

FINANCIAL INEQUALITY: Disability, Race and Poverty in America



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FOREWORD

by Donna Walton

Author of *Shattered Dreams, Broken Pieces*

As a Board member of National Disability Institute, I am very pleased that this publication raises awareness of an important issue that is little known to the general public—the impact of race and disability on financial instability.

About two and a half decades ago, Eddie Glenn called attention to the disparate treatment of African American women with disabilities, suggesting that a triple jeopardy syndrome put them at a further disadvantage because they were victims of race, gender and disability bias in our society. Her research explored what it meant to be an African American and live with a disability. Unfortunately, as evidenced in this current publication, people of color and people with disabilities still face barriers to education and employment that limit their earning potential today. Until now, however, one would have been hard-pressed to find data illuminating these economic disparities.

As an African American woman living with a disability, I have experienced the impact of race and disability on my own employment stability and have also witnessed its impact on other women of color with disabilities. The impact of the triple jeopardy syndrome cannot be overstated, as an African American woman with a disability can never be quite sure if her race, gender or disability is hurting her chances for advancement. Is her chance to get a job she is qualified for jeopardized because she is black? Is she the recipient of inferior service at a bank because she is female? Does she receive insufficient financial planning opportunities because she has a disability?

My experiences—being denied employment and facing financial planners who make false assumptions about my income status and earning potential because of my disability, for instance—prompt my suspicions that triple jeopardy may still be working against me today. Suffice it to say that the discrimination experienced by African American women with disabilities has lingering effects on their financial stability.

This publication explicates the unique dynamic of disability, race and poverty and underscores the necessity to increase awareness about the intersection of race and poverty on the challenges people of color with disabilities face. Without a doubt, we must continue to have serious conversations about race and disability, as well as encourage our social service systems to approach disability and poverty from an integrative paradigmatic model that prevents people of color with disabilities from remaining below the bottom rung of the economic ladder.

Nurturing a respectful and positive attitude and raising a higher consciousness toward people of color with disabilities would serve as a major bridge across insensitive and ignorant waters. The river of society's cultural resistance toward people with disabilities should flow into an ocean of awareness and policies that calm the waters for those who struggle upstream to financial stability.

Donna R. Walton, EdD

⁴ Glenn, E. (1992). African American Women with Disabilities: An Overview. Unpublished manuscript, Howard University Research and Training Center, Washington, DC.

DISABILITY AND RACE

1. Overview

Disability and race both have important impacts on well-being, and though the relationship between the two factors has not been well explored, indications are that the relationship between the two has a significant influence on people's lives. African Americans are not only more likely to have a disability, but it appears that the impact of that disability on their lives may be greater than it is on their white counterparts.

It is well known that both people of color and people with disabilities face barriers to education and employment that limit their earning potential. Less known is that African Americans are also more likely to have a disability. Fourteen percent of working-age African Americans have a disability compared with 11 percent of Non-Hispanic Whites and eight percent of Latinos (Figure 2). In fact, African Americans are more likely than Non-Hispanic Whites to have a disability in every age group. The relationship between race and disability, however, is complex. For example, Latinos have a lower rate of disability than most other racial groups, which increases faster with age (Figure 3).

Having a disability creates extra costs for people and can limit their economic opportunities.² This can be especially difficult for people of color who already have poorer outcomes in education, income and employment, and who also are less likely to be fully banked and more likely to use predatory financial services (Figures 4, 5, 6, 9, 10, 11).

While disability and poverty have an interactive effect, our social service system treats them separately. For example, disability benefits (including health coverage) are often hinged on proving one is incapable of work, but anti-poverty programs often have a work requirement.³ Thus, people with disabilities attempting to avoid poverty often face difficult choices. Is it preferable to leave the labor market and qualify for disability benefits or work at whatever level possible and receive wages and perhaps qualify for food stamps or the Earned Income Tax Credit (EITC)?

Race and disability are not completely separate sources of disadvantage that parallel each other. Race and disability are overlapping identities that are both related to systemic inequality.⁴

It is often said that disability is both a cause and consequence of poverty and poverty and disability reinforce each other, contributing to increased vulnerability and exclusion.⁵ Various factors and influences affect the relationship between race, poverty and disability. For example:

Poverty causes disability: Children living in poverty are more likely to have asthma, chronic illness, environmental trauma such as lead poisoning, learning problems and low birth weight that lead to disabilities. People in more physically demanding jobs are also more likely to suffer workplace illnesses and injuries.⁶

² She, P. & Livermore, G.A. (2007) Material Hardship, Poverty, and Disability among Working-Age Adults. *Social Science Quarterly*. (88)4:970-989

³ Pokempner, Jennifer and Roberts, Dorothy E., "Poverty, Welfare Reform, and the Meaning of Disability" (2001). Faculty Scholarship. Paper 1361. http://scholarship.law.upenn.edu/faculty_scholarship/1361

⁴ Ibid

⁵ DFID. (2000). *Disability, poverty and development*. London: DFID.

⁶ Woolf, SH, Aron, L., Laudan, Dubai, L. Simon, S.S., Zimmerman, E. Luk, K.X. (2015) How Are Income and Wealth Linked to Health and Longevity? <http://www.urban.org/sites/default/files/alfresco/publication-pdfs/2000178-How-are-Income-and-Wealth-Linked-to-Health-and-Longevity.pdf>

People in poverty are less able to treat disabling conditions and to mitigate their impact: Limited access to high quality medical care and early intervention may mean that a condition goes untreated longer and has potentially more severe long-term effects.⁷

Disability causes poverty: Disability adversely affects employment possibilities and earnings.⁸ It also can impose additional costs on families, such as medical bills, transportation, modifications to their home and personal assistants.⁹

Race is linked to poverty and disability in America. African Americans as a group continue to have lower incomes¹⁰ than whites and poorer health status than whites.¹¹

The lived experience of disability varies, both among people with disabilities and among racial and ethnic groups. Disability occurs on a continuum and at different ages. For example, an individual born with a disability may have a very different experience in social and economic inclusion than one who acquires the disability later in life after they have been educated or gained experience in the workforce. Individuals of color with disabilities may face negative stereotypes for either of their minority statuses (color or disability), or they may find they do not fully affiliate with racial/ethnic groups because of disability and may not fully affiliate with disability identity because of color.¹²

2. Methodology

a. Data Sources

This report draws on data from the following large nationally representative surveys:

- > 2015 American Community Survey, an ongoing nationally representative survey of conducted by the U.S. Census Bureau that includes a broad range of demographic, economic and housing information.
- > The Current Population Survey, a monthly survey conducted by the U.S. Census Bureau for the Bureau of Labor Statistics (BLS) that focuses on the labor force. In June 2015, the survey included an “Unbanked/Underbanked Supplement.”
- > The December 2015 Current Population Survey included questions on food security.
- > National Health Interview Survey 2015, conducted by the National Center for Health Statistics, with a focus on health, influences on health and health outcomes.

As shown in Figure 1, all four surveys include sizable samples of adults with and without disabilities.

