

Financial Wellness for People with Disabilities

Financial Inclusion 101

Developed by:

National Disability Institute
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nationaldisabilityinstitute.org



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Moderator



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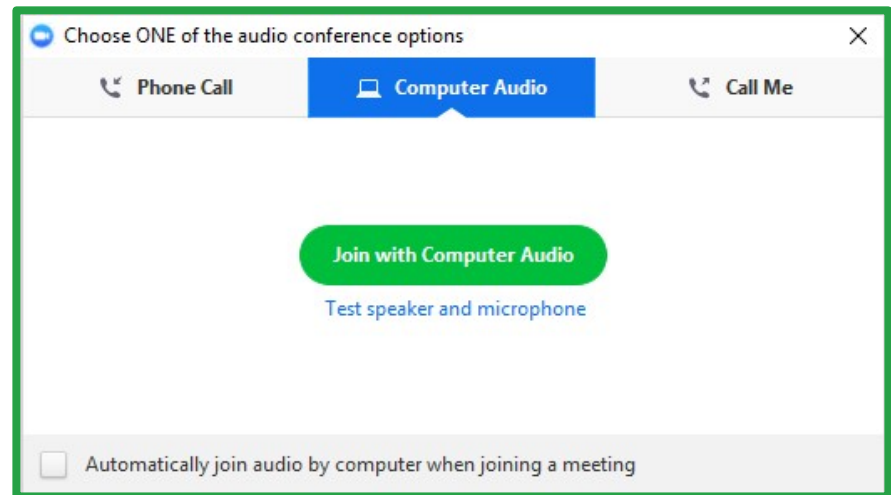
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National Disability Institute

- **Our Vision:** We envision a society in which people with disabilities have the same opportunities to achieve financial stability and independence as people without disabilities.
- **Our Mission:** We collaborate and innovate to build a better financial future for people with disabilities and their families.

www.nationaldisabilityinstitute.org

Financial Wellness for People with Disabilities

In partnership with the Illinois Council on Developmental Disabilities



Agenda

- Illinois disability statistics
- Proper goals of the ADA
- Defining terms – financial inclusion, financial wellness, financial education, and financial capability
- Financial capability indicators
- Training Opportunity

