



CalABLE and Financial Literacy

May 18, 2022



Webinar Setup

ASL Interpreters

- View the speaker gallery to find a video feed of our ASL interpreters.

Captioning

- Turn on Closed Captioning in the webinar controls.
- Adjust the captioning settings if needed
- A transcript view is also available.

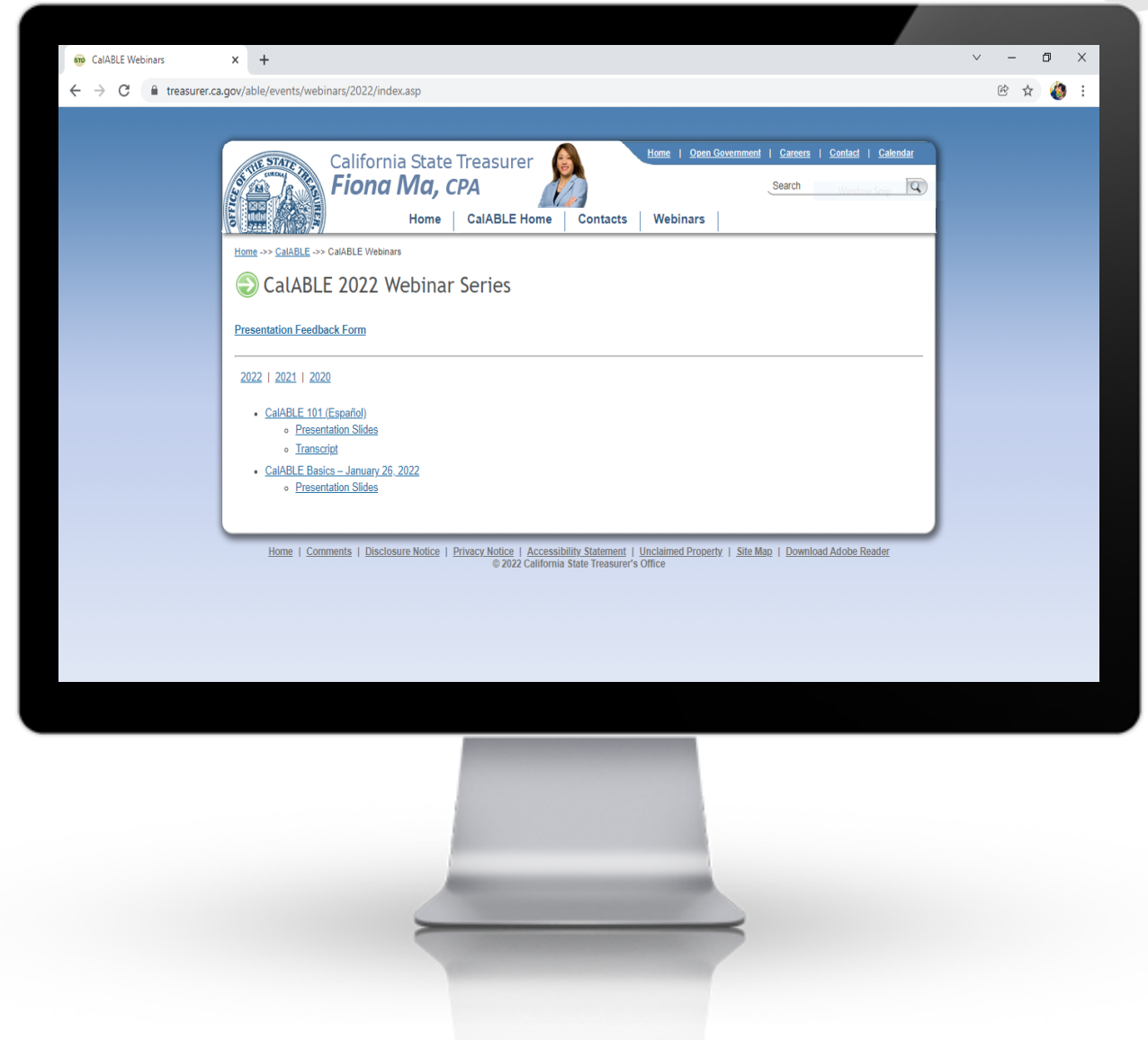


Webinar Setup

Presentation Slides

Please visit the **CalABLE** website for a copy of today's slides.

<https://www.treasurer.ca.gov/able/events/webinars/2022/index.asp>



Audio Options for the Webinar

Via your computer speakers

- Please make sure your speakers are turned on or your headphones are plugged in.

