>	<u>Refunds</u> <u>Prepared</u>
2005	11 ---	7,600	\$6,840,000
2006	30 200	17,223	\$15,300,000
2007	54 355	36,275	\$32,647,000
2008	62 555	90,653	\$81,000,000



New Partnerships

- **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**

New Partnerships

- 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

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

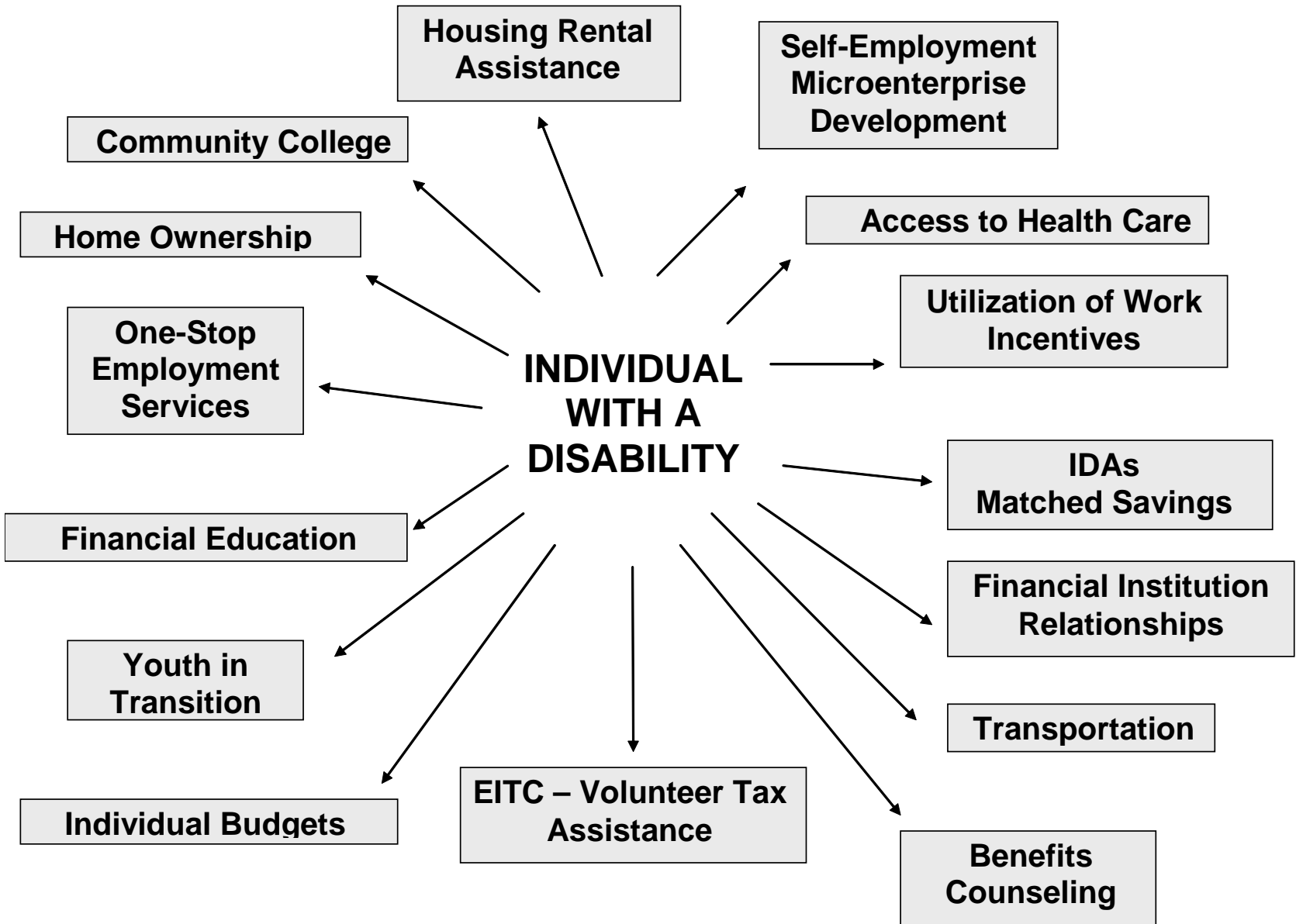
World Institute on Disability

- Bridging the gap between the disability and asset building community
- Increase participation of people with disabilities in asset-building programs
- Produce technical expertise to asset-building programs to serve clients with disabilities
- Equity e-newsletter
- Published 40 issues to over 35,000 subscribers

National Policy Movement

- **New Ad Hoc Task Force on Asset Development for Consortium of Citizens with Disabilities, Washington, DC (over 100 national organizations)**
- **Three Reports to Congress on the needs of Taxpayers with Disabilities, Taxpayer Advocate Services, and IRS Wage & Investment Blueprint**
- **New tax advantage savings Bills in Congress (Representatives Crenshaw, Conyers & Senators Dodd, and Casey and Hatch)**
- **New pension Bill in Congress to exclude up to \$75,000 in an IRA from the Supplemental Security Income test (Representative Lewis)**

FOCUS ON ECONOMIC FUTURE



Asset Accumulation and Economic Self Sufficiency (AAESS)

**Second Generation of Research,
Demonstration, Knowledge
Translation and Use**

Funded by NIDRR

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Additional Information

www.REITour.org

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