



STRATEGIES TO EXPAND THE FINANCIAL HEALTH OF PERSONS WITH DISABILITIES

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Objectives for Today's Session

- Understand key statistics pertaining to poverty and persons with disabilities.
- Understand five key strategies to help build the financial health of persons with disabilities.
- Identify a minimum of four community resources and/or tools to help build the financial health of persons with disabilities.
- Best practices of implementing financial education and asset development in to delivery of services.



National Disability Institute

A national research and development organization with the mission to promote income preservation and asset development for persons with disabilities and to build a better economic future for Americans with disabilities.





Meeting NDI's Mission

We focus on six major areas:

- Public Benefits Planning
- Employment
- Tax Preparation
- Financial Education
- Asset Development
- Public Policy



Defining Terms

- **Financial Capability:** a set of consumer behaviors that lead to tangible improvements in an individual's financial health.
- **Economic Security:** the condition of having stable income or other resources to support a standard of living now and in the foreseeable future.
- **Asset:** a resource or item with economic value that an individual owns or controls with the expectation that it will provide future benefit.
- **Asset Development:** a series of strategies that can help people improve their economic status.
- **Work Supports:** any subsidy or service that supports one's ability to obtain or retain employment.



Framing the Issue

- People with disabilities live in poverty at a rate twice that of their non-disabled peers. (27.8% compared to 12.4%)
- Many people with disabilities have never managed a budget, opened a savings or checking account, applied for an assistive technology loan or understood how to build assets.



Disability and Poverty

- People with disabilities are more likely to be unemployed and to live in poverty than any other single demographic group in the United States today.
- Public benefit programs for people with disabilities, especially Supplemental Security Income (SSI), are not aimed at increasing assets and independence for people with disabilities.
 - » More so than any other population on a fixed income, services and policies do not hold the expectation of economic self-sufficiency.



The Challenge by Numbers

- Approximately half (48%) of people with disabilities report a personal income of less than \$15,000 and only 7% make more than \$50,000.
- Three in five (58%) people with disabilities said they are either struggling to get by and going further into debt each month or living paycheck-to-paycheck versus only 34% of people without disabilities.
- Just over one-third (37%) of people with disabilities report that they are not living paycheck-to-paycheck or have few financial worries, compared to 62% people without disabilities.



Financial Capability of Americans

- 42% of Americans report having more debt than they would like;
- 60% do not have a rainy day fund
- One-third of America's youth report having school loans they are afraid they cannot pay.
- 78% of low income workers report having an average of 7.5 credit cards and 22%, 15-22 credit cards.
- 50% report with credit scores below 600



Impact of Income Disparity

- Low income individuals have less financial knowledge and ability, achieve fewer financial goals, and have less access to financial services and products than individuals with higher incomes.
- Identifying and utilizing strategies to equip individuals with the knowledge and access they need becomes a critical first step to changing behavior and improving outcomes.



Impact of Support

- Savings/investments and tax advice improve positive behavior and reduce negative behavior for low income earners.
- The best time to reach an individual and teach them about their money is at a point in time when it's needed... such as during a job search or transitioning from school to work.



National Landscape

- Renewed focus on low wage workers
- Shift from employment to financial stability
- Increased understanding of the impact of healthcare costs on individual finances



Why the Shift

- Welfare reform called for a movement of individuals from welfare to work – this led organizations to take a closer look at what tools an individual and family needed to be economically self-sufficient.
- Significant research by the Annie E. Casey Foundation and others showed progress when certain strategies (as we will describe) were applied within concentrated low income communities.
- Poverty numbers started to increase and in 2008 were their highest since 1997.



Poverty

- **Whether it is access to:**
 - A quality education
 - Effective transition from school to work
 - Affordable (accessible) transportation, housing, (technology or long-term supports)
- **Enduring poverty and lack of economic empowerment will:**
 - Diminish choices and quality of life within communities, and
 - Singularly diminish freedom, opportunity, and self-determination



Poverty and Disability

- The presence of a disability and the need to maintain a public benefit should not require one to forfeit their economic stability and live in poverty. Without knowledge, guidance and encouragement, individuals are not empowered to earn, learn, save and build.
- To a person with a disability, saving money and developing assets will produce choices that directly impact their quality of life, especially regarding:
 - mental and physical health
 - positive self-concept and level of community participation
 - expectations and status with other community stakeholders



It's the law.....

