



Promoting Economic Advancement

**Integrating Employment and
Financial Capability Services:
New Pathways to Economic
Stability**

**February 26, 2014
3:00PM EST**

The LEAD Center is led by National Disability Institute and is funded by the Office of Disability Employment Policy, U.S. Department of Labor, Grant No. #OD-23863-12-75-4-11

TODAY'S SPEAKERS

Rebecca Salon (Facilitator)

Project Director

LEAD Center



TODAY'S SPEAKERS

Michael Morris

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TODAY'S SPEAKERS

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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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Please note: This webinar is being recorded and the materials will be placed on the LEAD Center website at <http://www.leadcenter.org/webinars/integrating-employment-and-financial-capability-services-new-pathways-economic-stability>



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- ▶ If you experience any technical difficulties during the webinar, please use the chat box to send a message to the host **Nakia Matthews**, or you may also email nmatthews@ndi-inc.org.



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.



AGENDA

- ▶ Framing the Issue
- ▶ A Growing Partnership: DOL ODEP and CFPB
- ▶ CFPB Background
- ▶ Financial Capability and Financial Empowerment
- ▶ Transaction Accounts and Credit
- ▶ Tools, Research, and Collaboration
- ▶ Connecting with CFPB
- ▶ Questions



WEBINAR OUTCOMES

- ▶ As a result of today's webinar, participants will have a better understanding of:
 - ▶ The importance of Financial Capability and Financial Empowerment for individuals with disabilities.
 - ▶ The CFPB mission, vision, and current efforts.
 - ▶ The basics of Transaction Accounts and Credit and how to share these important concepts with those you serve.
 - ▶ Connecting with CFPB and accessing available tools and resources.
 - ▶ The importance of a DOL ODEP and CFPB partnership.



FRAMING THE ISSUE

- ▶ People with disabilities live in poverty at a rate twice that of their non-disabled peers. (27.8% compared to 12.4%)
- ▶ 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.



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% report with credit scores below 600



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.

*



IMPACT OF SUPPORT

- ▶ Savings/investments and tax advice improve positive behavior and reduce negative behavior for low income earners.
- ▶ 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.



February 26, 2014

Integrating Employment and Financial Capability Services: New Pathways to Economic Stability

OFFICE OF FINANCIAL EMPOWERMENT



Consumer Financial
Protection Bureau

Presentation

- CFPB Background
- Financial Capability and Financial Empowerment
- Transaction Accounts and Credit
- Tools, research, and collaboration

CFPB Mission & Vision

The CFPB helps consumer financial markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives.

Our Vision is a consumer finance marketplace...

- where customers can see prices and risks up front and where they can easily make product comparisons;
- in which no one can build a business model around unfair, deceptive, or abusive practices;
- that works for American consumers, responsible providers and the economy as a whole.

Consumer Education and Engagement

Financial Education

- Provide targeted educational content
- Identify and promote effective fin ed practices

Consumer Engagement

- Create interactive, informative relationship with consumers

Servicemembers

- Improve financial protection
- Monitor complaints
- Coordinate w/ DoD, etc.
- 2.2 million military personnel
- 22.6 million veterans

Older Americans

- Protect against financial abuse
- Improve financial literacy
- Planning for life events
- 50 million aged 62+

Students

- Increase awareness of debt in college choice
- Monitor complaints
- Build campus awareness
- 22-28 million (age 16-26)

Financial Empowerment

- Improve financial stability for low-income & other economically vulnerable consumers
- 68 million unbanked or underbanked
- 33% of Americans earn less than twice the poverty line
- Approximately 50 million have thin or no credit files

Focus on Americans with Disabilities

CFPB has identified people with disabilities as target audience and the CFPB Office of Financial Empowerment has made strides to identify and address issues:

- Hosted two forums to examine the unique consumer financial product and service needs of people with disabilities – 2012 and 2013.
- Held first national conference on the importance of building federal collaboration to help people with disabilities better navigate the financial marketplace - November 2012.
- Published report, *Empowering Low Income and Economically Vulnerable Consumers*, on learnings from the conference as well as plans for future action. – November 2013
- CFPB invited leaders in the disability community to meet Director Cordray and senior staff to share their specific concerns and needs. – November 2013

Financial Capability and Empowerment

Financial capability is the capacity, based on knowledge, skills, *and access*, to manage financial resources effectively.

Financial empowerment gives people the knowledge, skills, resources, and confidence to make informed decisions and use money to reach their goals.

Financially empowered individuals are informed and skilled; they know where to get help with their financial challenges; and they are confident about using their financial knowledge, skills, and resources.

