

Financial Empowerment Models: *Community-based Organizations Serving People with Disabilities*

Many nonprofit organizations provide financial empowerment services to promote the long-term financial stability of their program participants. These services may be particularly valuable for clients with disabilities.

This brief will walk you through three critical decision points in designing a financial empowerment program for people with disabilities using examples from nonprofit agencies with programs that specifically address the need of their clients with disabilities.

The three decision points described in this brief are:

- **Defining the types of services and their purpose:** Financial empowerment programs most often provide financial education, financial counseling or financial coaching, but may also include tax preparation, credit counseling or public benefits advisement.
- **Integrating financial empowerment with other programs:** Financial empowerment services may be combined with employment services, linked to a loan or a debt repayment plan, offered at financial decision points, such as during tax preparation, or offered by employers as part of their Employee Assistance Program.
- **The structure of selected service models:** Some programs adhere to one of the national models described later on this brief, while others develop a structure that specifically addresses the needs of their program participants.

Empowered Cities is a landmark initiative to advance financial inclusion and economic opportunity for lower-income people with disabilities. Empowered Cities catalyzes municipal efforts to advance economic opportunity for people with disabilities.

This brief contributes to the second pillar in the 4-step framework NDI uses to support municipal and community leaders as they explore, establish and expand their efforts to include people with disabilities across a spectrum of financial empowerment initiatives.

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This document describes each of these components in more detail and provides examples of different models used by nonprofit agencies based on structured interviews with leaders of 15 financial empowerment programs serving people with disabilities. It is designed to help other nonprofit agencies understand the range of options available to create, or strengthen, their financial empowerment services. This brief can also help municipal leaders identify potential models to consider when developing a financial empowerment initiative and partnering with community-based organizations for its implementation.

Defining the Types of Services and Their Purpose

There are multiple types of financial empowerment services an organization may choose to provide. This section describes some of these services and the context in which each service may be most effective.



Financial Coaching

Financial Coaching is a client-driven process that helps individuals define financial goals, develop plans of action and implement steps toward their goals. The process is grounded in positive psychology and behavior change. Coaching usually occurs in one-on-one sessions, but may also be offered in a “group coaching” model. It tends to be focused on long-term outcomes where the coach provides support and encouragement for the client to practice the behaviors required to meet their self-identified financial goals. While coaching may teach content based on a client’s unique needs and goals, it is not designed to convey technical information or to provide expert advice to clients. Financial coaches often refer clients to information and resources available in their community.

Financial coaching is well suited to long-term asset building programs because clients often need encouragement and support to maintain positive financial behaviors. It may be particularly appropriate for people with disabilities interested in setting up a savings plan to achieve a financial goal. A financial coach could help the person identify savings strategies to achieve that goal by using an ABLE account or a Plan to Achieve Self-Support (PASS).

In describing the value of financial coaching, the financial coach at Service Source Delaware (described in more detail below) said, “Initially you may be helping individuals discover why do they want to work? What are some of the goals they have in mind? What do they want to achieve? Where do they see themselves in the next three or five years? Allowing them to discover that they have the ability to set goals and meet milestones promotes inclusion and self-determination and this can make a significant difference in their lives.”



Financial Counseling

Financial Counseling is delivered during one-on-one sessions and is designed to provide advice to help clients address specific financial matters. It is usually short-term and focuses on addressing the client's immediate needs, such as negotiating payment plans to reduce debt or establishing a bank account. Counselors have expertise in specific financial topics and tend to have strong relationships with local and national support programs. They often make referrals and sometimes intervene on behalf of the client as an advocate or mediator.

Financial counseling is used when clients face immediate, acute problems where expertise is required. Individuals who are in a financial crisis may not be emotionally ready or able to take action on their own. While a coach would encourage the individual to make a change, a counselor will be much more prescriptive and direct the client to take certain actions or to take the action on the client's behalf, if appropriate. Financial counseling is particularly appropriate for people with disabilities who may need help solving a specific financial challenge or who need technical advice.

The Empowered Cities Initiative in New York City uses financial counseling in a Financial Empowerment Center (FEC) Model (described below) to help clients with disabilities work through debt, including debt from Social Security overpayments, make decisions about work based on the impact of employment on benefits eligibility and navigate financial decisions within the constraints imposed by the complex interaction of multiple public benefits.



Financial Education

Financial Education usually refers to workshops or classes, offered in a group setting, that involve the transfer of knowledge and information on a specific set of topics, such as how to budget, use mainstream financial products, save, manage credit, reduce debt, access available tax credits and more.

