



**Promoting Economic Advancement**

**Maintaining Employment  
Through Economic  
Advancement Strategies**

March 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

**Elizabeth Jennings** (Facilitator)

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LEAD Center



**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.



# WELCOME

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US Department of Labor

Office of Disability Employment Policy



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<http://www.leadcenter.org/webinars/maintaining-employment-through-economic-advancement-strategies>.



# TECHNICAL ASSISTANCE

- ▶ 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](mailto: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

- ▶ The Impact of Financial Stress on Productivity
- ▶ Our Current Approach to Employment Services
- ▶ Shifting the Focus to Include Financial Issues, Needs, and Opportunities in Employment Planning
- ▶ How and When to Address Finances Needs and Goals
- ▶ Next Steps for Workforce Professionals and for Organization Leadership
- ▶ Questions



# WEBINAR OUTCOMES

- ▶ As a result of today's webinar, participants will have a better understanding of:
  - ▶ The impact of financial stress on employment.
  - ▶ The importance of including Financial Capability as part of the employment plan.
  - ▶ The basics of how and when to talk to customers about their finances.
  - ▶ Steps you can take in the short term and long term.
  - ▶ Resources to support you along the way.





Why is this  
part of my  
job?

# IMPACT OF PERSONAL FINANCES ON EMPLOYMENT

- ▶ Financial problems often affect an individual's level of work productivity and personal relationships.
- ▶ A recent study by the Personal Financial Employee Education Foundation showed that approximately 1 in 4 employees are in serious financial distress.
- ▶ On average, up to 80 percent of these individuals spend time at work dealing with their personal financial problems, wasting anywhere from 12-20 hours per month.



# IMPACT OF FINANCIAL STRESS ON EMPLOYMENT

- ▶ A 2010 Federal Reserve study stated that employee financial stress costs employers an average of \$5,000 per employee per year in lost productivity.
- ▶ Those earning under \$30,000 score high on the Financial Related Stress Index (64 points).



# FINANCIAL STRESS AND JOB PRODUCTIVITY

- ▶ Financial Stress can impact job productivity in many ways:
  - ▶ Increase in unplanned absences.
  - ▶ Employee is more easily distracted.
    - ▶ Employee is more prone to accidents.
  - ▶ Stress creates a high risk of health related problems.
  - ▶ Employee becomes a high turn over risk.
  - ▶ Job loss due to low/lower productivity.



# BENEFITS OF FINANCIAL CAPABILITY

- ▶ Decreased financial stress.
- ▶ Less financial crisis.
  - ▶ i.e. Individuals who lose jobs due to car repairs that can't be paid or loss of housing.
- ▶ Greater motivation to push through the challenges a new job presents.
- ▶ Better budgeting to face drops in Social Security and other public benefits.



# FINDINGS FROM EMPLOYERS

- ▶ Research demonstrate that employees who are able to manage their finances are more productive.
- ▶ One company found that profits increased by \$450 annually for each employee who improved his or her financial behaviors.



# HOW DO WE GET THERE?

- ▶ How do we help those we serve move from high financial stress, financial crisis and/or limited financial security to being financially capable?



# TALKING ABOUT MONEY

- ▶ Talking about money is complicated and can make us feel uncomfortable.
- ▶ Sometimes this leads us to simplify the situation or to be judgmental.