⁷ Pokempner, 2001

⁸ United States Senate Committee on Health, Education, Labor & Pensions (2014), Fulfilling the Promise: Overcoming Persistent Barriers to Economic Self-Sufficiency for People with Disabilities. Majority Committee Staff Report. <http://www.nasuad.org/sites/nasuad/files/HELP%20Committee%20Disability%20and%20Poverty%20Report.pdf>

⁹ Pearce, D.M (2011). Disability and Self-Sufficiency: Estimating the Extra Costs of Disability Required to Achieve a Self-Sufficiency Standard of Living. <http://depts.washington.edu/selfsuff/docs/NewJersey2011Disability.pdf>

¹⁰ DeNavas-Walt, C & Proctor, B.D. (2015). Income and Poverty in the United States: 2014 Current Population Reports, U.S. Census Bureau. Report #P60-252 <https://www.census.gov/content/dam/Census/library/publications/2015/demo/p60-252.pdf>

¹¹ CDC Health Disparities & Inequalities Report – United States, 2013, Morbidity & Mortality Weekly Report (MMWR) Supplement, November 22, 2013, Vol.62, Supplement No. 3, pg.1-187

¹² McDonald, K., Keys, C.B., & Balcazar, F.E. (2007) Disability, race/ethnicity and gender: themes of cultural oppression, acts of individual resistance. *Am J Community Psychol.* 39:145–161.

Figure 1

	Topics	Number of working-age respondents	Number of working-age respondents with disabilities
American Community Survey, 2015	Prevalence, educational attainment, poverty rate, employment status	1,724,584	231,468
Unbanked/Underbanked Supplement to Current Population Survey, June 2015	Underbanked and use of Alternative Financial Services	21,804	3,360
Food Security Supplement to the Current Population Survey, December 2015	Food security	34,872	3,868
National Health Interview Survey, 2015	Medical care and cost	56,618	7,255

b. Definition of Disability

Disability is a complex concept with different definitions used in a variety of contexts. The Americans with Disabilities Act (ADA) defines disability as “a physical or mental impairment that substantially limits one or more major life activities” or “being regarded as having such an impairment.”

Eligibility for certain disability-related programs have more restrictive definitions. For example, the definition used to determine eligibility for the two primary disability income support programs, Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI), define a person with a disability as one “who, because of a physical or mental impairment expected to last at least one year or to result in death, are unable to return to any of their past jobs or to do any work that exists in the national economy at a level in which they could do substantial gainful activity.” This paper focuses on disability as measured by several of the large nationally representative surveys.

In the American Community Survey and the Current Population Survey, respondents are considered to have a disability if they respond “yes” to any of the following six types of functional limitations:

- > Are you deaf or do you have serious difficulty hearing?
- > Are you blind or do you have serious difficulty seeing, even when wearing glasses?
- > Because of a physical, mental, or emotional problem, do you have difficulty remembering, concentrating, or making decisions?
- > Do you have difficulty walking or climbing stairs?
- > Do you have difficulty bathing or dressing?
- > Because of a physical, mental, or emotional problem, do you have difficulty doing errands alone such as visiting a doctor’s office or shopping?

In the National Health Interview Survey, respondents are considered to have a disability if they respond “yes” to any of the following questions:¹³

¹² Division of Health Interview Statistics National Center for Health Statistics. NHIS Survey Description. <http://www.cdc.gov/nchs/data/nhis/srvydesc.pdf>

- > Because of a physical, mental, or emotional problem do you need the help of other persons with personal care needs, such as eating, bathing, dressing, or getting around inside this home?
- > Because of a physical, mental, or emotional problem, do you need the help of other persons in handling routine needs?
- > Does a physical, mental, or emotional problem now keep you from working at a job or business?
- > Are you limited in the kind or amount of work you can do because of a physical, mental or emotional problem?
- > Because of a health problem, [fill: do you/does anyone in the family] have difficulty walking without using any special equipment?
- > Are you limited in any way because of difficulty remembering or because you experience periods of confusion?
- > Are you limited in any way in any activities because of physical, mental or emotional problems?

c. Analysis

The data and tables for this report were developed by the staff of National Disability Institute (NDI) using STATA Statistical Software to analyze Public Use Microdata Samples (PUMS). PUMS are large computer files made up of individual level information for each person in the sample. Prior to making the data available to the public, the agencies that administer the surveys remove all information that could be used to identify an individual respondent to protect confidentiality. NDI used STATA statistical software to create custom tables that are not included in the pre-tabulated products available from the U.S. Census Bureau.

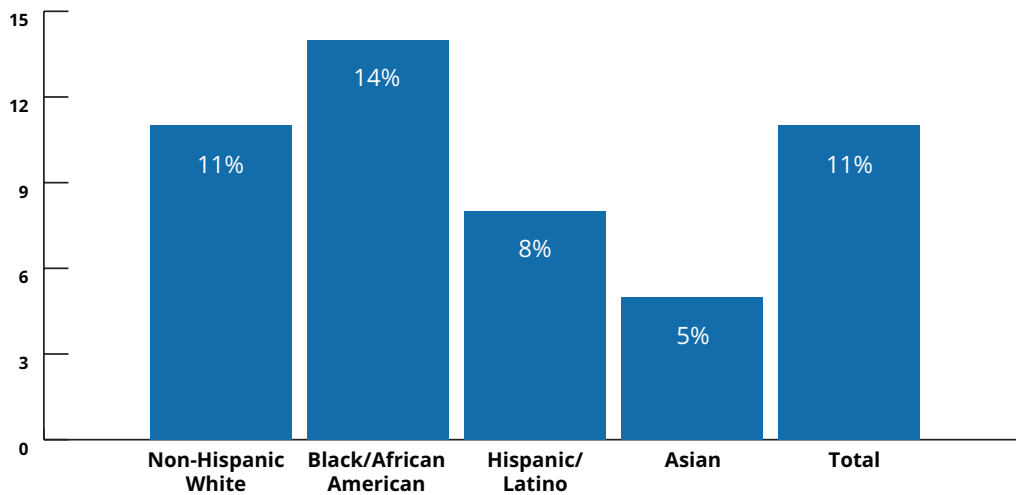
The data describes the status of people with disabilities and the disparities that exist among Non-Hispanic Whites and people of color. It does not attribute causes to these inequalities. The racial difference may be the result of race or it may be the result of other characteristics. For example, a lower employment rate may be the result of a number of factors, in addition to racial discrimination, including level of education or the economic characteristics of a community.

3. Prevalence of Disability

One in nine working-age adults (18-65) have a disability that may put them at risk of exclusion from the economic mainstream (Figure 2).

This rate varies dramatically by race and ethnicity. African Americans are the most likely to have a disability (14 percent) followed by Non-Hispanic Whites (11 percent), Latinos (8 percent) and Asians (5 percent) (Figure 2). This disparity results from a complex interaction of socioeconomic and demographic characteristics.