The Americans With Disabilities Act of 1990

- *The Nation's proper goals regarding individuals with disabilities are to assure equality of opportunity, full participation, independent living, and economic self-sufficiency for such individuals;*
42 U.S.C. § 1201(a)(8) (2005)
- *the continuing existence of unfair and unnecessary discrimination and prejudice denies people with disabilities the opportunity to compete on an equal basis and to pursue those opportunities for which our free society is justifiably famous, and costs the United States billions of dollars in unnecessary expenses resulting from dependency and non-productivity.*
42 U.S.C. § 1201(a)(9) (2005)



So what's the barrier?

- Public attitudes
- Low expectations of and within the disability community, and
- Current partnerships don't support savings and building a financial future.
- Regulations discourage saving for the future; retirement, emergencies, etc.



Create New Expectations

- Assume all people want to better their lives.
- Engage people with disabilities in the conversation.
- Provide *simplified* opportunities for individuals to improve their financial stability.
- Acknowledge the limited financial literacy of all Americans including those with disabilities.
- Just as you assume competence, assume the desire to live beyond poverty.
- Expect the systems to adjust to support this movement.



Develop New Partnerships

Groups working on Financial Stability include:

- United Way
- Financial Institutions (Banks and Credit Unions)
- IDA Providers
- Prosperity Campaigns (Tax Coalitions)
- Microenterprise and Small Business Supports
- Junior Achievement
- Financial Education Trainers
- Credit Counselors
- Local Governments
- State Comptroller's/Treasurer's Office



Time for a Paradigm Shift

The notion that employment is *one* goal
NOT *the* only goal.

Five Key Strategies to Build Economic Security





What are the most common financial capability resources that individuals you work with need?

- Public Benefit Enrollment/Planning
- Banking/Affordable Financial Services
- Budgeting/Spending Plan
- Transportation
- Benefits Planning
- Tax Assistance
- Food Resources
- Housing
- Debt Management



COMMUNITY RESOURCES TO HELP BUILD THE FINANCIAL HEALTH OF PERSONS WITH DISABILITIES



Public Benefit Enrollment

- Social Security Administration
 - www.socialsecurity.gov
- Health Insurance Marketplace
 - www.healthcare.gov



Public Benefits Planning

Work Incentives Planning and Assistance (WIPA)

- Invaluable resource for persons with disabilities in understanding benefits & returning to work
- Each WIPA project has Community Work Incentives Coordinators (CWICs), trained experts who work with individuals one on one to provide in-depth counseling about benefits and the effect of work on benefits.

Who is Eligible

- Anyone currently receiving Supplemental Security Income (SSI), Social Security Disability Insurance (SSDI), or Social Security Childhood Disability Benefits (SSCDB) - also known as Social Security Disabled Adult Child (DAC)
- AND is either working, looking for work, or thinking about working



Where to find WIPA

- Social Security Administration provides a search engine by zip code.
 - To search for a local WIPA provider enter a zip code and choose the dropdown option Benefits Counseling (WIPA)
<http://www.choosework.net/resource/jsp/searchByState.jsp>
 - If there are difficulties with the search engine or WIPA services are not currently available in an area, contact the Ticket to Work Helpline at 1-866-968-7842



Banking

- Banks & Credit Unions
 - FDIC's Module on Banking (Checking & Savings)
 - Common Questions to Ask
<http://www.credit.com/money/7-questions-to-ask-before-opening-bank-account/>
 - Selecting a Credit Union <http://www.lovemycreditunion.org/>



Creating a Spending Plan

- Offer Financial Education classes on site or at a partner location
- Refer individuals to online tools to assist:
 - FDIC Money Smart
 - » www.fdic.gov/consumers/consumer/moneysmart
 - Hands On Banking
 - » www.handsonbanking.com



FDIC *Money Smart*

- The FDIC developed the *Money Smart* program to help low- and moderate-income individuals understand basic financial services, develop money management skills, and learn how to use banking services effectively.
- *Money Smart* is available from the FDIC in English, Spanish, Chinese, Korean and Vietnamese and is free of charge to the user.
- Instructions for obtaining copies of the curriculum can be found by clicking on the *Money Smart* link at www.fdic.gov



Hands On Banking

- Developed by Wells Fargo as a free public service, this innovative, entertaining program contains no commercial content.
- User-friendly program
- Provides resources needed to manage money

<http://www.handsonbanking.org>



Online Money Management Tools

- Mint <https://www.mint.com>
- Ready for Zero <https://www.readyforzero.com/>
- Learn Vest - <https://www.learnvest.com/>
- Mvelopes.com <http://www.mvelopes.com/>
- Budgetpulse.com <https://www.budgetpulse.com>
- PNC Virtual Wallet
<https://www.pncvirtualwallet.com/>
- America Saves.org <http://americasaves.org/>



