

# Today's Presenter



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Empowerment

National Disability Institute

# National Disability Institute

First national organization committed exclusively to championing economic empowerment, financial education, asset development and financial stability for all persons with disabilities for the past 15 years.

## Mission

- Collaborate and innovate with diverse partners in the disability community and public and private sectors to improve informed financial decision-making and financial health for people with disabilities nationwide.
- National Disability Institute: [www.nationaldisabilityinstitute.org](http://www.nationaldisabilityinstitute.org)



# Our Work

- Examples of our work:
  - ✓ **Empowered NYC:** Created an inclusive financial counseling model by training counselors on disability benefits integrated with financial counseling with NYC Office of Financial Empowerment and NYC MOPD. (Support from Citi)
  - ✓ **Asset Development Summits: 50 Summits** in cities nationwide bringing together leaders in the disability community with representatives of banks and credit unions. Summits this year will focus on serving BIPOC communities to develop actionable steps for collective action (Support from multiple banks including JPMC, FDIC and OCC)
  - ✓ **ABLE National Resource Center:** Over **1 million visitors** annually for past three years. Collaborating with BIPOC ABLE account Ambassadors to increase awareness and use of ABLE accounts among communities of color. (Support from multiple banks and financial services companies)

# What Is Disability?

- Physical, sensory, cognitive or mental impairment that substantially limits one or more major life activities.
- Individual experience varies by ...
  - Type of disability
  - Severity
  - Age of onset
  - Interaction with the environment
  - Socioeconomic characteristics
- Common element: Risk of being excluded from the financial mainstream.