Figure 2: Prevalence of Disability by Race



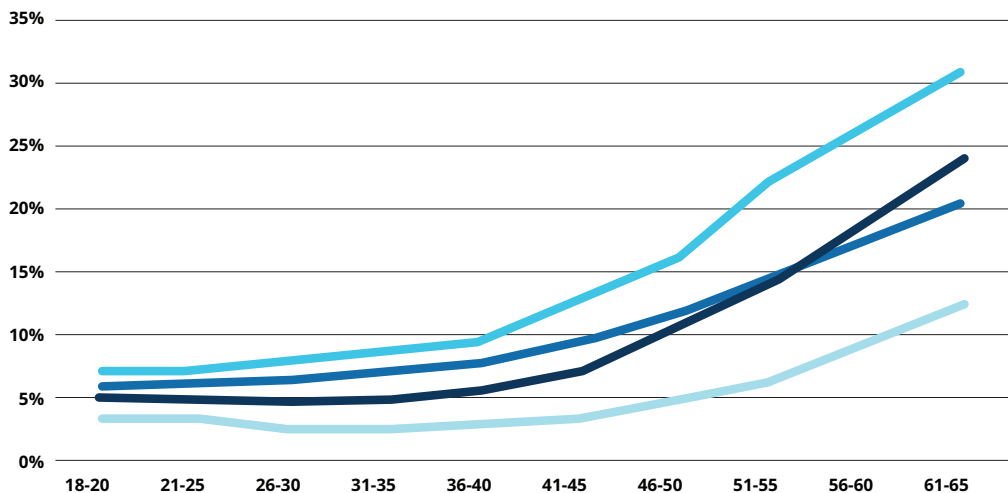
Source: American Community Survey, 2015

The likelihood of having a disability increases with age. Six percent of young adults age 18-20 have a disability, compared with 22 percent of adults near retirement age (61-65) (Figure 3). Chronic medical conditions such as diabetes, high blood pressure, back pain, anxiety or depression can lead to functional limitations over time. In addition, the cumulative effects of inadequate nutrition and health care, stressful or unsafe working conditions and other risk factors increase the risk of disability over the lifespan.

The disparity by race widens with age. At age 18-20, African Americans are slightly more likely to have a disability than Non-Hispanic Whites (7 percent compared to 6 percent), but among those 61-65, the disparity grows to 50 percent (30 percent compared to 20 percent) (Figure 3).

Younger Latinos have a lower rate of disability than Non-Hispanic Whites. At age 55, the rates are equivalent (15 percent) and older Latinos (61-65) are more likely to have a disability than Non-Hispanic Whites (23 percent compared to 20 percent).

Figure 3: Disability Rate by Age and Race



Source: American Community Survey, 2015

4. Educational Attainment

Adults with disabilities tend to have lower levels of education than those without a disability. More than one in five adults with disabilities have less than a high school education (21 percent) compared to 11 percent of adults with no disability. Only 13 percent have a bachelor’s degree or more compared to 31 percent of adults with no disability (Figure 4).

Asians and Non-Hispanic Whites are more likely to have college degrees than African Americans or Latinos, but these two groups also have a higher disparity between adults with and without disabilities. Nevertheless, among people with disabilities, Asians are the most likely to have a bachelor’s degree (26 percent) followed by Non-Hispanic Whites (15 percent), Latinos (9 percent) and African Americans (9 percent) (Figure 5).

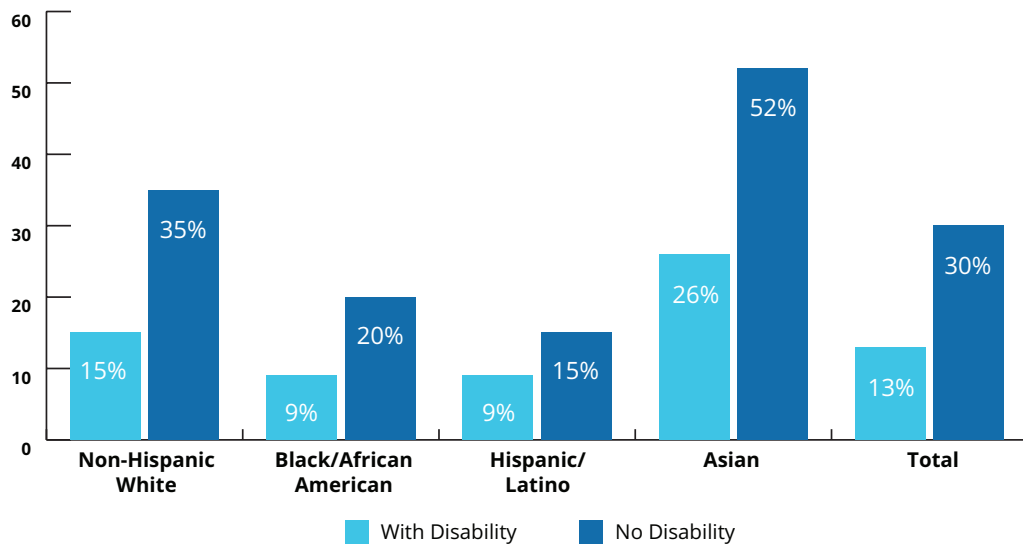
Because educational attainment is such an important factor in employment and income, the lower level of education among adults with disabilities, and especially among adults of color with disabilities, has a significant impact on the ability of these individuals to be economically successful.

Figure 4: Educational Attainment by Race & Disability Status

	Less than High School Graduate	HS or GED	Some College or Associate's	Bachelor's or Beyond
Non-Hispanic White				
With Disability	16%	36%	33%	15%
No Disability	6%	25%	34%	35%
Black/African American				
With Disability	25%	36%	31%	9%
No Disability	11%	31%	38%	20%
Hispanic/Latino				
With Disability	36%	30%	25%	9%
No Disability	27%	29%	29%	15%
Asian				
With Disability	27%	21%	25%	26%
No Disability	10%	15%	23%	52%
Total				
With Disability	21%	35%	31%	13%
No Disability	11%	26%	33%	31%

Source: American Community Survey, 2015

Figure 5: Bachelor's or Postgraduate Degree by Race and Disability Status



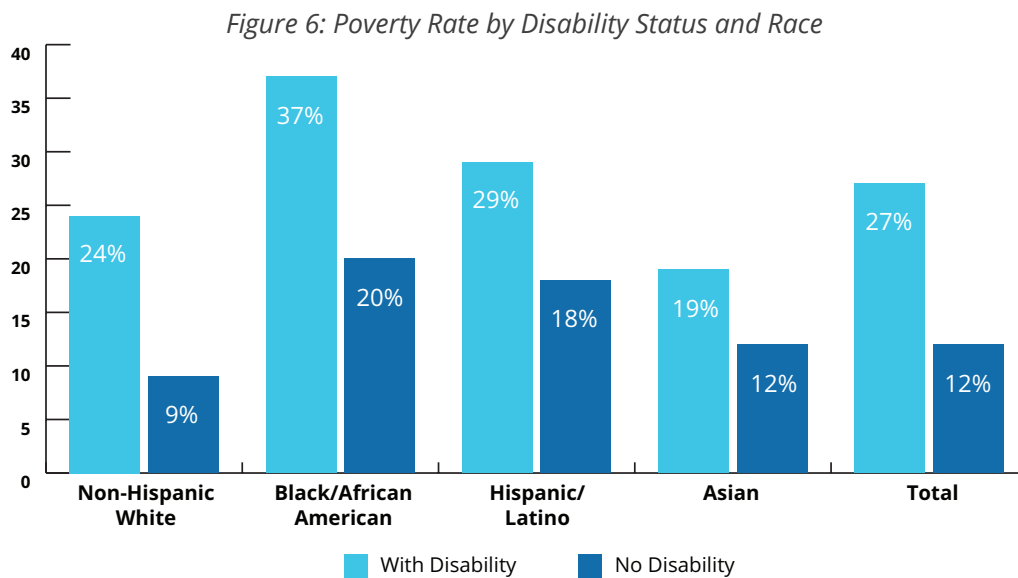
Source: American Community Survey, 2015

5. Poverty Rate

The poverty rate for adults with disabilities is more than twice the rate of adults with no disability (27 percent compared with 12 percent) (Figure 6). The relationship between disability and poverty is complicated. People with disabilities are more likely to become impoverished and people living in poverty are more likely to have or acquire a disability. Disability causes poverty because people with disabilities may be excluded from the workforce, have limited educational opportunities or face institutional barriers that restrict their earnings.