Role of Frontline Staff

Financial issues are often the underlying cause that leads people to need safety net programs.

Helping customers manage their cash flow and evaluate their financial services may save them hundreds of dollars each year and keep them from losing essential services (e.g., utilities) and important assets (e.g., car, apartment, or home) due to nonpayment.

Case managers and other frontline staff in government and nonprofit organizations:

- Have preexisting trust-based relationship with clients
- Play a critical role in relaying information and linking clients with other financial empowerment providers.
- May be the only opportunity for many individuals and families to access financial empowerment services.

Access: Complicated Landscape

There are many places that offer financial services:

- Retail superstores, convenience stores, grocery stores, and other stores—check cashing, bill payment, money orders, prepaid cards, and money transfers
- Check cashers and payday lenders – check cashing, money transfers, bill payment, money orders, prepaid cards, and short-term loans
- Online companies—money transfers, bill payment services, loans, financial management tools, online “wallets” or “accounts”
- Mortgage companies—loans for homes
- Automobile dealers—car loans

Access: Benefits and Risks of Choices

Place to Keep Your Money	Benefits	Risks	Other Important Information
In a federally insured savings or checking account	<ul style="list-style-type: none"> If the institution is federally insured, up to \$250,000 per depositor is protected. Unlike cash, the money cannot be lost, stolen, or destroyed in a fire or other disaster. You can get it back if someone steals it by stealing your debit card. 	May be charged service fees or other fees if you do not follow the rules for the account	If you have had an account involuntarily closed because you owed money or had a negative balance on the account, you may not be able to find a bank or credit union that will open an account for you for a period of time (generally 5-7 years)
On a prepaid debit card (stored value card)	<ul style="list-style-type: none"> Easy to access Convenient No account needed 	<ul style="list-style-type: none"> May have fees for activation, loading funds, using the card, etc. May not be insured for you or have the same protections from loss or theft as a savings account if the card or PIN are lost or stolen. 	Check the card agreement to ensure that you understand the fees
A secret place in your home	<ul style="list-style-type: none"> No cost for maintaining it Easy to access Convenient 	<ul style="list-style-type: none"> Can be lost, stolen or destroyed in a fire or natural disaster Might put you at risk of a home invasion crime 	

Identifying Appropriate Products and Services

Reason for a Financial Service Provider	Financial Service Provider	Products that can meet your need
I want a safe and secure place to keep my money.	Bank or credit union Retailer, check cashing store or online	Savings account, checking account or certificate of deposit Prepaid debit card (with individual funds that are fully insured by FDIC)
I want to be able to make purchases without having to carry cash or go into debt.	Bank or credit union Retailer, check cashing store, or online	Debit card (attached to a savings or checking account) Prepaid debit card
I want a low cost and easy way to pay my bills.	Bank or credit union Retailer, check cashing store, or online U.S. Postal Service	Checking account; Bill payment services; Money orders Money orders; Bill payment services; Prepaid debit cards (some can be used for bill payment) Money orders
I want to bank and pay bills online.	Bank or credit union Internet-based bill paying service Retailer, check cashing store, or online	Checking account and online banking Online bill paying Prepaid debit card with online bill payment

Quiz 1

What is more expensive for a consumer, using a prepaid card or a traditional checking account?

Pew Research: 3 Consumer Types

	Savvy	Basic	Inexperienced
General Profile	<ul style="list-style-type: none"> • Avoids fees whenever possible • Uses direct deposit 	<ul style="list-style-type: none"> • Not as proficient at avoiding fees • Incurs one overdraft or point-of-sale (POS) decline fee per month 	<ul style="list-style-type: none"> • Makes heavy use of services and does not avoid fees • Incurs two overdraft penalty fees or decline fees per month
Cost for checking account:			
Range	\$0 - \$50	\$2 - \$55	\$74 - \$130
Median	\$3.99	\$28	\$94
Cost for prepaid card:			
Range	\$0 - \$24	\$14 - \$68	\$17 - \$105
Median	\$10.13	\$28.48	\$32.60

Quiz 2

Low credit scores may result in:

- a. Higher deposits for utilities
- b. The inability to rent an apartment
- c. Higher rates for insurance premiums
- d. A denial for a loan or credit card
- e. Difficulty getting a job
- f. All of the above
- g. None of the above