# What Is Disability: Changing Conceptualization

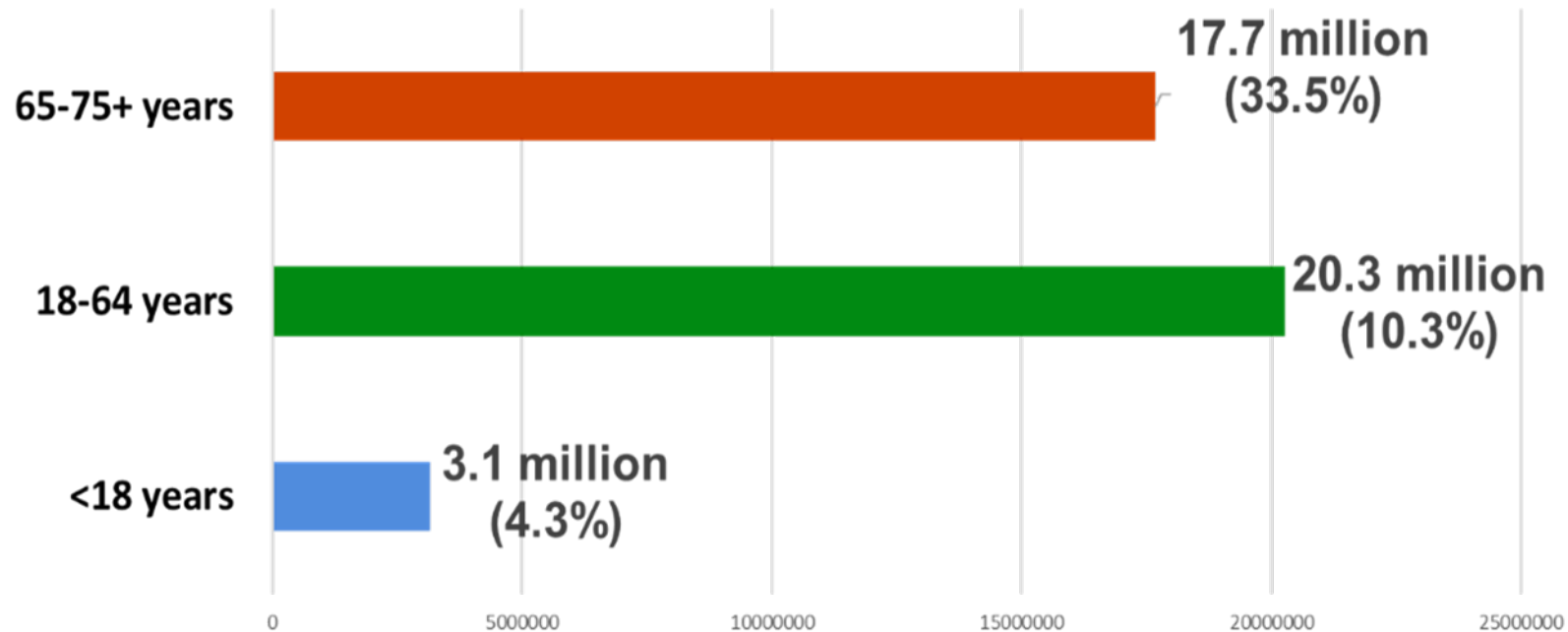


There are three conceptual frameworks for disability: **Charity**: disability is a punishment or tragedy, **Medical**: disability is a condition of the individual that can be treated, and **Social or Human Rights**: disability is a socio-political construct.

[Source: "The Social Model of Disability" by Tom Shakespeare in The Disability Studies Reader, 2017.](#)

# People with Disabilities in the U.S.

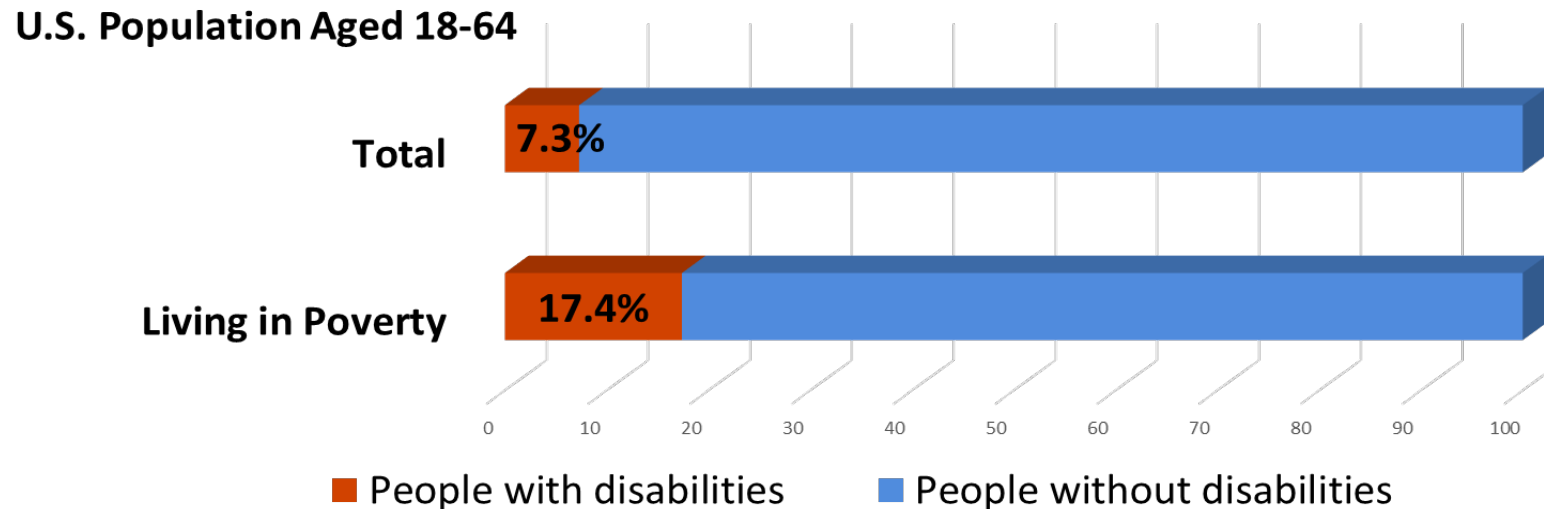
U.S. population that has disabilities, per age