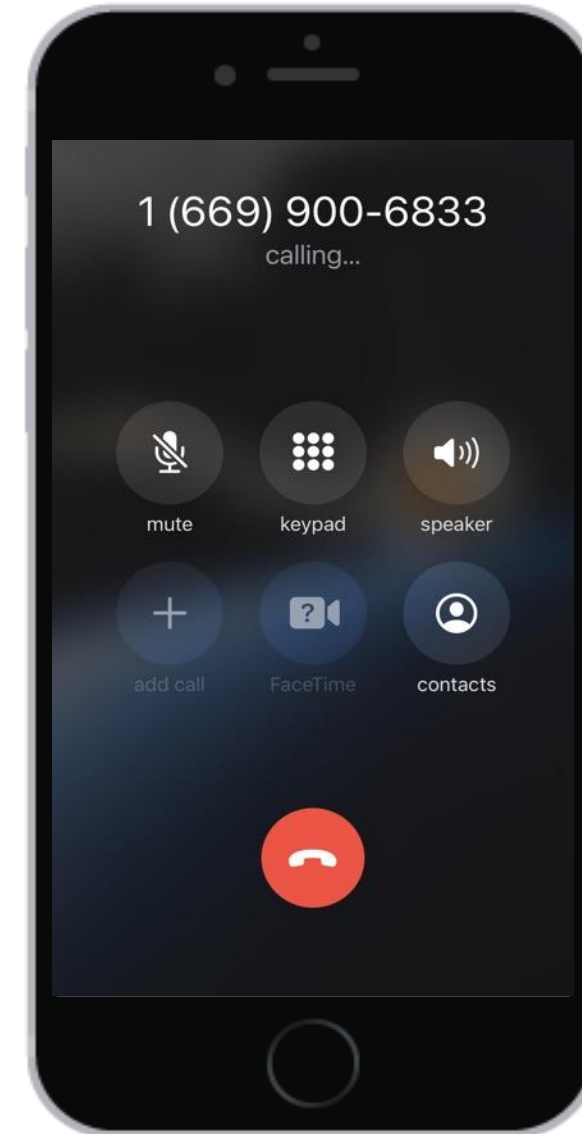
Don't forget

- You can adjust the volume if needed.

Audio Options for the Webinar

Via telephone:

1. Call: [1-669-900-6833](tel:1-669-900-6833)
2. Enter Webinar ID: [860 7011 2516](tel:86070112516)



Submitting Questions

We will address your questions at the end of the presentation.

Q&A box

Submit your questions using the **Q&A box** at any time.

Audio-only participants

Audio-only participants may email us at CalABLE@treasurer.ca.gov.



Welcome

Fiona Ma
California State Treasurer

CalABLE 2022 Ambassador Introduction

Achieving a Better Life Experience **(ABLE)** Act

- **ABLE** offers a tax benefit specifically for people living with disabilities, helping them reach their financial dreams. The act allows states to offer savings and investment plans.
- Since Launch people have entrusted CalABLE with over \$78 million in assets under management and opened over 7,600 accounts.

Achieving a Better Life Experience (ABLE) Act

Why save in an ABLE account?

- You can save up to \$100,000 without the risk of losing your other benefits.
- Offers a variety of professionally managed investment portfolios to fit your life situation, risk tolerance and savings goals
- Use money for qualified expenses without taxes and penalties.



Who is Eligible?

- You can open an ABLÉ account if your disability began before age 26.
- If you meet the eligibility criteria for disability benefits like Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI).
- Your disability is on the SSA List of Compassionate Allowances or Blue Book listing.





What if I'm not on benefits?

- You can [self certify](#).
- You must confirm under penalty of perjury you were disabled [before age 26](#).
- You simply need a signed letter from a [qualified physician](#) that the applicant has a physical or developmental disability resulting in marked and severe functional limitations that is expected to last at least one year.

How do **ABLE** accounts work?

- Accounts **protect assets**, but cannot shelter income
- Select an insured **savings** option or potentially **grow your money** through investing in one of the CalABLE investment options
- Any earnings are tax free as long as they are spent on “Qualified Disability Expenses”
- Accounts holders can split their funds between savings and investments
- Anyone can contribute

What do you need to open and operate an CalABLE account?