Strategy for Improving Credit Reports and Scores

- Make sure information in credit report is correct
- Make all payments on time
- Don't use too much of the credit that is available
- Keep unused credit accounts open
- Develop a plan to take care of outstanding judgments or liens
- Diversify credit sources
- Get on payment plan for medical debt—ensure provider is not reporting balance as outstanding
- Ask for a “goodwill” deletion for an unusual late payment
- Negotiate with collection agency to “not report” in exchange for payment
- Use credit building products
- Pay down old debt or debt in collections

RESOURCES AND TOOLS

Financial Empowerment - Key Strategies

- Identify most promising products, services, delivery channels
- Collaborate with federal agencies that touch low-income and economically vulnerable (HHS, DOL, financial regulators)
- Focus on Intermediaries: social service agencies, community organizations, financial institutions, government, legal aid entities

Case Manager Training

- Began with focus groups and a field scan to inform development of a toolkit and trainings
- Toolkit
 - Currently includes modules on goal-setting, saving, cash-flow budgeting, credit, debt management strategies, choosing financial services, and CFPB resources

Asset Building

- Promote **wealth-building at tax-time** (required by Dodd-Frank) through a pilot in 13 locales
- Strategies include training and pre-commitment messages

Ask CFPB – ConsumerFinance.gov/askcfpb

The screenshot displays the Ask CFPB website interface. At the top, the CFPB logo and navigation menu are visible. A search bar is present, with a search button. Below the search bar, a dropdown menu shows search results for 'where can'. The main content area is divided into two columns. The left column features a 'Student Loans' section with various filters and a 'COMMONLY ASKED QUESTIONS' section. The right column displays search results for 'credit report', including a list of categories, a filter results section, and two article snippets. Annotations with arrows point to specific elements: 'Curated homepage content' points to the 'COMMONLY ASKED QUESTIONS' section; 'Search autocomplete' points to the dropdown menu; and 'Filter search results by audience or topic' points to the 'FILTER RESULTS' section.

Curated homepage content

Search autocomplete

Filter search results by audience or topic

Results for 'credit report'

Sort by: **most relevant** | most helpful | most viewed | recently updated

CREDIT CARDS, CREDIT REPORTS AND SCORES
When can a card issuer look at my credit report?
UPDATED MARCH 22, 2012

A card issuer can look at your full credit report when you apply for a credit card. If you are a customer of the card issuer, it can look at your credit report at any time.

application

DEBT COLLECTION
If I dispute a debt that is being collected, can a debt collector still try to collect the debt from me?
UPDATED OCT. 21, 2012

The effect of a dispute depends on how soon you dispute the debt with the debt collector. Any debt collector who contacts you claiming you owe payment on a debt is required by law to tell you certain information about ...

debt collection | debt collector | dispute a debt

CREDIT REPORTS AND SCORES
Where can I get my credit score?
UPDATED MARCH 22, 2012

Unlike your credit report, which you can get at no cost to you, you usually have to pay for your credit score. There are certain instances in which you are entitled to your credit score for free, for example if ...

FILTER RESULTS

- Servicemembers (8)
- Students (5)
- Older Americans (1)
- credit report (44)
- credit score (26)

Ask CFPB – Credit Reports and Scores

“credit reports and scores” questions

1. “Where can I get my credit score?”
2. “How do I dispute an error on my credit report?”
3. “Are there laws that limit what debt collectors can say or do?”
4. “What is my credit score?”
5. “I got my free credit reports, but they do not include my credit scores. Can I get my credit score for free, too?”

http://www.consumerfinance.gov/askcfpb/search?selected_facets=category_exact:Credit Reports and Scores

Consumer Response - How to submit a complaint

consumerfinance.gov/Complaint/



An official website of the United States Government

(855) 411-2372

- HOME
- INSIDE THE CFPB
- GET ASSISTANCE
- PARTICIPATE
- LAW & REGULATION
- SUBMIT A COMPLAINT**

[HOMESUBMIT A COMPLAINT](#)

Submit a complaint



[Bank account or service](#)



[Money transfer](#)



[Credit card](#)



[Mortgage](#)



[Credit reporting](#)



[Student loan](#)



[Vehicle or consumer loan](#)

CHECK YOUR COMPLAINT STATUS

[LOGIN](#)

[First login?](#)

Para presentar una queja en español, llamar al (855) 411-2372

Feedback about the complaint process?

[Tell your story](#)

(855) 411-2372 or TTY/TDD (855) 729-2372

M-F 8am – 8pm ET, *excludes federal holidays, 180+ languages*



Draft and Predecisional

Publications for Consumers

<http://promotions.usa.gov/cfpbpubs.html>



Consumer Financial Protection Bureau

CFPB Publications

Order FREE Consumer Financial Protection Bureau publications.