- 41,089,958 people
- 12.7% of total U.S. population

Data Source: 2019 American Community Survey, U.S. Census Bureau

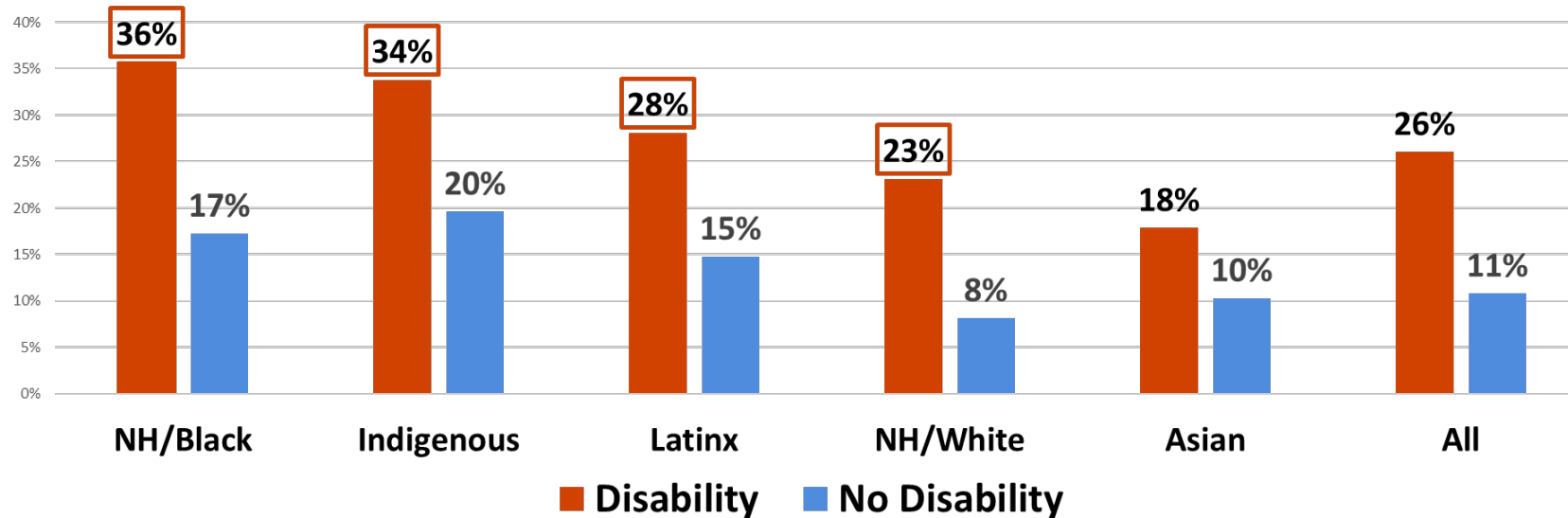
# Poverty and Disability



- Of the U.S. population aged 18 to 64, **7.3% have disabilities.**
- However, they are disproportionately represented in the population living in poverty, **comprising 17.4% of the population aged 18 to 64 in poverty**

Data Source: 2019 Current Population Survey Annual Social and Economic Supplements