The poverty rate varies by color for people with and without disabilities. Almost 40 percent of African Americans with disabilities live in poverty, compared with 24 percent of Non-Hispanic Whites, 29 percent of Latinos and 19 percent of Asians (Figure 6). People of color with disabilities seem to face double marginalization, discrimination and stigma that lead to poor socioeconomic outcomes.

The disparity in poverty between adults with and without disabilities is most significant among Non-Hispanic Whites, where adults with disabilities are two and a half times as likely to live in poverty as those without a disability (24 percent compared with 9 percent) (Figure 6).

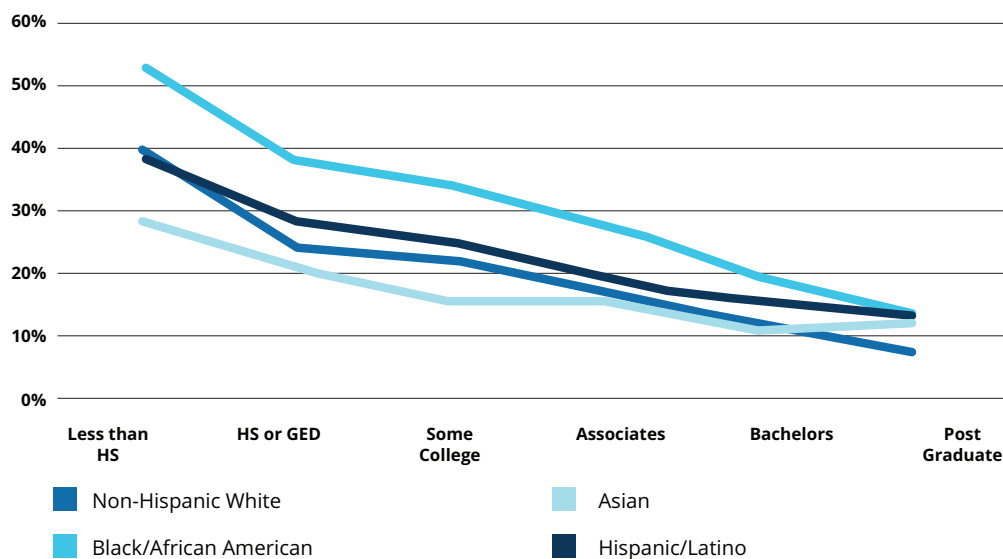


Source: American Community Survey, 2015

Poverty is highly correlated with educational attainment for adults with and without disabilities. Among adults with disabilities, 40 percent of those with less than a high school education live in poverty compared with 14 percent of those with a bachelor's degree and 10 percent of those with a postgraduate degree (Not shown in a chart).

Even when adjusting for education level, African Americans with disabilities are more likely to be in poverty than other disability groups. Thirty-nine percent of Non-Hispanic Whites with disabilities, who have less than a high school degree, live in poverty compared with 51 percent of African Americans with disabilities who have the same level of education. This racial disparity persists among adults with disabilities with higher levels of education. Thirteen percent of Non-Hispanic Whites with a disability and a bachelor's degree live in poverty compared with 20 percent of African Americans, 16 percent of Latinos and 12 percent of Asians with the same level of education (Figure 7).

Figure 7: Poverty Rate among Working-Age Adults with Disabilities by Education Level and Race



Source: American Community Survey, 2015

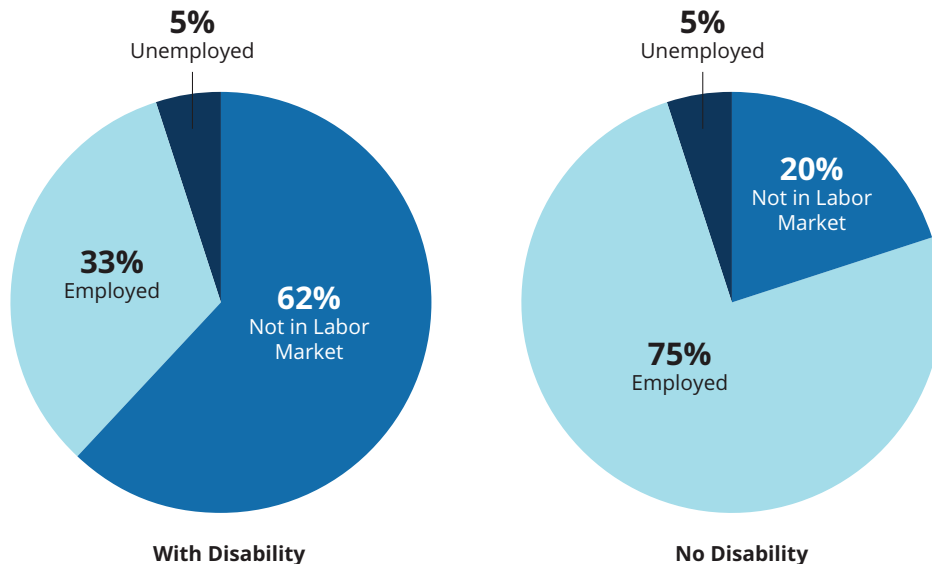
6. Employment

Fewer than one in three working-age adults (33 percent) with disabilities are employed, compared to 75 percent of adults without a disability (Figure 8).

The employment status of working-age adults can be categorized into three classifications:

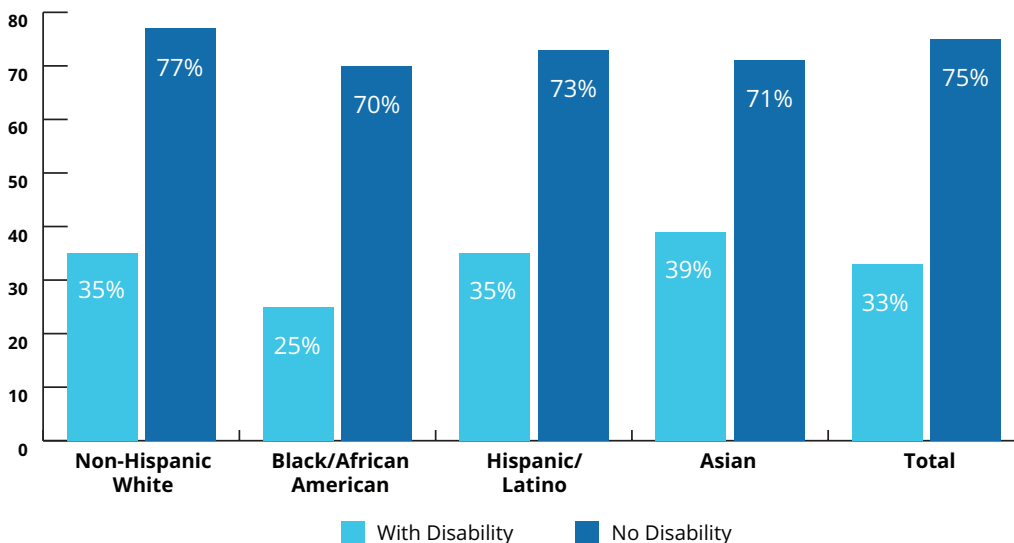
- > **Employed:** Currently working.
- > **Unemployed:** Not employed at the time of the survey, but actively looking for work.
- > **Not in the Labor Market:** Not currently employed and not looking for work. This includes people who are in school, have family responsibilities that keep them from working, have given up looking for work because they have previously been unable to find a job or believe no job is available given their schooling, training, experience or other characteristics. People with disabilities who receive income support from Social Security Disability Insurance or Supplemental Security Income often do not participate in the labor market. In fact, eligibility for these programs is predicated on an “inability to do any substantial gainful activity by reason of a medically determinable physical or mental impairment.”

