



ESSC WorkFirst Transition Project



Financial Planning and Decision Making Resource Guide for Transition Age Youth

Table of Contents	
Why Plan?	1
Working When You Receive Government Benefits.....	1
You Can Save Money If You Receive Government Benefits.....	3
How to Choose a Career Goal.....	4
Learning More About Money	5
Making Choices About Where You Live	6
Getting Help To Live More Independently.....	7
Assistance for People with Developmental Disabilities	8

Why Plan?

If you are like most people, you probably have some hopes about what your life will be like when you become an adult. You might have ideas about where you would like to live, what kind of job you would like, and what you would like to do for fun. It is important to have dreams for your future. It is just as important to set goals for yourself to get the kind of life you would like, and to plan ways you can reach your goals.

Why should you plan? Because making a plan is the best way to reach your goals. If you make a plan, then you can follow the steps in your plan to get the life you want. Without a plan, it is much harder to reach your goals, because you are not sure what you need to do.

One big part of your plan is to figure out how you will get enough money to have the life you want. To get enough money, most people need to get a job or a business, and save money they earn.

How much money will you need to live the life you want? That depends on your goals. Your plan should help you figure out how much money you will need. For example, if your goal is to live in an apartment, you will need to find out how much you will have to pay for rent, gas, electricity and things like that. If you want to buy a car, you will need to find out what it will cost you to buy a car, and to pay for insurance, gas and repairs.

Once you figure out how much money you will need, you can figure out how to get that much money. How much will you need to earn from a job? How much will you need to save?

What if you figure out that the life you choose is too expensive, and you won't be able to get enough money to reach your goals? Then you can change your goals and change your plan. Suppose your first goal is to buy your own house. When you see how expensive houses are, you realize you will not be able to make enough money in a job to buy a home. Maybe you can earn enough money to rent an apartment with a roommate instead.

Working When You Receive Government Benefits

The government gives help to many people with disabilities. Some of the help is cash benefits - money to help pay for living expenses. Some of the help is health insurance to pay for medical expenses. You might get some of these cash or medical benefits now. If you do not get benefits now, you may get them after you turn 18.

Many people who get these benefits worry about what will happen if they go to work. Will they lose their benefits? Will they have more money? Here are answers to some of people's biggest questions about work and benefits.

You are allowed to work if you receive benefits from Social Security or other programs

You are allowed to work if you receive government benefits. In fact, the government wants people to work. They have created safety nets called “work incentives” that let people work and keep benefits they need.

You can keep your benefits if you work

If you receive government benefits, you can work and still keep your cash and medical benefits. In some programs, if you earn enough from work, your cash benefits might stop, but you can still keep your medical benefits. You can also receive your cash benefits again if you lose your job later.

You will have more money if you work

If you work, you always have more money, than if you do not work. Many people think that their cash benefits will be reduced if they go to work and they worry that they will have less money if their benefit amounts are reduced. If a cash benefit is reduced because of working, then the benefit goes down by much less than the amount you earn from working. This means you end up making more money in the end.

Work Incentives help you have more money when you work

Work incentives are safety nets that help protect your cash and medical benefits and make sure you get ahead by working. Work incentives can help you:

- Work and still keep cash and medical benefits
- Keep medical benefits even if you earn enough to stop cash benefits
- Get cash benefits back again, without reapplying, if the cash benefits stop because of work, but you stop working later

You can learn more about work incentives and get help using them from a few places:

Disability Benefits 101 (ca.db101.org)

This is a website that offers lots of information about government benefits and work incentives. DB101 has articles and calculators that help you estimate how work will affect your benefits.

Ticket to Work Helpline (1-866-968-7842)

Speak with an expert who can explain how work may affect your benefits. They can also refer you to a benefits planner. The benefits planner will help you use work incentives. Services are FREE.

California Department of Rehabilitation

State agency that helps people with disabilities go to work. They have benefits planners in their offices. They have offices throughout the state. Find the office nearest you at www.dor.ca.gov/Home/FindAnOffice.

