



Financial Empowerment

Project E3

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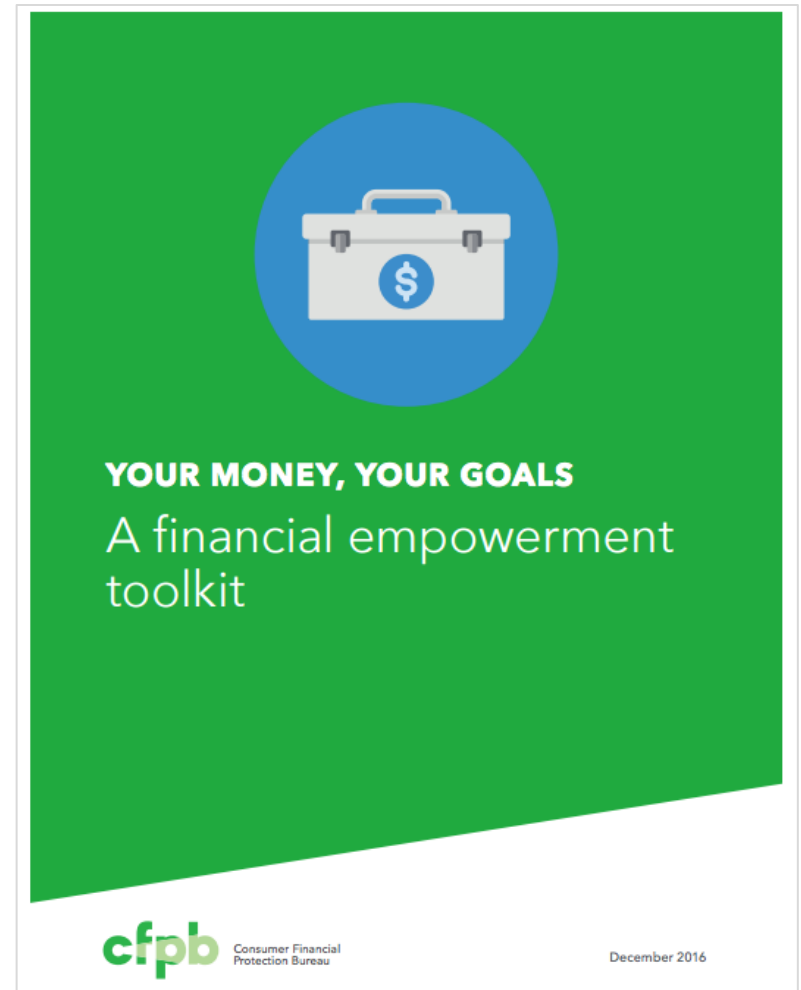
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- The ideas, opinions, and conclusions expressed, however, are those of the presenters and do not represent recommendations, endorsements, or policies of the U.S. Department of Education.



Other *Your Money, Your Goals* Resources

- *Your Money, Your Goals* Toolkit
- *Your Money, Your Goals* Training
- Implementation guide
- *Focus on People with Disabilities*
- *Focus on Reentry*
- *Focus on Native Communities*
- *Behind on Bills?*
- *Debt getting in your way?*



Focus on People with Disabilities

YOUR MONEY, YOUR GOALS

Focus on People with Disabilities

A companion guide to empower the
disability community



Introduction to the CFPB: Connecting to Resources



- The Consumer Financial Protection Bureau is an independent federal agency established to protect consumers.
- They write and enforce rules that keep banks and other financial companies operating fairly. They also educate and empower consumers, helping them make more informed choices to achieve their financial goals. Learn more at consumerfinance.gov

Financial empowerment

What is financial empowerment?

How is it different than financial education, financial literacy, financial capacity, or other commonly used terms?





Values, choices, and rights

- **Values about money** may come from life experiences, culture, family, peers, and media.
- Rather than judge how people spend, it's important to **give them the tools to make decisions** and **understand the possible results** of those decisions.
- People with disabilities, like all people, **have the right to make choices** with how their money is used, **and they have the right to take risks**.
- **Even when a person has assistance** with paying their bills and other expenses, **they should be consulted and involved** in the process.



Starting the **money** conversation

- 1 Answer the following questions based on where you are today.
- 2 Your answers will help to identify the information and resources that can help you address the financial issues you care about.

