



LEAD CENTER

Integrating Financial Education within Youth Programs

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TODAY'S SPEAKERS

Jamie Robinson

LEAD Center

National Disability Institute

jrobinson@ndi-inc.org

Rebecca Salon

LEAD Center

National Disability Institute

rsalon@ndi-inc.org



The National Center on Leadership for the Employment and Economic Advancement of People with Disabilities (LEAD) is a collaborative of disability, workforce and economic empowerment organizations led by **National Disability Institute** with funding from the **U.S. Department of Labor's Office of Disability Employment Policy**, Grant No. #OD-23863-12-75-4-11.

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LEAD CENTER MISSION

- ▶ To advance sustainable individual and systems level change that results in improved, competitive integrated employment and economic self-sufficiency outcomes for individuals across the spectrum of disability.

www.leadcenter.org



OBJECTIVES

Participants will learn about:

- ▶ Currently available curriculum, best practices, and community partners.
- ▶ Just in time moments to teach individuals about their money, (during a job search, collecting a first paycheck, and/or transitioning from school).
- ▶ Introduce opportunities to integrate strategies into workforce services and improve collaboration with the financial capability community.



INTRODUCTION

- ▶ The Workforce Innovation and Opportunity Act (WIOA) was signed into law on July 22, 2014 (PL)113-128
- ▶ The new law took effect July 1, 2015 except for amendments to the Rehabilitation Act which took effect on the date of enactment



WIOA FOCUS ON FINANCIAL EDUCATION IN ADULT PROGRAMS

- ▶ *WIOA provides guidance on the use of state funds to provide services that build customer's financial education and financial capability.*
 - ▶ As a program element for youth and allowable service for adults to support financial literacy, including an individual's ability to:
 - ▶ create household budgets, initiate savings plans, and make informed financial decisions about education, retirement, home ownership, wealth building, or other savings goals;
 - ▶ manage spending, credit, and debt, including credit card debt, effectively;
 - ▶ Understand the availability and significance of credit reports and credit scores in obtaining credit, including determining their accuracy (and how to correct inaccuracies in the reports and scores), and their effect on credit terms; and
 - ▶ understand, evaluate, and compare financial products, services, and opportunities
 - ▶ Supports activities that address the particular financial literacy needs of non-English speakers.



WIOA FOCUS ON FINANCIAL EDUCATION IN YOUTH PROGRAMS

- ▶ WIOA ensures youth with disabilities will receive extensive pre-employment transition services so they can successfully obtain competitive integrated employment.
 - ▶ Supports disconnected youth, of which youth with disabilities comprise a high percent, by:
 - ▶ Requiring local areas to increase percentage of youth formula funds used to serve out of-school youth to 75% (30% under WIA).
 - ▶ Requiring local areas to spend at least 20% of youth formula funds on work experience activities.
 - ▶ **Providing additional allowable activities including financial literacy education and entrepreneurial training.**



WHY IS FINANCIAL EDUCATION NEEDED?



FINANCIAL CAPABILITY OF AMERICANS

- ▶ 42% of Americans report having more debt than they would like;
- ▶ 60% do not have a rainy day fund
- ▶ One-third of America's youth report having school loans they are afraid they cannot pay.
- ▶ 78% of low income workers report having an average of 7.5 credit cards and 22%, 15-22 credit cards.
- ▶ 50% credit scores below 600



ADDITIONAL CHALLENGES FACED BY PERSONS WITH DISABILITIES

- ▶ People with disabilities live in poverty at a rate twice that of their non-disabled peers. (29.2% compared to 13.6%)
- ▶ Many people with disabilities have never managed a budget, opened a savings or checking account, applied for an assistive technology loan or understood how to build assets.

THE CHALLENGE BY NUMBERS

- ▶ Approximately half (48%) of people with disabilities report a personal income of less than \$15,000 and only 7% make more than \$50,000.
- ▶ Three in five (58%) people with disabilities said they are either struggling to get by and going further into debt each month or living paycheck-to-paycheck versus only 34% of people without disabilities.
- ▶ Just over one-third (37%) of people with disabilities report that they are not living paycheck-to-paycheck or have few financial worries, compared to 62% people without disabilities.



IMPACT OF INCOME DISPARITY

- ▶ Low income individuals have less financial knowledge and ability, achieve fewer financial goals, and have less access to financial services and products than individuals with higher incomes.
- ▶ Identifying and utilizing strategies to equip individuals with the knowledge and access they need becomes a critical first step to changing behavior and improving outcomes.

