



NATIONAL RESOURCE CENTER
ACHIEVING A BETTER LIFE EXPERIENCE ACT



A New Year, a New YOU!

Strategies to Increase Your Financial Fitness
with an ABLÉ account in 2020!

Thursday, January 23, 2020

2:00 pm - 3:00 pm ET

The ABLÉ National Resource Center is funded through a grant from Prudential.

The ABLE National Resource Center

The **ABLE National Resource Center (ABLE NRC)** is the leading, comprehensive source of objective, independent information about federal- and state-related ABLE programs and activities, including guidance on tax-advantaged ABLE savings accounts.

Our mission is to educate, promote and support the positive impact ABLE can make on the lives of millions of Americans with disabilities and their families.

Our pioneering work in this area and subject-matter expertise make us the foremost authority on topics related to the Achieving a Better Life Experience (ABLE) Act, ABLE accounts, state ABLE programs, ABLE-related policy developments and comprehensive integration of ABLE and financial capability strategies for people with disabilities into public service delivery systems.

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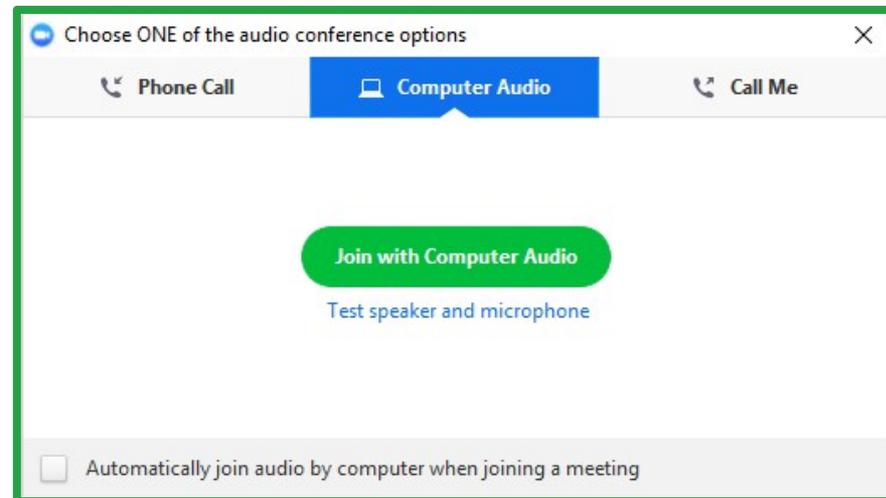
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Please note: This webinar is being recorded and the materials will be placed on the ABLE National Resource Center website, along with all of our other ABLE webinars, at ablenrc.org/resources/webinars/.



Presenters

Miranda Kennedy, M.P.P.

Director, ABLE National Resource Center



Marlene Ulisky

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Objectives

Learn how to begin to incorporate your New Year's resolutions into ABLE savings goals and build a process to take control of your finances. We will discuss the links between health, fitness and healthy finances and provide tips and promising practices to:

- Strengthen your core with ABLE fundamentals for 2020 success
- Find workout buddies to help you reach your ABLE goals through your ABLE circle of support
- Increase your flexibility by using various ABLE financial tools
- Build financial endurance by delaying disbursements and learning about compounded interest
- Maintain a well-balanced ABLE account in 2020 with options to fund your account that you may not know about



Resolutions for Health and Wealth



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New Year's Resolutions

The new year is a great time to start fresh and to think about what you will change or do better in the coming year. A New Year's resolution means making up your mind to do something important to you.

- A recent survey found that 67% of respondents said that saving more money and saving for retirement were New Year's resolutions.
- Staying healthy or starting healthy habits is also a popular resolution.



Poll: If you made a New Year's resolution, what was it?

(Select one or more)

- a. Saving for a big-ticket item (e.g. vehicle, assistive technology)
- b. Saving for long-term goals (e.g. home ownership, education, retirement)
- c. Eliminating/Reducing Debt and/or Developing a Financial Emergency Fund
- d. Focusing on physical, mental, emotional health and adopting healthy habits
- e. Spending more time with family/circle of support
- f. Traveling to new places
- g. Other



Link Between Financial Health and Physical Health

Financial stress causes stress on a body and can negatively impact physical and mental health. That stress can trigger unhealthy habits.

What can we do when this happens?

