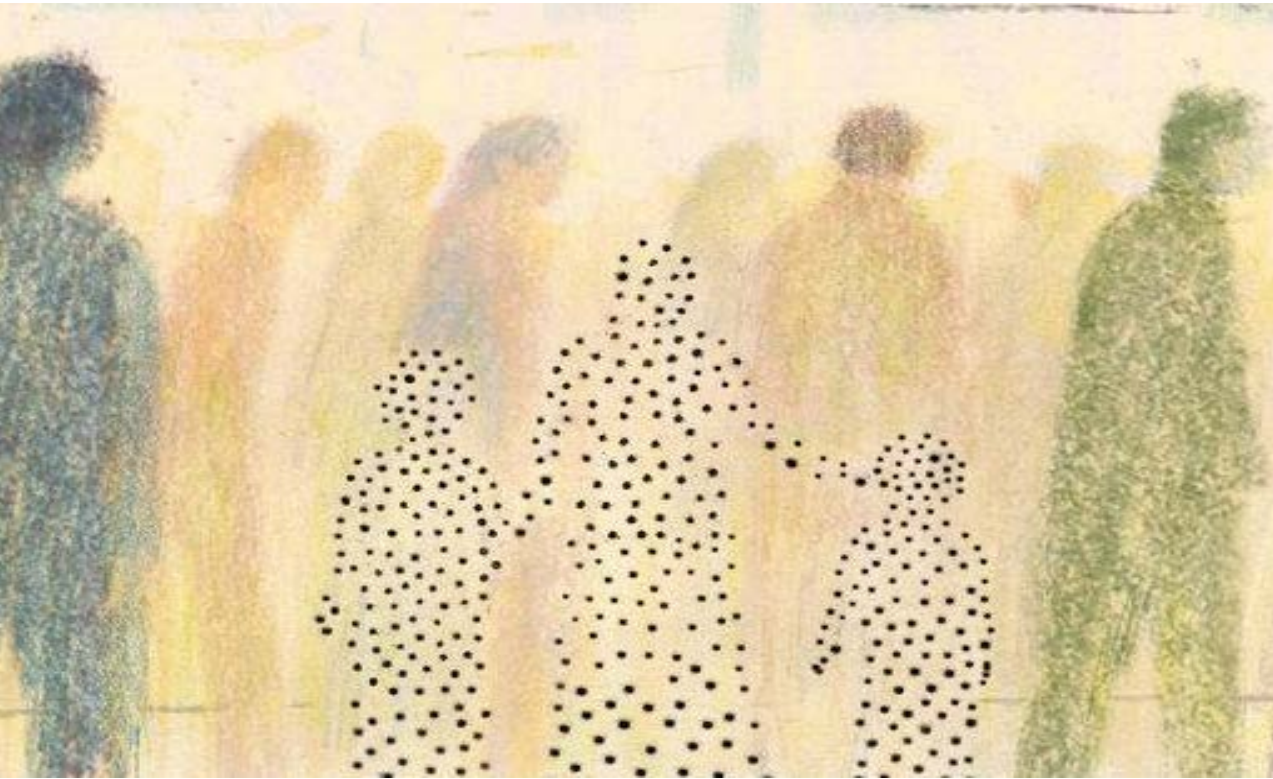


The Importance of Financial Inclusion for People with Disabilities



Artist: Dadu Shin

Michael Morris
Executive Director
National Disability Institute

NDI History

- In 2000, no disability organization or government agency at any level wanted to talk about or address the challenges of poverty confronting millions of Americans with disabilities everyday.
- NDI was incorporated in 2005 as a 501(c)3 nonprofit.
- The Board of Directors are thought leaders in disability and financial communities.
- NDI has 35 staff located in 10 states and is headquartered in Washington, DC.
- In 2019, NDI has over 12 public and private funders with activities touching target audiences in all 50 states.

NDI Mission

The mission of National Disability Institute (NDI) is to drive social impact to build a better economic future for people with disabilities and their families through pioneering research, advocacy, policy development, public education, and innovative demonstration projects.

