



Testimony before the
United States House of Representatives,
Financial Services Committee

Diversity Includes Disability:
Exploring Inequities in Financial
Services for Persons with Disabilities,
Including Those Newly Disabled
Due to Long-Term COVID

Testimony of:
Thomas Foley, JD
Executive Director of National Disability Institute
Washington, D.C.

Tuesday, May 24, 2022

12:00 P.M.

Thank you, Madam Chair Waters, Ranking Member McHenry, Diversity and Inclusion Subcommittee Chair Beatty and Ranking Member Wagner, and other distinguished members of the committee. My name is Thomas Foley, and I am the Executive Director of National Disability Institute. Thank you for the opportunity to be here today to be part of “Diversity Includes Disability: Exploring Inequities in Financial Services for Persons with Disabilities, Including Those Newly Disabled Due to Long-Term COVID.” I’m here today not only as the Executive Director of National Disability Institute, but also as someone who is blind, has been on SSI and SSDI and has, over time, learned how to build an economic future for myself and my family.

There remain far too many barriers to economic advancement for people with disabilities. I still vividly remember as a freshman in college, hearing from a friend of this \$2,000 asset limit if one received SSI. I thought she was kidding. Why didn’t the government want me to save? I wanted what everyone else did: a job that led to a career, a home of my own, rainy-day savings, a family, a shot at the American dream. That \$2,000 asset limit hasn’t changed since my freshman year in college. Simply put, asset and income limits discourage savings, work and hope. We strongly support S. 4102, the [SSI Savings Penalty Elimination Act](#), which provides a modest beginning to address this barrier.

Underlying much of the financial inequity for people with disabilities is an unspoken but palpable belief that people with disabilities are incapable of building an economic future. I am often asked, “Do you work?” rather than the more traditional “Where do you work?” These low expectations permeate the disability experience from school and employment to public policy and even one’s friends and family. These low expectations can seep into the hearts and minds of people with disabilities themselves. The removal of policy barriers and an intentional focus on financial inclusion can go a long way in changing economic expectations for people with disabilities and their families.

Many other factors complicate long-term financial inclusion and savings for people with disabilities. I was lucky that in high school I received a financial education class that changed my life. I learned that every financial decision I made had a long-term financial implication—and I should take that very seriously. However, financial education for people with disabilities is still the exception rather than the rule. Standard financial education doesn’t recognize critical [disability considerations, such as asset limits, Work Incentives, ABLÉ accounts, digital accessibility considerations or the additional costs of living with a disability, which amount to more than \\$17,000 per year.](#)

We can see the predictable results of this in the unbanked rate for people with disabilities. According to 2019 data from the Federal Deposit and Insurance Corporation, people with disabilities are three times more likely to be unbanked than people without a disability: 16.2%

versus 4.5% (FDIC, 2020). Even greater disparities exist at the intersection of race and disability, where the data indicates that disabled Black householders have an unbanked rate of 28.5% while disabled Latino householders have an unbanked rate of 22.2%. It is difficult to plan for an economic future without the basic building block of a bank account.

There are similar [Inequalities in Access to Bank Credit](#) indicated by the data. According to 2019 data from the Federal Deposit and Insurance Corporation, people with disabilities are about 1.7 times more likely to have an unmet need for credit than people without a disability: 20.7% versus 12.2% (FDIC, 2020). Again, even greater disparities exist at the intersection of race and disability, where the data indicates that disabled Black householders have an unmet need for credit of 21.8% while disabled Latino householders have an unmet need for credit of 22.5%. It is difficult to plan for an economic future without access to credit.

Across all racial and ethnic groups, households with a disabled working-age householder have lower net worth, compared to households without disability (\$14,180 versus \$83,985).

Households with householders who are both Black and disabled have the lowest net worth (\$1,282). Lower percentages of persons with disabilities who are also Black (29%) and Latino (30%) are able to save for unexpected expenses, compared to those who have disabilities and are White (44%).

Many people with disabilities turn to self-employment and small business development as a viable alternative that provides greater control, choice and flexibility in terms of work schedule, environment and economic advancement. Unfortunately, disability status is not captured in large national efforts to collect information on small businesses (e.g., Census Bureau) or the more detailed annual small business surveys conducted by the Federal Reserve System. As a result, the absence of disability data renders business owners with disabilities invisible. This creates an obstacle to building a case for developing targeted programs for this underserved and too often overlooked population.

We support: the addition of disability lending disclosures under section 1071 from the Dodd Frank Act, adding the American with Disabilities Act definition of “disability” to the Equal Credit Opportunity Act and ensuring that disability becomes a measurable activity as part of the Community Reinvestment Act.

Banks, financial institutions and the emerging FinTech industry need to take intentional, targeted steps to better reach all people with disabilities in the communities they serve. There is a need to build trust and be proactive in outreach that offers affordable and accessible products and services to people with disabilities; there is also a need to improve access and responsiveness to individual and small business credit needs; and there is a need to improve information about how FinTech products offer new tools and strategies to promote improved and informed financial decision making. Whether FinTech products are developed and offered by new, emerging companies or by the traditional financial service providers represented by banks

and credit unions, products and services must always be available in an accessible format that does not leave individuals who are blind, like me, and others with disabilities from benefitting from these new product and service offerings. When financial services respond to the accessibility and affordability needs of people with disabilities, all of us benefit.

In this work, we have seen first-hand the positive impact of financial education in the everyday lives of people with disabilities. From buying a home and covering out-of-pocket medical expenses to providing a way to save money to start a small business, financial inclusion has been a gamechanger for thousands of people with disabilities. Particularly for people with disabilities who, due to their disability, have episodic employment or contract work, we have seen how access to savings allows individuals and their families to better financially navigate periods of unemployment, remain financially resilient and ultimately, improve their long- and short-term economic self-sufficiency.

Members of the committee, I started this testimony by mentioning my American dream. I bought that house, built a career and put two-and-a-half kids through college. I'm not particularly special. People don't need to change; systems do. With your help, today, we have the opportunity to change these systems and increase financial resilience and economic opportunity for millions of people with disabilities and their families. Thank you for the opportunity.