- Web access
- Funds to pay the account maintenance fee
- Ability to transfer funds to and from your CalABLE account

CalABLE Misconceptions

1. The fees for CalABLE are expensive!
2. Transferring money to and from a CalABLE account is complicated.
3. If you were diagnosed as having a disability after age 26, you are not eligible to own a CalABLE account.
4. Medi-Cal will seek reimbursement from beneficiaries who were receiving benefits after they pass away ☹️

Financial Challenges of living with a Disability

- Unable to save for fear of losing benefits
- Earning too much can jeopardize their cash, food, and health care benefits

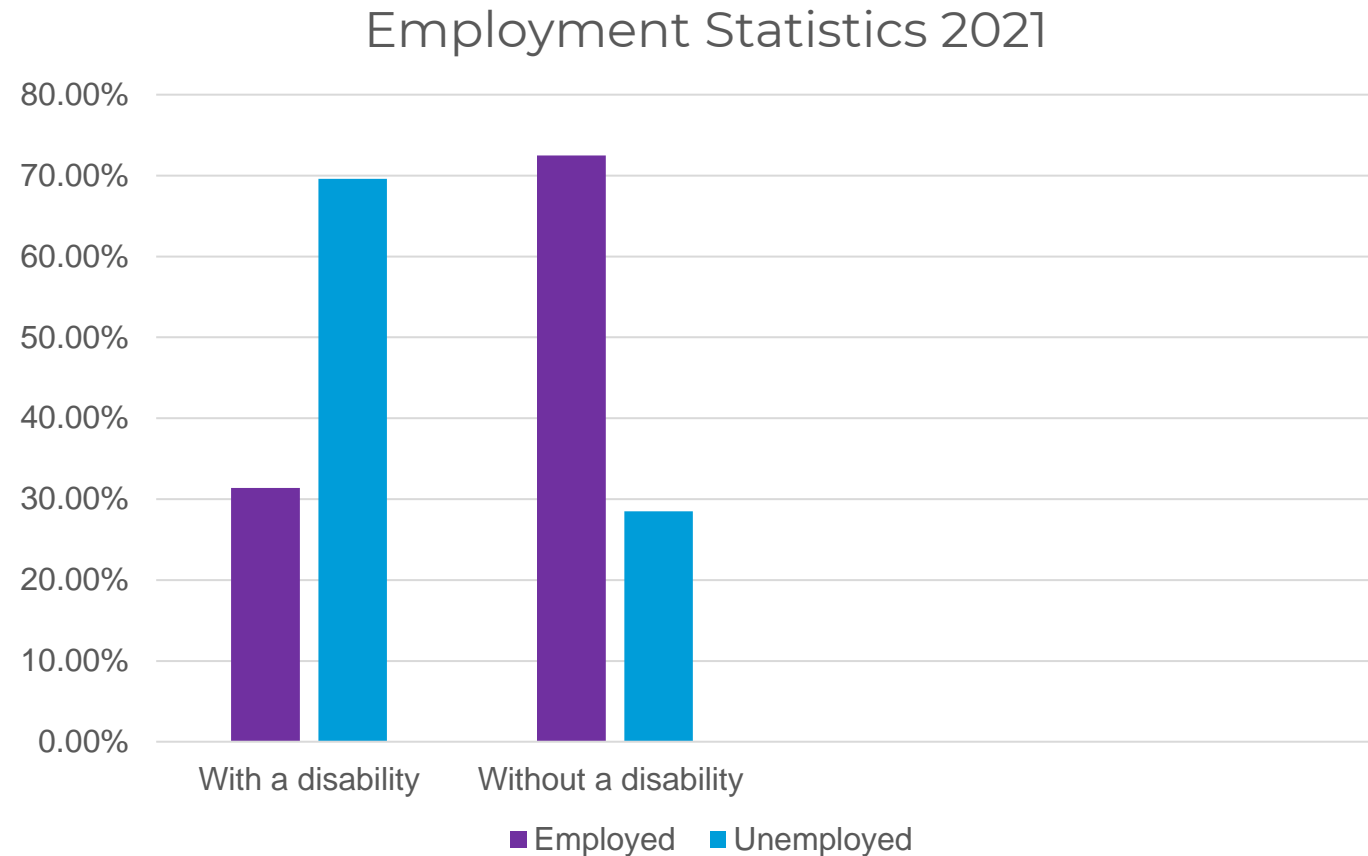


Standard of Living Statistics

- More likely to be unemployed or underemployed.
- More likely to be unbanked.
- More likely to live below the poverty line.

