Addressing the Needs of Americans with Disabilities in Financial Capability Programs

Introduction

Americans with disabilities face significant barriers to financial wellness. They are less likely than those without disabilities to be employed, and more likely to have low incomes, have difficulty making ends meet, have past due medical bills, lack access to emergency funds, use non-bank borrowing methods and have a lower level of financial knowledge.

These findings—described in detail in Financial Capability of Adults with Disabilities, a 2017 report by National Disability Institute (NDI) based on the FINRA Investor Education Foundation’s National Financial Capability Study—identify challenges to financial well-being for people with disabilities that go above and beyond the challenges faced by others with similar incomes.

In recent years, public and private sector organizations have developed strategies to help lower-income populations improve their “financial literacy” and “financial capability” in order to better manage their financial lives, build and preserve assets, reduce their economic vulnerability and increase their financial well-being. Generally, these strategies combine elements of financial education with motivation strategies and one-on-one or group support. Most financial capability programs cover key issues – such as budgeting, saving, debt, credit, taxes and financial products – that are important to all populations. However, they often overlook issues specific to people with disabilities. This brief identifies those issues and highlights three innovative financial capability programs that address the specific financial needs and characteristics of people with disabilities.

Financial well-being describes the extent to which a person:

- Has control over day-to-day and month-to-month finances;
- Has the capacity to absorb a financial shock;
- Is on track to meet personal financial goals; and
- Has the financial freedom to make the choices that allow one to enjoy life.

Source: Consumer Financial Protection Bureau, 2015
Selected Measures of Financial Capability of Working-age Adults, by Disability Status

<table>
<thead>
<tr>
<th>Measure</th>
<th>With Disability</th>
<th>No Disability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed</td>
<td>36%</td>
<td>77%</td>
</tr>
<tr>
<td>Find It “Very Difficult” to Make Ends Meet</td>
<td>9%</td>
<td>23%</td>
</tr>
<tr>
<td>Have Past Due Medical Bills</td>
<td>18%</td>
<td>38%</td>
</tr>
<tr>
<td>Probably or Certainly Could Not Come Up with $2000 if Unexpected Need Arose</td>
<td>32%</td>
<td>55%</td>
</tr>
<tr>
<td>Use Non-Bank Borrowing Methods</td>
<td>25%</td>
<td>42%</td>
</tr>
<tr>
<td>Have Low Self-Assessment of Financial Knowledge</td>
<td>20%</td>
<td>30%</td>
</tr>
</tbody>
</table>

Source: NDI analysis of the FINRA Foundation National Financial Capability Study

How Financial Capability Services for Adults with Disabilities Differ from Mainstream Services

In addition to the general need for financial capability, people with disabilities often have other specialized needs.

Managing public benefits

Almost two-thirds (65 percent) of working-age adults with disabilities received benefits from at least one of 15 major public programs, compared with 17 percent of their nondisabled counterparts. Benefits, such as housing and child care assistance, health care and nutrition, can facilitate the process of returning to work. However, some programs, such as Temporary Assistance to Needy Families (TANF), Medicaid, Supplemental Security Income (SSI) and the Supplemental Nutrition Assistance Program (Food Stamps or SNAP) have rules that are perceived to limit asset accumulation. These rules vary by program and state. Therefore, accurate information can help individuals maximize their savings without putting their benefits at risk. People with disabilities may be particularly concerned about obtaining or maintaining affordable health care that meets their specific acute and long-term needs.
Social Security Disability Work Incentive Counseling

Social Security Disability Insurance (SSDI) and Supplemental Security Income can pose financial planning challenges for the roughly 13 million people with disabilities receiving benefits from one or both programs. The programs limit the amount a participant can earn or save without losing some or all of their benefits. However, both programs offer some flexibility. For example:

- SSI eligibility is restricted to people with few assets; increasing assets may put cash benefits at risk. However, SSI recipients can take advantage of work incentives to mitigate these challenges. For example, they can deduct Impairment-Related Work Expenses (IRWE) or accumulate assets using a Plan to Achieve Self-Support (PASS) or Property Essential to Self-Support (PESS). However, few beneficiaries participate in these savings vehicles, and they remain underutilized and not well understood.

- SSDI beneficiaries are not subject to asset limits. However, earnings above Substantial Gainful Activity ($1,180 per month in 2018 for people who are not blind; $1,970 per month for people who are blind1) can put benefits at risk. Trial work periods, extended periods of eligibility and the continuation of Medicare coverage can be used to minimize the risk.

Using available savings mechanisms

The Achieving a Better Life Experience (ABLE) Act, enacted in 2014, allows people with disabilities (with an age of onset up to 26-years-old) and their families the opportunity to create a tax-exempt savings account that will not affect their eligibility for SSI, Medicaid and other public benefits. People with disabilities may need to be made aware of this new program and advised on how to best use the opportunity to maintain health, independence and quality of life.