You Can Save Money If You Receive Government Benefits

Some government benefits do not let you save a lot of money. If you save too much money, you can lose the cash or medical benefit, but there are some ways you can save more money, and still keep your benefits:

ABLE Accounts

An ABLE account is a savings plan and account that lets a person with a disability save money without losing any government benefits. You can save \$100,000 or more and still keep your benefits. The money in your ABLE account earns you extra money – called “interest” or “dividends” – so the amount grows. You can learn about ABLE accounts at www.ablenrc.org. You can open an account at cable.ca.gov.

Home

If you buy a home and live in it, you can still keep your government benefits – no matter how much your home is worth, and your house will usually be worth more the longer you own it.

Car

If you buy a car, you can still keep your government benefits, too. A car doesn't usually grow in value over time, but it can make your life a lot easier.

How to Choose a Career Goal

When you choose a career goal, ask yourself two questions:

- What kind of work would be a good fit for me?
- What would I like to do and what would I be good at?

How can you figure out if the work you want will help you get enough money to pay for the life you want, or put you on a path to earn more money in the future?

Step 1: Get an idea of how much you might be paid for the kind of work you would like. You can get information about this at www.onetonline.org.

Step 2: Estimate how much money you will have left after you pay taxes, and if your cash benefits are reduced. You can use the Benefits and Work Calculator at www.ca.db101.org to estimate this.

Step 3: Figure out the things you will need to pay for to live the life you want. Which expenses will you have, and about how much will they cost you? You should consider these things:

- What area(s) would you like to live in?
- What kind of home do you want – living with family, living with roommates, living in an apartment with help paying rent, buying a home?
- How much will it cost you to live in the home you want?

Once you decide where you would like to live and the kind of home you want, you can figure out about how much your home will cost. This takes research. You will need to find out how much homes cost to buy or rent, and how much the utilities (things like gas and electricity) will be. You may want to get help with this. Many web sites can help you get answers.

- What other things do you want or need to pay for besides your home?
 - How much do you expect to pay for food, cable, clothes, transportation and other things?
 - If you want to buy a big item like a car, how much will it cost? How much will you have to pay for insurance, gas and repairs?
 - Will you be able to save some money for emergencies, big items to buy, and your future?

Step 4: Compare the amount of money you will have (Step 2) with the amount of your expenses (Step 3). Will you have enough money to pay for your expenses? If you will, then you may have a good plan for you! If not, then you can change your plan. Maybe

you can cut some of your expenses, or get a higher-paying job, or choose a less expensive kind of home. Keep changing your plan until you have enough money to pay for your expenses.

Step 5: Think about starting small. It may take a while for you to get a job that pays you enough money to reach your goals. Maybe you can start working part-time or in a low-paying job and live with your parents or rent a room you can afford. Then plan to get more training, education or experience to get a raise or a higher paying job later. When you get more pay later, you can afford to pay more for your home and other expenses. Then you can think about moving to a home that is closer to your goal.

Learning More About Money

Having a work goal and a Spending and Saving Plan is a great start, but there's a lot more to know about money. You can learn more from a financial class or a financial coach (a person who helps you reach your money goals).

Here are some of the things you can learn:

- How you can save money if you have a bank account instead of using check cashing places
- How to get a good "credit report", which can help you get loans, get a job or rent an apartment
- How to make your money grow the most
- How to borrow money (get loans) to buy things like a car
- How to get and use a credit card
- How to keep thieves from "stealing your identity" – using your Social Security number or other private information to steal money from you

How to find financial classes or coaches:

Orange County United Way – gives financial coaching (one-to-one help for you to reach your money goals) - <https://www.unitedwayoc.org/how-we-are-doing-more/income/sparkpoint-oc/>

California JumpStart Coalition – teaches young people to succeed with money - <https://www.cajumpstart.org/>

California Council on Economic Education – gives financial education to students, their teachers and parents - www.ccee.org

World System Builder – teaches financial classes in Orange County - <https://wsbcampaign.com/vanessayoh/workshops>

CalCPA Education Foundation – provides financial education to the public - <https://www.calcpa.org/public-resources/financial-literacy>

Making Choices About Where You Live

Here are some choices:

- Living with your family
- Renting a room in someone else’s home
- Renting an apartment with roommates, or “home sharing”
- Renting an apartment with help from a government program that pays some of your rent
- Buying a “tiny house” – a very small home that costs much less than a regular house
- Buying a house with help from a homeownership program

Living with Your Family

This is usually the choice that costs the least. If you live with family and share expenses, you will probably pay less than if you live with other people or get your own home. Some people like living with their families and want to keep on doing that. Other people would rather live in a different home from their family home when they become adults.