# Poverty, Race and Disability



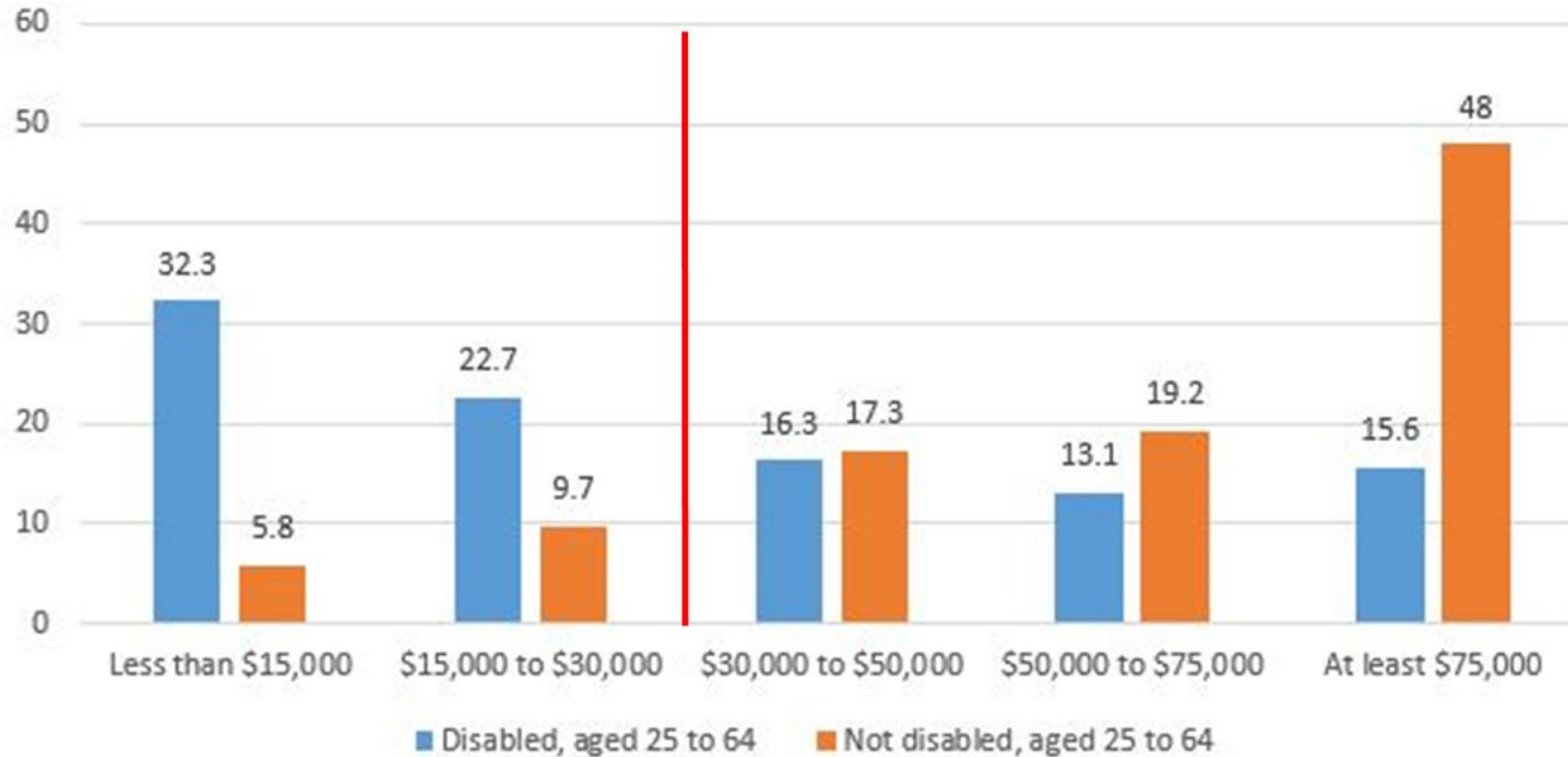
People with disabilities who are Black, Indigenous or Latinx **have higher poverty rates** than people with disabilities who are White (working-age).

Research Brief: [Race, Ethnicity and Disability: The Financial Impact of Systemic Inequality and Intersectionality](#)

Source: NDI Analysis of U.S. Census Bureau. (2019). 2018 American Community Survey 1-year Public Use Microdata Sample



# Income per Disability Status (%)



**55%** of head of households with a disability, earn income of \$30,000 or less compared with 15.5% of head of households without a disability.