<http://www.youtube.com/watch?v=QzE76nUSjL8>

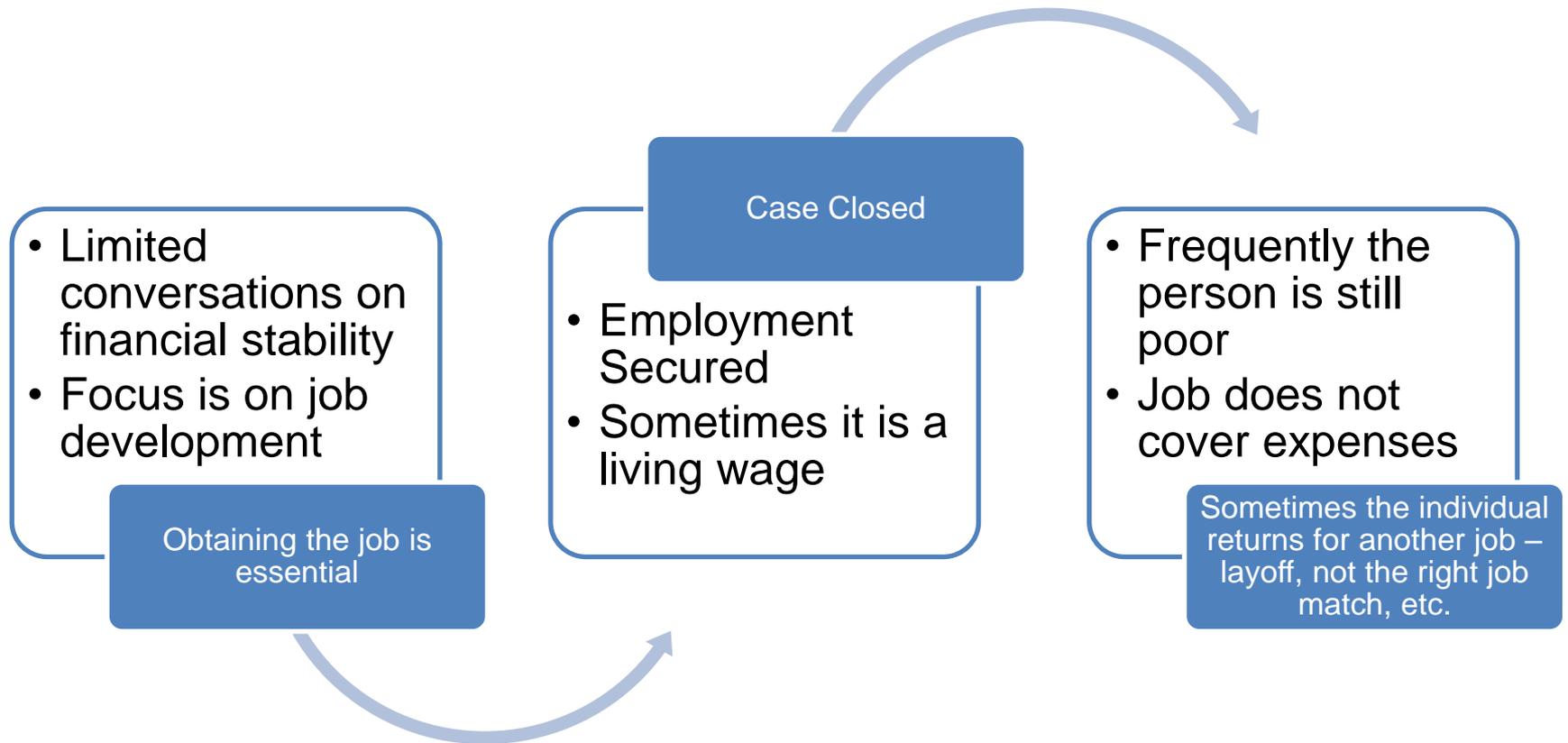


# WORK WILL BE THE ANSWER

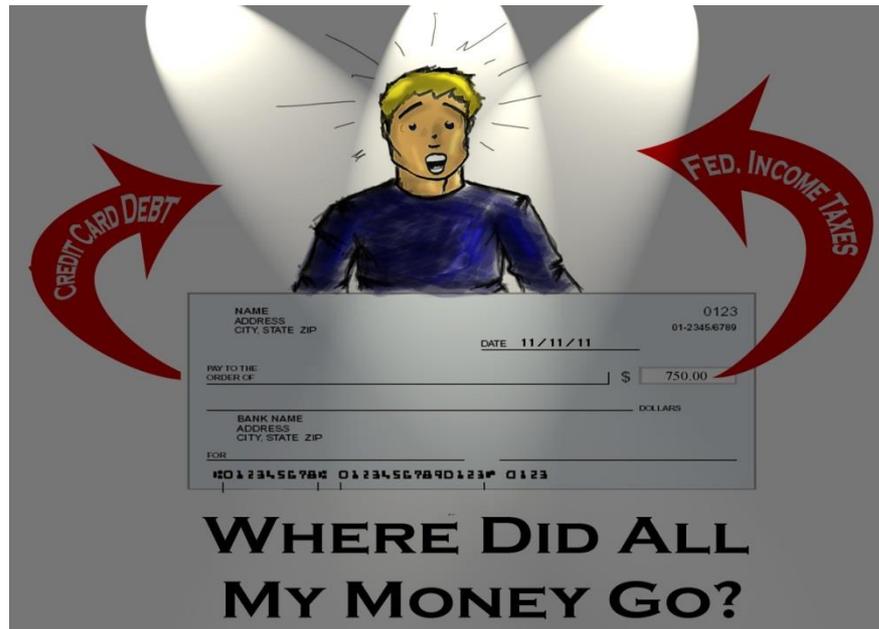
- ▶ Frequently there is the assumption that the job is what matters, not the wage because:
  - ▶ Everyone starts somewhere
  - ▶ The job market is tough right now
  - ▶ The person can augment the wage with public benefits
  - ▶ The person doesn't really understand money
- ▶ We often forget that wages do matter. We need to help job seekers think about how much they need to earn to cover their expenses now and in the future.