Source: <https://phys.org/news/2021-11-employment-people-disabilities-historic.html>

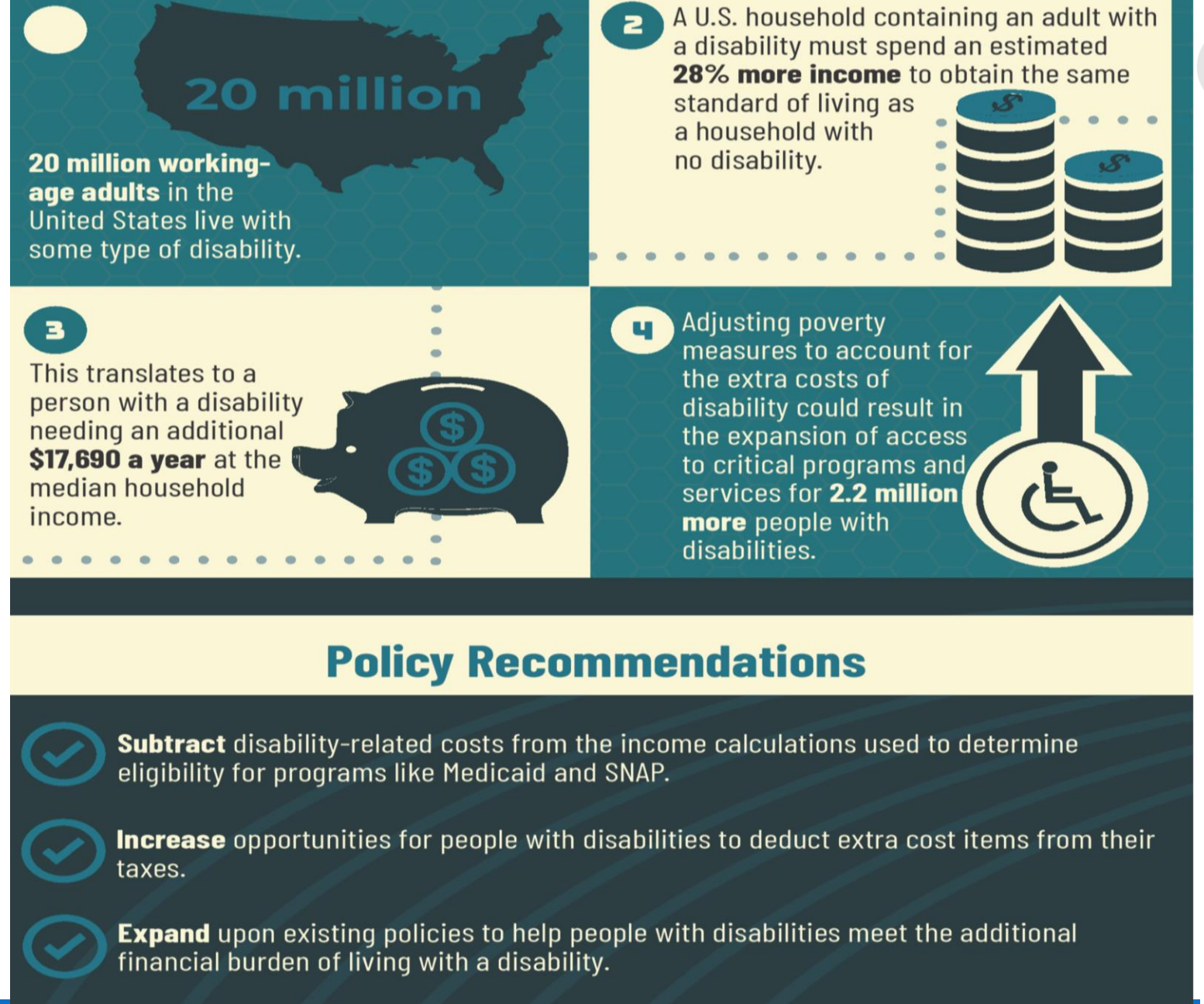
Date: 11/2021



Disability tax?

Source:
<https://www.nationaldisabilityinstitute.org/reports/extra-costs-living-with-disability/>

Date: 2020



What is Financial Literacy?

- The ability to understand personal financial management, budgeting, and investing
- Learning how money works so that you can set and achieve your financial goals
- Includes topics such as personal finance, bank accounts, credit and debit, budgeting, investing, and saving for retirement

Why Learn about Financial Literacy?

- Teaches you how to plan for your future
- Allows you to prepare for unexpected financial challenges
- Helps you make thoughtful and informed decisions

Resources to Develop Financial Literacy

- <https://www.mymoney.gov/>
- <https://www.nationaldisabilityinstitute.org/>
- <https://www.annuity.org/financial-literacy/>
- <https://www.financialliteracy101.org/financial-literacy/index.cfm?>
- <https://www.360financialliteracy.org/>



Poll #1

What is your current experience level with investing money?

Share your answer in the Zoom poll!