Data Source: 2019 FDIC Survey of Household Use of Banking and Financial Services

# U.S. Census Definition of Type of Household

## **Unmarried female-headed family or Unmarried male-headed family:**

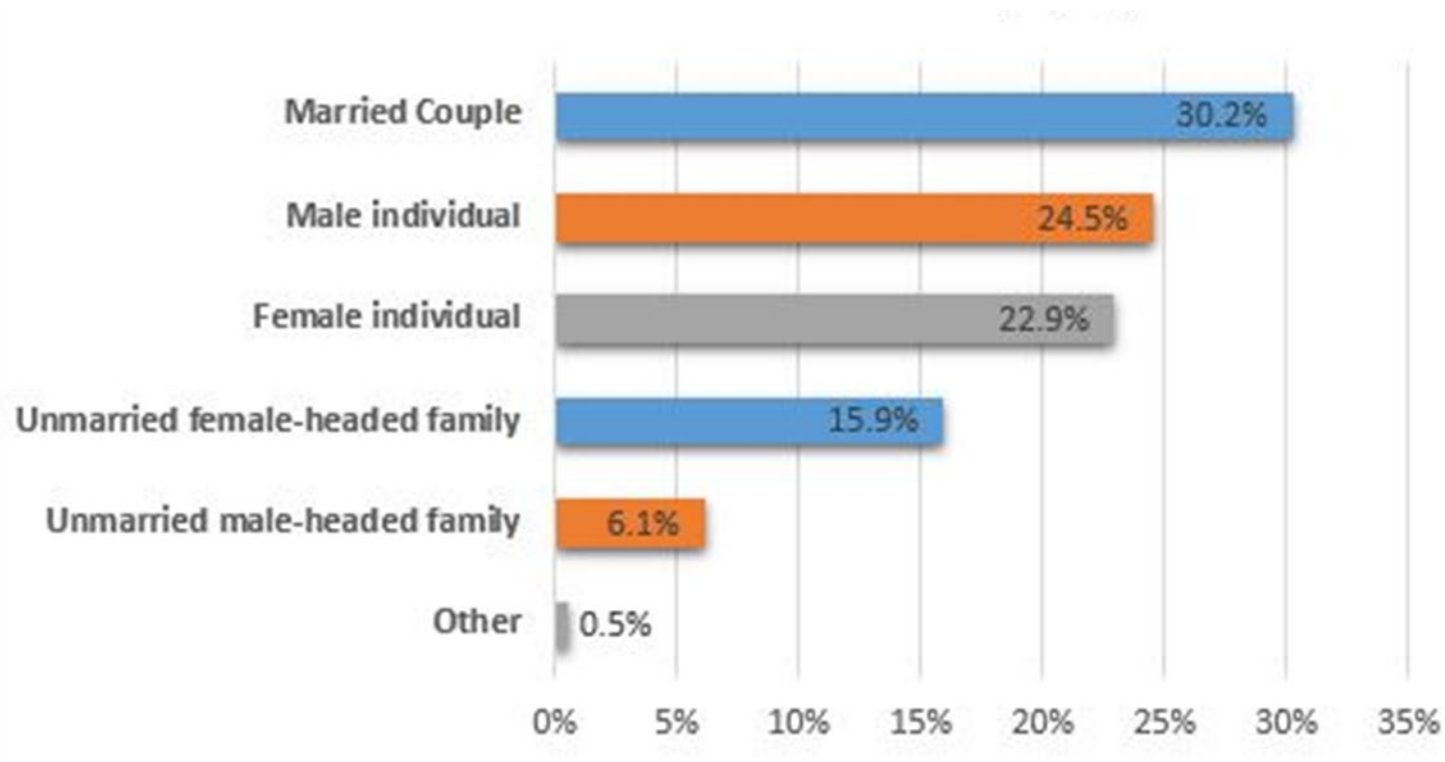
It necessarily consists of two or more individuals: a female or male householder plus at least one non-spouse relative (e.g., own child). Non-relatives such as unmarried partner could also be present.

## **Female Individual or Male Individual:**

It consists of a female or male householder (with no spouse or other relatives) and possibly one or more nonrelatives (e.g., unmarried partners or roommates).

