

THE PATH AHEAD

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Let's clear the path ahead.

A PENNY SAVED: HOW FINANCIAL WELLNESS AND SELF-DIRECTION GO HAND-IN-HAND



For many of us, one of the most important parts of living a self-determined life is being able to manage our own money. Choosing what we spend our money on is self-direction in action!

But sometimes, figuring out how to create a budget, how to save money and how to make good choices can be confusing. Thankfully,

Constance Alberts, the Program Manager of Bank On Greater Milwaukee, has tips to help people build better habits with their money. Her organization's Smart Money Resource Guide (available in English and Spanish) shows people the best ways to handle their money.

Who Should Have a Bank Account? You Should!

The first step in taking charge of your finances is to make sure your money is in a safe place. Keeping

your money in a bank or credit union is the best way to keep track of your money, and it makes paying your bills easier. Having a savings account lets you set aside money to cover unexpected or bigger expenses like your rent or a new phone.

Unfortunately, not everyone takes advantage of banks, says Constance. Many people are unbanked, which means they don't have a bank account at all. Other people are underbanked, which means they have a bank account, but use other financial services like check-cashing stores (which charge a fee to cash checks), payday lenders and pawnshops instead of their bank.



\$40,000
Unbanked cost per family

Being unbanked can cost \$40K over a lifetime due to the use of costly alternative financial services for routine financial transactions.

Source: The Brookings Institution's Banking on Wealth: America's New Retail Banking Infrastructure and Its Wealth-Building Potential

Constance says there are several reasons people are unbanked or underbanked. One reason could be that there may not be enough banks in the person's community, which makes it hard to find a bank that is close by. Some people might think it's too expensive to use a bank because some banks require people to always keep a certain amount of money in their account.

They also might worry about overdraft fees (which are fees the bank charges if you take out more money than you have in the bank). However, Constance says that it ends up costing people more to use check-cashing stores, payday lenders and pawnshops than it does to use a bank.

“A lot of people will say ‘I don’t have enough money to open or keep a bank account,’” says Constance. “But there are bank accounts that are either free or only \$5 to \$10 to open and maintain.”

Bank On has a list of certified accounts, which are bank accounts that meet Bank On National Account Standards. These Bank On certified accounts are available to anyone, are low-to-no cost to keep open and have no overdraft fees if you accidentally spend more money than you have in your bank account.

Many of these accounts can be set up online. Most banks only require you to show a photo ID (such as a driver's license or state ID) and something with your address on it, like a bill, to open an account. You can also do most of your banking using the bank's website or app including:

- Checking how much money you have in your account.
- Tracking what you're spending your money on.
- Paying your bills automatically.

“With Bank On, our goal is to connect people to banks and credit unions that have safe and affordable services,” says Constance. “What that means is that it's safe to put your money in your account, and you don't have to worry about it.”

Want to find banks and credit unions that offer Bank On certified accounts in Wisconsin?

Visit joinbankon.org/accounts and click on the state of Wisconsin in the interactive map to get a list.

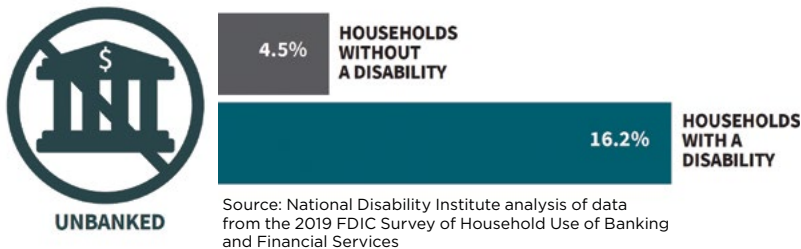
What Is Financial Wellness?

Having a bank account is a fantastic first step in managing your money. But you don't want to stop there. Constance says to have a healthy relationship with money, you need to work on improving your financial wellness. This means knowing how much money you have, and learning how to budget your money and save for future goals.

“When you look at financial wellness, it's about practicing smart money habits,” says Constance. “It's not just something that happens overnight – it's ongoing.”

PERCENTAGE OF UNBANKED HOUSEHOLDS

*The percentage of unbanked households (i.e., no person in the household has a bank account) is **more than 3 times higher** in households with a disability.*



Constance recommends the following steps for better financial wellness:

1. Know how much money you have coming in each month. This could include what you get from benefits as well as money you earn from a job.
2. Keep track of how much and what you're spending your money on by writing it down or using an app on your phone.
3. Once you know how much money you're bringing in and how much you're spending each month, you can then figure out your monthly budget. Your budget shows you what you can spend each month. You may find that you need to spend a little less on some items to make sure you stay within your budget.
4. If you do have extra money in your budget, Constance says it's a good idea to put some into a savings account. Even putting \$10 every month into your savings account will make it grow faster than you realize.