NDI Priorities

- Improve and nurture relationships between the disability and financial communities to advance financial inclusion and economic stability for individuals across the spectrum of disabilities.
- Develop and document pathways to improved economic self-sufficiency for youths and adults with disabilities.
- Align public policy to promote work, saving, and asset accumulation.
- Improve collaboration across federal agencies to advance financial capability and a better economic future for individuals with disabilities.

Financial Inclusion is:



- Accessible and affordable financial services
- Financial education to make informed financial decisions
- Economic pathways to financial stability and security
- Overcoming barriers to financial stability with reduced historical dependence on means-tested public benefits

Artist: Patrick Connally,
Downtown Berkeley

For People with Disabilities, Financial Inclusion is:

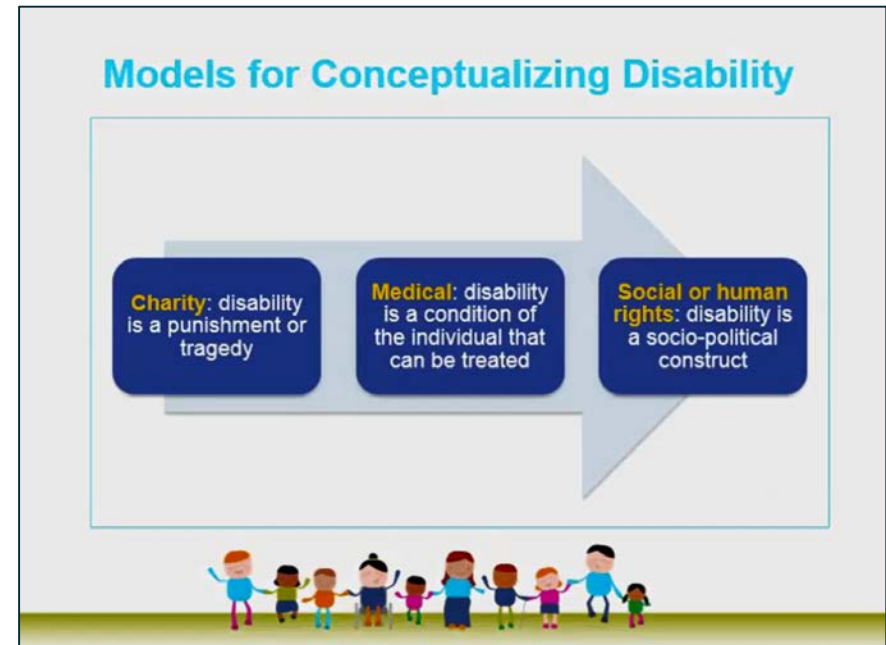
- Not a fringe issue
- Fundamental to the definition of community
- Fundamental to solving other intractable social issues



Artist: Gen Gaines, *A Summer Stroll on RIA*

What is Disability: Changing Conceptualization

- **Medical model**
 - Says that a disability is a condition within a person and that the only way to address that condition is to “fix” the person.
- **Social Model**
 - Says that disability is an interaction between the person and the environment—that people are limited by barriers in society, not solely by their disability. These barriers can be physical, programmatic or attitudinal.
- Therefore, our job is to adjust the financial environment to meet the needs of ALL.



For a good description of the Social model see “The Social Model of Disability” by Tom Shakespeare in The Disability Studies Reader, 2017.
<https://books.google.com/books?hl=en&lr=&id=aiQIDwAAQBAJ&oi=fnd&pg=PA195&dq=tom+shakespeare+social+model&ots=TAzrb-LDo-&sig=A78tLWkL6FvxX2ZlxeWpkfhBgEc#v=onepage&q=tom%20shakespeare%20social%20model&f=false>



Who Are People with Disabilities?

- 40-57 million people
- 13-20% of total population
- 26% of households have a member with a disability
- Diverse in terms of type of disability, race, age, age of onset, socioeconomic situation

Intersectionality of Disability and Other Identities

The American Community Survey estimates 14% of African Americans, 14% of Whites and 9% of Latinos have a disability.

The prevalence of disability increases with age.