# CURRENT SYSTEM



# WHEN DO WE TALK ABOUT MONEY?



# WE TEND TO BE UNCOMFORTABLE TALKING ABOUT MONEY

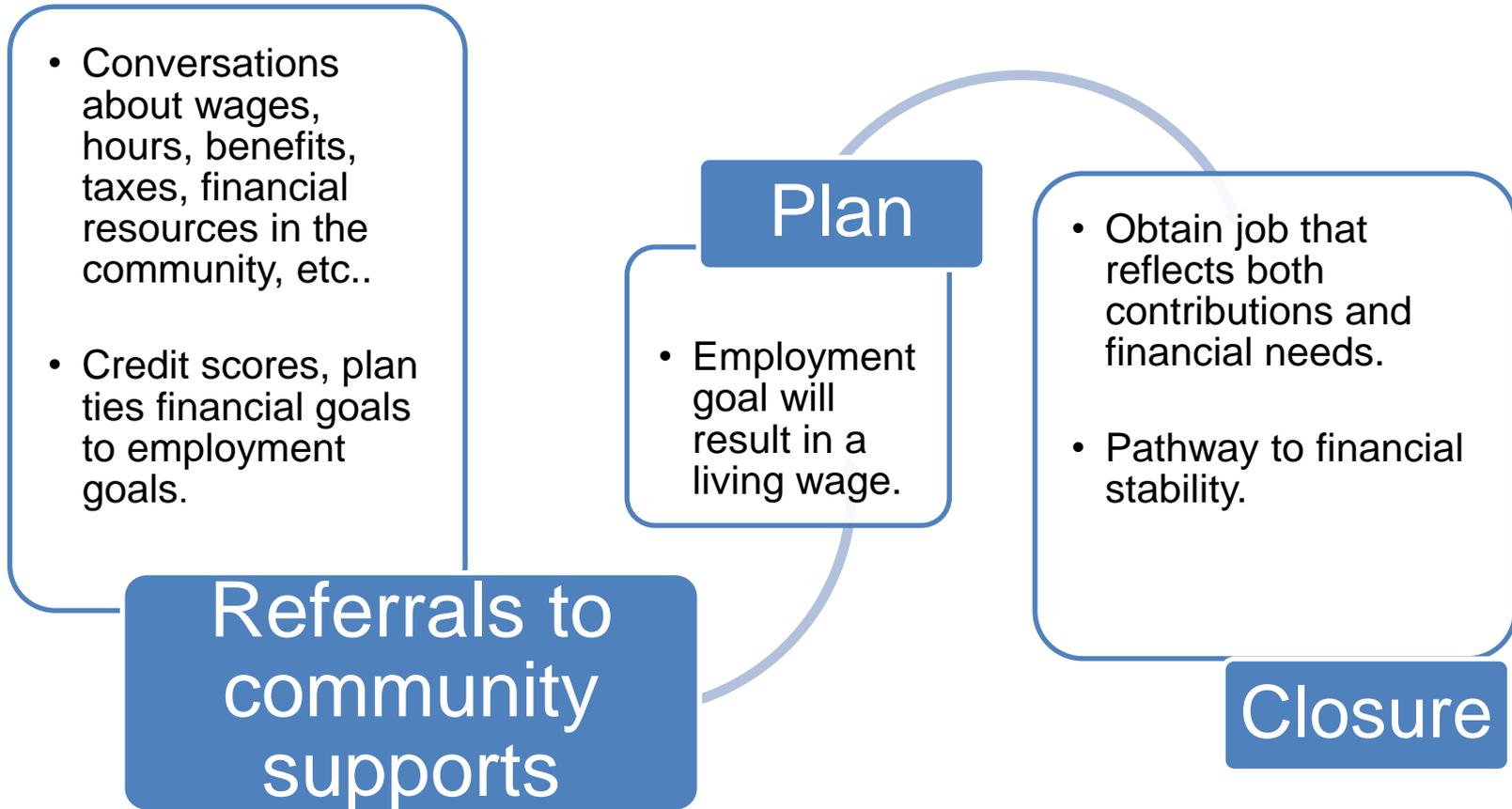
*Our approach has been a little like teaching someone how to diet before you teach them how to cook.*