Presenter



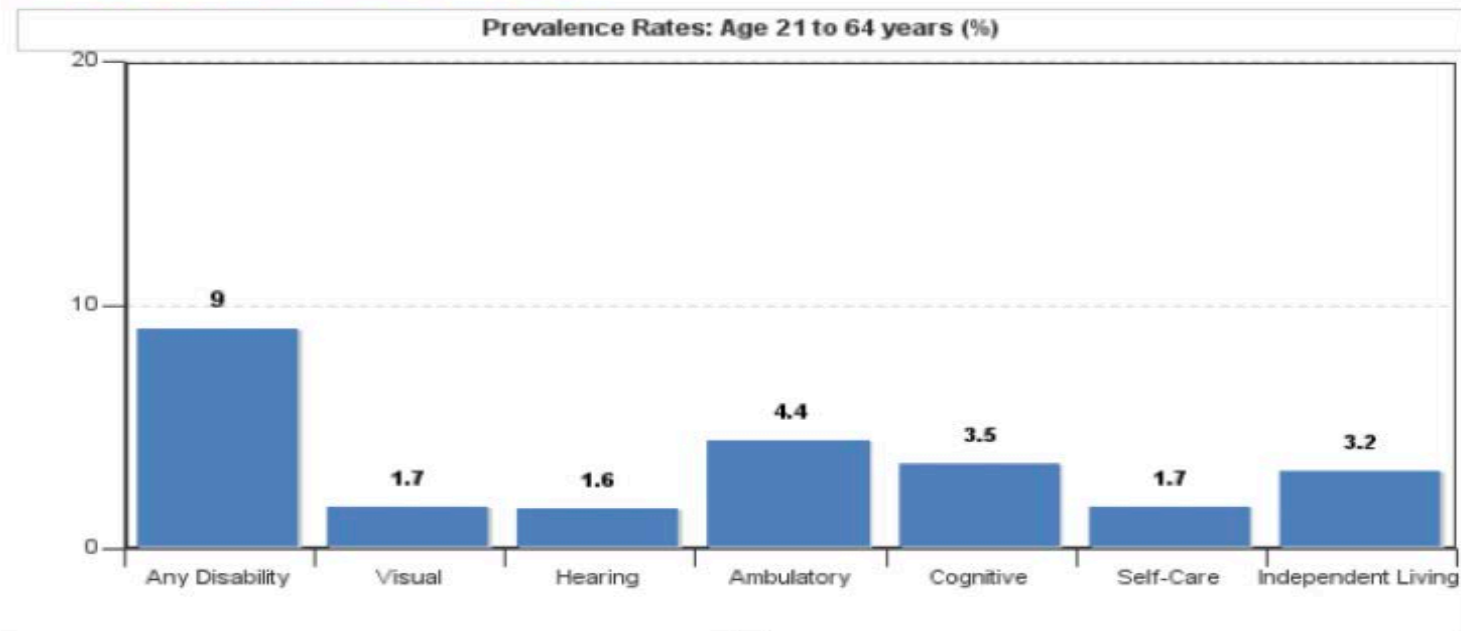
Laurie Schaller

**Manager of Financial
Empowerment**

National Disability Institute

Illinois - Prevalence of Disabilities for Working Age Adults

Prevalence of disability among non-institutionalized people ages 21 to 64 in Illinois in 2017



Cornell University: <http://www.disabilitystatistics.org/>

Illinois Disability Statistics

- 11% of overall Illinois population report a disability;
- 9% of working-age adult population (age 21 – 64) have a disability;
- 39% of adults are employed compared to 80% of those without a disability;
- 24% of adults with a disability work part time;
- Median household income with a disability \$47,000 without a disability \$74,800;
- 25% of people with a disability live in poverty;
- 20% receive Supplemental Security Income

[Cornell University: http://disabilitystatistics.org/](http://disabilitystatistics.org/)

Households headed by working-age persons with disability...

- The use of Alternative Financial Services (AFS) for transactions such as check cashing, money orders and remittances has declined between 2013 and 2017 for households with and without disabilities yet those with disabilities continue to be more likely to use these services. 28 percent of households with a disability use AFS for transactions compared with 19 percent of those without a disability.
- Only 39 percent of households with a disability save for unexpected expenses compared to 63 percent of those without disabilities. Among those who saved, households with a disability were much more likely to save at home or with family or friends (18 percent versus 10 percent) rather than in a savings or checking account.

The Promise of the Americans with Disabilities Act (ADA)

“...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...”

Financial Inclusion

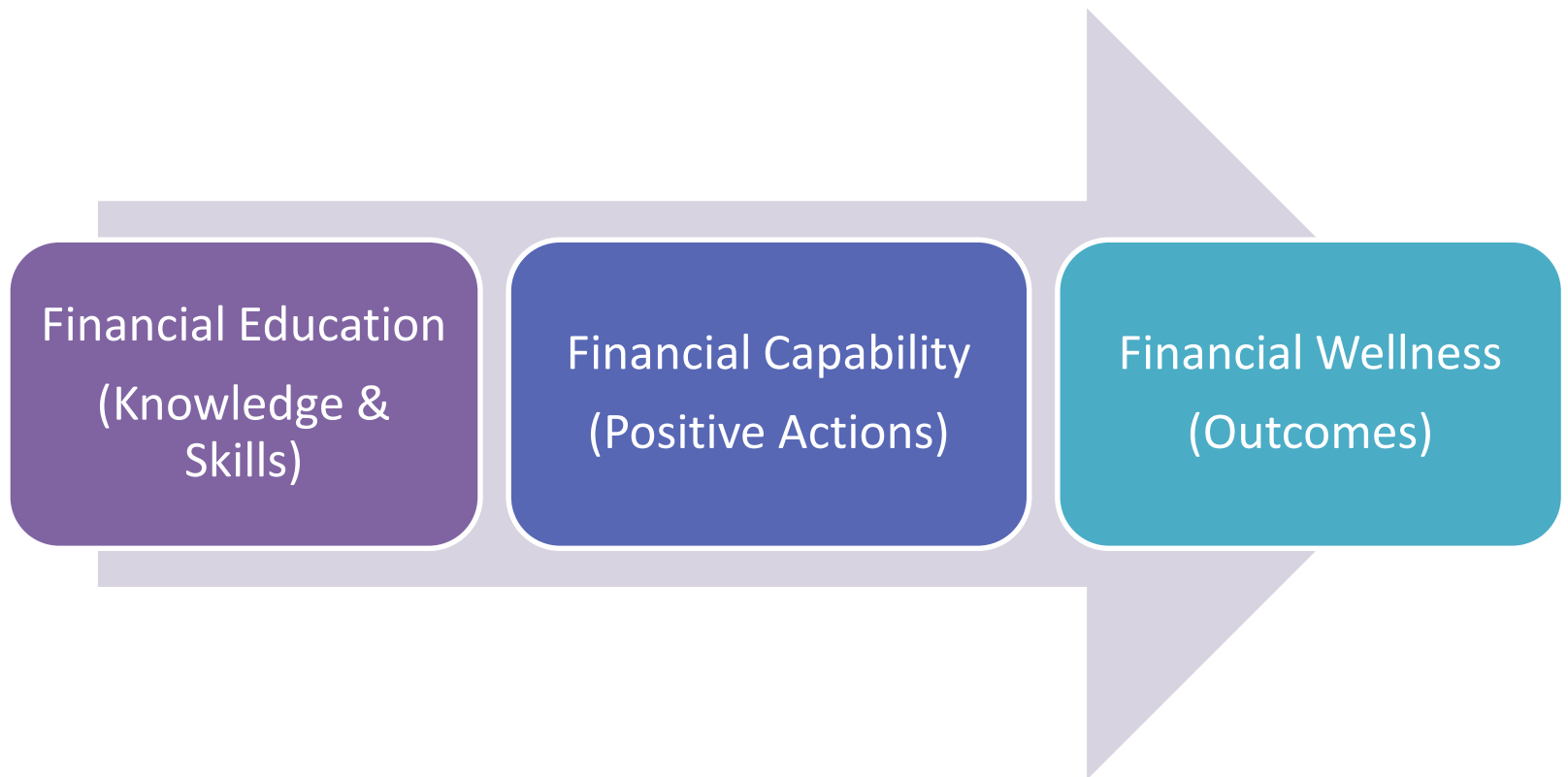
- Financial Inclusion is the ability to have access to a full-range of useful and affordable financial products, programs and services that meet an individual's need to achieve financial well-being.¹
- For persons with disabilities, each part of this definition has broader implications. For example ...
 - Access to financial products, program and services that are appropriate and usable;
 - Access to protected savings opportunities, such as an ABLE account or a Special Needs Trust;
 - Access to financial coaching/counseling programs that understand the sometimes complex disability service system, including public benefit programs.