Some research suggests the prevalence of disability is higher among LBQT adults compared with their heterosexual counterparts.*

*Karen I. Fredriksen-Goldsen, Hyun-Jun Kim, and Susan E. Barkan (2012) Disability Among Lesbian, Gay, and Bisexual Adults: Disparities in Prevalence and Risk. American Journal of Public Health. 102(1).

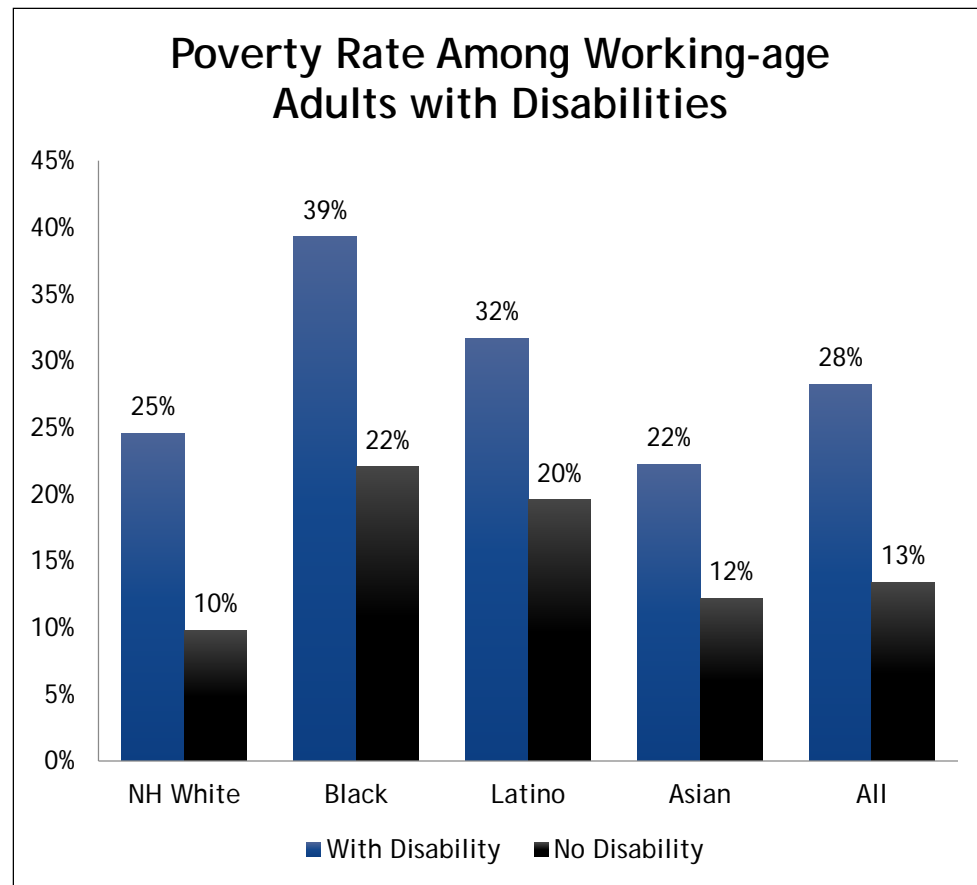


Artist: Corbett O'Toole, *Disabled Women of Color* (Quilt)