Question	Yes	No	I don't know
1. Do you have a disability you are comfortable disclosing?			
2. Do you have goals?			
3. Are you at risk of losing your housing, car, or utilities because you cannot make payments?			
4. Do you have reliable transportation?			
5. Do you have a reliable source of income?			
6. Do you have money set aside to cover emergencies or unexpected expenses?			
7. Are you able to cover all of your bills, living expenses, and meals for your household each month?			
8. Do you have financial resources to pay for assistive devices or adaptations that you need?			
9. Do you owe a person, business, or the government money?			



Setting goals and saving for purchases

- Setting goals is an essential part of the foundation for achieving self-sufficiency. Goals can also help people plan how to use their money. Putting money into savings can help people meet their goals.
- Examples of goals:
 - Assistive devices
 - Computer games
 - Medical expenses
 - Reliable transportation
 - Training or post-secondary education
 - Cell phone

Steps To Setting A Savings Goal: Buying a Video Game License

- Specific
 - Multi-player game “Conquer The Universe”
- Measurable
 - Purchase a license for the multi-player game “Conquer The Universe”
- Able To Be Reached
 - Purchase a \$15/month license for the multi-player game “Conquer The Universe”
- Relevant
 - Purchase a \$15/month license for the multi-player game “Conquer The Universe” which includes updates
- Time-Framed
 - By 6 months from (today’s date) purchase a \$15/month license for the multi-player game “Conquer The Universe” which includes updates

One Way To Save For Goals

ABLE Accounts



**Savings in
ABLE
Accounts do
not affect
eligibility
for:**

Supplemental
Security Income
(SSI)*

Medicaid and
other federal
means-tested
benefits*



**The
maximum
annual
contribution
is \$15,000**



**You choose
how it is
invested**



**There are
“qualified
disability
expenses”
that can use
the ABLE
savings**



**ABLE
programs
are
established
and
maintained
by individual
states.**



**There are
eligibility
criteria to
start an ABLE
account**




**If interested,
go to
www.ablenc.org to find
your state
contact and
learn the
ABLE rules
for your
state**



Consumer Financial
Protection Bureau

Eligibility for ABLE Accounts

- To be eligible for an ABLE Account, a person must be:
 - **Eligible for Supplemental Security Income (SSI)** based on disability or blindness that began before age 26;
 - Entitled to **disability insurance benefits (DIB)**, **childhood disability benefits (CDB)**, or **disabled widow's or widower's benefits (DWB)** based on disability or blindness that began before age 26; or
 - Someone who has certified, or whose parent or guardian has certified, that the person has a **medically determinable impairment** meeting certain statutorily specified criteria, or is blind; and, the disability or blindness occurred before age 26.



Qualified disability expenses for ABLE Accounts

- ABLE savings funds can be spent on **“qualified disability expenses.”** These may include:

- Education
- Housing
- Transportation
- Employment training and support
- Assistive technology
- Personal support services
- Health care expenses
- Financial management and administrative services and other expenses that help to improve health, independence, or quality of life



Income and Benefits

- To reach their financial goals, a person needs to understand the **amounts and timing of their financial resources and income from work and/or benefits**
- Encourage a person **to track their income and financial resources** for a day, a week, two weeks, or a month.

Income and Benefits Tracker

	Week 1	Week 2	Week 3	Week 4	Week 5
 Job:	\$300	\$300	\$300	\$300	\$0
 Government program:					
 Disability benefits:	\$225.50				
 Financial support:					
 Additional:					
 Additional:					
 Additional:					
Weekly totals:	\$525.5	\$300	\$300	\$300	\$0
Total income for this month:	\$1425.50				

Working And Benefits The Myth and Reality



Myth

Because earnings can offset and reduce benefits, **some people with disabilities don't believe they can work** without making themselves worse off financially.



Reality

In virtually all cases, working while receiving benefits will lead to higher income than just receiving benefits. Talk with a work incentive benefits specialist if you have questions.



There is an excellent 6-part series on work and benefits by Lucy Miller at <https://projecte3.com/webcasts/#archived>

Working and Your SSI

The SSI Estimator

- Use this tool to help a person with a disability **understand how earnings from work affect their SSI benefit.**
- First, **when a person earns money** through a job, they keep the first \$85 of their pay without any impact on their SSI. For **every dollar they earn after that, SSI drops by 50 cents.**
- Many people **think that getting paid at a job will stop their SSI check, but that's not necessarily true.**
- In fact, **the more a person works, the more they make overall,** even with the declining SSI.