Financial education is most appropriate when a group of clients need to learn the same information. It is often seamlessly combined with group “coaching” approaches where participants play an active role in providing encouragement and support to their classmates. Implementing financial education for people with disabilities requires the instructor to have the flexibility to adjust the curriculum and teaching style to meet a wide range of learning styles.

Maryland CASH provided financial education to youth with disabilities participating in the state's PROMISE program. They adjusted their standard curriculum to focus on content that resonated with the participants. Because many of their clients had intellectual disabilities, they found they needed to break down the content into simple terms and concrete examples clients could understand. They also used multimedia and role-play to bring the concepts to life.



Benefits Planning

Benefits planning helps beneficiaries of Social Security's disability programs (SSI-Supplemental Security Income and SSDI-Social Security Disability Insurance) receive accurate information about the impact of work on their cash and medical benefits and how special rules called Work Incentives can help them transition to work and maximize income. For SSI and SSDI beneficiaries, understanding the complex rules of these programs is a critical component of financial capability. However, because of the complexity of benefits, work incentives and the interaction with other poverty reduction programs, providing accurate information requires specialized training. The Social Security Administration (SSA) funds the Work Incentive Planning and Assistance (WIPA) program in each state to provide in-depth one-on-one benefits counseling to beneficiaries. Social Security requires WIPA staff to participate in intensive initial training and pass a rigorous certification process prior to working with beneficiaries. Some financial empowerment providers employ staff with a similar level of training to provide benefits advices while others refer clients to the WIPA programs.

Service Source Delaware reports that having a financial coach who is also a Certified Benefits Specialist allows the coach to provide a bridge between financial goals and benefits. Clients have financial goals like increasing their income through employment, establishing savings, buying a car, buying a home or building credit. However, if they are receiving benefits they often think, "I'm afraid to seek these goals because I don't want to lose my benefits." For example, if an individual receives SSI and they are interested in savings, the financial coach needs to be aware of the resource limits under SSI rules and the availability of ABLE accounts in order to direct their client to the most appropriate savings option for them. If their goal is to get an apartment, the coach can develop a path to achieve that goal. That may include a full-time job, but the client needs to approach that option after carefully evaluating how work will impact their benefits to ensure they maximize their financial security and maintain their health benefits.

Other programs saw the value of including benefits counseling into their financial empowerment services, but noted that the extensive level of training required made it prohibitively expensive unless they could find a dedicated funding source. The organizations that were able to train their frontline staff to offer benefits counseling tended to be organizations large in size, that saw a positive impact of providing benefits counseling in their goal to achieve employment outcomes or were able to tap into funding from Vocational Rehabilitation (VR) programs. VR reimburses WIPA programs as well as organizations that have non-WIPA benefit planners for providing benefits advice to people with disabilities.



Other Financial Capability Services

Other Financial Capability Services, such as credit counseling, credit building, access to safe and affordable financial products, free tax preparation, access to federal and state benefits, incentivized savings programs and asset ownership programs help clients address specific needs. These services are described in more details in the About Financial Capability Services section of the U.S. Administration on Children and Families website.



Combining Services

While some organizations provide only education, counseling or coaching, many combine services. For example, several organizations offer financial education to all program participants and financial coaching or counseling to a small subset who need additional support.

When asked about the relationship between counseling and coaching, an Empowered Cities administrator explained that, within a one-on-one session, counseling and coaching strategies may both be deployed. Some sessions may start off as counseling and, once the counselor understands the goals of the program participant, their level of knowledge and belief in their ability to take certain steps, the counselor may shift to a coaching strategy.

Wayne Metro combined one-on-one financial coaching with group sessions. The intervention was designed to help clients pay off property tax arrears to prevent foreclosure. According to the counselors, clients said the group sessions allowed them to feel a little less isolated and provided support for dealing with setbacks in budgeting and savings.

In a pilot program conducted with the Vocational Rehabilitation agency, The Connecticut Association for Human Services combined interactive financial education and financial coaching. The organization developed a curriculum with modules for each of the basic concepts such as debt and banking. As the first step in the process, the coaches conducted a needs assessment and a motivation scale that provided information about the client's past and current financial situation and their understanding of financial concepts. Based on this assessment, coaches, in one-on-one sessions, delivered the modules of the curriculum the client needed and then identified financial goals that aligned with the client's values. The coach assisted clients in establishing one to three measurable do-able goals and in identifying the steps needed to achieve the goals. The coach then provided ongoing support to keep the client on track.



Integrating Financial Empowerment with Other Programs

While financial empowerment programs can be provided as a standalone service, they are usually linked to other programs with related goals. Leaders interviewed believed that providing coaching along with their other services helped clients achieve better outcomes in these other services. Research supports this perspective. Providing coaching along with traditional social services has a “supervitamin” effect, meaning that clients achieve both better financial outcomes and better social service outcomes.