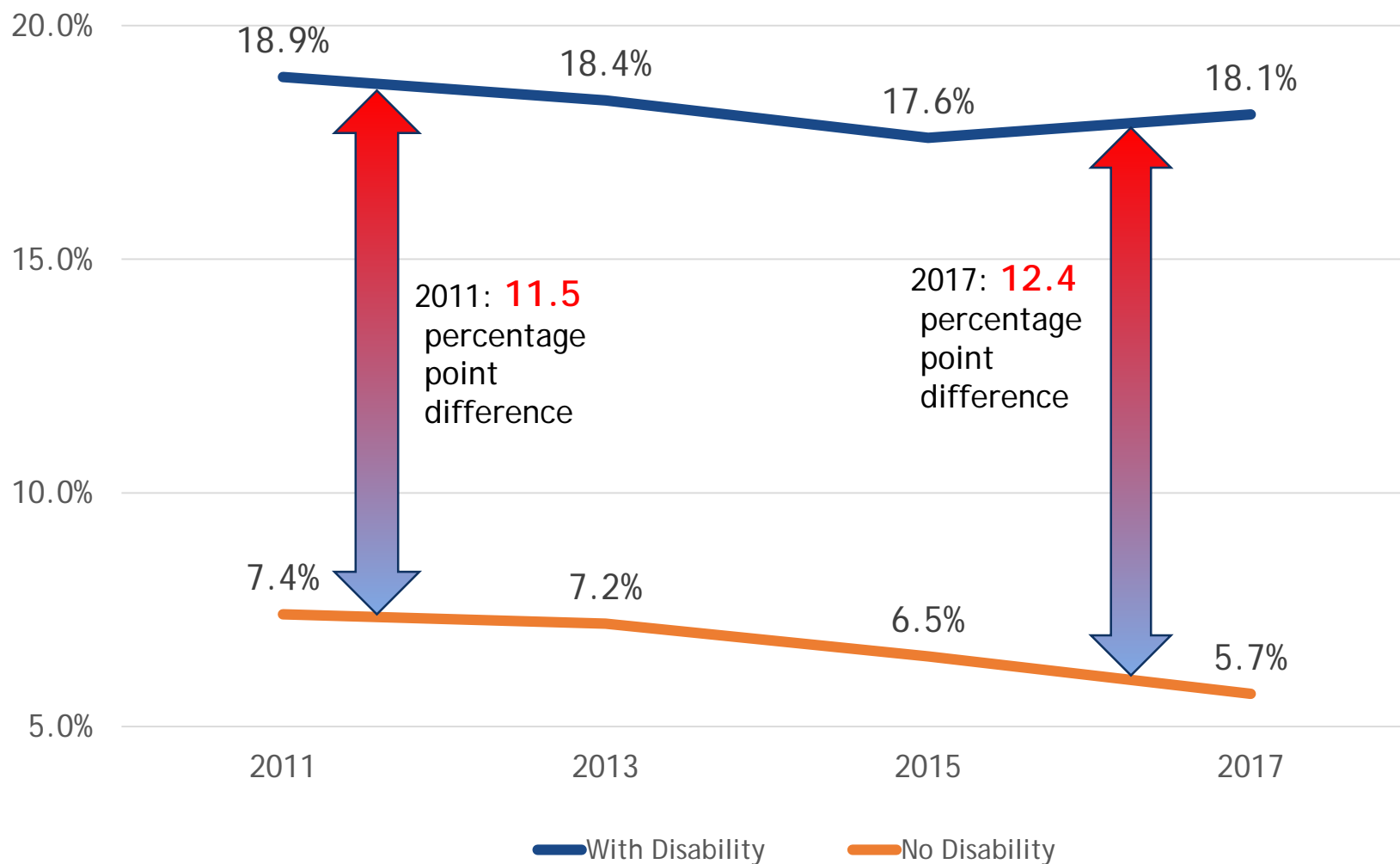
The Intersection of Disability, Color and Poverty

Race and disability are not completely separate sources of disadvantage that parallel each other. Race and disability are overlapping identities that are both related to systemic inequality.

NDI has documented disparities by disability and color in poverty rate, educational attainment, employment status, use of financial services and financial stress.