Renting a Room in Someone Else’s Home

It usually does not cost much more to rent a room in someone else’s home than to live with your family. If you do not have much money and would like to move out of your family’s home, this can be a good way to do it.

Renting an Apartment with Roommates, or “Home Sharing”

If you would like to live in your own home but cannot afford to rent a place by yourself, then having roommates can be a great option. You can share the expenses with other people, so you do not have to pay as much, and if you choose your roommates – people you want to live with – then you will probably be happier.

Renting with Help from a Government Program that Pays Some of Your Rent

Suppose you cannot afford to pay the full cost of renting your own apartment. There are some government programs – called “rental assistance” – that can pay some of your rent while you pay the rest. Rental assistance makes it much easier for you to afford to rent a home, but rental assistance programs usually have long waiting lists. Sometimes you have to wait a long time to apply to get on the waiting list. To ask about applying for rental assistance, contact: <https://www.hud.gov/states/california/renting>

Buying a “Tiny House”

A tiny house is a very small home, about the size of a small apartment. It costs much less than a regular house. You might be able to afford to buy a tiny house if you would not have enough money to buy a regular house.

Buying a House with Help from a Homeownership Program

Homeownership programs can help people buy homes. The programs make it easier and cheaper to buy homes.

Semi-Independent Living

Semi-independent living usually means living very close to your family, but in a separate living space. For example, you might live in an apartment that connects with your family’s home, a separate section of the house, or possibly in a tiny home on the same property.

Getting Help to Live More Independently

Many people can use extra help to live on their own, or to live more independently. You might need help learning how to do things like buying groceries, making meals, doing laundry, managing money, and arranging medical appointments. You might need physical help with things like bathing, dressing and household chores.

You can receive help in a few ways:

- Program for people with developmental disabilities
- Program for people who need help with things like bathing, dressing and household chores
- Getting unpaid help from family, friends, neighbors, etc.

Assistance for People with Developmental Disabilities

The California Department of Developmental Services (DDS) provides funding for many kinds of help for people with developmental disabilities through the CA Regional Centers. To qualify for services, the person must have a disability that: Is an Intellectual Disability, Cerebral Palsy, Epilepsy, Down Syndrome, Autism or Similar disability that began before age 18, is expected to be lifelong and greatly limits the person's ability to handle at least 3 of these activities:

- Self-care
- Communication
- Learning
- Getting around
- Making decisions
- Living independently
- Supporting oneself financially

Various services help people live and work more independently. They include:

- Help from paid staff to live in the community (from limited help to 24-hour supervision) in people's own homes, homes of other families, or group housing.
- The "**Self-Determination Program**" lets people control the budget for their paid help, and hire and manage staff, including family, friends and neighbors (with help if needed).
- Respite care (supervision provided in the person's own home or in a group home for a short time to give caregivers a break)
- Employment, Adult Day, Supported Living and Transportation Services

To apply for Regional Center services, contact the Local Area Regional Center:

<https://www.dds.ca.gov/rc/listings/>

Getting Help with Health Care and Household Chores

The **In-Home Supportive Services (IHSS)** program provides paid people if you need help with things like bathing, dressing, health care and household chores. You can choose who you would like to help you, including family and friends. To apply, contact <http://ssa.ocgov.com/elder/ihss/>; 714-825-3000.

Getting help from family, friends, neighbors, etc.

You might like to get help from family, friends, neighbors or other people you know. There are two ways you can do that:

- Have them paid by a program, or
- Ask them to help you without pay, and maybe you can help them, too

Two programs listed above – the Self-Determination Program and the In-Home Supportive Services (IHSS) program – both let you choose who you want to give you help.