- Adopt strategies that benefit you financially, as well as physically:
 - Budgeting for a healthy lifestyle helps your pocketbook. Eating out and eating fast food can be expensive and unhealthy.
 - Regular exercise promotes a healthy body to keep you strong to prevent illness and injury along with a healthy mind, which promotes good decision-making. Exercise also helps you to connect with your body and can improve your confidence to reach your goals.
- Explore other opportunities to become physically and financially fit. Planning to be healthy is very similar to planning to be wealthy. It takes discipline and commitment.



Example: Healthy Living and ABLER Accounts

The “Accessible Wellness and Empowerment Program” at U.C. Berkeley is a 501(c)(3) non-profit that provides increased access to recreational sports facilities, equipment and one-on-one training at no extra cost for students with mobility, vision, hearing or invisible disabilities.

Important Factors to Consider:

- The “Accessible Wellness and Empowerment Program” is funded through June 2020 and free to participants.
- This program and others often struggle with funding.
- Costs associated with fitness programs may be a perfect use of ABLER funds as a “qualified disability expense” that increases health, independence and quality of life.
- Check out programs in your community and explore your local YMCA.



2019 ABLER NRC Ambassador Taylor Carty participated in the “Accessible Wellness and Empowerment” program, seen here with trainer Rachel Kahn.

Financial Fitness and Physical Fitness Resolutions

- Make a commitment today.
- Choose your priorities and set short-term and long-term goals, but be realistic. Reassess, plan accordingly as needed and go after it!
 - Download the goal-setting worksheet to get you started: <https://www.ablenrc.org/manage-account/setting-my-financial-goals/>
- Progress is made by small gains over a long period of time. Don't expect instant results. It's a marathon and not a sprint!
- Sometimes you need help to stay motivated, to learn and to get on the right pathway. Don't be afraid to seek help when needed.
- If you have a setback, get back on track. Identify and address any barriers.
- Don't put it off until tomorrow! Get started!
- Do the best you can by doing the right things today for a better future.