Data Source: U.S. Census Bureau

# Type of Household with Disability (%)

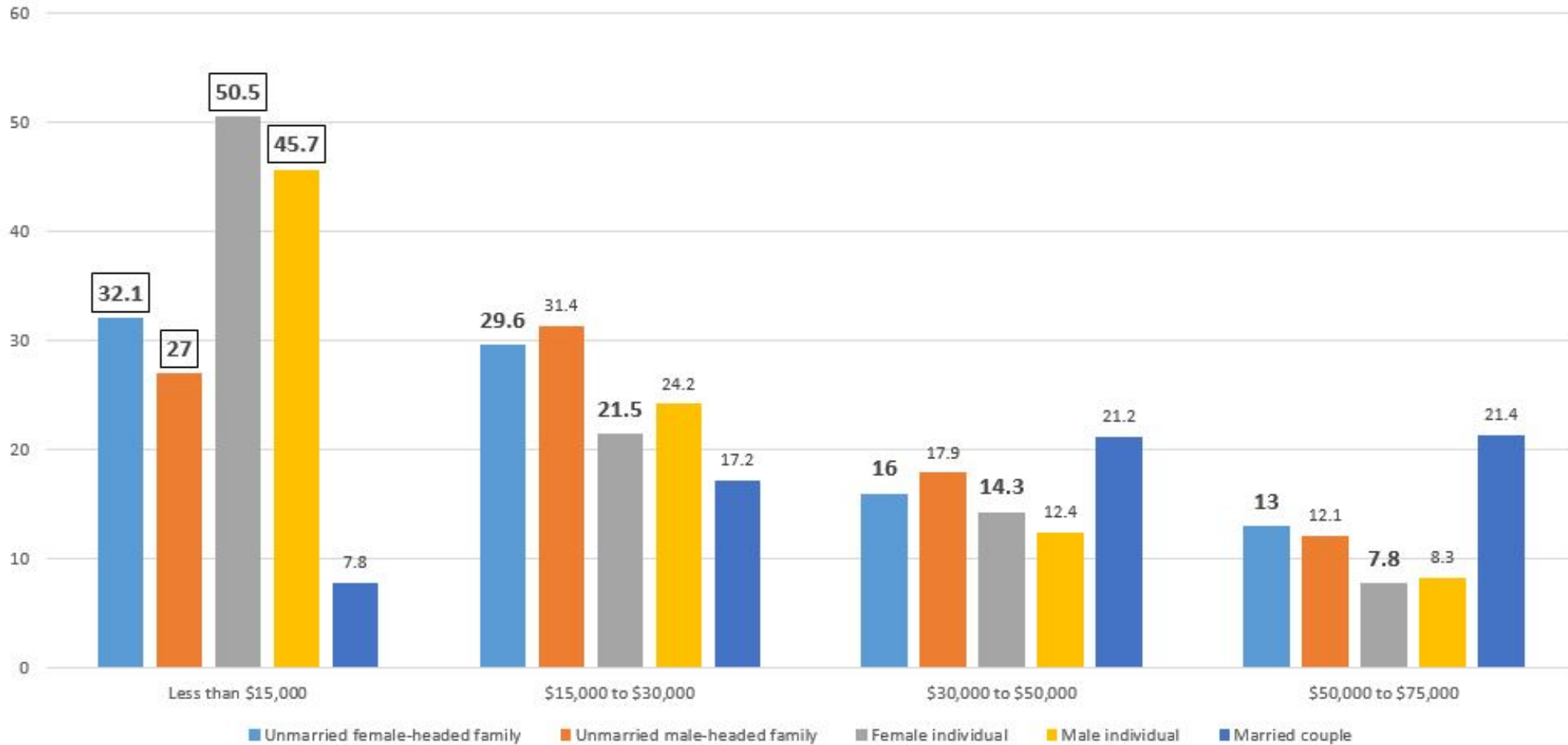


## Number of households:

- Married couple: **3,220,000**
- Male individual: **2,611,000**
- Female individual: **2,438,000**
- Unmarried female-headed family: **1,691,000**
- Unmarried male-headed family: **654,000**
- Other: **53,000**