Online Financial Education Games

- Practical Money Skills - www.practicalmoneyskills.com
- VISA Financial Soccer - www.financialsoccer.com
- Celebrity Calamity and Financial Entertainment (d2d) - <http://financialentertainment.org/>



Free Tax Preparation Assistance

- **Free Tax Preparation Services**
 - The VITA Program generally offers free tax help to people who make \$51,000 or less and need assistance in preparing their own tax returns.
 - IRS-certified volunteers provide free basic income tax return preparation with electronic filing to qualified individuals in local communities.
 - VITA Tax Preparers can inform taxpayers about special tax credits for which they may qualify such as Earned Income Tax Credit, Child Tax Credit, and Credit for the Elderly or the Disabled.
- **To locate a VITA Site near you, go to:**

<http://www.irs.gov/Individuals/Find-a-Location-for-Free-Tax-Prep>



Self-Tax Preparation

MyFreeTaxes Partnership

- **Free online tax filing:** www.MyFreeTaxes.com is a fast, easy, secure way for individuals to file taxes online free in ALL 50 states
- Available to taxpayers earning \$58,000 or less
- All customers using www.myfreetaxes.com will be supported by the **MyFreeTaxes Helpline** 1-855-MY-TX-HELP or email support
- MyFreeTaxes Partnership is funded by the Walmart Foundation, in cooperation with National Disability Institute, United Way Worldwide and Goodwill Industries International
- The MyFreeTaxes Partnership is committed to **reaching more taxpayers with disabilities**, as well as other underserved populations.



EITC – Earned Income Tax Credit

- The Earned Income Tax Credit (EITC) is a credit for people who earn low-to-moderate incomes. More working families and individuals may keep more of what they work for.
- The EITC is a **refundable credit**. This means that individuals who qualify, based on their income, will receive a tax refund even when they have no tax liability.
- The individual **must file** their taxes to receive this refund, even if they do not have any tax liability.
- If filing for the EITC for the first time, the individual may file to claim the credit for a three-year period.
- Find out if you or those you serve qualify:
<http://www.irs.gov/Individuals/EITC-Home-Page--It%20%99s-easier-than-ever-to-find-out-if-you-qualify-for-EITC>



EITC Requirements

- Must have a **valid Social Security Number**
- Must have earned income from employment or self-employment.
- Filing status cannot be married, filing separately.
- Must be a U.S. citizen or resident alien all year, or a nonresident alien married to a U.S. citizen or resident alien and filing a joint return.
- **Cannot** be a qualifying child of another person.
- If the filer does not have a qualifying child, they must:
 - be age 25 but under 65 at the end of the year,
 - live in the United States for more than half the year, and
 - not qualify as a dependent of another person
- Cannot file Form 2555 or 2555-EZ (related to foreign earn income)



Housing

- The Family Self-Sufficiency program (FSS) is designed to assist some Section 8 and all public housing tenants to achieve financial independence and self-sufficiency
 - http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/fss
- Habitat for Humanity
 - www.habitat.org/



Individual Development Accounts

- Individual Development Accounts (IDAs) are **matched savings accounts** that allow individuals with limited income and limited wealth to save money and to build assets.
- The IDA Provider partners with Financial institutions, foundations, churches, private donors, and state and local governments to fund the matches to the personal savings of IDA holders (usually at a rate ranging **from \$1 to \$8 for each dollar saved**).

For example, an IDA program with a 2:1 match would provide \$2 for every \$1 dollar saved in the IDA, \$1000 saved in the IDA would receive a \$2000 match.



Individual Development Accounts

- An IDA can be used to purchase
 1. a home
 2. higher education and training
 3. business capital
- Federally funded IDA programs require that participants enroll in **financial education classes**. Most projects require at least 12.5 hours of training before a proposed asset can be purchased.



Program Variations

- Programs can vary in several ways....
 - Target population
 - Program requirements
 - Minimum investment
 - Minimum/maximum amount saved each month
 - Length of required savings
 - Savings goal (may be more limited or broader)
- **It's important to know up front the program rules and whether or not the program is TANF or AFI funded.**



Locating an IDA Provider

- To locate an IDA Provider in your area go to:

http://cfed.org/programs/idas/directory_search

Or

<http://idaresources.acf.hhs.gov/afigrantees>

IDA information specifically for the disability community:

<http://idaresources.acf.hhs.gov/disability>



Debt Management

- Clear Point Credit Counseling Solutions
 - www.clearpointcreditcounselingsolutions.org/
- My Money Check Up
 - <https://www.mymoneycheckup.org/>



QUESTIONS & ANSWERS



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