If you do not get help from an agency or program, you can ask people you know to give you help without pay. When you ask people to help you for free, it's a good idea to offer them something in return. For example, you can do household chores or yardwork, care for pets or make crafts for unpaid helpers.

Independent Living Example: Rodney – First Steps

Rodney is 18 years old and recently graduated from high school. He receives \$943.72 per month from SSI and Medi-Cal. He lives with his parents in their home in Santa Ana and pays them \$700 per month for his housing. He would like to live independently. His ideal goal is to have his own apartment, but he would be willing to start out by renting a room in a private home until he has more money.

Rodney just started a job as a dishwasher in a restaurant. He works 20 hours a week and earns \$12 an hour. He would like to be a full-time Chef in the future. He and his family use the Benefits and Work Estimator at ca.db101.org to estimate how his wages will affect his SSI and Medi-Cal. They learn that, with the job:

- Wages = \$1,044/month
- SSI = \$464/month
- Total income = \$1,508/month
- Money left after paying for housing and taxes = \$727/month = \$484/month more than not working

Rodney and his parents look at Craigslist ads for rooms for rent and see that he can rent a room in a private home in Santa Ana for about \$800 per month. They write up this **Monthly Spending and Saving Plan** for Rodney:

Rodney's Monthly Spending and Saving Plan

\$ 800	rent (including utilities)
81	taxes
300	groceries
22	bus pass
50	cell phone
25	haircuts
50	clothes
<u>100</u>	restaurants/entertainment

\$1,428 Total expenses

80 Savings in ABLE account

\$1,508 TOTAL

After paying for all his expenses, Rodney will have about \$80 per month left over. He plans to save this much in an ABLÉ account each month.

Rodney – Next Steps

Step 2 is figuring out how Rodney will get the support he needs to live independently. Rodney is very capable with many daily living activities, but he needs some help with others. He, his family and friends come together to design a **Support Plan** for Rodney to get the help he needs to live on his own.

Here’s what his plan looks like: **Rodney’s Support Plan**

Type of Support	Who Will Provide It	When Will They Provide It	What Rodney Will Do in Return
Managing money and paying bills	Charles (Rodney’s dad)	Weekly	Wash Charles’s car
Reading mail and dealing with benefit agencies (Social Security, California Dept. of Health Care Services), including reporting earnings	Gloria (Rodney’s mom)	Weekly	Yardwork for Gloria
Dealing with other agencies, including California Department of Rehabilitation to get funding for culinary school	Jasmine (a member of Rodney’s church)	When needed	Walk Jasmine’s dog
Help with culinary school studies	Tiffany (Rodney’s girlfriend)	Three times per week when culinary school starts	Make dinner for Tiffany three times per week

After his **Support Plan** is in place, Rodney begins to look for rooms for rent. He finds a good room in a nice home close to the restaurant where he works. He pays \$825 per month instead of \$800 per month, but otherwise his expenses are just about what he expected. He revises his **Spending and Saving Plan** a little, increasing his rent and utilities from \$800 per month to \$825 per month, and reducing his savings from \$80 per month to \$55 per month.

Rodney’s Monthly Spending and Saving Plan - Revised

- \$ 825 rent (including utilities)
- 81 taxes
- 300 groceries
- 22 bus pass
- 50 cell phone

25	haircuts
50	clothes
<u>100</u>	restaurants/entertainment
\$1,453 Total expenses	
55	Savings in ABLE account
\$1,508 TOTAL	

Rodney – Two Years Later

Rodney lives comfortably in his rented room and continues his part-time job as a Dishwasher. With help from Jasmine, he gets financial aid from the California Department of Rehabilitation (DOR) and enrolls in culinary school. He finishes the program with help from Tiffany and gets his certification. DOR helps him find a full-time job as a Cook in a restaurant earning \$15 per hour working 40 hours per week.