Very experienced. I make my own investments.



Some experience. I work with an investor who handles investments on my behalf.



No experience. I have never made any investments.



Chris McLeod

About Chris:

Tuition Financing Consultant
TIAA representing the Minnesota 529 College Savings Plan

Chris has been helping individuals with their finances since 2009, and has specialized in helping families save for college since 2014. He knows that everyone has different goals when it comes to their loved one's future aspirations, and for many families that path will include some form of higher education. Whatever your family's goals may be, Chris can help navigate a path forward for college savings. He is an attentive listener who shows great empathy to those he works with, but most importantly, he understands everyone comes to their decision to save for college very differently. He has a degree in history from North Dakota State University, and holds his series 7 and 63 securities licenses. In his spare time, he enjoys being active outside and coaching youth activities.



Saving and Investing

- Investments managed by TIAA-CREF
- Money can be deposited into an FDIC-insured portfolio or invested in any of three Target Risk Investment Options
- Fees vary based on the savings / investment options selected
- Funds may be transferred between portfolios two times annually

Core Beliefs That Guide the Investment Menu

- **Diversification.** Investment options that contain multiple components should be highly diversified and capture all relevant asset classes.
- **Simplicity.** Investment options should not be overwhelming to plan investors and should be easily identifiable and distinct from one another.
- **Choice.** Investment options should span the risk spectrum and offer plan participants the ability to achieve different investing goals.
- **Cost.** Investment options should be inexpensive.

CalABLE's Four Investment Choices

FDIC-Insured Portfolio: Seeks a stable, conservative return by investing in a low risk, interest-bearing deposit account.

Conservative Portfolio: Seeks a conservative to moderate long-term total return by investing primarily in bond funds, with smaller allocations to stock funds and a funding agreement.

Moderate Portfolio: Seeks a moderate long-term total return by investing in stock funds, bond funds and a funding agreement.

Aggressive Growth Portfolio: Seeks aggressive growth and long-term total returns by investing primarily in stock funds.

Risk

In general, investing always comes with some risk. When choosing investments, understanding your tolerance for risk is important.

At CalABLE, we've designed our investment portfolios to be easy to understand with clear information on the risk level for each.

We also offer educational resources about our portfolios to help you assess the risk you may face depending on the investments you choose.

