

August 3, 2023

## **Too few Americans with disabilities use this potent tool to achieve their dreams. You can help change that.**

*By Fiona Ma and Dante Allen*

People with disabilities are twice as likely to live in poverty compared to their nondisabled peers<sup>[1]</sup>. You read that right. And it gets worse: households that include a person with a disability are also less likely to have access to banking services and more likely to have an unmet need for credit, according to the National Disability Institute<sup>[2]</sup>.

For many Americans with disabilities, making ends meet is a perpetual struggle, and building meaningful savings seems out of reach. In the past, people with disabilities receiving public benefits could not save without risking their eligibility. That's a predicament no one should have to face, particularly since we know that financial planning and saving leads to better outcomes.

Thankfully, the Achieving a Better Life Experience (ABLE) Act is helping change that dynamic. Signed into federal law in 2014, the ABLE Act allows people with disabilities to save and invest without jeopardizing federal benefit eligibility.

The State Treasurer's Office administers California's program, CalABLE, which was launched in 2018. CalABLE is the fastest growing ABLE plan in the country with nearly 10,000 accounts, growing 32% from 2021 to 2022. This May, it achieved another milestone, surpassing \$100 million in assets.

The treasurer's office is working hard to empower all Californians to achieve a new level of security through saving and ABLE programs play a critical role in achieving that goal for individuals with disabilities and helping us reach financial equity.

If you were born with a disability, or you became disabled before age 26, you are eligible to contribute up to \$17,000 a year without affecting public benefits eligibility. Best of all, earnings on qualified withdrawals are federal and state tax-free.

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<sup>[1]</sup> <http://www.advancingstates.org/sites/nasuad/files/Disability-Race-Poverty-in-America.pdf>

<sup>[2]</sup> <https://www.nationaldisabilityinstitute.org/wp-content/uploads/2021/12/income-banking-and-credit-inequality-infographic.pdf>

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Starting in 2026, the eligibility age will be raised to 46. This will allow another 6-8 million people nationwide, including over one million veterans, to open an ABLE account.

We have already seen the powerful difference saving with a CalABLE account can make for Californians with disabilities and their families. But with only around 1 percent of eligible Americans using ABLE programs<sup>[3]</sup>, not enough are taking advantage of this life-changing program.

This year, we celebrate the 33<sup>rd</sup> anniversary of the Americans with Disabilities Act. In the spirit of that historic achievement, please commit to joining us, and advocates across the country, to raise awareness of these life changing programs.

Here's what you can do:

- If you are an eligible participant, start researching ABLE plans. In California, CalABLE offers information about ABLE accounts, financial literacy tools, and an easy online application at [calable.ca.gov](https://calable.ca.gov).
- If you will be eligible for an ABLE account in 2026, start preparing now. Research, plan, and develop a plan. For resources on how to start a savings plan, visit CalABLE's [financial fitness center](#).
- If you are an advocate working with people with disabilities as a teacher, social worker, or other role that supports the disability community, learn more about this powerful tool. CalABLE has a [free partner toolkit](#) designed to provide advocates with everything they need to educate their clients, patients, students, and friends.

For too long, people with disabilities didn't have the ability to save, set goals, or chase dreams because of financial and legal limitations. ABLE accounts are a potent tool to provide people with disabilities a clear path out of poverty and toward financial stability and security.

*Fiona Ma is California's 34<sup>th</sup> State Treasurer and serves as Chair of the California Achieving a Better Life Experience Act Board.*

*Dante Allen is Executive Director of CalABLE and has been nominated by President Joe Biden to serve as Commissioner of the Rehabilitation Services Administration in the U.S. Department of Education.*

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<sup>[3]</sup> [https://cdn.ymaws.com/member.nast.org/resource/collection/2BA0F9EB-001F-49E7-852C-CF7BEB42936F/ABLE\\_Progress\\_Report\\_07-01-19.pdf](https://cdn.ymaws.com/member.nast.org/resource/collection/2BA0F9EB-001F-49E7-852C-CF7BEB42936F/ABLE_Progress_Report_07-01-19.pdf)

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*If you would like more information about the program(s) mentioned above or have questions, please contact the communications office at: [Newsroom@treasurer.ca.gov](mailto:Newsroom@treasurer.ca.gov).*

*For more news about the State Treasurer's Office, please follow Treasurer Ma on Twitter at [@CalTreasurer](https://twitter.com/CalTreasurer), Instagram at [@CalTreasurer](https://www.instagram.com/CalTreasurer), and on Facebook at [California State Treasurer's Office](https://www.facebook.com/CaliforniaStateTreasurersOffice).*