

# The Intersection of Disability and Poverty

Virginia DARS Project E3 Statewide Rollout  
Session 1

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# Training Agenda

- Disability and Poverty Background
- What is the Research Telling Us?
- Behavioral Economics Research
- Impact of Resource Scarcity
- Considerations for working with people in Poverty
  - Trauma Informed Approach
  - The Importance of Benefits/Work Incentives Counseling and Financial Empowerment

# Why do we need to understand the disability and poverty connection?

- Multicultural competence
- Understand current policy & public benefit programs and how those effect participation in services.
- Additional implications for service delivery
  - Engagement and Participation in Vocational Rehabilitation Services and other Programs

# Disability & Poverty Demographics

2020 Poverty Guidelines (100%)			
Size of Family Unit	48 Contiguous States and D.C.	Alaska	Hawaii
1	<b>\$12,760/year (\$1,063/month)</b>	\$15,950	\$14,680
2	\$17, 240	\$21,550	\$19,830
3	\$21,720	\$27,150	\$24,980
4	\$26,200	\$32,750	\$30,130

Source: U.S. Department of Health and Human Services (January 2017). *Federal Register*, Vol. 82, No. 19, January 31, 2017, pp. 8831-8832.

<https://aspe.hhs.gov/poverty-guidelines>

# Supplemental Security Income Payments - 2020

Recipient	Monthly	Annual
Eligible Individual	\$783	\$9,407.82
Eligible Couple	\$1,175	\$14,110.18

Social Security Administration, SSI Federal Payment Amounts 2018  
<http://www.ssa.gov>

# Reflect on your experience...Group Discussion

Take a minute to think about the individuals you work with...

- ▶ What is the typical hourly wage range for persons placed in employment that you work with?
- ▶ What is the average number of hours your consumers work?
- ▶ Given the answers to the first two questions, what percentage would you estimate have annual income at or below the federal poverty level?

# ADULTS WITH DISABILITIES ARE **TWICE** AS LIKELY TO LIVE IN POVERTY AS THOSE WITHOUT A DISABILITY

People with disabilities face many barriers to economic success — low expectations, discrimination and a complex public support system that often limit employment opportunities and upward mobility. **Millions of American adults with disabilities are caught in this endless poverty cycle.**

At National Disability Institute (NDI), we believe no one with a disability should live in poverty. That's why we started the **DISABLE POVERTY** campaign. **In the next 10 years, we are committed to:**

- ▲ **INCREASE** the use of mainstream banking products and services among Americans with disabilities by 50%
- ▼ **DECREASE** the number of working-age adults with disabilities living in poverty by 50%

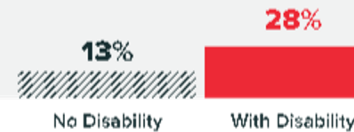
## Here are how the numbers on disability and poverty in America break down:



### POVERTY

Poverty and disability are interrelated.

Poverty Rate (ages 18-65)



### GENDER

Women with disabilities are significantly more likely to live in poverty.

Poverty Rate by Gender and Disability Status, Working age (18-65)



### AGE

The disparity in the poverty rate between people with and without disabilities grows with age.

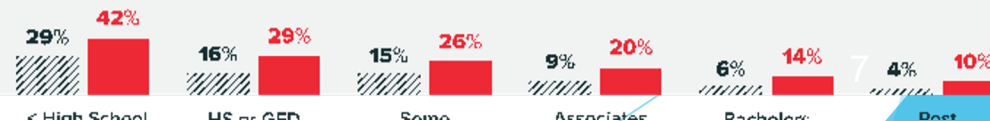
Poverty Rate by Age & Disability Status, Working age (18-65)



### EDUCATION

As the educational level increases among people with disabilities, the poverty rate declines.

Poverty Rate by Educational Attainment and Disability Status, Working age (18-65)





## RACE

People of color with and without disabilities are more likely to be living in poverty than the Non-Hispanic White population.

Poverty Rate by Race and Disability Status, Working age (18-65)



## BANKING

Being banked is a critical component of financial security and a pathway out of poverty for people with disabilities.