Traditionally we may find.....

- ▶ When it comes to money it is easy to fall into a judgmental stance.
- ▶ We talk about budgeting but not how a budget can make life easier.
- ▶ We are reticent to ask what financial information and services the customer needs.
- ▶ We neglect to make sure the customer understands what we are saying.
- ▶ Our own financial situation or hang ups prevent us from starting the conversation.



# WHAT WE WANT



# TENSION SYSTEMS



# KURT LEWIN'S THEORY

- ▶ Environments are complex and layered.
- ▶ There are behaviors that pull us away and towards certain behaviors.
- ▶ These are “tension systems”.
- ▶ Small changes can make a desired behavior easier to obtain.



# YOU CAN MAKE A DIFFERENCE

- ▶ Adding a conversation about money to your employment planning will lead to less financial stress for the individual by:
  - ▶ Improving the likelihood of the job seeker securing employment at a wage that will meet their monthly budget needs.
  - ▶ Identifying and securing connections to needed financial services.
  - ▶ Increasing the individual's understanding of their own needs and a way to meet those needs.



# THREE THINGS YOU CAN DO

- ▶ Three things you can do to make it easier for job seekers to maintain employment by decreasing financial stress and building financial stability.
  1. Make room for the conversation.
  2. Keep things as simple as possible.
  3. Change your view of services.



# MAKE ROOM FOR THE CONVERSATION

When to introduce the concept that employment should place the job seeker on a pathway to financial stability?

## Timing Is Everything

- ▶ At intake and when writing the employment plan
  - ▶ Provide job seekers with tools to evaluate what wage will cover their expenses
- ▶ Throughout the job development process
  - ▶ Repeat information frequently – people need to hear information more than once.
  - ▶ Review the job on the table:
    - ▶ Can you live on this wage?
    - ▶ Does the wage need to be augmented with public benefits?
    - ▶ What is the plan to meet your monthly expenses?
- ▶ At case closure
  - ▶ What other information do you need?
  - ▶ What is the plan if a financial crisis hits?
  - ▶ How are you managing your financial stress?



# TALK ABOUT MONEY AT INTAKE AND WHEN WRITING THE EMPLOYMENT PLAN



# CONNECTING EMPLOYMENT AND FINANCIAL STABILITY

- ▶ Asking questions on the intake form and/or entering into discussions about an individual's finances may be viewed as intrusive.
- ▶ Employment is a key factor in financial stability. If expectations are to attain self-sufficiency and financial stability, then employment plans need to reflect that as a goal.
  - ▶ Accepting *any* job is a good stop-gap measure but not an effective plan.



# INTAKE

Intake forms could include one or more of the following questions to identify the need for financial stability supports and services:

- ▶ Questions related to desired salary.
- ▶ What are your total monthly expenses?
- ▶ Do you want information or support to better understand and/or manage your money?
- ▶ Do you have a bank account?
  - ▶ If unbanked – for how long?
- ▶ Do you know your credit score?
- ▶ Do you have credit issues you'd like to fix?
- ▶ How much do you owe?
- ▶ Do you want information or support to manage your debt?
- ▶ What are your financial goals?