Strengthen Your Core: Financial Fundamentals for Success



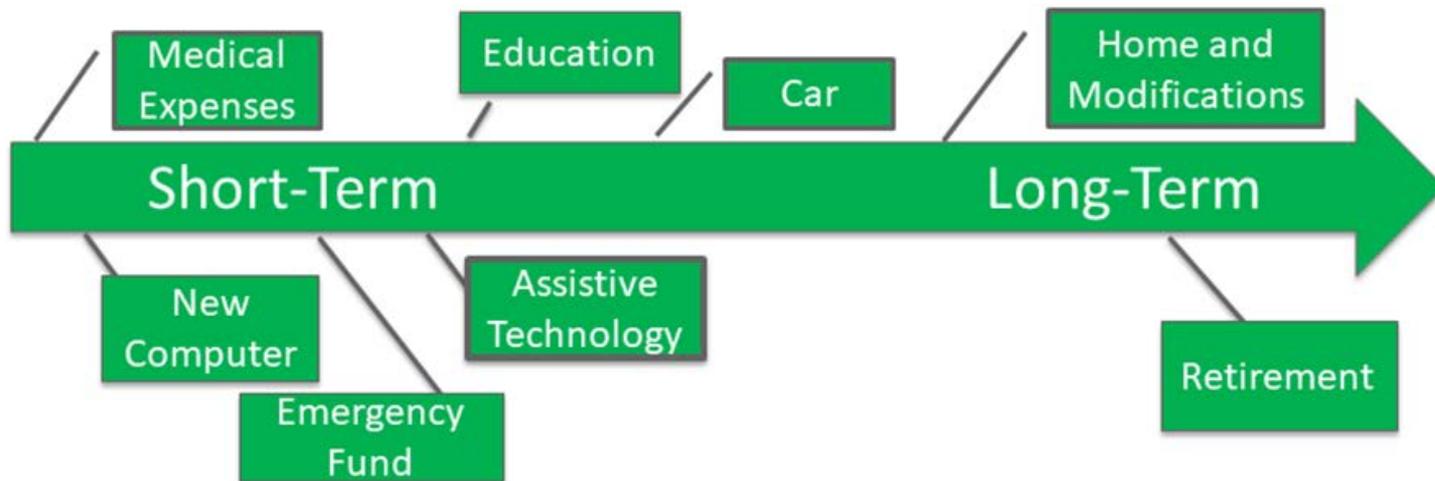
Plan Ahead by Setting Goals

- Setting short-term and long-term goals creates a roadmap for success. Goals give you direction and a destination. They help you to take control of your future. This perspective helps with decision-making.
- Goals give you hope and something to aspire to and can be very motivating. Although challenging, they give you a sense of personal satisfaction. Setting and reaching your goals builds confidence and gives you a sense of personal pride.
- Once you have identified your goals, consider using the [STAR Method of Setting Goals \(Worksheet\)](#):
 - **Specific** – Define what you want to achieve clearly. Write it down.
 - **Timely** – When do you want to achieve the goal? This is your target date.
 - **Action Oriented** – How will you achieve the goal?
 - **Realistic** – Is the goal attainable in light of any obstacles you have considered.
- Learn more about setting goals: <https://www.ablenrc.org/manage-account/setting-my-financial-goals/>



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

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



- Reassess and make changes, as needed.

Financial Fundamentals: Tips and Promising Practices (Slide 1 of 2)

- Remind yourself often of your goals.
- Write them down and put them where you will see them every day.
- Goals are fluid and may change based on time, situations and/or life events. You may have to reassess and change your goals depending upon life events if they are not working for you.
- Be realistic, but aim higher than you think you can achieve. You will usually surprise yourself.
- Make sure you understand the price of reaching your goals.
- Recognize obstacles and work to avoid or eliminate them.



Financial Fundamentals: Tips and Promising Practices

(Slide 2 of 2)

- If you are not working but would like to work, employment is the single best way to save more to achieve your financial goals. Check out: choosework.ssa.gov/findhelp
- Consider a saving and spending plan to help you to gain control of your day-to-day expenses and to identify money to set aside in an ABLE account.
- If you have a special needs trust, consider discussing your goal with the trustee and whether the trust will contribute to your ABLE account so that you can achieve your goal sooner vs. later.
- Some individuals will achieve a goal on their own, while others will need support or guidance to help them to achieve their goal. Don't be afraid to ask for help.



Find “ABLE Workout Buddies” with a Circle of Support



Reach Out to a Circle of Support

- If you have a difficult time understanding ABLE accounts, developing a saving and spending plan, or managing your money, consider a “Circle of Support.”
- A “Circle of Support” is a group of people committed to helping you achieve a better future and meet your goals. The circle may be small or large and comprised of anyone you know well and who can support you: a family member, such as a parent or sibling, a representative payee, friend, professional, clergy, employer or others.
- When building a circle, the most important thing is trust.
- It’s also important to be cautious when sharing financial information with individuals you do not know well or those you have only known for a short time.



Circle of Support: Tips and Promising Practices

- A Circle of Support is like having a group of friends who can help you to sort things out, help you to explore and prioritize savings and investment goals and clarify ideas about the future. Get to know your Circle of Support and ask for advice or support with problems and talk about your goals. They will ask probing questions to help you to reach your goals, dreams and aspirations.
- Always remember: As an ABLE account owner, YOU are in charge and will make decisions and set goals for what you want in life while being supported.
- If you are working or planning to work, consider adding a Certified Work Incentives Coordinator (CWIC) to your Circle of Support to help you to find available community resources that can help you work to your fullest capability and use SSA work supports that help leverage income and increase savings.
- To learn how to build a circle of support, visit: <https://www.ablenrc.org/manage-account/building-a-circle-of-support/>

Increase Your Flexibility with ABLE Financial Tools



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ABLE Program Comparison Tools

The ABLE National Resource Center website includes tools to meet your needs so that you can compare ABLE Programs:

- The Three-State Comparison Tool: <https://www.ablenrc.org/compare-states/>
- The ABLE Program Features Tool: <https://www.ablenrc.org/state-plan-search/>
 - The “results page” of this tool allows you to download files for all states or for select states to assist you in comparison
- The Map of USA Tool: <https://www.ablenrc.org/select-a-state-program/>



Other ABLE Tools to Help You

- ABLE Program Spotlight webinars on four specific state programs or multi-state collaborations: <https://www.ablenrc.org/resources/webinars/program-highlights/>
- The “ABLE Account, Special Needs and Pooled Trust Comparison Chart”: <https://www.ablenrc.org/wpcontent/uploads/2019/08/ABLEAccountSpecialNeedsandPooledTrustComparisonChart.pdf>
- “Choosing the Right ABLE Program”: <https://www.ablenrc.org/wp-content/uploads/2019/07/ANRC-Choosing-the-Right-ABLE-Program-2018.pdf>
- Other tools are being developed daily – go to our website and check back often!