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WE CAN SET YOUTH ON A DIFFERENT PATH



FOUR ACTIONS YOU CAN TAKE

#1 – Help youth think beyond employment

#2 – Make connections for youth whose choices are complicated by public benefits

#3 – Explore integrated service delivery to strengthen the range of services you provide

#4 – Take advantage of just in time moments

#1 – HELP YOUTH THINK BEYOND EMPLOYMENT

- ▶ Employment is often THE GOAL discussed with youth.
- ▶ Employment is a great goal. But its not the *ONLY* goal.

IDENTIFYING AND ATTAINING MY “AMERICAN DREAM”

- Utilize youths’ dream goals as a key motivator to long-term employment and financial success.
- Have youth determine what is needed to achieve their Dream.
- Identify what prevents them from achieving their dream and what they need to overcome barriers.
- Set action steps they will take, over what time period, and who will help.
- Have youth determine how they will remain motivated to complete their plan.

#2 – MAKE CONNECTIONS FOR YOUTH ON PUBLIC BENEFITS

- ▶ Youth with disabilities who receive Social Security benefits (typically SSI) and/or whose family receives a public benefit need additional support.
- ▶ Support youth and family in understanding the real impact of working, earning and saving money.

BENEFITS PLANNING

- ▶ Work Incentive Planning Assistance (WIPA) for youth receiving Social Security Disability benefits is an SSA-funded initiative to assist youth and adults on SSI/SSDI make an informed decision about working.
- ▶ Community Work Incentive Coordinators (CWICs) are trained experts who will help the individual understand their federal and state benefits and how to use work incentives that may be available.
- ▶ To locate the WIPA project or PABSS project nearest you, please visit:
<http://choosework.net/resource/jsp/searchByState.jsp>



PROTECTED SAVINGS OPPORTUNITIES

- ▶ Several protected savings opportunities are available for youth with disabilities on public benefits who make the choice to work but face barriers to saving.
 - ▶ ABLE Accounts
 - ▶ Special Needs Trusts
 - ▶ Pooled Trusts
 - ▶ Family Self-Sufficiency programs
 - ▶ Individual Development Accounts

#3 - EXPLORE INTEGRATED SERVICE DELIVERY

- ▶ Integrated service delivery is the bundling of services to include two or more core areas to help an individual improve their financial health.



FIVE CORE AREAS



WHY IS INTEGRATION IMPORTANT?

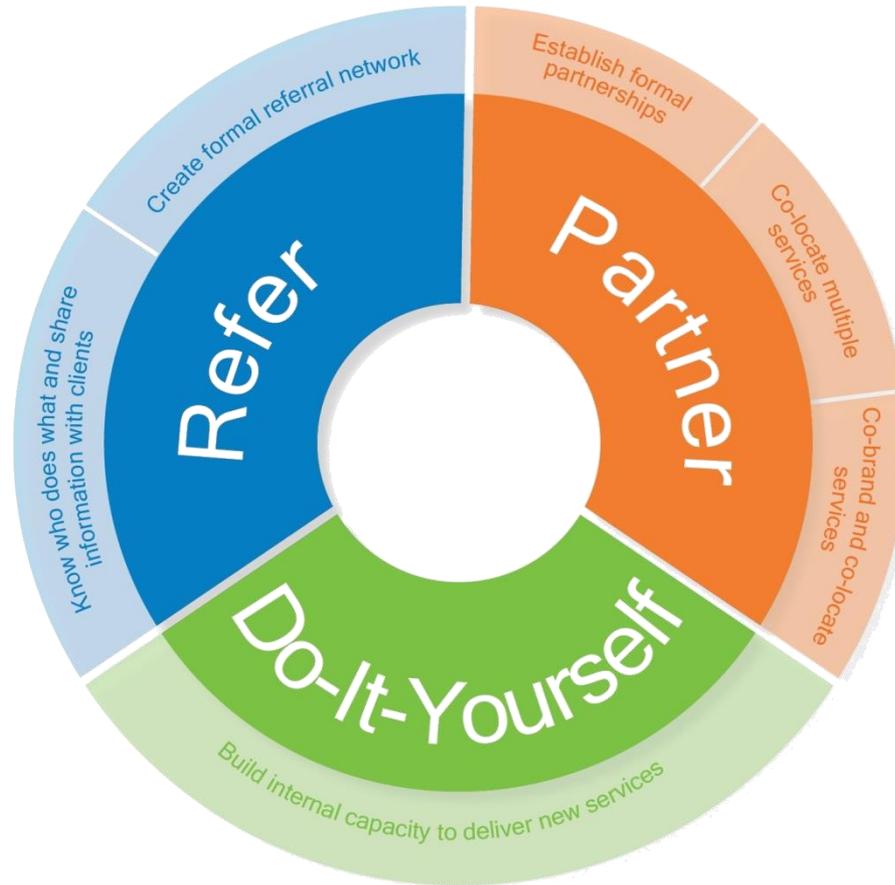
For Customers:

