Promoting Financial Wellness to Support Employment Outcomes: The Human and the Business Case

OREGON SUPPORTED EMPLOYMENT CENTER FOR EXCELLENCE
INDIVIDUAL PLACEMENT AND SUPPORT SUPPORTED EMPLOYMENT AND EDUCATION
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The Oregon Gardens, Silverton, OR

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Impact of economic exclusion on emotional and social wellness

Psychological distress: depression, anxiety, hopelessness

Economic exclusion: Poverty, dependency, financial stress

Low self-esteem & low self-efficacy

Social isolation

Poverty-induced shame

Poor quality of life

Life dissatisfaction

“Poverty trap:” desire to work but limited by public benefits
Life instability: housing, food, transportation, etc.
Limited access to ed opportunities
Shame & Isolation
Poor social capital
Lack of info about work incentives and other financial supports
Hesitation to take employment & financial risks

Addressing the linkages between poverty & unemployment

POVERTY & ECONOMIC EXCLUSION
Dependency
Financial instability & stress
Financial Insecurity
Lack of financial control
Financial exclusion

LOW EMPLOYMENT INTEGRATION:
Unwillingness to pursue employment
Practical barriers for employment
Higher risk of losing employment
Limitation to advance employment, increase income and assets

Dependency on public benefits
Employment gaps: limited work experience & skills, impact on income
Fewer assets for social mobility (e.g., retirement, property, education)
Social and material capital limited to MH and social services programs
Limited access to formal financial services (e.g., banking, credit, counseling/planning)
Less developed money management skills

Why Promote Financial Wellness in Employment Programs?

✓ Overcome “poverty trap” (having desire to work, and yet fear of losing cash/health/housing benefits) = main barrier to employment

✓ Address work-related changes and opportunities:
  • Income increase, benefit changes, new housing, new expenses, new options & decisions
  • Budgeting and financial planning become a necessity.
  • Need for support around money & financial issues increase
  • Opportunity to engage in formal financial supports (e.g., banking, tax benefits, retirement)

✓ Improving financial wellness (stability, security, autonomy, & control) can improve employment outcomes:
  • Willingness to take employment and benefit-related risks
  • Job retention (e.g., reduced financial/life stress, increase stability)
  • Willingness to increase number of hours/pay/risk reducing dependency on public benefits
Financial Wellness Domains: Five Core Capabilities

- **Financial Security**: Asset-building, rainy-day funds
- **Financial Control**: Self-payeeship, financial decision-making
- **Financial Stability**: Income to meet one’s needs, repay debts, plan future
- **Financial Security**: Income to meet one’s needs, repay debts, plan future
- **Financial Autonomy**: Self-sufficiency from public benefits

**Economic Citizenship**: Exercising economic rights & responsibilities

**Financial Wellness**

Peer-Supported Economic Empowerment Process

1. **Financial wellness engagement:** Engaging individuals in culturally meaningful conversations about life dreams & financial goals

2. **Building financial hope:** inspiring & reframing self-defeating narratives

3. **Financial wellness assessment & action planning**

4. **Financial skills coaching:** personally relevant, hands-on skill building

5. **Supporting individuals to navigate and utilize financial services & asset-building supports** (e.g., work incentives, bank accts, tax credits, matched & tax-free savings, free financial counseling)

6. **Mutual emotional & social support to achieve financial goals** (e.g., overcome shame, fear, paralysis, isolation)