**46%** of households headed by an adult with a disability **were unbanked or underbanked** in 2013, compared to 29% of households headed by an adult without a disability.

**18%** of households headed by a working-age person with a disability **were unbanked**, while 28% were underbanked.

**47%** of households headed by working-age persons with a disability were **significantly more likely to report using alternative financial services** (such as payday lenders) than 35% of households headed by those without a disability.

**47%** of households headed by working-age persons with a disability were **significantly less likely to have a savings account** compared to 73% of households headed by those without a disability.

## DISABLED POVERTY

Through words and actions, we can break down the financial barriers that keep the nearly one in three Americans with disabilities living at or below the poverty line.

**TAKE THE PLEDGE AT  
DISABLEDPOVERTY.ORG**

National Disability Institute | [realeconomicimpact.org](http://realeconomicimpact.org)

Source: National Disability Institute analysis of the U.S. Census Bureau 2013 American Community Survey Public Use Microdata Sample and 2013 FDIC National Survey of Unbanked and Underbanked Household



# National Council on Disability (NCD)

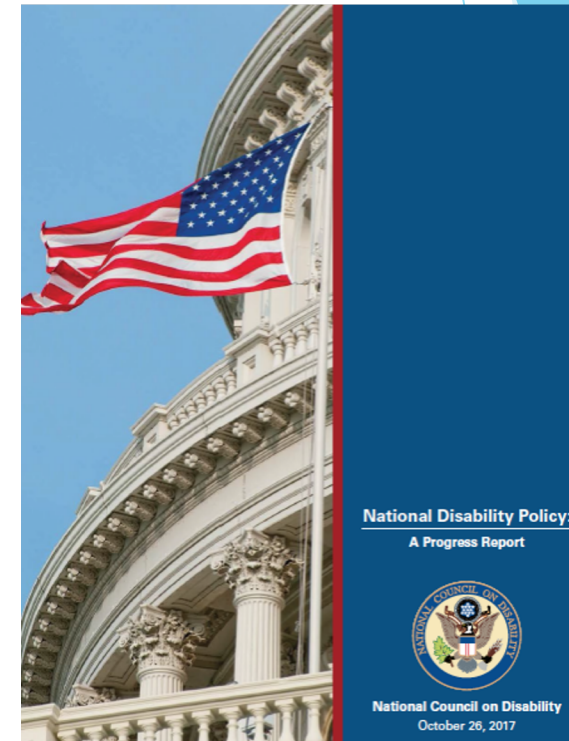
## 2017 Progress Report to the President

**“Poverty among people with disabilities has reached epidemic proportions”**

### **Key Recommendations Include:**

*Medicaid reform should safeguard access to home and community-based services waivers which are essential to promoting independent living, employment, and economic self-sufficiency for people with disabilities.*

<https://www.ncd.gov/progressreport/2017/national-disability-policy-progress-report-october-2017>



# NCD October 2017 Select Highlights

- ▶ People with disabilities live in poverty at more than twice the rate of people without disabilities.
- ▶ People with disabilities make up approximately 12% of the U.S. working-age population; but account for > 50% of those living in long-term poverty.
- ▶ >65% of the 17.9 million adults with disabilities participate in at least one safety net or income support program
- ▶ Only 32% of working-age people with disabilities are employed compared with 73% of those without disabilities.
- ▶ The median annual income for households receiving federal rental assistance from the three primary HUD programs is \$13,500.
- ▶ During the crucial time immediately after the onset of disability, the current Social Security system encourages applicants not to work, which often leads to poverty.
- ▶ Currently, an estimated 228,600 people with intellectual/developmental disabilities and other significant disabilities work for subminimum wage.
- ▶ 45 states offer a Medicaid Buy-In program for people with disabilities who do not qualify for Medicaid through SSI eligibility. From 2010 to 2011, the average earnings among MA Buy-In enrollees were \$9,135 per year.