- ▶ Increases likelihood of success because a job is not the only goal
- ▶ Increases long-term planning
- ▶ Greater educational attainment
- ▶ Improves economic stability

For Staff:

- ▶ Improves employment outcomes
- ▶ Reduces employer turnover costs
- ▶ Supports staff in program outcomes

THREE IMPLEMENTATION MODEL



*This image was provided by CFED.

PROVIDING FINANCIAL EDUCATION

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DO IT YOURSELF**



DO IT YOURSELF

- ▶ Place financial education self-paced e-learning on resource room computers and have it be a requirement for youth to complete.
- ▶ Use financial education games to stimulate conversation about money.
- ▶ Provide Financial Education Resources to youth to bring home.
 - ▶ Menu planning and shopping list tools



DO IT YOURSELF TOOLS

- ▶ FDIC Money Smart Train the Trainer – free training to equip you with everything you need to teach financial education classes -
<https://www.fdic.gov/consumers/consumer/moneysmart/trainthetrainer.html>
- ▶ FDIC Money Smart for Young People – available for multiple grades -
<https://www.fdic.gov/consumers/consumer/moneysmart/young.html>



DO IT YOURSELF TOOLS

- ▶ Hands On Banking - www.handsonbanking.com
- ▶ Your Money Your Goals (CFPB) - <http://www.consumerfinance.gov/your-money-your-goals/>
- ▶ National Disability Institute – e-learning courses
 - ▶ My American Dream - <http://ndi.elogiclearning.com/>
 - ▶ Zero-Balance Budget - <http://ndi.elogiclearning.com/>
- ▶ National Disability Institute – Train the trainer
 - ▶ 2-day intensive training - <http://ndi-inc.org/asset-development/train-the-trainer>



DO IT YOURSELF GAMES

- ▶ Practical Money Skills - www.practicalmoneyskills.com
- ▶ VISA Financial Soccer - questions on financial education and disability benefits embedded in a soccer game - <http://reitour.financialsoccer.com/>
- ▶ Celebrity Calamity and Financial Entertainment (d2d) - <http://financialentertainment.org/>



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- ▶ Bank On Programs - are dedicated to getting people banked and can be a great partner to support youth in making good decisions about how they will receive their first paycheck and how they will manage their new money.
- ▶ Financial educators – many groups (banks, credit unions, Cooperative Extensions programs, and others) offer financial education. Partnering to provide this service may address capacity issues or other barriers to doing it yourself.

REFER

- ▶ Youth may have more financial service needs than you would expect:
 - ▶ Credit issues due to adults who have used their name/SSN
 - ▶ Debt to friends, family, pawn shops, payday lenders, etc.
 - ▶ School loans
 - ▶ Lack of awareness of free tax preparation, tax credits
- ▶ Identify trusted partners to refer youth to get support with more challenging issues.



PREPARING TO INTEGRATE

- ▶ **Resource Mapping:** Identify all resources in your community that provide programs/services in building financial capability.
- ▶ **Consult with Leadership:** They likely have partners in the community already, including mandated partners, and will want to be a part of approaching new partners in this arena.
- ▶ **Develop Plan of Approach:** Decide with leadership which partners to approach, the level of partnership sought, potential resource exchange and anticipated outcomes.
- ▶ **Formalize Partnerships:** Collaborate and coordinate with new partners to integrate asset-building strategies that benefit both partners.



#4 – TAKE ADVANTAGE OF “JUST IN TIME” MOMENTS

- ▶ The best time to reach an individual and teach them about their money is at a point in time when it's needed... such as during a job search or the provision of another human service.