Unbanked: Disability Gap is Growing

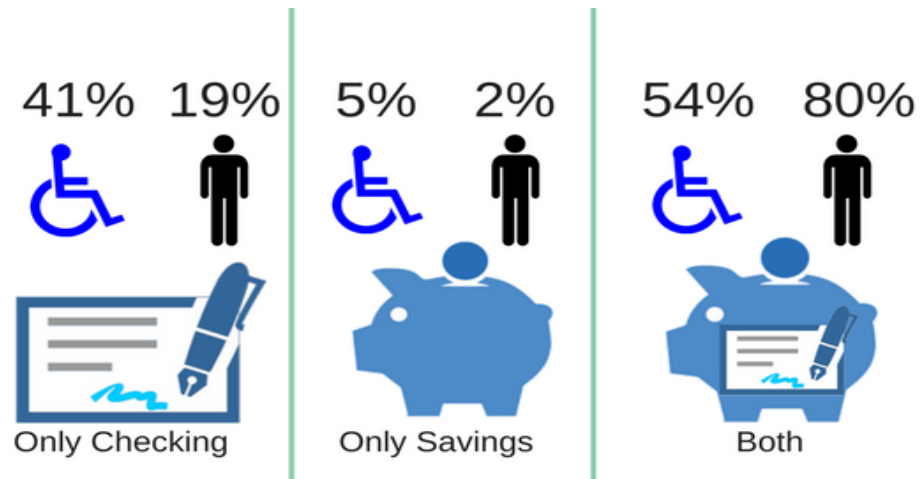


Source: 2011-2017 FDIC Surveys of Unbanked and Underbanked Households

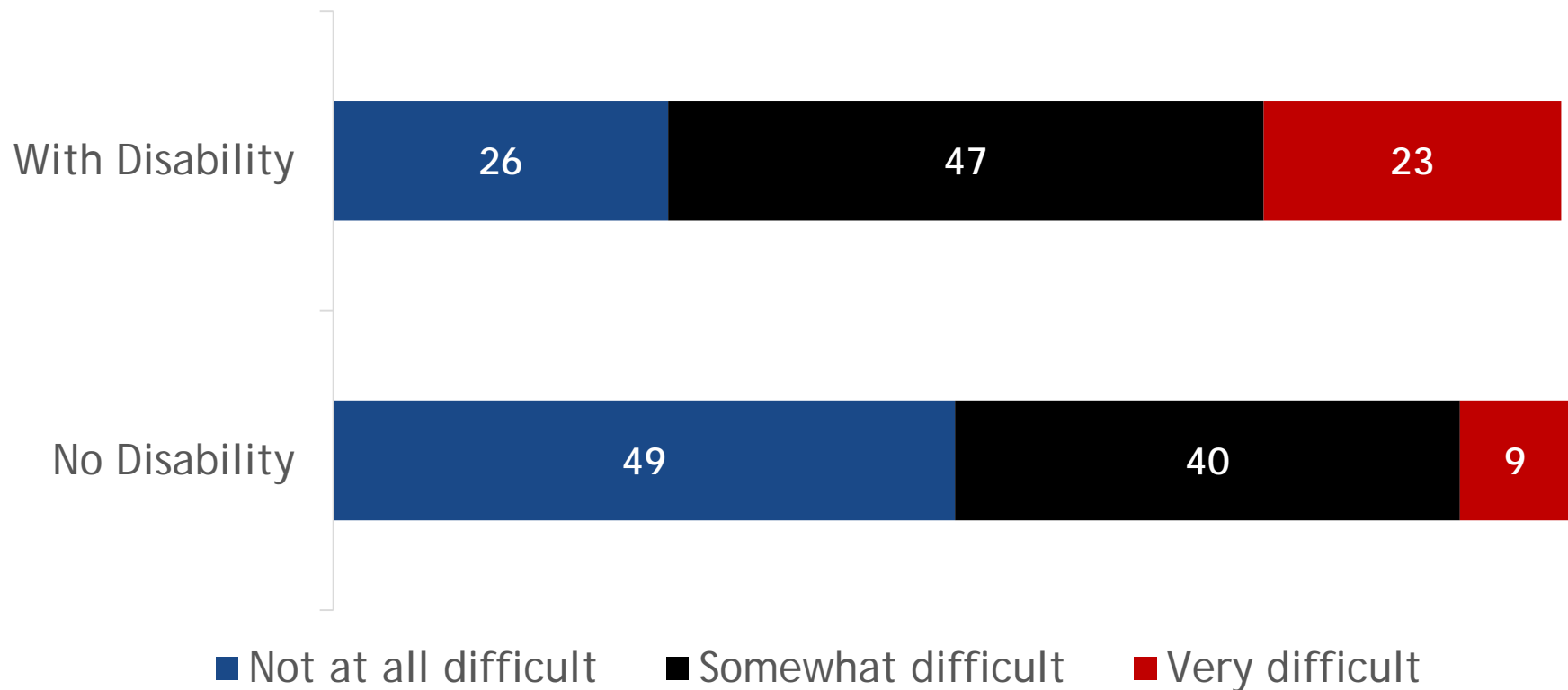
Use of Accounts by Banked Households

Even among households with bank accounts ...