# HELPFUL TO KNOW BEFORE EMPLOYMENT PLANNING STARTS

- ▶ What does financial security look like for the individual?
- ▶ What does financial independence look like?
- ▶ When does the person engage in risky and/or impulsive financial behavior?
- ▶ What does status mean and how does it play out in financial behavior?
- ▶ What financial goals does the person have?
- ▶ How can the individual's financial goals be addressed in the employment plan?



# EMPLOYMENT PLANNING

- ▶ Money needs to be part of the conversation
- ▶ As employment plans are developed need to think about:
  - ▶ What type of wage is needed to cover monthly expenses?
  - ▶ 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?



# PLANNING (CONTINUED)

- ▶ Is there anything the job seeker wants to save for?
- ▶ How much money is needed for financial stability?
  - ▶ And what is the job seeker willing to do to achieve that.
- ▶ When was the last time the job seeker checked his or her credit report?
- ▶ Are there any financial issues that will impact the job seeker working: overpayments, delinquent child support payments, garnishments?



# CREATE AN ACTION PLAN

- ▶ Ask the customer to write down the financial issue(s) he/she wants to address.
- ▶ Ask the customer to think about how the employment plan can help address one or more of these issues.
- ▶ Have the consumer create a personal action plan for what to do.....
  - ▶ immediately,
  - ▶ within 30 days,
  - ▶ within 2 months,
  - ▶ within 3 months.
- ▶ Have the person mail the plan to him/her self.



# TALK ABOUT MONEY THROUGHOUT THE JOB DEVELOPMENT PROCESS



# TALK ABOUT EMPLOYER BENEFITS

- ▶ Prior to the job seeker accepting a job, talk to the individual about employer benefits, the job seeker's needs and how benefits can augment salaries.
  - ▶ **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? If so, are they available for my family, as well as for myself?



# EMPLOYER BENEFITS

- ▶ Does the employer pay for health insurance coverage?
  - ▶ If not, how much will it be on monthly basis?
  - ▶ Is the premium deducted from the individual's paycheck?
  - ▶ How much is the deductible?
  - ▶ Can a summary of the health insurance plan options be reviewed before hire? What restricts and limitations are there?
  - ▶ When does coverage begin?
- ▶ How much sick time, vacation time, and holidays are provided.
  - ▶ When do benefits start to accrue?
  - ▶ Can sick time be used it when a child is ill?



# EMPLOYER BENEFITS, CONTINUED

- ▶ What other fringe benefits are offered?
  - ▶ Stock options
  - ▶ Bonuses
  - ▶ Raises (note frequency)
  - ▶ In-house training
  - ▶ Wellness program
  - ▶ Mutual funds
  - ▶ Share compensation
  - ▶ Childcare or childcare assistance
  - ▶ Policy to promote from within



# HOW DOES THE EMPLOYER PAY?

- ▶ Payroll card accounts established by employers to transfer employees compensation.
  - ▶ The employee is allowed to choose the institution that will receive the direct deposit.
  - ▶ The employer can not require that employees receive their wages to a payroll card accounts at a certain institutions.
  - ▶ The employer can offer choices of payroll card, direct deposit to an account of the employee's choosing, or paper check.



# PAYROLL TAXES

- ▶ What the person needs to know about Payroll taxes?
  - ▶ Gross income - pay before taxes
  - ▶ Net income - the amount of money a person gets after taxes
    - ▶ Net income depends on what deductions are taken on the W-4
  - ▶ Employer benefit(s) deductions
  - ▶ Social Security taxes - 6.2%
  - ▶ Medicare deduction - 1.45%
- ▶ Keep in mind other deductions that may reduce take home pay.
  - ▶ Insurance premiums, retirement plans, flexible health accounts, etc.



# TALK ABOUT MONEY AT CLOSURE



# WHAT INFORMATION/RESOURCES DOES THE JOB SEEKER NEED?

- ▶ Credit, credit scores, credit repair
- ▶ Dealing with debt
- ▶ Budgeting
- ▶ Work incentives
- ▶ Reporting wages to SSA
- ▶ Retirement accounts
- ▶ Wage garnishments
- ▶ Financial education classes
- ▶ Community supports
- ▶ Banking products
- ▶ Low interest loans

Where will the job seeker get the needed information?

What partnerships do you need to form?