Building healthy money habits takes time, but it's worth the effort. When you're comfortable handling your finances, you get to choose how you spend your money. And that's all part of self-direction and having choice and control over your life!

"You can be the one in control of the money instead of the money being in control of you," says Constance.

Talking With Others About Finances

When you're figuring out your finances, sometimes it's helpful to have someone who can help you reach your goals. Professionals at your bank can give you advice on the best ways to manage your money. But you also may want to talk about your finances with someone you're close to.

Constance says that money can be a private thing. However, if you're just learning how to manage your money, a trusted friend or family member can help you learn how to budget and save. Together, you can figure out what you're spending your money on and learn how to make smart money choices.

"It's important to start the conversation about money now," says Constance. "Start the conversation about saving. Start the conversation about money goals."

Being in charge of your money is a great feeling, and one way to live more independently. But you don't have to figure it out alone. A trusted friend, family member and banking professional can help you plan a better financial future. Don't be afraid to ask for help if you need it. And, don't be afraid to take control of your finances — you've got this!

WORKING AND KEEPING BENEFITS: WORK INCENTIVE BENEFITS COUNSELING

There are a lot of wonderful things about having a job. It can help you learn new skills, meet people, and share your talents with others. And, earning money from a job can give you more control and choice in your life.

However, many people with disabilities worry that if they work, they'll lose their Medicaid benefits. Fortunately, work incentive benefits counseling can show you how you can earn money at your job and keep the benefits you need. Your IRIS budget or the Division of Vocational Rehabilitation (DVR) can fund benefits counseling. To find out more, ask your IRIS Consultant or call your local DVR office.



SAVING MONEY AND KEEPING BENEFITS: ABLE ACCOUNTS AND SPECIAL NEEDS TRUSTS

Another issue that people with disabilities can face is figuring out how to save money without losing their benefits. It's good to know that there are special bank accounts and trusts that can help people save and stay eligible for public benefit programs.

Achieving a Better Life Experience (ABLE) Accounts

ABLE accounts are saving accounts for individuals with disabilities. These accounts are tax-exempt and allow individuals and their families to put money aside for disability-related expenses while still being eligible for Medicaid.

In Wisconsin, any person who became disabled by the age of 26 is eligible to open an ABLE account. Eligible people can open an ABLE account at any age.

Currently, Wisconsin does not have a state-sponsored ABLE program. However, Wisconsin residents can open an ABLE account through another state's program.

The Wisconsin Department of Financial Institutions is soon going to study whether Wisconsin should start its own ABLE program or partner with another state to offer it.

Special Needs Trusts

Special needs trusts are another way people with disabilities and their family members can save money without losing their Medicaid benefits. These trusts can help fund things that make the person's life better. This can include medical care not covered by Medicaid, service animals, hobbies, travel and more.

One of the most useful things about a special needs trust is that there is no limit to the amount of money that can be put into the trust. When the person wants to use the money from the trust to buy something, they would ask the trustee. The trustee is a trusted family member, friend or professional who can say yes or no to the person's request. It's the trustee's job to make sure that the money is spent only on things that are allowed.

Setting up a special needs trust can be complicated. To make sure you follow all the rules when setting up the trust, it's best to get help from an attorney who understands special needs trusts and disability law. Wispact, a non-profit organization that manages special needs trusts, is also a reliable source for information.

TMG'S DAN KROHN: CO-CHAIR OF BANK ON GREATER MILWAUKEE'S ADVOCACY SUBCOMMITTEE

TMG is always looking for ways to share our expertise with our communities. Dan Krohn, TMG's Manager of Community Partnerships, is doing just that! Dan is co-chair of Bank On Greater Milwaukee Coalition's Advocacy Subcommittee. His co-chair Brittany Thome is a Manager of Financial Empowerment at the National Disability Institute.

Led by Constance Alberts, Program Manager at Bank On Greater Milwaukee, the Advocacy Subcommittee focuses on:

- Identifying why some people might have trouble finding and using safe, affordable banking products and services.
- Addressing ways to help people with disabilities access banking products and services.
- Sharing financial resources and connecting with community partners.

TMG is proud of the work that Dan and the Coalition are doing in the Greater Milwaukee area. Please reach out to Dan at dwkrohn@tmgwisconsin.com if you have any questions.



For links to the resources mentioned in this newsletter, visit the Financial Planning section of TMG's Partner Links & Resources page at tmgwisconsin.com/partner-links.



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Do you know about TMG's Partner Links & Resources page on the TMG website? There, you can find resources for:

Aging Well | Help for Caregivers | Employment and Transition
Financial Planning | Health and Wellness | Accessible Housing
Self-Determination Advocacy | Transportation

Visit [tmgwisconsin.com/partner-links](https://www.tmgwisconsin.com/partner-links) today to discover resources for living a self-determined life!

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