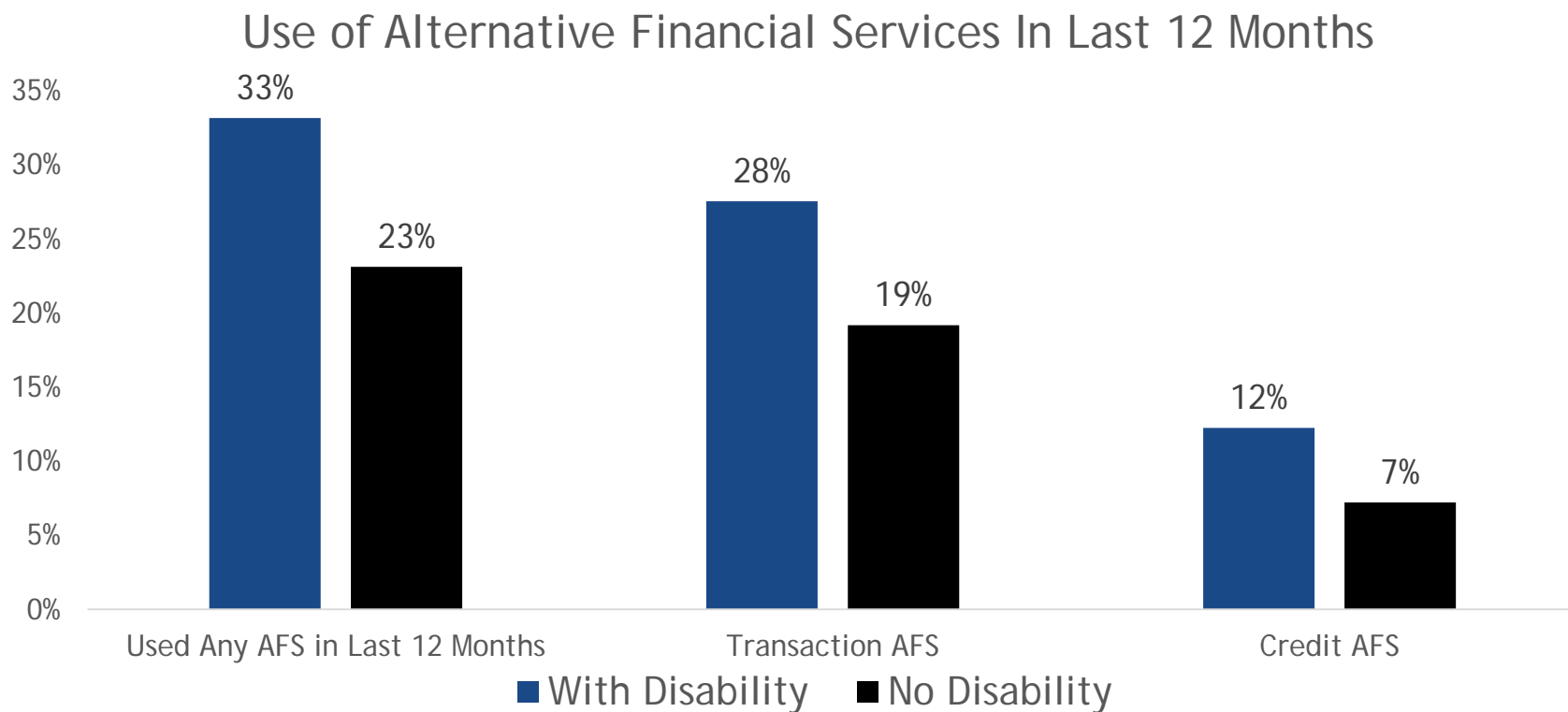
- Households with a disability less likely to have both a checking and savings account.
- Households with a disability are much less likely to use online banking (47% compared with 73%).
- More likely to use the bank teller as the primary method to access their accounts.