ABLE Financial Tools: Tips and Promising Practices

(Slide 1 of 2)

- Research programs using the ABLE National Resource Center tools!
 - Some states provide state tax credits, while other states do not.
 - ABLE account limits vary from state to state and coincide with the State 529 account limit: \$235,000 to \$529,000!
 - ABLE account fees vary from state to state.
 - Program options and fees for checking accounts, debit cards, money market accounts, etc., vary from state to state.
 - Most states and the District of Columbia allow non-residents to enroll in their state program.
 - Fund “hold times” vary. Read the program Disclosure Documents and contact the ABLE program to ask questions.



ABLE Financial Tools: Tips and Promising Practices

(Slide 2 of 2)

- If you find an ABLE Program with options more suited to your needs after you have opened your account, you can directly rollover your ABLE account balance from one program to another one time per year.
 - You are not restricted to an account only in your state of residence.
 - Some, but not all, states provide state tax credits for residents who have established an account in their home state. Research this if it is important to you.
 - There may be a fee to rollover from one 529A program to another.
- A 529 college savings account balance of up to \$15,000 per year can be directly rolled over into an ABLE account each calendar year.
- Be aware that a Special Needs Trust or a Pooled Trust can contribute into an ABLE account up to the annual contribution limit without an effect on means-tested benefits! Review the webinar “ABLE Accounts and Special Needs Trusts” at:
<https://www.ablenrc.org/able-accounts-and-special-needs-trusts/>



Build Financial Endurance



How to Build Financial Endurance (Slide 1 of 2)

- Learn about the savings products offered by the state and District of Columbia ABLE Programs and decide which program and products would best suit your needs:
 - **FDIC insured savings account**
 - If you are saving for short-term goals, you may wish to consider this type of account.
 - **Checking account**
 - If you are using your account as a “transactional” type account.
 - **Investment account (these securities are not insured by the FDIC)**
 - There are varying degrees of risk, including the possible loss of principle invested. In general, when there is a higher rate of return, there is a higher risk. More risk may be acceptable to grow more savings over time.
 - **Prepaid debit cards**
- All programs do not offer all options. Use the ABLE NRC comparison tools!
- You can choose one option or diversify with more than one option, but you can have only one ABLE account at any given time.



How to Build Financial Endurance (Slide 2 of 2)

- Have a goal and learn how money can grow:
 - Delay disbursements
 - Investigate alternative funding for qualified disability expenses
 - Vocational Rehabilitation
 - Medicare, Medicaid, Medicaid Waiver
 - Special Needs Trust
 - American Job Centers
 - Services from an Employment Network
 - Plan to Achieve Self Support
 - Your state assistive technology center: <https://www.at3center.net/stateprogram>
 - Build your knowledge base. Learn about compounded interest, which is interest calculated on the initial principal that includes all of the accumulated interest.



Making Money Grow: Compound Interest (5%)

- Begin to learn the vocabulary of savings: interest rates, compounding and yield.

| Year | Principal Amount | Interest Earned | New Principal Balance |
|--------------|------------------|-----------------|-----------------------|
| 1 | \$100.00 | \$5.00 | \$105.00 |
| 2 | \$105.00 | \$5.25 | \$110.25 |
| 3 | \$110.25 | \$5.51 | \$115.76 |
| 4 | \$115.76 | \$5.79 | \$121.55 |
| 5 | \$121.55 | \$6.08 | \$127.63 |
| Total | \$127.63 | \$27.63 | \$127.63 |



Impact of Compounding

- The higher the interest rate, the more you earn.
- The longer the time period, the more money you earn.
- The more frequent the compounding period, the more money you earn.
- To find how long it will take to double your money, use the “Rule of 72”:
 - Simply divide the number “72” by the investment’s expected rate of return. For example, if you have an investment with an expected rate of return of 3%, it will take approximately 24 years for it to double.
 - Formula: $72 \text{ divided by Rate} = \text{Time it takes to double in years}$
 - Formula: $72 \text{ divided by Years} = \text{Yield}$
 - Example: \$5,000 @ 10% interest = \$10,000 in 7 years and 2 months.