1. Center for Financial Inclusion, ACCION

Financial Capability

- Combination of knowledge and skills to inform financial decisions and behaviors, identify opportunities to improve financial wellness, and manage financial resources effectively.
- For persons with disabilities there are additional considerations to ensure individuals have the opportunity to learn about their right to education and training that leads to productive, competitive employment, in many cases, while managing public benefits.
- People benefit from exposure to opportunities to learn the fundamentals of money management, opportunities to practice and advance their money management skills.
- Money management includes learning sound steps towards increasing income, growing savings through investing and developing long-term assets.

Financial Education vs. Financial Capability vs. Financial Wellness



Desired Behavior/Actions

Financial decisions are based on good information and actions driven by positive financial goals.

- **Earning Money:** Individuals work to their full potential and utilize available employer benefits and work incentives.
- **Using Money:** Individuals budget to meet their needs and attain their goals, utilize affordable financial products, and use credit wisely, including proactive debt management.
- **Saving Money:** Individuals pay themselves first, have emergency funds, and use matched savings programs and other protected savings opportunities to build assets.
- **Protecting Money:** Individuals access and use available insurance options to protect the money they have and their ability to earn more.
- **Understanding Money:** Individuals build their knowledge of money, connect to trusted entities for advice, and use available resources and supports.

Financial Capability Indicators for People with Disabilities

- NDI has created *Financial Capability Indicators for People with Disabilities* to identify and address the unique needs of this population.
- Each indicator provides action steps to complete and outcomes to measure personal achievement.

Financial Capability Indicators for Persons with Disabilities

1. Set and achieve one or more financial goals.
2. Improve income production.
3. Access and manage public benefits and work support programs.
4. Manage affordable health coverage.
5. Manage monthly expenses and debts.
6. Develop and manage credit appropriately.
7. Select and manage financial products and services.
8. Plan and save for the future.
9. Increase financial knowledge and make informed decisions regarding one's financial well-being.
10. Identify and connect with trusted sources for advice.

#1 - Set And Achieve One Or More Financial Goals

Individual goals are a cornerstone of financial counseling and coaching to motivate an individual to improve their financial skills, knowledge, and actions, and align with the person-centered culture of the disability community.

Opportunity: Include financial goals in individual plans for transitioning out of school, transitioning out of foster care, securing and maintaining employment, and independent living.

Positive Outcome: Individual changed their financial habits to achieve their identified financial goal.