The central mission of the Consumer Financial Protection Bureau (CFPB) is to make markets for consumer financial products and services work for Americans — whether they are applying for a mortgage, choosing among credit cards, or using any number of other consumer financial products.

You may download products by clicking on each product's name. Adobe Acrobat Reader is required to view the products and is available for download at: <http://get.adobe.com/reader> Please allow 4-5 weeks for delivery.

Image	Description	Order Quantity
	Check your Credit Report (102 Kb) Free ways to check your credit report to find and fix mistakes, update your information, and guard against identity theft.	Quantity: <input type="text" value="0"/>
	Verifique su informe crediticio al menos una vez al año (332 Kb) Formas gratuitas de verificar su informe crediticio para buscar y solucionar problemas, actualizar su información y protegerse contra el robo de identidad.	

How You Can Participate

- Ask CFPB: <http://www.consumerfinance.gov/askcfpb/>
- Complaints: <http://www.consumerfinance.gov/complaint/>
- Tell Your Story:
<http://help.consumerfinance.gov/app/tellyourstory>
- CFPB Twitter: @CFPB
- CFPB Facebook: <http://www.facebook.com/CFPB>
- Go to ConsumerFinance.gov to sign up for our newsletter
- Weigh in on rulemakings:
<http://www.consumerfinance.gov/notice-and-comment/>
- CFPB Blog: <http://www.consumerfinance.gov/blog/>

How CFPB and ODEP can Partner

We want to hear from you on your suggestions for aligning the work of CFPB and ODEP.

- Joint Listening Sessions
- Targeted training for Workforce Professionals on content specific to the disability community
 - ⇒ Accessing Affordable Financial Services
 - ⇒ Utilizing Protected Savings Opportunities (for people on public benefits)
 - ⇒ Financial Decision Making for Individuals with Cognitive Disabilities
 - ⇒ Supporting Caregivers and Guardians to Make Sound Financial Decisions
- Future Policy Initiatives

ODEP AND CFPB PARTNERSHIP

- ▶ Our partnership is built on a joint commitment to help workers with disabilities increase their financial capability as they enter or advance in employment.



ODEP AND CFPB PARTNERSHIP

- ▶ Together we will:
 - ▶ Design strategies to reach individuals with disabilities at critical touch-points along their path to employment and upward economic mobility—including entering employment training, seeking a job, or starting one.
 - ▶ Work together to advance financial capability by sharing resources and leveraging partnerships within and outside the workforce investment system.
 - ▶ Identify and share best practices with the workforce development system, community based organizations and the disability community to help bring to scale nationwide.



QUESTIONS?



LEAD CENTER *FREE* WEBINAR SERIES

- ▶ The LEAD Center will provide a new webinar on the last Wednesday of each month from 3:00p.m. EST - 4:30p.m. EST.
- ▶ Webinars will include three mini-series on:
 1. Economic Advancement
 2. Leadership
 3. Employment
- ▶ The first mini-series focuses on economic advancement strategies for workers with disabilities.

<http://www.leadcenter.org/webinars>



UPCOMING WEBINARS: EMPLOYMENT SERIES

March 26, 2013 from 3:00pm to 4:30pm EST

Maintaining Employment Through Economic Advancement Strategies

Webinar will provide information on strategies for enhancing employment stability and improving time on the job through the use of economic advancement strategies. Participants will learn how to integrate these strategies into their return to work services and hear stories about on the ground implementation.

Target Audience: Workforce Development Professionals and related stakeholders.



THANK YOU

Rebecca Salon

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To ask questions after today's webinar:

Elizabeth Jennings

LEAD Center, Assistant Project Director

ejennings@ndi-inc.org



RESEARCH

- ▶ The following research was used in developing this presentation:
 - ▶ Erickson, W., Lee, C., von Schrader, S. (2013). Disability Statistics from the 2011 American Community Survey (ACS). Ithaca, NY: Cornell University Employment and Disability Institute (EDI).
 - ▶ Kessler Foundation/NOD (2010). Survey Of Americans With Disabilities The ADA, 20 Years Later.
 - ▶ FINRA Investor Education Foundation (2012). Financial Capability in the United States. Report of Findings from the 2012 National Financial Capability Study.
 - ▶ Hartnett, J. (2014). A Case Study of Financial Coaching in the Workplace. State of Delaware Financial Empowerment Office. In Press
 - ▶ Tang, N. & Lachance, M.E. (2012). Financial advice: What about low income consumers? Journal of Personal Finance.