Data Source: 2019 FDIC Survey of Household Use of Banking and Financial Services

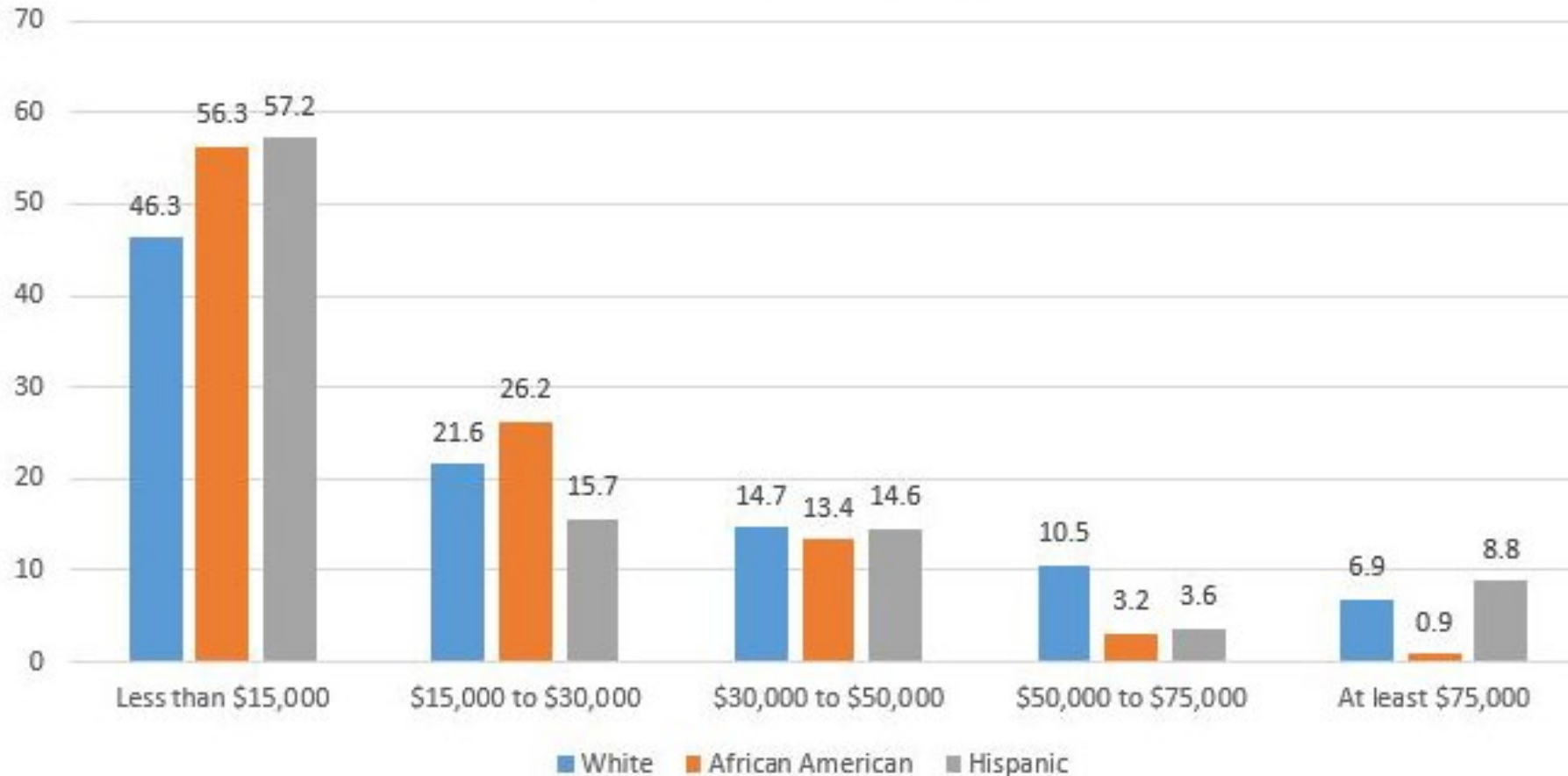
# Income Disparities per Household Type (%)