# KEEP IT SIMPLE

- ▶ Keep the focus on what the jobseeker identifies as their financial goals and what he or she needs or wants to know?
- ▶ Make it easy to be successful.
  - ▶ Shorter goals
- ▶ Start with the job seeker's strengths and build from those strengths.
- ▶ Make information easily accessible and understandable.



# WHAT IF THE PERSON DOESN'T UNDERSTAND MONEY?

- ▶ Most of us understand what we need to know to get by.
- ▶ People might not understand the financial system but they do understand what they want.
- ▶ Structure conversations around what the person wants in the future.



# USE TECHNOLOGY

Use technology whenever possible.

- ▶ Labeling with a picture.
- ▶ Harness the power of smart phones.
  - ▶ Alerts, reminders, notification of low balances, etc.
- ▶ Explore and use free Financial Apps
  - ▶ Budgeting, Credit Tracking, Money Tips, etc.
- ▶ Text tips, tools, and useful websites to job seekers



# THINK ABOUT SERVICES DIFFERENTLY

Lay the foundation that a job alone is not enough.  
The goal is to be financially stable, which means we will:

- ▶ Assist the job seeker in thinking about a career that both meets their unique abilities and puts them on the pathway to financial stability.
- ▶ Ask job seekers to think about what financial stability means to them. How much money they will need now and in the future to be financially stable. **And what are they willing to do to achieve that.**
- ▶ Provide information on how to use public benefits as a tool to support financial goals.
- ▶ Provide resource information on financial literacy training and community resources.



# KEEP THE CONNECTION

- ▶ Remember that improving your customer's financial capability will decrease their financial stress – a major cause of issues on-the-job.
- ▶ Integrating financial stability into disability and employment services is critical if we want people to be financially stable.
- ▶ There are a portion of job seekers who will never be financially stable without these conversations and supports.



# ON-THE-GROUND EXAMPLE

Terrence comes to your organization for employment services:

- ▶ The intake/employment process uncovers Terrence's financial issues and supports desired.
- ▶ The Job Counselor/Case Manager refers Terrence to a free group financial education class to be completed while he is seeking employment.
- ▶ Prior to accepting a position, the Job counselor helps Terrence create a financial plan that identifies:
  - ▶ How much he needs to earn.
  - ▶ What employer benefits he needs.
  - ▶ What can he change in his budget if he accepts a job for less money.
  - ▶ How to use public benefits to augment wages.
  - ▶ Where to obtain free tax filing services.
  - ▶ Which tax credits he may be eligible to receive.
  - ▶ Opportunities to use his tax return to meet one of his goals.



# EXAMPLE CONTINUED

## Terrence's Outcomes

- ▶ He understands his financial needs.
- ▶ He identified financial goals.
- ▶ He has a financial plan.
- ▶ He improves his money management skills and feels more in control of his money.
- ▶ He has a job that covers his expenses
- ▶ He knows the supports in the community, where to turn for additional support.
- ▶ He believes he can improve his financial situation.



# BELIEF IS CRITICAL

- ▶ Few people become part of the financial mainstream without someone believing they can do it.
- ▶ You might be the first person in a long time that believes the job seeker can be financially better off.
- ▶ Your encouragement is very powerful and creates a relationship that allows for tough conversations.



# WHAT YOU CAN DO TOMORROW

- ▶ Redefine Successful Employment
- ▶ Consider enhanced Employment Services that support job seekers to:
  - ▶ Earn wages that (at a minimum) meet their monthly expenses.
  - ▶ Report earned income to SSA, with support, if necessary.
  - ▶ File taxes and apply for the Earn Income Tax Credit (with support, if necessary).
  - ▶ Have a bank account.
  - ▶ Connect to supports in the community that can assist with budgeting, financial education, etc.



