

Affordable Futures: Planning for Independent Living within a Youth's Budget

Griffin-Hammis Associates
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Creating
Communities
of Economic
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Why Plan?

- To live more independently, a youth needs goals and a plan to reach them.
- Once a youth has chosen a goal for their living arrangements, they need to figure out how much it will cost.
- They need to plan a career through a job or business to have enough money, and plan for savings, to reach the goal.
- If they won't have enough money to reach the goal, they can adjust the goal and the plan.

What Would the Plan Look Like?

- An independent living plan should include:
 - A goal for living arrangements – What kind of home? Who to live with (if anyone)?
 - An estimate of costs
 - A plan to get support needed to live more independently
 - A goal for a career, starting with a job or business
 - An estimate of the impact of earnings on public benefits
 - A spending and saving plan

Example: Rodney

Phase 1

- Rodney is 18 years old and graduated from high school this year.
- Gets \$943.72 SSI and Medi-Cal
- Lives with parents in Santa Ana and pays them \$700 a month for room and board
- Would like his own apartment, but willing to start by renting a room in a private home

Example: Rodney

Phase 2

- Rodney is about to start a job as a dishwasher in a restaurant.
- He'll work 20 hours a week and earn \$12 an hour.
- Would like to be a full-time Chef in the future and wants to attend culinary school
- Rodney and his parents check Craigslist ads and see he can rent a room for about \$800 a month.

Example: Rodney

How Work Affects Rodney's Benefits

- Rodney and his parents use the DB101 (ca.db101.org) Benefits and Work Calculator to estimate how his earnings will affect his benefits.
- (They could also consult with a certified benefits planner by calling the Ticket to Work Helpline at 866-968-7842 or by opening a case with the California Department of Rehabilitation - www.dor.ca.gov/Home/FindAnOffice)

Example: Rodney

Spending and Saving Plan

- Rodney and his parents prepare a Spending and Saving Plan for renting a room and working in his part-time job.

Example: Rodney

Rodney's Savings

- Rodney's Spending and Saving Plan leaves him \$80 a month for savings.
- He could open an ABLE account to save that money with CalABLE (calable.ca.gov).
- The first \$100,000 in Rodney's ABLE account will NOT count against the \$2,000 resource limit for SSI.

Example: Rodney

Support Plan

- Rodney needs help with some tasks to live independently and attend culinary school, including:
 - Managing money and paying bills
 - Reading mail
 - Dealing with benefit agencies, including reporting his wages
 - Getting funding for culinary school
 - Getting help with culinary school studies

Example: Rodney

Support Plan

- Rodney meets with his parents, a member of his church and his girlfriend.
- Together, they design a support plan to give Rodney the help he needs.
- The plan includes reciprocity – things Rodney will do for people who help him.

Example: Rodney

Phase 2

- Rodney and his family look for rooms to rent.
- They find a place close to Rodney's job.
- The rent is a little higher than they thought - \$850 a month instead of \$800 – but Rodney's other expenses are pretty much the same.
- They revise Rodney's Spending and Saving Plan.

Example: Rodney

Phase 3 – Two Years Later

- Rodney lives comfortably in his rented room and continues his part-time dishwashing job.
- Jasmine helped him get help from DOR to get funding for culinary school and enroll.
- Tiffany helped him finish his studies and he gets his certification.
- DOR helps Rodney get a full-time job as a Cook earning \$15 an hour and working 40 hours a week.

Example: Rodney

How Work Affects Rodney's Benefits

- Rodney and his parents once again use the DB101 (ca.db101.org) Benefits and Work Calculator to estimate how his earnings will affect his benefits.

Example: Rodney

Phase 3 – Two Years Later

- Rodney and his parents look at rent and utility rates for apartments in the area.
- They realize that, even with his increased income, Rodney couldn't afford an apartment by himself.

Example: Rodney

Phase 3 – Two Years Later

- However, Rodney talks to his brother Reggie, Rodney's best friend Jason, and Reggie's best friend Sam – who have been close since they were young children.
- They decide they'd 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.