Integrated with employment programs:

In our sample of programs, The Arc of Broward County in South Florida, Connecticut Association of Human Services in Hartford, Service Source in Delaware and Institute for Career Development in New York City each integrate financial counseling and coaching into their employment programs in an effort to not only to increase their client’s financial stability, but also to enhance their employment outcomes. As the financial coach from Service Source explained, “If you want people to go to work, they need to have a reason to and that is where coaching comes in. It helps them keep focused on their goals and understand why they are working and need income. It also helps them understand how to manage their paycheck.”

Associated with a loan program:

The Northwest Access Fund in Seattle and the Pennsylvania Assistive Technology Loan Fund near Philadelphia supplement their assistive technology loan program with financial empowerment. When the loan fund thinks a loan is risky because the borrower does not have a strong credit history, the borrower may be referred to the financial coach. The coach can help the borrower verify their outstanding debts and help the borrower develop a budget that includes repaying the assistive technology loan.

Linked to a debt repayment plan:

As with most taxing authorities, Wayne County can foreclose on a property if the homeowner is delinquent in paying their taxes. With the support of the Wayne County Treasurer’s office, Wayne Metro provides one-on-one financial coaching to prevent foreclosures. The coaching helps clients stabilize their financial situation and develop a budget that enables them to pay off back taxes.

As a component of an employee assistance program:

Cares of Washington in Seattle works with small to medium size employers to offer confidential, person-centered coaching as part of its Connect for Success workplace benefit package. The coaching is designed to reduce employee turnover, especially turnover among low-wage workers, and increase productivity. The coach connects employees with resources to help them address immediate financial challenges that may prevent them from performing their best at work. Coaches can also help employees be on track to meet longer term goals.

Offered during free tax preparation services:

Several Volunteer Income Tax Assistance (VITA) sites associated with the Boston Tax Help Coalition offer financial coaching in conjunction with free tax preparation to provide information and support at the point in time the client may be considering how to spend a tax refund. Another VITA site, the Arc of Highpoint in North Carolina, helps individuals open and deposit their tax refunds into ABLE accounts.



The Structure of Selected Service Models

The organizations interviewed for this brief employ a number of programmatic structures to deliver financial services. Some adhere to a well-established model while others create a model based on the specific needs of their organization.

Center for Working Families Model

The Center for Working Families (CWF) model, developed by the Annie E. Casey Foundation, provides a coordinated set of services to help participants get jobs, strengthen their finances and move up the economic ladder. The hallmark of the Center for Working Families approach is bringing together, or “bundling,” at least two of the following services in one location:

- **Employment** – including assistance with job readiness, job placement, occupational skills training, education and career advancement.
- **Benefits and work supports** – helping clients gain access to public benefits, tax credits, financial aid and other benefits to improve their financial security.
- **Financial well-being**– workshops, classes, one-on-one counseling and access to well-priced financial products and services to help clients improve their household finances and build assets.

The CWF model is well known for its association with Local Initiative Support Corporation (LISC), which uses the model in their 80 Financial Opportunity Centers across the country.

The ARC of Broward County Florida (described in Information Brief #1- Including People with Disabilities in Financial Empowerment Services: Examples from Community-based Organizations) has applied the model in a disability context. The organization chose this approach based on the finding that including financial empowerment will both increase employment outcomes as well as equip clients with important information and skills they need to make informed financial decisions that affect all aspects of their lives. Using an established model allows them to connect with other nonprofit agencies in their local area who are also using the CWF model for support.

Financial Empowerment Centers

In the Financial Empowerment Center (FEC) model, financial counseling is provided as a municipal service to all residents. City governments lead and manage the initiative and contract with nonprofit partners to deliver free, one-on-one financial counseling. The city may also develop partnerships with social service organizations to refer clients to the FECs. The model is designed to address issues around money management, budgeting, reducing debt, establishing and improving credit, connecting to safe and affordable banking services, building savings and referrals to other services and organizations. First developed in New York City, the model has been replicated in x cities through the Cities for Financial Empowerment Fund (CFE).

The Office of Financial Empowerment in New York City, in collaboration with Citi Community Development, the Mayor's Office for People with Disabilities (MOPD) and National Disability Institute (NDI), are testing a modified FEC model to address the needs of people with disabilities. The partners have adjusted the FEC model by: (1) providing counselors with specialized training on disability and other public benefits in addition to the standard required counselor certification training; (2) ensuring the system is particularly sensitive to disability etiquette and accommodations; and (3) expanding the list of measurable outcomes to include disability-specific objectives, such as using Social Security Administration work incentives, opening an ABLE Account, or addressing an SSA overpayment.