# Small Group Exercise

If you work 40 Hours/Week at \$10/hour your gross income is \$1600/month

State and Federal Taxes:

Rent:

Utilities (water/heat/air/garbage):

Food:

Transportation:

Childcare:

Healthcare:

School Supplies/Clothing:

Entertainment:

# What does the research tell us?

- Financial stress is associated with poor health
  - *(American Psychological Association, 2015)*
- Mental health and debt are associated
  - *(Fitch et al., 2007; Meltzer et al., 2012)*
- Hardship experiences themselves lead to poor health and disability (secondary conditions, emergent disability)
  - *(Yoo et al., 2009)*
- Relationship between poverty, disability, and health is often cyclical
  - *(Allard, Danzinger, & Wathen, 2012; Iceland, 2013; Nye-Lengerman & Nord, 2016)*

# Generational & Situational Poverty

**Situational Poverty:** occurs as a lack of resources due to a particular event (i.e. disability, chronic illness, divorce, death, etc.)

**Generational Poverty:** a lack of multiple resources for at least two generations; however, the patterns begin to surface much sooner if the family lives with others experiencing generational poverty

*Emergent Disability*

# Behavioral Economics Research

- The Science of Scarcity (May-June 2017) [Sendhil Mullainathan](#) (Harvard Economist) and Eldar Shafir (Professor of Psychology and Public Affairs at Princeton)
- Presented years of findings from the fields of psychology and economics, as well as new empirical research of their own.
- Based on their analysis of the data, they sought to show that scarcity steals mental capacity wherever it occurs—from the hungry, to the lonely, to the time-strapped, to the poor.

# Behavioral Economics Research

## Findings:

- Poverty depletes parents' cognitive resources therefore leaving for making everyday decisions about parenting.
- Low-income parents are also at far greater risk for depression and anxiety-poverty's "mental tax".
- When parents are distracted or depressed, family life is likely characterized by conflict and emotional withdrawal rather than nurturing and supportive relationships with children.
- Impulsive behavior, poor performance in school, poor financial decision-making may be products of a feeling of scarcity.
- Just thinking about scarcity taxes the mind and increases stress.
- Policies and programs need to consider scarcity-induced behavior in their design. Look at the "cockpit" rather than the "pilot".

# Resource Scarcity & Stress Impacts Decision Making

- **Scarcity is distracting** (attention, time, money)-managing resources requires increased attention and self control leading to “depletion”.
- **Depletion tends to result in poor decision making**-a focus on the current short term problem as opposed to foresee and avoid long term issues.
- **Time horizon** is for those living in poverty is present oriented, time horizon for VR program is future-oriented.



# Trauma-Informed Approach



# Prevalence Data

- ▶ 70% of adults have experienced a traumatic event
- ▶ 90% of clients in public behavioral health settings have experienced a traumatic event.
- ▶ 13% of children experiencing poverty reported 3 or more adverse experiences, compared to 5% of children in high income families.
- ▶ 28% of people with disabilities (mental health, physical conditions, or substance use disorders) are experiencing poverty (U.S. Census Bureau, 2017; Walker & Druss, 2017). Among mothers receiving TANF, high percentages of them experiencing stressful life events 69% reported at least 2 events (Mulia et al., 2008).

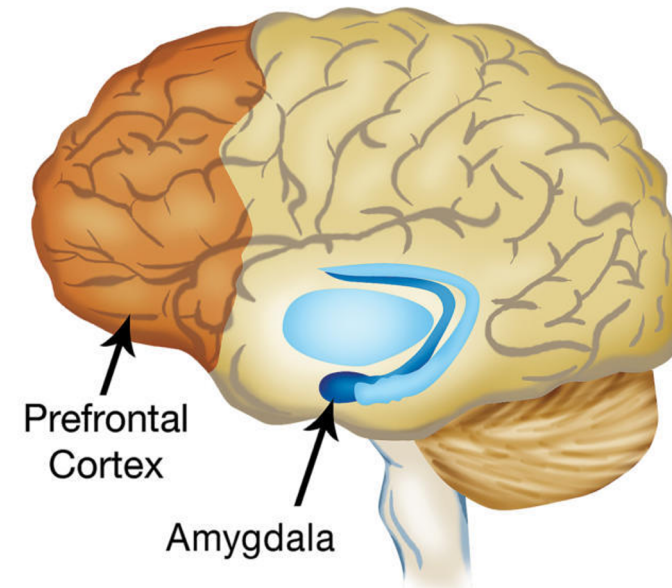
# Trauma and the Brain

## Amygdala- in temporal lobe

- Identifies threats and activates the fight, flight, freeze response and the parasympathetic nervous system
- Stores emotional threat-related memories

## Prefrontal Cortex- in frontal lobe

- Regulates attention and awareness
- Decision-making in response to threat
- Initiates conscious, voluntary behaviors
- Assigns emotional significance to memories
- Counteracts reactions that are not functional



# Fight/Flight/Freeze Response

This is a normal and protective response to threats.