Once again, Rodney and his parents use the Benefits and Work Estimator at ca.db101.org to estimate how his wages will affect his SSI and Medi-Cal. They learn that, with the new job:

- Wages = \$2,610/month
- SSI = \$0
- Keeps Medi-Cal through 1619(b) rule
- If job were to stop, could get SSI back just by calling Social Security
- Money left after paying for housing and taxes = \$1,379/month = \$652/month more than with part-time Dishwasher job

Rodney and his parents look at rents for apartments in the area. They realize that even with this increase in income, Rodney cannot afford to rent an apartment by himself.

However, Rodney’s brother Reggie, Rodney’s best friend Jason, and Reggie’s best friend Sam – who have been close since they were young children – decide they would like to rent an apartment together so they can afford the rent. They find a nice place with three bedrooms. Rodney gets his own bedroom.

Rodney and his parents revise his **Spending and Saving Plan** again:

Rodney’s Monthly Spending and Saving Plan – Revised Again

\$ 900	rent
250	utilities
406	taxes
300	groceries
22	bus pass
75	cell phone
25	haircuts
150	clothes

300 restaurants/entertainment
\$2,428 Total expenses
182 Savings in ABL account
\$2,610 TOTAL

Although Rodney does not get his own apartment, he does get a nice bedroom in a nice apartment with close friends. He decides that is probably better than living alone. He gets to spend a lot more on clothes, restaurants and entertainment, and he saves much more in his ABL account. He also enjoys being a Cook much more than washing dishes.

By increasing his work earnings so much, Rodney pays more into Social Security. This will give him a much higher Social Security Retirement benefit when he is old enough to retire.

Semi-Independent Living Example: Cecilia – First Steps

Cecilia is 19 years old. She recently graduated from high school. She receives \$1,010 per month SSDI on her father’s earnings record (her father receives SSDI and Cecilia qualifies for a benefit as his disabled adult child). Cecilia receives free Medi-Cal through the Aged and Disabled Federal Poverty Level program. She will become eligible for Medicare in a year.

Cecilia lives with her mother, Rosa, and her younger sister in Rosa’s home in Anaheim. She pays Rosa \$750 per month for housing. She gets along with her sister, but Cecilia and Rosa both describe their relationship as “complicated”. They would both like Cecilia to have her own living space, but they would like her to be very close to Rosa’s home. She has applied for support services from the Regional Center of Orange County to help her live more independently. She has requested help from the Independent Living Program or Self-Determination Program to teach her skills to live more independently, and the Supported Employment Program to get a paid job with a “job coach” to help her learn and succeed on the job.

Cecilia would like to work in an animal hospital. She feels that she could work part-time, but her health problems would prevent her from working full-time

Cecilia’s Monthly Spending and Saving Plan

\$ 750 rent (including utilities)
0 taxes
200 groceries
35 cell phone
25 entertainment
\$1,010 Total expenses
0 Savings
\$1,010 TOTAL

Cecilia's Example – Next Steps

Cecilia gets approved for services from the Regional Center. She starts getting help from a supported employment agency. The program helps her find a part-time job as an Assistant in a local animal hospital. She will work 25 hours per week and earn \$12.75 per hour. Cecilia can't drive due to her disability and public transportation doesn't run close to her job, so she will get rides from Rosa to and from work some of the time, and will use Uber the rest of the time. She will pay about \$200 per month for Uber.

Cecilia and Rosa call the Ticket to Work Helpline (1-866-968-7842) and are referred to the local Work Incentives Planning and Assistance (WIPA) project, called Project Independence. With the help of a Community Work Incentives Coordinator (CWIC) from Project Independence, Cecilia and Rosa use the Benefits and Work Estimator at ca.db101.org to estimate how her wages will affect Cecilia's SSDI and Medi-Cal. They learn that, with the job:

- Keeps SSDI, because Uber cost is subtracted from wages as an impairment related work expense (IRWE), which keeps earnings below limit
- Free Medi-Cal stops
- Can pay \$20/month to get Medi-Cal through Working Disabled Program
- Total income = \$2,396/month (\$1,386 gross wages + \$1,010 SSDI)
- Money left after paying for housing and taxes = \$1,505/month = \$1,245/month more than not working