Figure 8: Poverty Rate among Working-Age Adults with Disabilities by Education Level and Race



Working-age people with disabilities are much less likely to be employed than people without disabilities in all racial and ethnic groups. Among people with disabilities, the employment rate is similar among Asians (39 percent), Non-Hispanic Whites (35 percent) and Latinos (35 percent). The gap between people with and without disabilities is similar in all racial groups, but the disability gap, combined with a racial gap, leaves African Americans with disabilities with the lowest employment rate (25 percent) (Figure 9).

Figure 9: Employment to Population Ratio by Disability Status and Race



Source: American Community Survey, 2015

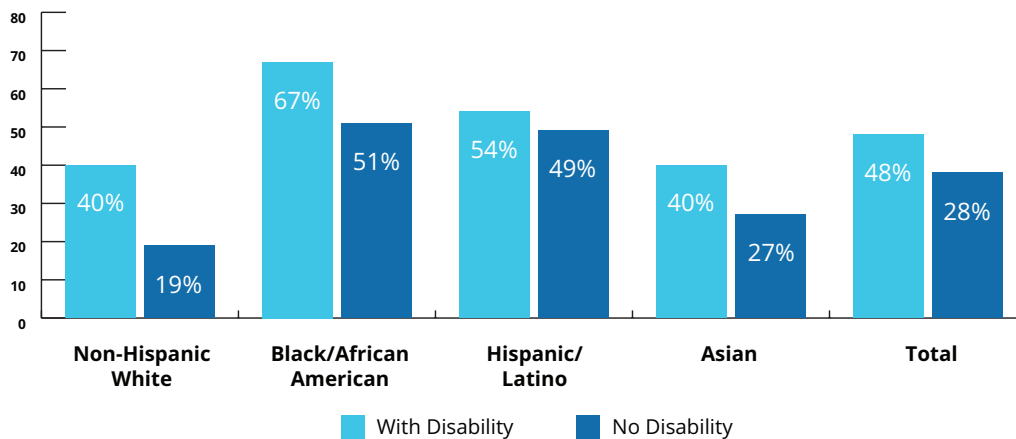
7. Banking Status

Being banked is a critical component of financial inclusion. However, 48 percent of households with working age adults with a disability were unbanked or underbanked in 2015, compared to 28 percent of households in the same age group without a disability (Figure 10).

The racial disparity is striking. Two-thirds (67 percent) of African American families with a disability were unbanked or underbanked, compared with 40 percent of Non-Hispanic White households, 54 percent of Latinos and 40 percent of Asians (Figure 10).¹⁴

Households are considered “unbanked” if no one in the household has a checking or savings account and “underbanked” if they have a checking or savings account, but used alternative financial services in the last 12 months (e.g., non-bank money order, non-banking check cashing services, non-bank remittances, payday loans, rent-to-own services, pawn shops, refund anticipation loans or auto title loans).

Figure 10: Unbanked or Underbanked Working-Age Households by Disability Status and Race



Source: Survey of Unbanked and Underbanked, Current Population Survey June Supplement, 2015

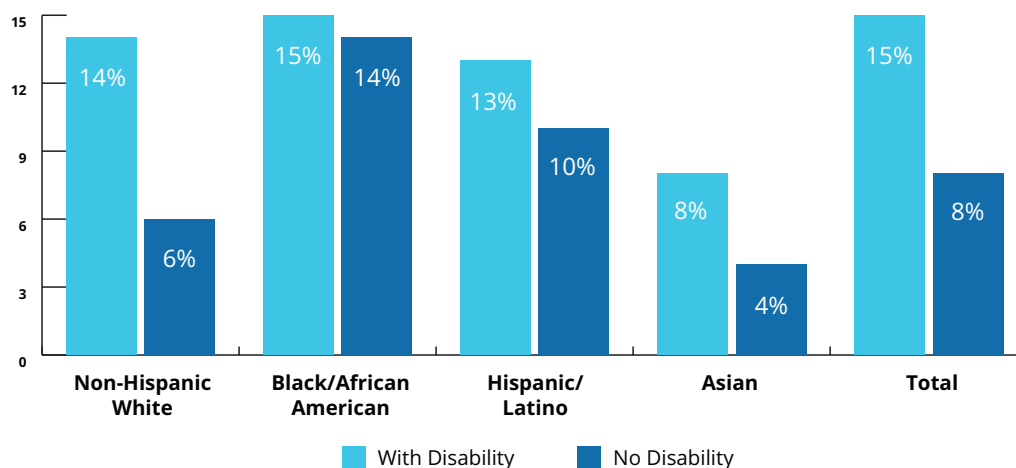
Households with a disability are almost twice as likely than those without a disability to use alternative, often predatory, lending services such as payday lenders, pawn shops, rent-to-own, tax refund anticipation loans or auto title loans (15 percent compared with 8 percent). These services often trap the household in a cycle of high interest loans that make it difficult for them to maintain economic stability (Figure 11).

The disparity between households with and without disabilities in their use of alternative financial services is most significant among Non-Hispanic White households where 14 percent of households with a disability used such services, compared with only six percent of households without a disability.

Among households with a disability, African Americans were most likely to use alternative services (15 percent) followed by Latinos (13 percent).

¹⁴ Disability Status of Household is determined by Householder. See Federal Deposit Insurance Corporation, (2016) FDIC National Survey of Unbanked and Underbanked Households. https://www.economicinclusion.gov/surveys/2015household/documents/2015_FDIC_Unbanked_HH_Survey_Report.pdf

Figure 11: Use of Alternative Financial Credit Services in the Last 12 months, by Disability Status and Race of Household Head



Source: Survey of Unbanked and Underbanked, Current Population Survey June Supplement, 2015

8. Health Insurance and Medical Debt

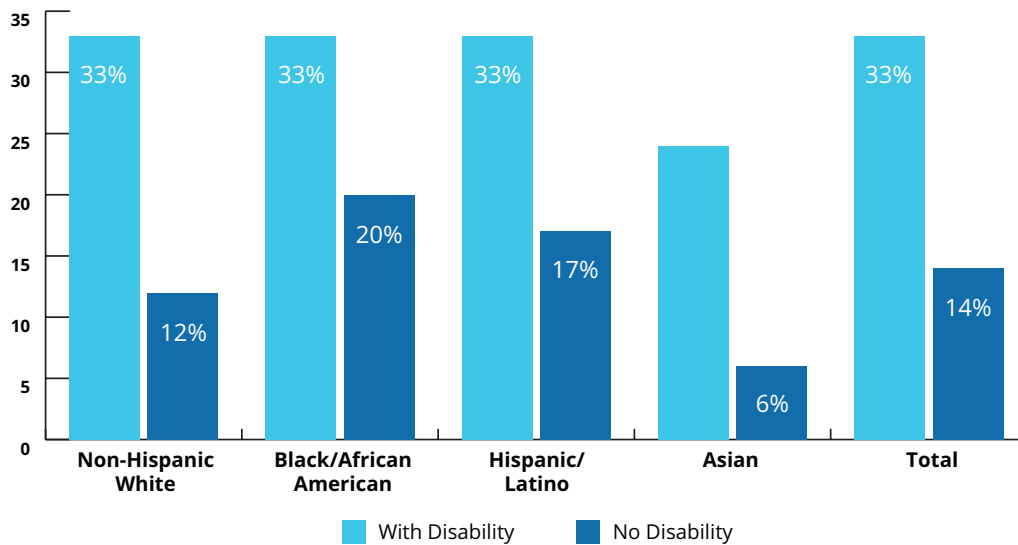
Adults with disabilities are less likely to lack health insurance than those without disabilities because they are much more likely to be covered by Medicare or Medicaid.¹⁵ Nevertheless, they are more than twice as likely to have difficulty paying their medical bills. These bills may be the result of out-of-pocket expenses for co-payments and deductibles or uncovered services (Figure 12).