Saving and Investing



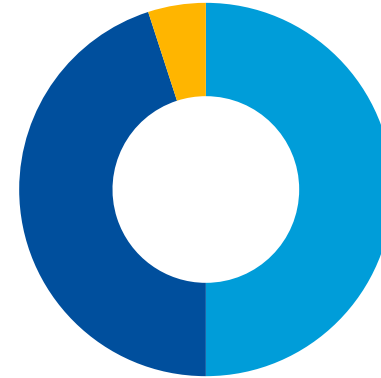
FDIC- Insured Portfolio

- 100% Interest-Bearing



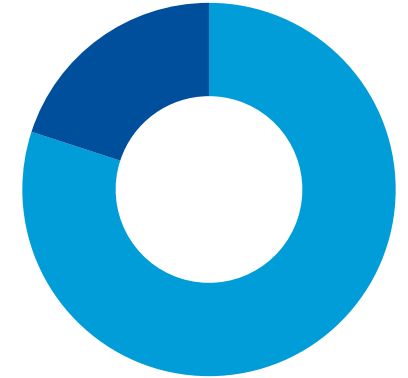
Conservative Portfolio

- 20% Stocks
- 55% Bonds
- 25% Funding Agreement



Moderate Portfolio

- 50% Stocks
- 45% Bonds
- 5% Funding Agreement



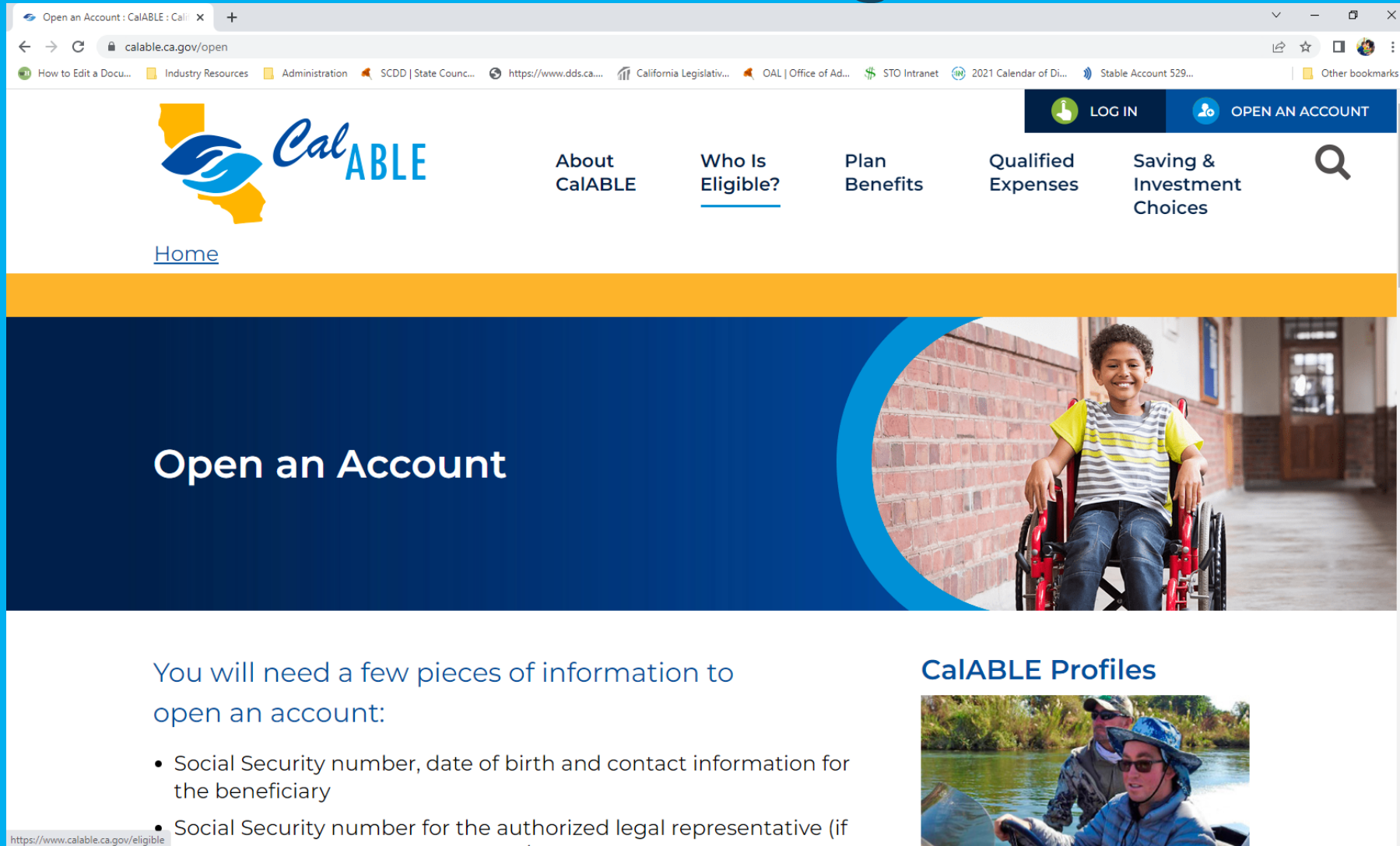
Aggressive Portfolio

- 80% Stocks
- 20% Bonds

Ready to Open Your Account?

CalABLE.ca.gov

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The screenshot shows the CalABLE website interface. At the top, there's a navigation bar with the CalABLE logo on the left and links for 'LOG IN' and 'OPEN AN ACCOUNT' on the right. Below the logo, there's a 'Home' link. The main navigation menu includes 'About CalABLE', 'Who Is Eligible?' (which is underlined), 'Plan Benefits', 'Qualified Expenses', and 'Saving & Investment Choices'. A search icon is also present. The main content area features a large blue banner with the text 'Open an Account' and a circular image of a smiling child in a wheelchair. Below this, there's a section titled 'You will need a few pieces of information to open an account:' followed by a list of requirements: 'Social Security number, date of birth and contact information for the beneficiary' and 'Social Security number for the authorized legal representative (if...'. To the right of this list is a section titled 'CalABLE Profiles' with an image of two people fishing on a boat.

Open an Account

You will need a few pieces of information to open an account:

- Social Security number, date of birth and contact information for the beneficiary
- Social Security number for the authorized legal representative (if...