Cecilia and Rosa revise her **Monthly Spending and Saving Plan**. She decides to spend more on living expenses. Now her plan looks like this:

Cecilia's Monthly Spending and Saving Plan - Revised

\$ 750	rent (including utilities)
141	taxes
200	Uber for work
20	premium for Working Disabled Program
250	groceries
35	cell phone
50	hair, personal care, clothing
<u>100</u>	entertainment
\$1,546	Total expenses
<u>850</u>	Savings in ABLE account
\$2,396	TOTAL

Cecilia opens an ABLÉ account to save the extra money (\$850 per month), but she has another plan in mind. Cecilia also gets drop-in help from a counselor, Shannon, who helps her learn some independent living skills.

Cecilia’s Example – A Year Later

Cecilia works in her job for a year. She is happy working at the animal hospital and is well-liked by her supervisor and coworkers. She gets along well with her job coach, Ted, and feels like he has helped her succeed in her work. She plans to keep the job.

Cecilia now receives Medicare. Because she gets Medi-Cal, though, she does not have to pay the monthly premium for Part B (outpatient medical insurance), and she does not have to pay for Part D (prescription coverage).

Cecilia has now saved \$10,200 in her ABLÉ account.

She and Rosa are still eager for Cecilia to have her own place nearby. They have researched tiny houses and learned that Cecilia can buy one with an 8-year loan and pay \$1,100 per month loan payment. Her utilities will cost about \$300 per month, and she should save about \$100 per month for maintenance and repairs. Her mother will let her keep the tiny house in her back yard. After she pays off the loan in 8 years, she will own the house and her monthly expenses will go way down. Cecilia’s mom agrees to co-sign a loan to buy the tiny house.

With the help of Shannon, her independent living counselor, Cecilia has been improving her skills in grocery shopping, meal preparation and housekeeping. Cecilia and Rosa discuss with Shannon the support Cecilia will need to live semi-independently. They invite Cecilia’s uncle, Felipe, to join the conversation, since he knows a lot about home repair and maintenance. Cecilia wants to rely less on Rosa, but still be connected with her mom daily, and Rosa wants the same thing. Cecilia, Rosa, Felipe and Shannon develop Cecilia’s **Support Plan** to arrange the assistance she needs to live in her tiny house.

Her plan looks like this: **Cecilia’s Support Plan**

Type of Support	Who Will Provide It	When Will They Provide It	What Cecilia Will Do in Return
Managing money and paying bills	Rosa (Cecilia’s mom)	Weekly	Make dinner for Rosa once a week
Handling repairs, maintenance and record-keeping related to tiny house	Felipe (Cecilia’s uncle)	When needed	Care for Felipe’s dogs when he is away

Reading mail and dealing with benefit agencies (Social Security, California Dept. of Health Care Services), including reporting earnings	Shannon (Independent Living Counselor)	Weekly	
Coordinating medical appointments and health services	Shannon (Independent Living Counselor)	Biweekly	
Learning to improve grocery shopping, meal preparation and housekeeping skills	Shannon (Independent Living Counselor)	Weekly	

Cecilia and Rosa also revise her **Monthly Spending and Saving Plan** again to reflect the expenses of buying the tiny house:

Cecilia’s Monthly Spending and Saving Plan – Revised Again

\$1,100 loan payment for tiny house
 300 utilities
 100 savings for maintenance and repairs
 141 taxes
 200 Uber for work
 20 premium for Working Disabled Program
 250 groceries
 35 cell phone
 50 hair, personal care, clothing
100 entertainment
\$2,296 Total expenses
100 Savings in ABLE account
\$2,396 TOTAL

Cecilia is saving less money in her ABLE account now, but she will be earning “equity” in her tiny house. In 8 years, she will own the house and will no longer have to pay the \$1,100 per month loan payment.

THANK YOU

We hope you have found the information contained in this resource guide helpful for future financial and life planning. You may find additional resources, tips, videos, webinars and tools on the [ESSC WorkFirst Transition Project Webpage](#). Project Contact: Pamela Arturi, Director of Employment Services (WorkFirst) pamela.arturi@essc.org (657) 220-7726