Paying for assistive technology

The various sources of funding for assistive technology are fragmented and can be difficult to navigate. People with disabilities may need assistance navigating multiple financing alternatives or developing a strategy to save enough money to cover the cost since, in many cases, individuals may need to pay for the equipment, either in part or in full.

---

Paying medical bills

Adults with disabilities are more likely to have unpaid medical bills than those without disabilities even when they have health insurance (38 percent compared with 17 percent), and are more likely to avoid going to a doctor because of cost. Attaining and maintaining eligibility for health insurance and negotiating medical bills are important skills to include in financial capability programs.

Planning for extra (often unpredictable) disability-related expenses

People living with disabilities face extra costs of living. They may need personal assistance, assistive devices or housing modifications. They may need to spend more on transportation or housing. These expenses may spike in response to changes in the severity of the disability, the availability of other assistance in the household and the effects of aging.

Capitalizing on self-employment options

Many people with disabilities, particularly those in rural areas where jobs are often scarce, have created opportunities for themselves through entrepreneurship. Entrepreneurs with disabilities can leverage funds and in-kind support from several government programs such as Vocational Rehabilitation, the Small Business Administration (SBA) and the Public Workforce System. In addition, if used effectively, Social Security Work Incentives such as PASS and IRWEs can be used to facilitate a small business without the entrepreneur losing access to SSI and Medicaid.

Physical, sensory and cognitive accessibility

People with disabilities may have visual, hearing, motor, mental or cognitive issues that affect their ability to participate in financial literacy programs unless the programs are designed or adapted to address these needs. For example, customers may need barrier-free physical access, auxiliary aids to ensure effective communication (large print or Braille materials, audio recordings or materials in electronic format), sign language interpreters, extended appointment

---


times, welcoming environments for service animals, quiet areas with few distractions, sensitivity to mental health needs, allowing tape recording of meetings or classes, or other accommodations.

Disability etiquette

Language and/or behavior by instructors, financial coaches or other providers can reaffirm inaccurate assumptions about people with disabilities and may dissuade the individuals with disabilities from participating in the financial capability program. Appropriate etiquette makes people with disabilities feel welcome and respected while reducing the feeling of awkwardness on the part of the staff member. Disability etiquette guidelines tend to highlight the need to treat the individual as a human being rather than as a disability and avoid making assumptions. Specific tips include speaking to the individual rather than an assistant or caretaker, refraining from assuming a Deaf individual can read lips and not interrupting an individual with a communication disorder.

Personal and societal factors

People with disabilities live in a society peppered with misconceptions about them, including the misconception that people with disabilities are unable to work, that all their needs are met by public programs and that they cannot be expected to save and build assets. As a result, programs for people with disabilities may need to address the impact of these beliefs on individuals’ self-concept and expectations about themselves. In addition, people with disabilities may have different goals, different motivations and different barriers to achieving their goals that need to be addressed in financial capability programs.

Appropriate and accessible location

Establishing convenient times and locations is critical to the success of any financial capability program. As a result, employers are beginning to play a key role in providing financial capability support. However, these programs have limited reach into the disability community as only one-third of working age adults with disabilities are employed. Integrating financial capability services into disability service organizations can engage clients in addressing financial issues while their main focus may be employment or housing issues.

Control of financial decision-making

People with disabilities do not always have full control of their financial decision making. The finances of more than two million people with disabilities, predominantly those with intellectual or mental health impairments or traumatic brain injuries, are under the legal control of either a family member or other entity. This may take the form of a Social Security Representative Payee, guardianship or power of attorney. In other cases, family members may exercise informal control over the individual’s finances.
In either circumstance, financial capability providers should respect the individual’s right to make decisions to the maximum extent possible. Programs should also address the complex and unique financial capability needs of families to improve financial outcomes for people with disabilities.

**Financial exploitation and financial fraud**

Individuals with disabilities are at increased risk of financial exploitation (perpetrated by someone who is known to the individual, such as a family member, caregiver or other trusted person) and financial fraud (scams designed to take advantage of them). Financial capability programs should teach strategies to monitor accounts, identify warning signs of fraud and report financial crimes.

**Examples of Financial Capability Programs for Adults with Disabilities**

**Career Source Broward: Integrating Financial Capability into a Workforce Program**

Career Source Broward, the federally-funded Workforce Development Agency in Broward County, Florida, is charged with assisting job seekers (regardless of disability) find and maintain jobs and providing quality workers to area businesses. With a three-year grant from the U.S. Department of Labor’s [Disability Employment Initiative](#) in 2012, it adopted an increased focus on serving job seekers with disabilities and dedicated staff to act as Disability Resource Coordinators tasked with developing strategies to enhance job placement outcomes and working directly with individual job seekers.

Recognizing that job seekers with disabilities face financial challenges and complexities that interfere with their ability to find and maintain a job, the agency dedicated one staff member to become trained as a financial success coach and integrated financial capability strategies into the delivery of employment services. It offers financial health assessments during the intake process, one-to-one financial coaching, one-to-one benefits planning, referrals to other community resources, money management workshops and access to an online money management course.