#2 - Improve Income Production

Employment is a given for many subsets of the population. Unfortunately, significant barriers to employment and to working to one's full potential still exist for individuals with disabilities.

Opportunity: Utilize individual budgets and financial goals to ensure financial needs are met by earned income.

Positive Outcome: Individual increased their hours at work/earned income to meet their monthly expenses.

#3 - Access And Manage Public Benefits And Work Support Programs

The use of public benefits can create a safety net for individuals with disabilities. Understanding public benefit rules and utilizing available work incentives provide opportunities to increase earnings and savings while maintaining one or more benefit.

Opportunity: Connect job seekers and workers to benefit planners to ensure they are maximizing their use of work incentives.

Positive Outcome: Individual's total income increased through the use of work incentives.

#4 - Manage Affordable Health Coverage

For individuals with disabilities, access to healthcare can be critical to maintaining one's financial capability and provides protection against medical debt, which can wreak havoc of an individual's finances.

Opportunity: Support individuals in making informed decisions regarding healthcare choices and the benefits of blending public and private health coverage (i.e. Medicare coverage and employer based insurance).

Positive Outcomes: Individual increases access to care while reducing deductibles and potential for medical debt.

#5 - Manage Monthly Expenses And Debts

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. Managing monthly expenses and debt allows an individual to identify their current expenses and debt and develop a plan for meeting those costs monthly, including possible connections to debt management programs and services.

Opportunity: Include information and tools to manage monthly expenses and pay down debts as part of personal budgets (i.e. CMS).

Positive Outcome: Individual uses a spending diary to track spending behavior and creates a monthly budget that meets their needs and goals.

#6 - Manage credit appropriately

Credit has become an indicator of responsibility in the workplace, in rental housing and in the loan market. Many individuals with disabilities are discouraged from engaging in credit opportunities for fear of predatory practices.

Opportunity: Connect individuals to programs that report rent payments to credit bureaus to establish credit.

Positive Outcome: Individual establishes a credit score, improving their employment and living options.

#7 - Select And Manage Financial Products And Services

An estimated 48% of people with disabilities are unbanked or underbanked, putting them at risk of predatory services to participate in the financial marketplace. Banks, credit unions, and pre-paid card services offer a range of affordable financial services to meet the needs of people at all income levels.

Opportunity: Receipt of earnings or public benefits prompt review of banking and pre-paid card services to choose most affordable financial service.

Positive Outcome: Individual saves money by avoiding payday loan services and overdraft fees.

#8 - Plan And Save For The Future

Individuals on public benefits are often discouraged from participating in savings opportunities for fear of loss of current or future eligibility. A range of mainstream and protected savings opportunities exists, providing savings opportunities for all individuals, regardless of benefit status, to save for their future.

Opportunity: Employment and independent living plans and services include expectation that individuals will save for their future needs.

Positive Outcome: Individual participates in an ABLE Account program, 401k Plan or Pooled Trust and is saving 3% of their monthly income for the future.

#9 - Increase Financial Knowledge And Ability To Make Informed Decisions Regarding One's Financial Wellness

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. Like all Americans, a lack of financial literacy creates knowledge barriers to accessing these services.

Opportunity: Financial education is a required component of transition services and employment programs.

Positive Outcome: Individual completes a financial education class to improve their ability to make financial decisions.

#10 - Identify And Connect With Trusted Sources For Advice

36 percent of working-age adults with disabilities are not taught how to manage their finances by their parents or guardians and were not offered financial education from their school or employer.

Opportunity: Circles of Support and other tools used to identify formal and informal supports include who to turn to for financial information.

Positive Outcome: Individual meets with a financial counselor to overcome barriers identified in achieving individual financial goals.

Opportunities to Learn More

Upcoming Webinars – Save the Dates

- **October 10th, 2019 10:00 – 11:00 AM**
Five (5) Key Strategies to Financial Wellness
- **November 14th, 2019 10:00 – 11:00 AM**
To Be Announced

Trainer Sessions

Financial Wellness for People with Disabilities

Train the Trainer Session

This **FREE**, two-day train-the-trainer event is designed to provide individuals with disabilities, family members, service professionals and self-advocates an understanding of how individuals with disabilities can become more self-sufficient, less dependent on benefits and build better a financial future that promotes choice and greater community participation.

Lunch will be provided!

Dates and locations to be determined

For more information, contact kmetz@ndi-inc.org

Questions

Questions

Contact Us

- If you have any questions on this project or on financial wellness for people with disabilities, please send an email to ask@ndi-inc.org.

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