CalABLE Profiles

Financial Fitness Center

- CalABLE has partnered with an educational firm to provide free digital curriculum on a variety of topics related to financial literacy

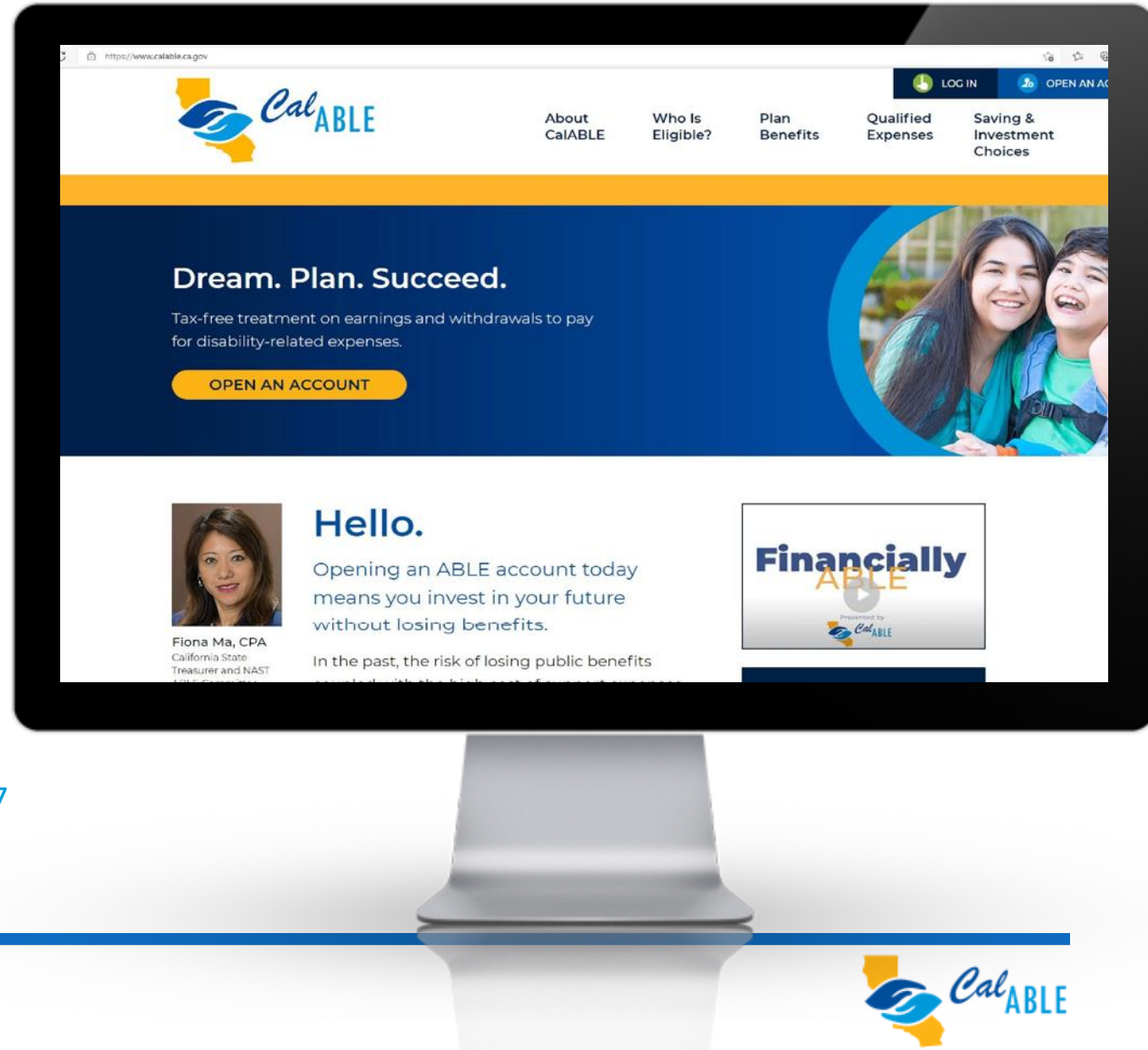
Select a Playlist

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<p>Building Financial Capability</p>  <p>Learn how to manage your money and avoid financial dangers.</p> <p>Explore</p>	<p>Investing in Your Future</p>  <p>Learn how to be more financially prepared in the years ahead.</p> <p>Explore</p>
<p>Financial Caregiving</p>  <p>Learn more about the responsibilities of caring for another person's finances.</p> <p>Explore</p>	<p>Financial Foundations</p>  <p>Understand the basics of some key financial concepts.</p> <p>Explore</p>
<p>Growing Your Small Business</p>  <p>Learn more about what it takes for your small business to thrive.</p> <p>Explore</p>	<p>Preparing for Retirement</p>  <p>Learn how you should prepare for an eventual retirement.</p> <p>Explore</p>
<p>Owning a Home</p>  <p>Explore the benefits and costs of buying and owning a home.</p> <p>Explore</p>	<p>Small Business Essentials</p>  <p>Understand the financial basics of managing a small business.</p> <p>Explore</p>
<p>Building Financial Resilience</p>  <p>Explore tips for overcoming financial crisis.</p> <p>Explore</p>	