SSI Estimator When You Work

Find out how much will be taken from your SSI:

	Example 1 (\$15/hour for 10 hours a week)	Example 2 (\$15/hour for 20 hours a week)
A. Amount you earn from work in a month	\$585	\$1,200
B. The first \$85 you earn does not affect your SSI; the remainder does	- \$85	- \$85
C. Amount of income that affects your SSI (subtract Row B from Row A)	= \$500	= \$1,115
D. Divide this amount in half (divide Row C by 2)	\$500/2	\$1,115/2
E. Amount that will be taken from your SSI	= \$250	= \$557.50

Calculate Your New SSI Amount and New Income

	Example 1 (\$15/hour for 10 hours a week)	Example 2 (\$15/hour for 20 hours a week)
F. Amount you now get from SSI every month	\$783	\$783
G. Subtract amount taken from your SSI (subtract Row E from Row F)	- \$250	- \$557.50
H. New SSI Amount	\$ 533	\$225.50
I. Amount you earn from work in a month (Row A)	\$585	\$1,200
J. Add new SSI amount (Row H)	+ \$533	+ \$225.50
K. Total monthly take home amount (add row H to row I)	= \$1,118	= \$1,425.50
M. Difference between just collecting SSI vs. collecting SSI and working (Subtract Row F from Row K)	+ \$335/month	+ \$642.50

SSI Estimator When You Work

Find out how much will be taken from your SSI:

	Example 1 (\$15/hour for 10 hours a week)	Example 2 (\$15/hour for 20 hours a week)
A. Amount you earn from work in a month		
B. The first \$85 you earn does not affect your SSI; the remainder does		
C. Amount of income that affects your SSI (subtract Row B from Row A)		
D. Divide this amount in half (divide Row C by 2)		
E. Amount that will be taken from your SSI		

SSI Estimator cont'd

Calculate Your New SSI Amount and New Income

	Example 1 (\$15/hour for 10 hours a week)	Example 2 (\$15/hour for 20 hours a week)
F. Amount you now get from SSI every month		
G. Subtract amount taken from your SSI (subtract Row E from Row F)		
H. New SSI Amount		
I. Amount you earn from work in a month (Row A)		
J. Add new SSI amount (Row H)		
K. Total amount you will take home per month (add row H to row I)		
M. Difference between just collecting SSI vs. collecting SSI and working (Subtract Row F from Row K)		

Spending Tracker

- Helps a person you serve **understand how they spend their money.**
- Encourage the person you serve to **track their spending for a day, a week, two weeks, or a month.**
- With this information, they may **realize where their money goes** for the first time.
- They can then **make changes to how they spend their money.**
- **The way a person tracks how they spend** their money and financial resources does not matter. They should **use whatever is most comfortable. – paper and pencil, computer spreadsheet, cellphone application, asking others to record expenses**

Spending Tracker Example

Expense	Week 1	Week 2	Week 3	Week 4	Week 5	Totals
Cell Phone	\$50					\$50
Debt Payment						
Eating Out	\$10	\$10	\$15	\$10	\$15	\$60
Education & Child Care						
Entertainment	\$10			\$10		\$20
Groceries	\$70	\$50	\$60	\$70	\$60	\$310
Health Expenses	\$60	\$15	\$20	\$10	\$10	\$115
Housing and Utils	\$750					\$750
Pets						
Transport	\$40					
Other						
Total Expenses						\$1,345



Consumer Financial
Protection Bureau

Spending Tracker Example

Expense	Week 1	Week 2	Week 3	Week 4	Week 5	Totals
Cell Phone						
Debt Payment						
Eating Out						
Education & Child Care						
Entertainment						
Groceries						
Health Expenses						
Housing and Utils						
Pets						
Transport						
Other						

Understanding Your Debt

Debt type	Monthly payment amount	Monthly due date	Interest rate (%)	Amount outstanding	Payoff date or goal	Notes (including any fees)
 Assistive Technology loan						
 Auto Loan						
 Back Child Support						
 Credit Card Debt	\$75	15th	17	\$400	2 months	\$50 min
 Friends & Family						
 Medical Debt						
 Past-Due Fees & Fines						
 Mortgage or Past-Due Rent						
 Payday loans						
 Student loans						
 Other						
 Other						
 Other						
 Total Monthly Payment Amount:	\$75					

Monthly Budget

Type of Income	Amount gained
Job	\$1,200
Government Program	
Disability Benefits	\$225
Financial Support	
Other	
Total	1,425

Type of Spending	Amount Spent
Rent or Mortgage	
Utilities (gas, water, electricity, sewage)	
Groceries	
Health Expenses	\$600
Transportation	\$100
Education/Child Care	\$310
Cell Phone	\$115
Internet + Cable	\$40
Service Animals	\$50
Debt Payments	\$75
Other Spending	\$80
Total Spending This Month	\$1,370

What Does Your Budget Show?