Make Your Money Grow

You can save more/allow your money to grow by:

- **Becoming employed or self-employed and/or**
 - Using the work supports if you receive a disability-based benefit from Social Security: <https://www.ssa.gov/redbook/>
 - Using automatic transfers from your earnings to your ABLE account so that you don't miss the money you save
- **Identifying savings opportunities and allowing your money to work for you**
 - Record your spending patterns and make a saving and spending plan
 - Leave your credit card home and manage/pay down your debt
 - If your expenses will not allow you to save, you may wish to:
 - Look for “daily spending leaks” such as magazines and newspapers, bottled water, entertainment, cigarettes, alcohol, or frequent dining out. If you do not want to eliminate, just cut down and save.
 - Review your home telephone, internet, mobile phone, cable or satellite service and compare bundling. Review gas and electric from different suppliers. Compare costs to save.



Financial Endurance: Tips and Promising Practices

(Slide 1 of 2)

- Saving even small amounts today can add up to a significant amount over the years.
- Explore options to diversify to earn more.
- If you are employed:
 - Consider automatic transfers to your ABLE account.
 - Consider making additional contributions to your ABLE account if you or your employer have not contributed to a workplace retirement plan in the calendar year. “ABLE to Work” allows eligible account owners to contribute as much as \$12,490 more in their account (Residents of Alaska may be up to \$15,600 and Hawaii may be up to \$14,380).
 - Consider filing for the Earned Income Tax Credit.



Financial Endurance: Tips and Promising Practices

(Slide 2 of 2)

- Learn and save: Saving even small amounts today and compounded interest can add up to a significant amount over the years.
- Explore financial product options to explore diversifying your savings and investments.
- If you need to take a disbursement for a “Qualified disability expense,” always investigate whether some or all of the costs are covered by any other public benefit program instead of using ABLE savings.
- Explore tax credits that can help you to save more for your future: we will be covering these options in our February webinar!



Increase Your Health and Wealth



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Meet Yourself Halfway

- **Health:**
 - Learn more about managing your food portions and increase your exercise. If you cannot afford a fitness center membership, simply walk!
- **Finances:**
 - Cut back on unnecessary spending to increase your ability to save more regularly.
 - Begin to reduce the cellulite from debt load.
- **Do both:**
 - Think about discretionary spending “leaks” for items like eating out, coffee drinks or magazines, and reduce this spending to save! Try eating lunch out vs. dinner out and save! Use the library!
 - Weigh needs vs. wants.
 - Track your spending to increase your health and wealth!



Track Your Habits

- **Health:**
 - Track the number of steps that you walk each day by using a “fit bit” or pedometer.
 - Track the foods eaten and calories consumed and use the nutrition labels.
- **Finances:**
 - Track income, expenses and save.
 - Track and monitor household expenses regularly to make adjustments, as needed.
- **Do both:** For eating and spending, ask yourself if there are any emotional “triggers” related to current habits and make changes. Small changes add up!
 - Congratulate yourself on taking steps towards improving your physical, emotional and financial health.



Learn the Guidelines

- **Health:** Compare food portion sizes to objects and downsize portions accordingly.
- **Finances:**
 - Establish an emergency fund of 3-6 months of expenses.
 - Start saving for retirement income of at least 80% of pre-retirement amount.
 - Increase the muscle of your savings and investments by maximizing savings to the extent possible.
 - The total annual contribution limit is \$15,000 from all sources. An employed ABLE account owner may contribute more under “ABLE to Work.”



Increase the Muscle of Savings

- **Third Parties:**
 - Contributions may be made by third parties into the ABLE account. Examples of third parties may include: family, friends, employer, a special needs or pooled trust (which is not counted as a resource) or an estate. It also includes a 529 or 529A rollover.
 - Third-party contributions into the ABLE account do not count as income to a beneficiary who receives means-tested benefits.
- **Account Owner:**
 - Earned or unearned income may be contributed into the ABLE Account.
 - There is no change in the way means-tested benefit programs count earned or unearned income contributed to an ABLE account.
- The total annual contribution limit (2020) is \$15,000 from all sources. An employed ABLE account owner may contribute more under “ABLE to Work.”