YOUTH WAITING FOR SERVICE

- ▶ Stream financial education videos on monitors in waiting rooms.
- ▶ Provide information and tools in easy access areas.
- ▶ Educate all staff on the goal to improve the financial know-how of youth.
 - ▶ Offer the tools and resources you have built to all staff and customers (if possible)

EMPLOYMENT PLANNING

- ▶ Discuss Budgets/Money when making employment plans.
 - ▶ What type of wage is needed to cover monthly expenses/meet their dream goal?
 - ▶ Is it reasonable the person can earn that wage?
 - ▶ If no, what are the strategies? Augment with public benefits? Decrease expenses? Create a plan.
 - ▶ What type of wage would cover monthly expenses and have money left over to meet financial goals (save, pay down debt, go out to dinner, etc.)?
 - ▶ What will the first paycheck pay for?



BENEFITS PLANNING

▶ **Work Incentives to Increase Income**

- ▶ Student Earned Income Exclusion
- ▶ Blind Work Expense
- ▶ PASS
- ▶ 1619b
- ▶ Subsidy
- ▶ Impairment Related Work Expense
- ▶ Medicaid Buy-In

▶ **Work Incentives to Increase Resources**

- ▶ PASS
- ▶ PESS
- ▶ Medicaid Buy-In



JOB OFFER - EMPLOYER BENEFITS

- ▶ **Health Insurance.** What is the coverage and at what cost?
- ▶ **Paid Time Off.** How much time is provided (vacation/sick/holiday)?
- ▶ **Pension plan.** How much does the company contribute?
- ▶ **Life insurance.** Does the employees contribution come directly out of their paycheck?
- ▶ **Direct deposit.** Are paychecks direct deposit?
- ▶ **Pay yourself first.** Is there a provision for direct deposit into savings?
- ▶ **Disability coverage.** Does the company offer short-term and long-term disability coverage?
- ▶ **Education benefits.** Are there educational and training benefits?
- ▶ **Other.** What other fringe benefits are offered?



PAYDAY

- ▶ Bank Accounts
- ▶ Direct Deposit
- ▶ Payroll card accounts
- ▶ Reporting work to SSA
 - ▶ Work Incentives
- ▶ Payroll Taxes



TAX TIME

- ▶ Importance of Filing, Tax Credits
- ▶ Free or Affordable Filing Options
 - ▶ VITA - <https://www.irs.gov/Individuals/Free-Tax-Return-Preparation-for-You-by-Volunteers>
 - ▶ My Free Taxes - www.myfreetaxes.com
- ▶ Deciding what to do with a tax return



THE IMPORTANT ROLE YOU PLAY



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BELIEF IS CRITICAL

- ▶ It is essential that you believe that every youth has the potential to be a financially stable adult.
- ▶ Few people become part of the financial mainstream without someone believing they can.
- ▶ You might be the first person in a long time that believes this youth can be financially better off than their family.
- ▶ Your encouragement is very powerful and creates a relationship that allows for tough conversations.



START THE CONVERSATION

- ▶ Start the conversation. Don't assume that another touch point is discussing financial literacy, budgeting or thinking about a financial future with your client.
- ▶ Fear is a bad decision maker. It is important to encourage individuals to get the right information about their benefits before making limiting decisions.
- ▶ Don't let your own insecurity about your finances deter you from making connections for those you serve.



**DON'T UNDERESTIMATE YOUR POWER TO
CREATE CHANGE THROUGH
ENCOURAGEMENT.**



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QUESTIONS



CONNECT WITH THE LEAD CENTER

- ▶ Follow the LEAD Center...
 - ▶ LEAD Center news: <http://eepurl.com/sQiHr>
 - ▶ Facebook: www.facebook.com/LEADCtr
 - ▶ Twitter: [@LEADCtr](https://twitter.com/LEADCtr)
 - ▶ LinkedIn: [linkedin.com/groups/LEAD-Center-4828089](https://www.linkedin.com/groups/LEAD-Center-4828089)
 - ▶ YouTube: <https://www.youtube.com/user/LEADCtr>

- ▶ Join NDI's REI Network...
 - ▶ Free webinars and tools: <http://bit.ly/REI-Network>

- ▶ Contact us:
 - ▶ Rebecca Salon, Project Director, rsalon@ndi-inc.org
 - ▶ Elizabeth Jennings, Asst. Project Director, ejennings@ndi-inc.org
 - ▶ Brittany Taylor, Project Coordinator, btaylor@ndi-inc.org
 - ▶ Jamie Robinson, Workforce SME, jrobinson@ndi-inc.org



THANK YOU

Jamie Robinson

LEAD Center

National Disability Institute

jrobinson@ndi-inc.org

Rebecca Salon

LEAD Center

National Disability Institute

rsalon@ndi-inc.org