Difficulty Covering Expenses and Making Ends Meet

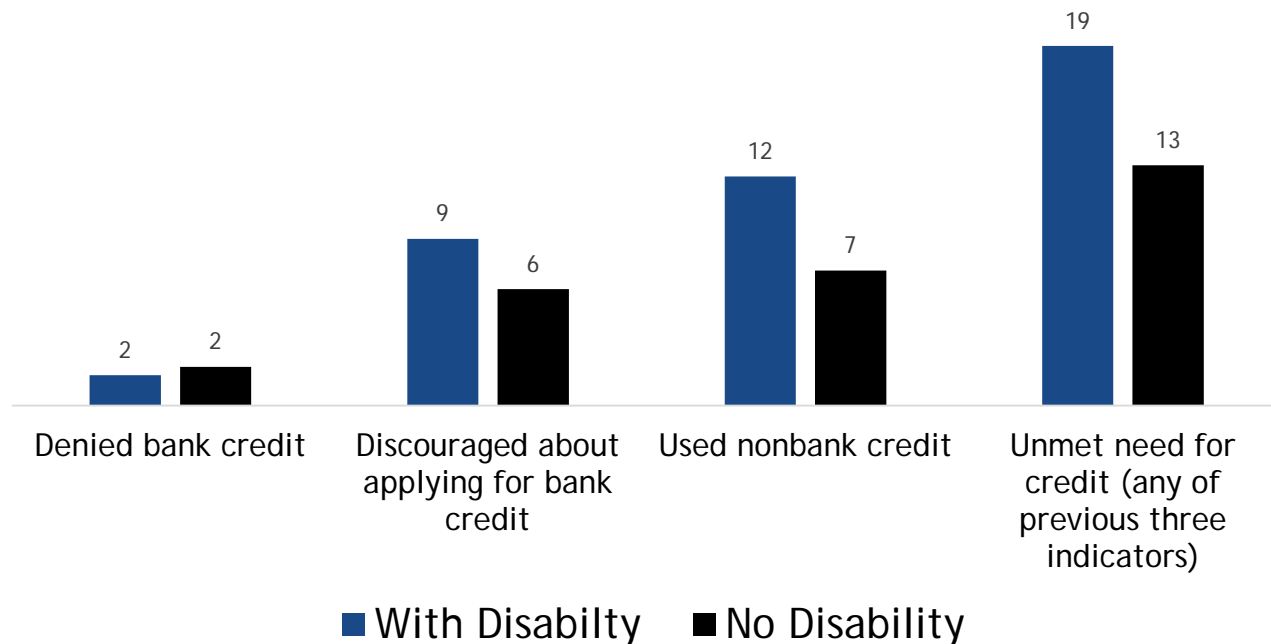


Financial Exclusion Leads to Potentially Expensive Use of Alternative Financial Services