One-third of adults with disabilities had difficulty paying medical bills in the past 12 months, compared with 14 percent of adults without a disability. While there are large racial differences in the percentage of people without disabilities who have trouble paying bills, among people with disabilities, 33 percent each of Non-Hispanic Whites, African Americans and Latinos had difficulty meeting these financial obligations (Figure 12).

One-sixth of adults with disabilities needed, but did not get, medical care in the last 12 months because of the cost. African Americans were the most likely to face this cost barrier (17 percent), followed by Non-Hispanic Whites with disabilities (16 percent), Latinos (15 percent) and Asians (14 percent) (Figure 13).

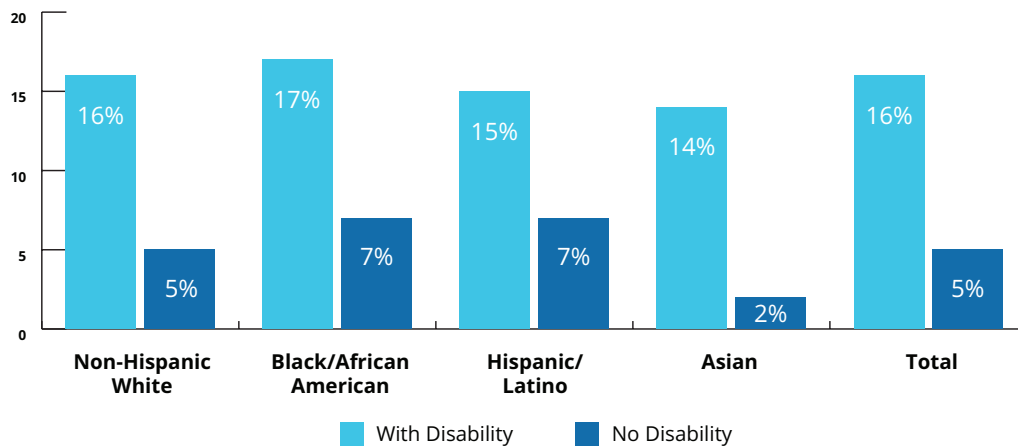
¹⁵ Houtenville, AJ, Brucker, DL., Lauer, EA. (2016). Annual Compendium of Disability, Statistics: 2015. Durham, NH: University of New Hampshire, Institute on Disability. <http://disabilitycompendium.org/statistics/health-insurance-coverage/6-2-health-insurance-coverage-civilians-ages-18-to-64-years-living-in-the-community-for-the-united-states-and-states-by-disability-status-2014>.

Figure 12: Difficulty Paying Medical Bills in the Past 12 Months, by Disability and Race



Source: National Health Interview Survey, 2015

Figure 13: Adults Who Did Not Get Medical Care because of Cost in the Last 12 months, by Disability Status and Race



Source: National Health Interview Survey, 2015

9. Food Security

Although many people with disabilities use federal and state programs designed to provide assistance in meeting basic needs, they often fall into one of two groups:

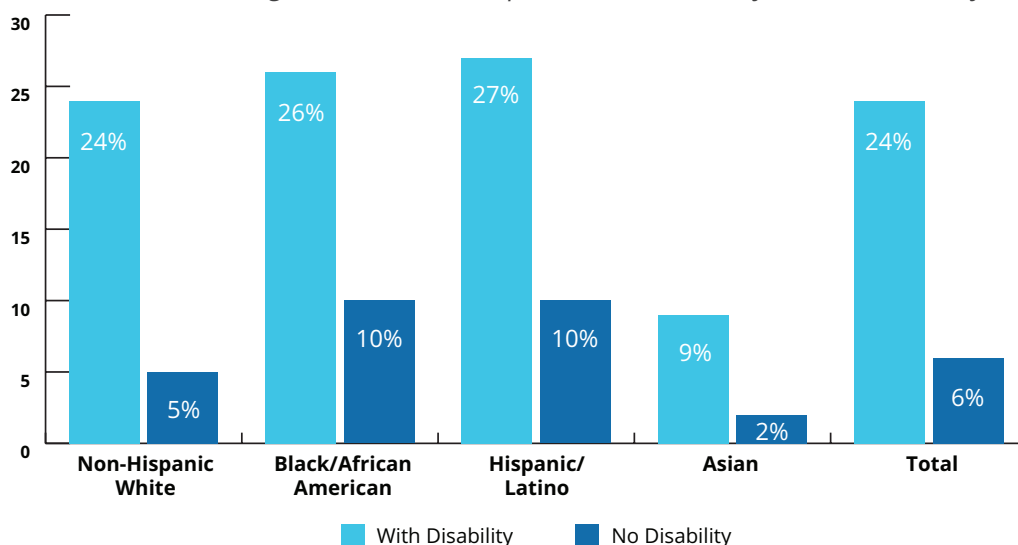
- > **Low food security**—Households reduced the quality, variety and desirability of their diets, but the quantity of food intake and normal eating patterns were not substantially disrupted.
- > **Very low food security**—At times during the year, eating patterns of one or more household members were disrupted and food intake reduced because the household lacked money and other resources for food.

Working-age adults with disabilities are four times more likely to live with low or very low food security than adults without disabilities (Figure 14).

Food insecurity, in addition to being more likely in households affected by disabilities, may be even more problematic for those households since these conditions may be exacerbated by insufficient food or a low-quality diet resulting from food insecurity.¹⁶

The prevalence of food insecurity among people with disabilities varies by race and ethnicity. African Americans and Latinos with disabilities were most likely to be food insecure in the past 30 days (26 and 27 percent) followed by Non-Hispanic Whites (24 percent) (Figure 14).