The Workforce Center capitalizes on several funding sources to operate the program, which serves 500 people per year. The one-to-one benefits planning service is funded by the
Vocational Rehabilitation Agency. The other work is funded with unrestricted funds generated by the Ticket to Work Program.

**Boston Tax Help Coalition: Making Free Tax Preparation Accessible to Taxpayers with Disabilities and Integrating Financial Education with Tax Preparation**

The Boston Tax Help Coalition (formerly the Boston EITC Coalition), a collaboration of public, private and nonprofit organizations, provides free tax preparation services for eligible low- and moderate-income taxpayers in Boston as part of the Volunteer Income Tax Assistance (VITA) program. In 2017, over 400 active volunteers were trained, IRS certified and placed at one of the 37 free tax sites in targeted Boston neighborhoods. The volunteer tax preparers met with over 13,000 clients and prepared their tax returns electronically free of charge. The process offers taxpayers access to Earned Income Tax Credit (EITC) and other tax credits that otherwise might often go unclaimed.

The coalition collaborated with NDI and local disability organizations to create a disability work group that eventually became an American Sign Language (ASL) taskforce. Based on recommendations of the work group, the coalition actively reaches out to the disability community, insures that all sites are physically accessible, provides disability awareness and etiquette training to all partner organizations and volunteers and hosts three American Sign Language tax preparation events.

The Coalition also trains a cadre of volunteer financial guides who provide a free, individualized financial assessment session for taxpayers at 10 of the Coalition’s 37 neighborhood sites. The assessment includes credit advising with a FICO score evaluation and referrals to other services. Like other VITA providers, Boston Tax Help Coalition is funded by a combination of donations and grants.

---

5 Vocational Rehabilitation (VR) agencies, funded jointly with federal and state funds, assist individuals with disabilities to obtain, maintain or regain employment. Federal rules give states the option to provide benefits counseling to VR clients. In Broward County, the Workforce Center is an approved vendor for providing the service because it has certified benefits counselors.

6 The Ticket to Work program allows entities to become Employment Networks (EN) and provide vocational services to SSI and SSDI beneficiaries. Social Security pays the EN when the individual reaches certain employment milestones or when they work at a high enough level to stop receiving benefits. Career Source Broward became an EN in 2008.
Tompkins County Asset Coalition: Developing an Area-wide Coalition to Capitalize on the Resources Provided by Each Participating Human Services Organization

The Tompkins County Asset Coalition in Ithaca, New York, brings together social service agencies, disability service providers, the public workforce agency, the area housing authority, the Independent Living Center and a credit union to increase access to employment and asset development for individuals with limited income, disabilities and barriers to employment. United Way serves as the operational backbone to facilitate the referrals between Coalition members to ensure that individuals have access to a full range of services to meet their multi-dimensional needs. The Coalition focuses specifically on the disability population by training community partners on disability-related issues, including disability etiquette training and dispelling the myth that people with disabilities cannot work or are better off not working.

Coalition members integrate financial education and financial coaching into their service delivery. The Coalition provides “innovation grants” of up to $1,500 to help individuals with disabilities pay for work-related expenses not covered by other programs. Alternatives Federal Credit Union, a member of the Coalition, offers a matched savings program for low-income individuals, including those with disabilities.

Conclusion

Serving people with disabilities effectively means integrating financial capability strategies into disability organizations and integrating disability accommodations into financial capability programs. Disability and non-disability organizations can provide financial capability services for people with disabilities by piecing together financial education, financial action, funding sources and disability coalitions in their communities.

Although the type of organization and the services vary, effective programs have several common characteristics:

- Strong leadership that recognizes that providing financial capability services helps achieve the core mission of their organization
- Engaged and disability-sensitive staff
- Partnerships with other disability and non-disability organizations in the communities to understand the needs and engage the community
- A culture of inclusion promoted at all levels of the organization

The three program examples in this brief recognize the possibilities and power of collaboration to support the development of financial capability and financial stability for individuals with disabilities and their families. Each, with different program strategies, offers effective responses to the challenging financial circumstances identified in National Disability Institute’s report, *Financial Capability of Adults with Disabilities*. All three programs recognize ways public and
private sector stakeholders can modify existing efforts to advance financial stability for low- and moderate-income populations to become more inclusive and target people with disabilities with effective interventions.

The challenge for communities nationwide is to adopt these program strategies and establish other innovative models that recognize the importance and urgency of addressing the economic vulnerability of individuals with disabilities.

This brief was developed by Nanette Goodman, Nicholas Canfield and Michael Morris at National Disability Institute with support from the FINRA Investor Education Foundation. It draws on findings from Financial Capability of Adults with Disabilities: Findings from the National Financial Capability Study available at https://www.realeconomicimpact.org/pages/finra-2017. NDI would like to thank Melanie Magill at Career Source Broward, Kelsey Rossbach and Regan Ralston at the Tompkins County Asset Coalition and Mimi Turchinetz at the Boston Tax Help Coalition for their assistance.