Increase the Muscle of Savings: ABLE to Work

- Certain employed ABLE account owners may contribute above the \$15,000 annual contribution limit under “ABLE to Work Act.”
- An account owner may be eligible if he or she and their employer have not contributed into a 401(a), 403(a), 403(b) or 457(b) retirement accounts in the calendar year.
- The ABLE account owner may contribute an additional amount from whichever is less:
 - Their gross income for that taxable year, or
 - 48 contiguous states: \$12,490 or (Alaska: \$15,600; or Hawaii: \$14,380).



Increase the Muscle of Savings: Employment and Benefits Planning

- If you are working or plan to become employed and receive a disability-based benefit from Social Security, seek guidance from a Community Work Incentives Coordinator (CWIC) to understand how working affects all public benefits you receive.
- A CWIC provides free benefits counseling services to help you to understand how working affects benefits and how you can make good decisions for yourself through better understanding.
- A CWIC can help you to use the work supports that Social Security offers to help you to become employed, to work at higher levels, or to transition off benefits if that is your goal. To find a certified counselor in your area, visit choosework.ssa.gov/findhelp and use the “Find Help” tool to locate a provider.



Poll: Please tell us which of the following things you learned about during today's webinar. (*Select one or more*)

- a) There is a link between financial health and physical/mental health
- b) Where to find the tools to compare ABLE programs
- c) Setting goals
- d) How a circle of support can help
- e) Various financial tools
- f) Compounding and making money grow



2020 ABLE NRC Ambassadors' focus on Financial Fitness

Next Steps and Resources



ABLE National Resource Center Ambassadors will be focusing on Financial Fitness in 2020

Follow their stories on ablenrc.org, in our AchievABLE newsletter and in upcoming podcasts!



YOU are ABLE

- Like all participants today, our ABLE Ambassadors are unique. The group is comprised of parents or ABLE account owners who have different types of disabilities, live in different geographic locations and are enrolled in different ABLE programs. Their race, ethnicity and sexual orientation may also be different.
- Some of their hopes and dreams or needs may be the same, but some may be different.
- Each have different goals and each either have or will have a plan to achieve that goal, with different levels of financial and personal fitness and plans for success in the coming year.



Next Steps

- Open an ABLE account early and learn the rules of the program! Reassess periodically to verify that your choice continues to be the best for your needs.
- Establish a goal.
- Develop a budget and a plan for saving in an ABLE account regularly. Creating a Zero Balanced Budget Plan: nationaldisabilityinstitute.org/classes/creating-a-zero-balance-budget-plan
- If you are working or planning to work, learn all you can about your benefits, work incentives and IRS programs and tax credits which can maximize your potential savings. Talk to a Benefits Counselor.
- Make wise decisions and maintain good records and receipts.
- ***Gathering information and resources is key!***



Resources (Slide 1 of 2)

- [ABLE Road Map to Enrollment](#)
- [ABLE Road Map to Independence](#)
- [Setting My Financial Goals](#)
- [STAR Method of Setting Goals \(Worksheet\)](#)
- [Building a Circle of Support](#)
- [ABLE Best Practices and Action Steps for Family Members and Supporters \(Circle of Support\)](#)
- NDI Financial Education Toolkit (Budgeting, Spending Diary, Benefits Counseling) and the Quick Reference Guides for financial education:
<https://www.nationaldisabilityinstitute.org/downloads/>



Resources (Slide 2 of 2)

- ABLE National Resource Center: <http://ablenrc.org/>
- ABLE and Tax Benefits: <https://www.ablenrc.org/able-and-tax-benefits/>
- ABLE Case Summary Series: <https://www.ablenrc.org/the-able-case-summary-series/>
- Savers Credit: <https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-savings-contributions-savers-credit>
- Tax Highlights for Persons with Disabilities (2019) – Publication 907: <https://www.irs.gov/pub/irs-pdf/p907.pdf>

Help Spread the Word!

- Help spread the word! Please share information about ABLE accounts with friends, family and community groups!
- To receive up-to-date information on ABLE, please subscribe to our [AchievABLE](#) newsletter.
- Connect with us on social media: [Facebook](#) and [Twitter](#).
- Participate in all of the #ABLEtoSave webinars and all of the [ABLE National Resource Center webinars](#) to stay informed.
- For answers to all of your questions, visit our website: ablenrc.org



Join Us in February...

ABLE, the IRS and Tax Advantages - What You Need To Know

- February 13, 2020, 2:00 P.M Eastern Time

Register here:

https://zoom.us/webinar/register/WN_cFLldXThR8iN7og5ef1aWA



The End – Thank You!



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