Figure 14: Adults with Disabilities Living in Families Who Experienced Low or Very Low Food Security in the Past 30 Days



Source: Current Population Survey, December 2015

10. Findings

In 1968, the Kerner Commissioner Report warned that our nation is moving toward two societies, one black, one white, that are separate and unequal.¹⁷ More than 40 years later, by many economic indicators of financial well-being, households of color, as compared to white households, are significantly less likely to have graduated from college, are twice as likely to be unemployed and poor, and have a median income of \$43,300 as compared to \$71,300.¹⁸ The wealth gap is even more pronounced as white families' median wealth was over \$140,000, as compared to black families who have a median wealth of about \$11,000, more than a 10 to one differential.¹⁹ As explained by policy leaders at Prosperity Now, "Everyone is pushing a boulder up a steep hill, but for families of color, it is a much steeper climb. These families are less financially secure than they have ever been."²⁰

What happens when we add the challenges of disability to an analysis of the racial wealth divide? Both disability and

¹⁶ Coleman-Jensen, A. & Nord, N. (2013). Disability is an Important Risk Factor for Food Insecurity. United States Department of Agriculture, Economic Research Service. Accessed March 7, 2016. <http://www.ers.usda.gov/amber-waves/2013-may/disability-is-an-important-risk-factor-for-food-insecurity.aspx#.Vt3GrPkrKUK>

¹⁷ National Commission on the Causes and Prevention of Violence (National Violence Commission) (1969). Final Report. Washington, DC: U.S. Government Printing Office. <https://www.ncjrs.gov/pdffiles1/Digitization/275NCJRS.pdf>

¹⁸ Pew Research Center, June 27, 2016. On Views of Race and Inequality, Blacks and Whites Are Worlds Apart. <http://www.pewsocialtrends.org/2016/06/27/on-views-of-race-and-inequality-blacks-and-whites-are-worlds-apart/>

¹⁹ Ibid, Pew

²⁰ Vega, T (January 26, 2016). Why the racial wealth gap won't go away. CNN Money. <http://money.cnn.com/2016/01/25/news/economy/racial-wealth-gap/>

race have important impacts on financial well-being. The relationship between the two has a significant influence on people's lives. This research, by National Disability Institute in collaboration with the Moneywise Foundation, reveals for the first time that the relationship between disability and race has a significant influence on financial stability and well-being. What we have learned is that African Americans are not only more likely to have a disability, but the impact of disability on their lives appears to be greater than on their white counterparts.

Prior research studies have documented that people with disabilities and people of color face barriers to education and employment that limit their earning potential. These studies have paid little to no attention, however, to the fact that African Americans are more likely to have a disability. Fourteen percent of African Americans of working age have a disability, compared with 11 percent of non-Hispanic Whites (Figure 2).

Prior studies have also documented that having a disability creates a challenge of extra costs of living with a disability in terms of meeting healthcare needs and other long-term supports, as varied as the expense of adaptive equipment, assistive technology, personal assistance services, home modifications for accessibility and accessible vans or transportation.²¹ These extra costs over the lifespan adversely impact financial stability of individuals and families and can limit economic opportunities. This groundbreaking analysis of multiple data sets overlays the impact of disability with race to describe outcomes related to education, income, employment, banking status and financial behavior.

What we have learned is that race and disability are not completely separate sources of disadvantage that parallel each other. Instead, the data analysis reveals that race and disability are overlapping identities that are both related to systemic inequality. For too many children of color being raised in a household struggling with financial instability and poverty, there are environmental traumas of lead poisoning and asbestos in substandard housing, as well as limited access to early intervention and quality medical care. The traumas often begin before birth, with lack of access to prenatal care and lack of awareness and ability to cover the costs of healthy food, which leads to low birth weight and early learning problems. Children living in poverty are more likely to be challenged by obesity, diabetes, asthma and chronic illness. There is a growing body of evidence that interventions to actively build assets are associated with better health outcomes, especially among children, youth, and their families.²² In contrast, people in poverty are less able to respond to disabling conditions and to mitigate their impact. The analysis of Census Bureau data clearly tells us that race is linked to poverty and disability in America. African Americans as a group continue to have lower incomes and poorer health status than whites.

What else did we learn? Here are 10 other key findings:

- 1. Prevalence of Disability:** The likelihood of having a disability increases with age. The disparity by race widens with age. At ages 18 to 20, African Americans are slightly more likely to have a disability than Non-Hispanic Whites (7 percent, compared to 6 percent). However, for individuals ages 61 to 65, the disparity grows to 50 percent (30 percent compared to 20 percent).
- 2. Education:** Educational attainment is such an important factor in employment and income, which drive financial stability outcomes. Approximately one in three adults without a disability are graduates. Only 13 percent of adults with disabilities are college graduates. However, only 20 percent of African American adults without disabilities are college graduates and only nine percent of African American adults with disabilities are college graduates. By adding the challenges of disability to race, African American adults with disabilities were 50 percent less likely than African Americans without disabilities to complete college.
- 3. Poverty:** The poverty rate for adults with disabilities is more than twice the rate of adults without disabilities

²¹ She, P. & Livermore, G (2007). Material Hardship, Poverty, and Disability Among Working-Age Adults, *Social Science Quarterly* (88)4: 970-989

²² Schickedanz, A.B. & Chung, P.J (2016) The Impact of Family Financial Assets and Debt on Child Overall Health, Obesity, and Chronic Illness. Presented at Pediatric Academic Societies Meeting. April 30, 2016. http://www.abstracts2view.com/pas/view.php?nu=PAS16L1_4635.3

(27 percent compared with 12 percent). However, for African Americans with disabilities, the poverty rate climbs to 37 percent, almost double that of African Americans without disabilities.

4. **Employment:** Only one in three working-age adults with disabilities are employed, as compared to 75 percent of adults without disabilities. African Americans with disabilities have the lowest employment rate, 25 percent, as compared to all other racial and ethnic groups.
5. **Banking Status:** Almost half of households with a disability were unbanked or underbanked compared with 28 percent of those without disabilities. The racial disparity is striking. Two-thirds (67 percent) of African American households with a disability are unbanked or underbanked.
6. **Use of Alternative Financial Credit Services:** Households with a disability are more than two times more likely to use alternative financial services (AFS) than their nondisabled peers (15 percent compared to 8 percent). Among households with a disability, African Americans were the most likely to use alternative services, such as pawn shops, payday lenders and tax-refund anticipation loans, as compared to other groups defined by race or ethnicity.
7. **Medical Debt:** One-third of adults with disabilities had difficulty paying medical bills in the past 12 months, as compared to 14 percent of adults without a disability. Thirty-three percent of African Americans with disabilities had difficulty with paying medical bills in the last 12 months, as compared to 20 percent of African Americans without disabilities.
8. **Did Not Get Medical Care Because of Cost:** Adults with disabilities were three times more likely to not get medical care in the last 12 months, because of cost, than their nondisabled peers (16 percent compared to 5 percent). African Americans with disabilities were most likely to face cost barriers than any other group (17 percent). Only seven percent of African Americans without disabilities faced the cost barrier to medical care that was needed, which represents a disparity of two and a half times that of their peer group with disabilities.
9. **Food Security:** Working-age adults with disabilities are four times more likely to live with significant low or very low food security than adults without disabilities. What this means is either a reduction in food intake and skipping meals because the household lacked money, or at least a reduction in the quality, variety and desirability of their food intake at meal time. African Americans with disabilities were the most likely to be food insecure in the past 30 days, as compared to any other group with or without disabilities. The disparity between adults of color with disabilities and adults of color without disabilities was 27 percent as compared to 10 percent.
10. **A Picture of Financial Instability:** These data points paint a previously invisible picture of living below the bottom rung of the economic ladder. If you have a disability and are a person of color, the barriers you face to move up the economic ladder may begin before birth and continue over the life course. Environmental factors exacerbate the conditions and, with the added challenges of poverty, produce adverse results in terms of educational achievement, employment outcomes, income production and asset accumulation. The converse of the increasingly documented health and wealth connection is the interrelationship of poverty, disability and chronic health conditions. For people of color with disabilities, these relationships are self-evident, as the barriers to financial security pile up with increased reliance on alternative financial services, growing debt and diminishing health and wellness, which reduces participation in the workforce and income.