# WHAT YOU CAN DO IN THE NEXT MONTH

- ▶ Take an online financial education class.
  - ▶ <http://www.mint.com/solutions/budget/>
  - ▶ <http://www.prosynergy.org/ncuf/index.htm>
  - ▶ <http://www.fdic.gov/consumers/consumer/moneysmart/mscbi/mscbi.html>
- ▶ Introduce financial questions into your job counseling.
- ▶ Learn the resources in your community.
- ▶ Create handout sheets on understanding employer benefits.
- ▶ Become familiar with Social Security Work Incentives.
  - ▶ <http://www.socialsecurity.gov/redbook/>



# WHAT LEADERSHIP CAN DO

- ▶ Be willing to try different and untested strategies. Create a workgroup willing to explore what would be possible in the next year.
- ▶ Arrange training for all staff on financial strategies and why this is important.
- ▶ Pilot how to incorporate financial health into Employment Planning.
- ▶ Create saving incentives when someone goes to work.
- ▶ Work with businesses to develop joint strategies.
- ▶ Incorporate financial expectations/ desires as part of Discovery and Customized Employment.



# NEW RESOURCES TO CONSIDER

- ▶ Free Financial Health Assessment to assess client's financial needs:
  - ▶ Snohomish County Asset Building Coalition - <http://snocoabc.files.wordpress.com/2013/03/financialhealthassessmenttool.pdf>.
- ▶ Link to a Living Wage Calculator on your website:
  - ▶ Poverty in America - <http://livingwage.mit.edu/>
- ▶ List local resources that provide Financial Literacy Supports
  - ▶ Banks that offer Second Chance bank accounts
  - ▶ Local Individual Development Accounts (match savings accounts)



# 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
- ▶ Next month starts our second mini-series focused on leadership/public policy to improve outcomes for individuals with disabilities.

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



# UPCOMING WEBINARS: EMPLOYMENT SERIES

**April 23, 2014 from 3:00pm ET to 4:30pm ET**

## **Section 503: Connecting Job seekers with Disabilities and Federal Contractors through the Workforce Development System**

There are new challenges and opportunities for federal contractors as a result of requirements of the Section 503 final rule. Building an inclusive workforce provides new opportunities for American Job Centers (AJCs) and the workforce development system to provide assistance to federal contractors and job seekers with disabilities. What role can AJCs play to create a talent pool? What services needed by federal contractors can AJCs offer? What do other community partners need to know to promote employment opportunities and outcomes for people with disabilities? Learn more about Section 503 requirements and value added opportunities for all key stakeholders.

**Target Audience:** Workforce Development Professionals, Policy Makers, Individuals with Disabilities and related stakeholders.



# DISABILITY EMPLOYMENT INITIATIVE / WORKFORCE3ONE

April 8, 2014, 3:00pm ET – 4:30pm ET

## The Role “Credit” plays in the Employment of People with Disabilities

This webinar will provide workforce development professionals and Disability Employment Initiative (DEI) grantees with information on the role that credit plays in the employment of people with disabilities. Upon completion of this webinar, workforce development professionals and DEI grantees will have information on:

- What credit is and how it is established.
- The ways that credit can directly impact employment.
- Strategies for educating and supporting job seekers with disabilities and/or multiple challenges to employment in establishing and/or rebuilding credit.

<https://www.workforce3one.org/view/5001407348279225161/info>



# NATIONAL DISABILITY INSTITUTE WEBINAR

**April 9, 2014, 3:00pm ET – 4:15pm ET**

## **Measuring the Financial Capability of Persons with Disabilities**

Join National Disability Institute and Bank of America as we discuss measuring the financial capability of persons with disabilities. Financial Capability is defined as building knowledge and skills for informed decision making about budgeting, money management, credit, debt, and savings that lead to tangible improvements in an individual's financial health and stability. Financial capability is often measured by whether consumers can cover monthly expenses with income, track spending, plan ahead, save for the future and effectively navigate, select and manage financial products and services. For persons with disabilities, there are additional indicators to be considered when measuring financial capability.

This webinar will identify NDI's Financial Capability Indicators for Persons with Disabilities and explore new tools and strategies that organizations can use to improve the financial capability of persons with disabilities.

<https://ndiwebinars.webex.com/ndiwebinars/onstage/g.php?t=a&d=660464703>



# THANK YOU

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# RESEARCH

- ▶ The following research was used in developing this presentation:
  - ▶ <http://www.kiplinger.com/article/business/T020-C000-S001-the-toll-of-financial-stress-in-the-workplace.html#5vtosgWzB7KlegYQ.99>
  - ▶ <http://www.financialfinesse.com/blog/2011/12/the-impact-of-financial-stress-on-job-productivity/>