## Income less than \$15,000:

- **50.5%** (1,232,000) of female individual households with disability
- **32.1%** (542,000) of unmarried female-headed family households with disability

# Income Disparities in Female Individual Household with Disability (%)



## Income less than \$15,000:

- **57.2% (113,000)** of **Hispanic** female individual households with disability
- **56.3% (321,000)** of **African American** female individual households with disability
- **46.3% (714,000)** of **White** female individual households with disability]

# Extra Costs of Living with a Disability

- Households containing an adult with a work-disability require, on average, **28% more income** (or an additional **\$17,750** a year at the median household income) to obtain the same standard of living as a comparable household without a member with a disability.
- Research Brief: [\*The Extra Costs of Living with a Disability in the U.S. – Resetting the Policy Table\*](#)

Source: [Morris, McGarity, Goodman & Zaidi. \(2020, October 14\). Working paper: The extra costs associated with living with a disability in the United States](#)

# Financial Stress of People with Disabilities



People with disabilities are almost **3 times more likely** to have extreme difficulty paying bills.



They are also more likely to report that they **could not** come up with \$2,000 if an unexpected need arose.

■ With Disability ■ No Disability

## Research Brief:

*Banking Status and Financial Behaviors of Adults with Disabilities: Findings from the 2017 FDIC National Survey of Unbanked and Underbanked Households and Focus Group Research*

[nationaldisabilityinstitute.org/reports/banking-status-and-financial-behaviors-2019/](https://nationaldisabilityinstitute.org/reports/banking-status-and-financial-behaviors-2019/)

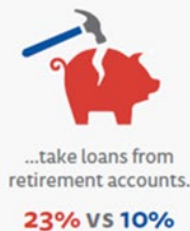
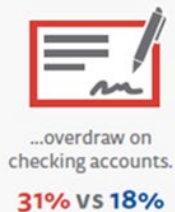
Source: Goodman, O'Day & Morris (2017). Financial capabilities of adults with disabilities.

## Impact of Financial Stress on Long-term Economic Stability and Well-being

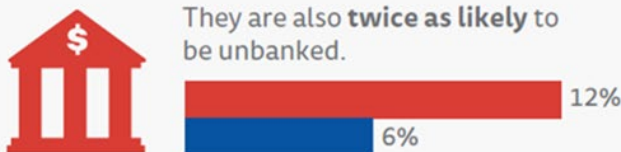


People with disabilities are almost **2 times as likely** to use costly non-bank lending.

People with disabilities are more likely to...



People with disabilities are almost **2 times more likely** to skip medical treatments because of cost.



# Four complementary approaches:

- Income generation through employment.
- Financial counseling and the building of money management skills to ensure employment leads to financial well-being and lays a foundation for a path out of poverty.
- Ensure existing financial products and services are inclusive and increase knowledge of products focused on individuals with disabilities, i.e., ABLE accounts.
- Public Policy Changes - [A 15-Point Agenda for the Biden-Harris Administration.](#)



# Initiatives need to be intentionally inclusive:

- Initiatives need to take into consideration and incorporate a solid knowledge of disability benefits and work incentives in order not to cause harm.
- Outcomes need to consider the important intermediary milestones that reflect client progress:
  - Control of finances, i.e., an individual learning about their income situation and benefits they receive for the first time;
  - Self-efficacy, i.e., increased confidence in their ability to manage personal finances and the impact that earned income will have on their benefits; and
  - Financial empowerment, i.e., ability to advocate for themselves as they contest debt or request services from complex state and medical bureaucracies.

## Initiatives need to be intentionally inclusive (cont'd):

- Universal design – designing with accessibility in mind helps everyone.
- Allow for more time to build trust and achieve outcomes – sensitivity when asking disability questions.
- Support research to better understand intersectionality challenges and fund initiatives that address them in a targeted way.
- Vulnerable communities have intersecting identities. To empower them financially, philanthropy cannot assume that funding initiatives that address poverty or target communities of color will also necessarily reach women of color with a disability.