Two nonprofit agencies, New York Legal Assistance Group (NYLAG) and Ariva, have contracted with the New York City to provide counseling services under the EmpoweredNYC pilot. Multiple disability employment programs and social service agencies have formal and informal agreements with the city to refer clients to the project or to host the mobile financial counselors.

StandByMe

Embedding financial capability into an existing service delivery system can have several benefits which include lowering the cost of delivering the service and leveraging “teachable moments” throughout the client’s journey as they use that system. It also gives clients the opportunity to put into practice the knowledge or skills learned as the financial capability service is delivered in a context where they can apply it.

StandByMe, a public/private partnership led by Delaware Office of Financial Empowerment and Goodwill Industries, makes financial coaching available to all Delaware residents by establishing financial empowerment centers within public agencies, nonprofit organizations, colleges and businesses. One-on-one coaching services are provided by professionally trained coaches and focus on financial empowerment, action planning, goal setting and providing a supportive relationship to clients. The initiative enhances participation by strategically offering services, such as on-site coaching, where prospective clients work, receive social services or go to school, making the services convenient and easy to access.

ServiceSource Delaware partners with StandByMe to bring financial coaching to adults with disabilities. ServiceSource, which focuses on providing employment and training opportunities to people with disabilities, and others with significant barriers to employment, believes that having clients establish a financial goal and strategize about how to achieve their goal in financial coaching sessions leads to better employment outcomes. This is because having a financial goal helps clients focus on the relationship between working and the ability to achieve their financial goal.

ServiceSource’s coach is unique among the StandByMe partners. In addition to being a skilled financial coach, the coach is a Certified Benefits Specialist with a comprehensive understanding of public disability benefits. The coach operates under the belief that benefits planning is a key component of financial coaching, since managing and maximizing public benefits may be an important component of an individual’s financial wellness.

Volunteer Model - The Boston Tax Help Coalition

The Boston Tax Help Coalition (BTHC), a public-private collaboration within the Mayor’s Office of Financial Empowerment under the Office of Workforce Development, has been operating free tax preparation services for eligible low- and moderate-income (LMI) taxpayers in Boston as part of the Volunteer Income Tax Assistance (VITA) program. BTHC has developed a disability work group which ensures accessibility at all sites, provides accommodations when needed and works closely with the Deaf community to host tax preparation services with American Sign Language (ASL) interpreters. In 10 of the

coalition's 37 neighborhood sites, volunteers also provide a free, individualized financial assessment session. This Financial Check-Up includes credit advising with a FICO score evaluation, access to financial aid advising, if needed, and referrals to other services leading to greater financial stability. Financial Check-Up provides individuals the option to participate in the coalition's year-long, one-to-one financial coaching program.



Conclusion:

As your organization develops interventions to build the financial empowerment of people with disabilities, consider the three decision points described in this brief:

Defining the types of services and their purpose: Which financial empowerment services are most appropriate for the population you are serving to meet the goals of your program? Consider financial education, financial coaching or financial counseling, benefits advisement, other financial empowerment services or a combination of multiple services.

Integrating financial empowerment with other programs: What existing programs does your organization offer that could be enhanced by adding a financial empowerment component? Consider employment services, services that offer loan or debt repayment plans that require the clients to develop and stick to a budget or services offered at key financial decision points.

The structure of selected service models: Is there a national model that aligns with your organization's structure and the goal you are hoping to achieve by providing financial empowerment services? Consider developing a program using the Centers for Working Families, implementing a volunteer model or connecting with organizations providing services under a Financial Empowerment Center model.

For additional information on key decision points, visit our Empowered Cities website to access our Briefs and Quick Reference Guides.



For questions about this brief or additional information on building a financial inclusion program, email ask@ndi-inc.org.

Resources

Financial Coaching: An Asset Building Strategy by Michael Collins, Center for Financial Security, University of Wisconsin-Madison

assetfunders.org/wp-content/uploads/Financial_Coaching_Brief.pdf

About Financial Capability Services. Prosperity Now and Administration for Children and Families

acf.hhs.gov/sites/default/files/ocs/financial_capability_services_0.pdf

Building Financial Capability: A Planning Guide for Integrated Services – Prepared by Prosperity Now under the ASSET Initiative Partnership for the Administration for Children and Families at the U.S. Department of Health and Human Services

acf.hhs.gov/sites/default/files/ocs/afi_resource_guide_building_financial_capability.pdf

Empowering Prosperity: Strengthening Human Services Impacts Through Asset Integration

heller.brandeis.edu/iasp/pdfs/racial-wealth-equity/asset-integration/empowering-prosperity.pdf



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