Resources

- A collaboration between NDI and CalABLE:
nationaldisabilityinstitute.org/achievable-corner
- **CalABLE** Resources:
treasurer.ca.gov/able/resources.asp
- **ABLE** National Resource Center:
ABLENRC.org
- Disability Benefits 101: DB101.org
- **POMS**:
<https://secure.ssa.gov/poms.nsf/lnx/05011307>



CalABLE Popular Resources

Tips for Opening a CalABLE Account:

<https://www.youtube.com/watch?v=rWKMsYaiE0A>

CalABLE Qualified Disability Expenses

<https://www.youtube.com/watch?v=dNkpOjOmYpl>

CalABLE and Special Needs Trusts:

<https://www.youtube.com/watch?v=BOlkQHhZGb8>

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Open

9:00 am to 5:00 pm (Pacific Time)
Monday - Friday

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our latest updates!

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https://twitter.com/calable_board



<https://www.linkedin.com/company/california-able-act-board/>



https://www.instagram.com/calable_act_board/

[Sign up for our emails here.](#)

Share your story with us!

- CalABLE account holders have incredible stories about how saving is impacting their financial future
- As we continue to promote this important program, we need your help!
- Stay tuned for an invite soon on how to share your story with us in a testimonial video, interview or on social media

Poll #2

Has your level of financial literacy improved by watching this webinar?

Share your answer in the Zoom poll!



I still feel as confused as before



My knowledge has improved a bit and I know where to find resources



Yes, this webinar has helped me a lot and I feel more confident about financial literacy



June Webinar

CalABLE in 30 Minutes

Date: Wednesday, June 15,
2022

Time: 2:00pm -4:00pm

Register today:

[https://us06web.zoom.us/
webinar/register/WN_fet
YYwhQQRiJhkuwjgVfaQ](https://us06web.zoom.us/webinar/register/WN_fetYYwhQQRiJhkuwjgVfaQ)



This program is free and open to the general public. For more information about CalABLE events and to register now, visit:

https://us06web.zoom.us/webinar/register/WN_fetYYwhQQRiJhkuwjgVfaQ

CalABLE in 30 Minutes

June 15, 2022
2:00 P.M. - 4:00 P.M.



CalABLE Monthly Webinar Series



CalABLE is a savings and investment program offered by the state of California to people with disabilities that began before reaching age 26.

In this webinar, we will explore:

- What CalABLE is in 30 minutes
- Advantages of saving in a CalABLE account
- How CalABLE accounts work

TIAA-CREF Tuition Financing Inc. (TFI), program manager. TIAA-CREF Individual & Institutional Services, LLC, Member FINRA, distributor and underwriter.



Submitting Questions

Please use the Q&A box to submit any questions you have. We will try to answer them all.

Additional Resources

- Frequently Asked Questions: treasurer.ca.gov/able/final.pdf
- CalABLE YouTube channel: youtube.com/channel/UCk02cbbE8PCkHATlvrsTfIA has additional information on topics such as CalABLE 101, Special Needs Trusts, Qualified Disability Expenses, and Rollovers.

Disclaimer

Consider the investment objectives, risks, charges and expenses before investing in the California 529A Qualified ABLE Program (CalABLE Program). Please call toll-free 833-CAL-ABLE for a Disclosure Statement containing this and other information. Read it carefully.

Before investing in any ABLE program, you should consider whether your home state provides its taxpayers with favorable state tax or other benefits that are only available through investment in the home state's ABLE program. You also should consult your financial, tax, or other adviser to learn more about how state-based benefits (or any limitations) would apply to your specific circumstances. You also may wish to directly contact your home state's ABLE program, or any other ABLE program, to learn more about those plans' features, benefits and limitations. State-based benefits should be one of many appropriately weighted factors to be considered when making an investment decision.

The CalABLE Program is offered by the State of California. TIAA-CREF Tuition Financing, Inc. (TFI), program manager. TIAA-CREF Individual & Institutional Services, LLC, Member FINRA, distributor

and underwriter.

None of the State of California, its agencies, TFI or TCS nor any of their applicable affiliates insures accounts or guarantees the principal deposited therein or any investment returns on any account or investment option, and you may lose the principal amount invested. The FDIC Insured Portfolio is FDIC-insured up to \$250,000, subject to certain restrictions. Interests in the CalABLE Program are not registered with or in any way approved by the Securities and Exchange Commission or by any state securities commission.

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Thank You.