\$1,425

Total Income For Month

- \$1,370

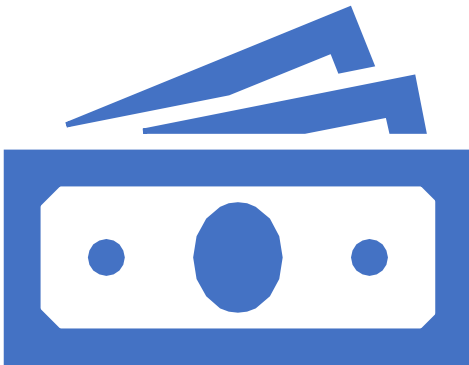
Total Spending For Month

= \$55

If income is more than expenses, you have money left to save or spend

If your expenses are more than your income, look at your budget to find expenses to cut

Why Do I Need A Good Credit History?



- **Having a good credit history** is an important part of an overall asset-building strategy that can help people reach their goals, including:
 - Get and keep a job
 - Get an apartment
 - Get insurance coverage
 - Get lower deposits on utilities and better terms on cell phone purchase plans
 - Get a credit card
 - Get and keep a security clearance for a job, including a military position




Understanding Credit Reports and Credit Scores

- Order a report at:
<https://www.annualcreditreport.com>
- Be sure you do this in a safe and secure location. Avoid doing this on public computers (library).

Review Credit Report Your Receive

— Today's date: _____ Name of credit reporting company: _____ —

 Yes	Check to make sure these items are correct
	Is your name correct?
	Is your Social Security number correct?
	Is your current address correct? Is your current phone number correct?
	Are the previous addresses they have listed for you correct?
	Is your marital status listed correctly?
	Is the employment history they have listed for you accurate?
	Is everything listed in the personal information section correct?
	Is there anything listed in the public record information? Is it correct? Highlight the information you think may not be correct.



Disability: Risks for financial exploitation

- The following circumstances or conditions may make a person at risk for financial exploitation:
 - Having regular income and accumulated assets
 - Being trusting and polite
 - Being lonely and socially isolated
 - Being reluctant to report exploitation by family member, caregiver, or someone they depend on
 - Fearing rejection or more retaliation by the exploiter
 - Being unfamiliar with managing financial matters
 - Having cognitive impairments that affect financial decision-making and judgment



Identifying financial abuse and exploitation

- 1 Read through the list of signs that financial exploitation may be occurring.
- 2 Check the box if any are suspected, observed, or reported.
- 3 Use this information to help you decide whether to get assistance.

Unusual transactions

SITUATION	SUSPECTED	OBSERVED	REPORTED
The individual transfers title of home or other assets to someone else for no apparent reason.			
Frequent checks are made out to "cash" from the individual's account.			
Unusual bank or credit card account activity is noticed on statements or reported by a financial institution.			
The individual takes out a large, unexplained loan or reverse mortgage.			
Changes are made to the individual's will that are unexplainable or done when the individual is ill or otherwise incapacitated.			
Unusual information in a tax return is spotted.			
Signatures on checks, legal documents, or other communications do not match the individual's signature.			
The caregiver's name is added to the accounts of the individual or the caregiver becomes an authorized user on credit card accounts belonging to the individual.			

Changed environment

SITUATION	SUSPECTED	OBSERVED	REPORTED
Bills go unpaid or overdue when someone else has been charged with paying them for the individual.			
Living conditions are below expectations in spite of financial resources.			
The individual's personal belongings, important papers, credit cards, or identification documents go missing.			

Unusual behavior

SITUATION	SUSPECTED	OBSERVED	REPORTED
Caregivers or family members caring for the individual seem to isolate him from other family members, friends, and community events or gatherings.			
The individual seems suddenly more fearful and becomes reluctant to talk about topics that were once routine conversations.			
The individual does not know how much income she receives. The caregiver is unwilling to share that information when asked.			
A caregiver receives an unusual level of expensive or frequent gifts paid for with financial resources of the individual.			
A live-in caregiver refuses to leave or to leave the individual alone with visitors even when requested to do so.			

Office of Financial Empowerment



The Consumer Financial Protection Bureau is an independent federal agency established to protect consumers.

The Office of Financial Empowerment

- <http://www.consumerfinance.gov/your-money-your-goals>.
- <http://www.consumerfinance.gov/empowerment>.

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