- Your brain identifies the threat
- Amygdala initiates the fight, flight, freeze response
- Releases norepinephrine, adrenaline, and glucose
  - Increased: heart rate, blood and oxygen flow to muscles
  - Pupils dilate, inhibited salivation, inhibited bladder contraction
- Amygdala tells hypothalamus and pituitary gland to release cortisol
  - Decreased need for food, sleep, sex
- Meanwhile, the prefrontal cortex is assessing the threat



# Trauma and the Brain

- For people experiencing symptoms of trauma, this stress response persists.
- The amygdala is hyperactive.
- The prefrontal cortex is less active.
- This leads to → perceiving threats everywhere and no regulation of the fight/flight response or voluntary decision-making

Can't calm down the nervous system and can't determine how to react appropriately.

# Long-term Impact of Trauma

- All of these symptoms make it difficult for people to complete daily tasks and interact in social situations.
- The processes that were adaptive in response to a threat...
  - Become maladaptive if they persist without an actual threat
  - OR in response to a continued, persistent threat.
- When symptoms persist, there are lasting consequences.

# What is Trauma-Informed Care?

- “Strengths-based service delivery approach”
- “Involves vigilance in anticipating and avoiding institutional processes and individual practices that are likely to retraumatize individuals who already have histories of trauma, and it upholds the importance of consumer participation in the development, delivery, and evaluation of services”
- Paradigm shift from asking: “*What is wrong with you?*” to “*What happened to you?*”

(SAMHSA, 2014, p.xix)

# What is Trauma-Informed Care?

- We acknowledge the prevalence of trauma and understanding its impact.
- We treat all clients in a universally sensitive manner.
- Using a strengths-based approach, we don't view clients as broken or damaged.
- We highlight the resiliency of clients who have experienced trauma.
- We encourage autonomy and client choice.
- We are committed to avoiding retraumatization.
- We create a safe and trusting environment.



# Work Incentives Counseling



# Work Incentives / Benefits Counseling

It is critical to connect **with a Work Incentives Specialist Advocate (WISA)** if the individual receives public benefits such as SSDI, SSI, Medicaid, Medicare, public housing, energy assistance, etc.



# Who Needs Benefits Counseling?

- Any consumer who is considering working, needs to meet with a qualified benefits planner to determine the impact of earnings on their public benefits portfolio.
- Most, if not all, of our consumers receive services from more than one federal or state agency.
- Some of those agencies may provide SSI, SSDI, SNAP, TANF, Housing Subsidies, Medical Services (Medicaid/Medicare) and Medicaid Waiver Services.
- The consumer needs to know when and how earnings will impact all of these services and whether other options exist for ongoing access.

## Why?

- Public benefits and subsidies provide critical lifeline services to our consumers. They **NEED** to know what to expect when earnings are added to the mix.
- Proper planning informs when benefits will be reduced, terminated, or otherwise impacted by work incentives built into every public benefits program.
- The result is consumer empowerment and the beginning of effective benefits management and financial literacy, allowing for a independent worker with a disability to be created.
- ABLE Accounts

# Leveling the Playing Field

- The “deck is stacked” against people with disabilities living in poverty.
- What can we do to address disability and poverty?
  - Increase knowledge and awareness about the effect of poverty on individuals with disabilities.
    - Address stigma
  - Increase opportunities to actively participate in *integrated, competitive employment*
  - Increase educational opportunities leading to quality employment and meaningful career paths.
  - Programs and services need to address systematic barriers to employment and independent living due to disability and poverty.

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