Example: Rodney

Spending and Saving Plan

- Rodney and his parents revise his Spending and Saving Plan to reflect his new job and apartment expenses.
- Rodney has enough income to spend more on some expenses, and to save more.

Example: Rodney

Conclusion

- Rodney doesn't get his own apartment, but gets a nice bedroom in a nice apartment with close friends, and decides that's better.
- He spends a lot more on clothes, restaurants and entertainment, and he saves more in his ABLE account. He enjoys being a Cook more than washing dishes.
- Rodney pays more into Social Security. This will give him a much higher Social Security Retirement benefit when he's old enough to retire.

Example: Cecilia

Phase 1

- Cecilia is 19 years old and recently graduated from high school.
- Receives \$1,010 per month Childhood Disability Benefit (CDB, also called Disabled Adult Child DAC)) on her father's earnings record (her father receives SSDI and Cecilia qualifies for a benefit as his disabled adult child)
- Gets free Medi-Cal through the Aged and Disabled Federal Poverty Level program
- Will become eligible for Medicare in January 2021

Example: Cecilia

Phase 1

- Cecilia lives with her mother, Rosa, and her younger sister in Rosa's home in Anaheim.
- Pays Rosa \$750 per month for housing
- Gets along with her sister, but Cecilia and Rosa both describe their relationship as “complicated”
- Both would like Cecilia to have her own living space, but very close to Rosa's home

Example: Cecilia

Phase 1

- Rosa applied for services from the Regional Center of Orange County.
- Wants help from the Independent Living Program or Self-Determination Program to teach her independent living skills and the Supported Employment Program to get a paid job with a job coach
- Wants to work part-time in an animal hospital (health problems keep her from working full time)

Example: Cecilia

Spending and Saving Plan

- Cecilia and Rosa prepare an initial Spending and Saving Plan.

Example: Cecilia

Phase 2

- Cecilia gets services from the Regional Center.
- Shannon, a counselor, helps her learn independent living skills.
- A supported employment program helps her find a job as an Assistant at an animal hospital.
- Will work 25 hours a week at \$12.75 an hour
- Can't drive due to her disability and will use Uber to get to and from work, costing about \$200 a month

Example: Cecilia

How Work Affects Cecilia's Benefits

Cecilia and Rosa call the Ticket to Work Helpline (866-968-7842) and are referred to Project Independence for free benefits planning.

Benefits planner helps them use Benefits and Work Calculator (ca.db101.org)

Example: Cecilia

Spending and Saving Plan

Cecilia and Rosa revise Cecilia's Spending and Saving Plan.

Example: Cecilia

Cecilia's Savings

- Cecilia's Spending and Saving Plan leaves her \$846 a month for savings.
- She opens a CalABLE account for her savings.

Example: Cecilia

Phase 3

- Cecilia continues her job for a year. It's going very well and she decides to keep the job.
- Now gets Medicare. Medi-Cal pays Part B (outpatient medical) premium, and she gets free Part D (prescription coverage).
- Has saved \$10,200 in ABLE account

Example: Cecilia

Phase 3

- Cecilia and Rosa are still eager for Cecilia to have her own place nearby.
- Researched tiny houses - Cecilia can buy one with an 8-year loan - \$1,100 a month loan payment
- Utilities = about \$300 a month
- Should save about \$100 a month for maintenance and repairs

Example: Cecilia

Phase 3

- Cecilia can keep the tiny house in Rosa's back yard.
- After she pays off the loan in 8 years, she will own the house and her monthly expenses will go way down.
- Rosa agrees to co-sign a loan to buy the tiny house.

Example: Cecilia

Support Plan

- Cecilia has been improving her skills in grocery shopping, meal preparation and housekeeping, with Shannon's help.
- Cecilia, Rosa, Shannon and Cecilia's uncle Felipe meet to discuss the support Cecilia will need to live semi-independently and develop a Support Plan.

Example: Cecilia

Spending and Saving Plan

- Cecilia and Rosa revise Cecilia's Spending and Saving Plan once again.

Example: Cecilia

Conclusion

- Cecilia gets her own tiny home, but is still very close to Rosa – literally, in her back yard.
- She saves 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. She can then save (and spend) MUCH more.