<table>
<thead>
<tr>
<th>Name of Service or Support</th>
<th>Brief Summary (*)</th>
<th>How to Obtain More Information</th>
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<tr>
<td>Earned Income Tax Credit</td>
<td>A reimbursable tax credit for low-income individuals and families with at least $1 of earned income. Taxes must be filed. Tax credit amounts and eligibility may change yearly.</td>
<td>To learn more, visit the IRS website: <a href="https://www.irs.gov/Credits-Deductions/Individuals/Earned-Incomes-Tax-Credit">https://www.irs.gov/Credits-Deductions/Individuals/Earned-Incomes-Tax-Credit</a></td>
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<td>Volunteer Income Tax Assistance (VITA) Sites</td>
<td>Free income tax preparation assistance for low and middle-income individuals and families.</td>
<td>To locate the VITA site nearest to you, call: 1-800-906-9887. Related resources at National Disability Institute (NDI) website: <a href="http://www.realeconomicimpact.org/">http://www.realeconomicimpact.org/</a></td>
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<td>Individual Development Accounts (IDA)</td>
<td>A special savings account that, for each dollar a person saves, gives a “match” of $1, $2, $3, or $4 to help him/her buy a home, go to school, or start a small business.</td>
<td>To find about IDAs in your state, visit the Corporation for Enterprise Development (CFED) website: <a href="http://cfed.org/programs/idas/">http://cfed.org/programs/idas/</a></td>
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<td>Trial Work Period (TWP)</td>
<td>An incentive that allows Social Security Disability Insurance (SSDI) beneficiaries to work, earn as much as they can, and still receive their full check, for 9 months.</td>
<td>For more information about Social Security Work Incentives or counseling from a trained advisor: Find a benefits advisor at your Independent Living Center: <a href="http://www.virtuelij.org/jails/">http://www.virtuelij.org/jails/</a> Find a local advisor from the SSA Work Incentives Planning and Assistance (WIPA) program: <a href="http://www.ssa.gov/work/WIPA.html">http://www.ssa.gov/work/WIPA.html</a></td>
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<td>Special SSI Payments for People who Work (1619A Program)</td>
<td>An incentive that allows Supplemental Security Income (SSI) beneficiaries to work and get some SSI benefits even if their earnings are higher than Substantial Gainful Activity (SGA) level. SSI checks are reduced based on individual's earnings at about $1 for $2 earned.</td>
<td>Read the SSA Red Book: <a href="http://www.ssa.gov/redbook/">http://www.ssa.gov/redbook/</a></td>
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<td>Impairment Related Work Expenses (IRWE)</td>
<td>A work incentive that allows SSI or SSDI recipients to earn more before their benefits are affected by taking into account expenses necessary to be able to work.</td>
<td>To locate the phone number of PASS Specialists in your area, call 1-800-772-1213 or visit the Social Security Administration (SSA) website: <a href="http://www.socialsecurity.gov/disabilityresearch/wi/passcadre.htm">www.socialsecurity.gov/disabilityresearch/wi/passcadre.htm</a></td>
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<td>PASS (Plan to Achieve Self-Sufficiency)</td>
<td>An incentive that allows social security beneficiaries to save for things related to their work goals (e.g., computer, a car). Savings are not counted toward the resource limit, so they do not affect SSA benefits.</td>
<td>For more information about the Medicaid Buy-In for Working People with Disabilities or to apply, contact your local Medicaid office. Be prepared to advocate. Many local Medicaid office staff persons do not have information about this important program and may deny its availability.</td>
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<td>Continued Medicaid Eligibility (Section 1619(B))</td>
<td>Allows SSI eligible individuals to remain eligible for Medicaid by setting higher income limits than for regular Medicaid. Income and asset limits vary by state. Most states also offer the Medicaid Buy-In for Working People with Disabilities, with even more generous income and asset thresholds.</td>
<td>For more information about the Medicaid Buy-In for Working People with Disabilities or to apply, contact your local Medicaid office. Be prepared to advocate. Many local Medicaid office staff persons do not have information about this important program and may deny its availability.</td>
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<td>Achieving a Better Life Experience (ABLE) Accounts</td>
<td>A program that allows eligible individuals (deemed disabled before age 26) to save, tax-free, up to $14,000 per year (up to $100,000 in a lifetime, higher in some states) for disability-related expenses, while not affecting SSI or Medicaid eligibility. Implementation is expected to begin in 2016.</td>
<td>ABLE National Resource Center provides information about state plans, eligibility, and other educational resources: <a href="http://www.ablerc.org/">http://www.ablerc.org/</a> Related resources at National Disability Institute (NDI) website: <a href="http://www.realeconomicimpact.org/">http://www.realeconomicimpact.org/</a></td>
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<td>HUD Earned Income Disregard</td>
<td>A program that allows people in some Housing and Urban Development (HUD) programs to work and not have all or some of their income counted when calculating rent payments for the first two years after starting work.</td>
<td>For more information about HUD rental assistance or to locate local housing counseling agency, call (800) 569-4287 or visit the HUD website: <a href="http://portal.hud.gov/hudportal/HUD?src=">http://portal.hud.gov/hudportal/HUD?src=</a> Topics/rental_assistance</td>
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A Workbook for People in Recovery
Seeking Economic Self-Sufficiency


A Provider’s Guide to Promoting Economic Self-Sufficiency:
A recovery-oriented approach

“It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errs, who comes short again and again...who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly....”

T. Roosevelt

Supporting Financial Wellness is to...Dare Greatly
Contact

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