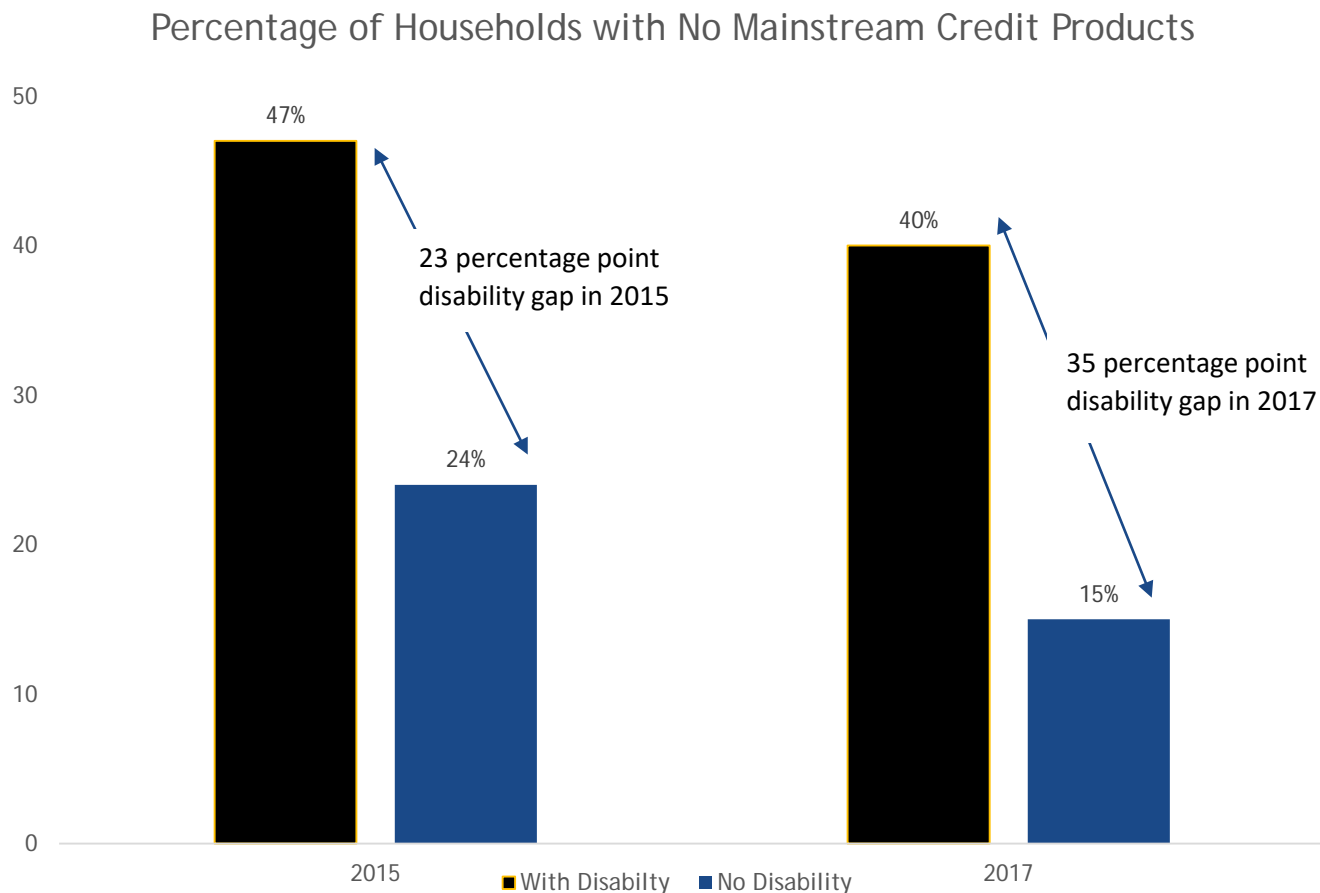


People with Disabilities Have a Higher Unmet Need for Credit

Unmet Need for Credit by Disability Status, 2017



The Gap in the Percentage of Households With No Mainstream Credit Products has Increased Over Time





Impact of Financial Stress

- Almost $\frac{1}{2}$ skip medical treatments because of cost
- $\frac{1}{3}$ are late on mortgage payments
- $\frac{1}{3}$ overdraw checking accounts

Artist: Sherwin Long,
Peace of Mind

Recommendations

- Expand Access to ABLE Accounts
 - Provide education about the benefits of ABLE accounts.
 - Create automatic transfer of funds into ABLE accounts.
 - Develop product that allows Credit Unions to open ABLE accounts for their customers
- Enhance Trust and Confidence
 - Conduct anti-bias training for credit union staff
 - Increase hiring of people with disabilities as credit union staff members
 - Establish branches with convenient locations and expanded hours

Recommendations (continued)

- Ensure Accessibility
 1. Accept calls from video phones and video relay services
 2. Locate ATMs inside rather than outside credit union location
 3. Exceed minimal access requirements
 4. Ensure that online sites and mobile apps meet accessibility guidelines and are easily usable by all customers
- Develop Responsive Products and Services
 - Reduce length of delays to access cash from check deposits
 - Allow low minimum savings account requirements and free checking for low-income consumers
 - Initiate small dollar low-interest loans
 - Improve access to financial education and counseling.

Recommendations (cont.)

- Advance Innovative Solutions
 - Consider enhancements to mobile banking and fintech apps based on input from the disability community
 - Use responsive technology to help customers make decisions such as automated alerts and nudges to encourage positive financial choices.