11. Implications

Each month the U.S. Department of Labor reports that people with disabilities are half as likely to be participating in the labor market as people without disabilities. The U.S. Census Bureau and a variety of research organizations have reported that people with disabilities are twice as likely to live in poverty than people without disabilities. However, these averages obscure the diversity of the population and the disparities that exist among subpopulations. While the economic situation of people with disabilities in general is dire, the situation of people of color with disabilities is even more severe.

In this report, NDI used large national databases to explore the economic situation of people of color with disabilities. We found a level of poverty, instability and non-participation in the financial mainstream that is substantial, pervasive and troubling.

Race and disability intersect and lead to a situation where people of color with disabilities (especially African Americans) have poorer outcomes than people with disabilities who are white and people of color without disabilities.

What this data analysis did not explore is the daily personal implications of stigma, both in terms of societal attitudes towards people of color and the further impact of race and disability. In a recent study, researchers sent applications in response to 6,016 advertised accounting positions from well-qualified fictional applicants. They found significant bias by employers in reviewing resumes of individuals with and without disabilities with identical credentials.²³ What further barriers to employment are faced by individuals of color with disabilities? What about the potential triple jeopardy of a black woman with a disability?

With diminished access to employment, career pathways and increasing income production, there grow increasing doubts of self-worth and self-confidence.²⁴ This makes the climb up from below the bottom rung of the economic ladder even more challenging. Government benefits become a critical safety for income, food assistance, healthcare, housing and other support services. However, these programs can also trap people below the bottom rung. Supplemental Security Income, Medicaid, SNAP, and housing assistance vouchers all have a resource test to become and remain eligible. In addition to forced financial instability, the Supplemental Security Income benefit for individuals with disabilities of working age requires regular redeterminations of proof of continuing inability to work, in addition to proof of continuing level of a significant disabling condition. For many people with disabilities, proof of disability and inability to work often becomes the forced choice of survival.

Despite this daunting picture, every day community groups and public agencies provide other options to support people with disabilities to achieve greater financial stability and economic security. Through a combination of interventions that leverage public and private resources, individuals of color with disabilities are being empowered to make better financial decisions, build skills to match employer needs, utilize favorable tax benefits and contribute to the economy.

²³Ameri, M., Schur, L., Adya, M. Bently, S., McKay, P., & Kruse, D. (2015). The Disability Employment Puzzle: A Field Experiment on Employer Hiring Behavior. NBER Working Paper No. 21560. <http://www.nber.org/papers/w21560>

²⁴Szymanski, E., Enright, M., Hershenson, D., & Ettinger, J. (2003). Career development theories, constructs and research: Implications for people with disabilities. In E. M. Szymanski & R. M. Parker (Eds.), *Work and disability: Issues and strategies in career development and job placement* (pp. 87-132). Austin, TX: Pro-Ed

In Broward County, Florida, individuals with disabilities visit a Career Source Center and have the opportunity to not only create an individualized plan for employment, but also see a financial coach to have a financial health assessment, set financial goals and receive counseling to help meet those goals.²⁵

In Philadelphia, individuals with disabilities can apply for a low-dollar loan from the Pennsylvania Assistive Technology Foundation (PATF) to establish or improve their credit score and access an online self-paced financial education program to improve their knowledge and skills.²⁶

In Chicago, the Mayor's Office on Disability and the City Treasurer are working together to expand outreach and financial education opportunities to individuals with disabilities to help improve access to mainstream affordable financial services.²⁷

At thousands of sites across the country; the IRS and diverse community partners work together at Volunteer Income Tax Assistance (VITA) sites to help individuals with disabilities and others have their tax returns prepared and access the Earned Income Tax Credit, a refundable credit that produces a tax refund even when no taxes are owed.²⁸

Each of these positive examples begin to set a framework for charting a course out of poverty and raising expectations about the possibilities of achieving financial stability. A common element across these programs is a value system that believes in a just and fair society where communities are stronger when they are inclusive and provide support to the most economically vulnerable populations to reduce and eliminate barriers to move up the economic ladder. A second common element is the strength of collaboration in terms of multiple community partners working together to change expectations and behavior.

However, these positive examples obscure yet another set of challenges.

There is, in communities across the country, a different invisible line that defines the current approach to people of color with disabilities. The diverse array of community and faith-based organizations too often have targeted their priority audience to be defined by race or ethnicity. There is also another set of groups, agencies and organizations who have, as their priority, serving individuals with disabilities and their families. Both groups recognize the diversity of their membership cuts across race, ethnicity, gender and disability. Yet, there have not been proactive efforts to explore the possibilities or the power of collaboration to better meet and support the target audiences' needs and an exit strategy out of poverty. One of the most important implications of these research findings is the documented relationships between race, disability and poverty. There is a need for a new and fresh conversation about inclusive strategies that mobilize diverse community resources for collective action. At national, state and local levels, leaders in the African American and disability communities can utilize this new information to work together to reevaluate strategy and systems of outreach and services.

²⁵ Morris, M. & Goodman, N. (2014) Integrating Financial Capability and Asset Building Strategies into the Public Workforce Development System. LEAD Center White Paper. <http://leadcenter.org/resources/report-brief/integrating-financial-capability-and-asset-building-strategies-public-workforce-development-system>

²⁶ Pennsylvania Assistive Technology Foundation. (2016) Cents and \$ensibility: A Guide to Money Management. (<https://patf.us/what-we-do/financial-education/>)

²⁷ National Disability Institute (2016). Chicago Financial Inclusion Summit <http://realeconomicimpact.org/pages/chicago-summit>

²⁸ <https://www.irs.gov/individuals/free-tax-return-preparation-for-you-by-volunteers>

12. Recommendations

a. Engage the Communities of People with Disabilities and People of Color

The connection among race, disability and poverty, and the findings from the analysis of the data, needs to become a more public conversation. It is important to bring this discussion to the national conferences of leadership organizations in both communities. Kelvin Boston and the Moneywise Foundation, with the support of JPMorgan Chase, will bring the report findings and implications to the national meetings of leadership groups, including Operation HOPE, UNITY Summit, Congressional Black Caucus, Association for Enterprise Opportunity and other organizations. National Disability Institute will seek to present with Mr. Boston at major conferences in the disability community, including the American Association of People with Disabilities (AAPD), the ARC, National Federation for the Blind (NFB) and National Association of Developmental Disability Councils (NADDC).

These conversations will increase awareness about the challenges faced by people of color with disabilities and to highlight the issues common to both groups. To further amplify this message, we need to put a human face behind the statistics. There is a need to capture the voice of people of color with disabilities to describe more personally their challenges as a result of disability, race and poverty. A set of short videos need to be created so we can move beyond statistics and convey the challenges of financial instability and the double jeopardy of race and disability.

A toolkit can then be created with a facilitator's guide that brings the conversation to other forums in communities nationwide and sets the stage for the next phase of collective action.

b. Bring a New Conversation to the National Level

At a national level, leaders in the disability and African American communities should use this report and the set of findings to sit down together to start a new conversation about the interrelationships of race, disability and poverty. The conversation should identify points of common interest and strategies for collective action based on a strong conceptual framework. It should leverage examples of collaboration at state and local levels that have brought the two communities together. It should develop a unified vision for public policy that recognizes the intersecting needs of the two communities and a strategy to increase awareness and understanding of the challenges faced by economically vulnerable individuals of color with disabilities.

c. Integrate Financial Capability into Social and Human Service Delivery

Many individuals with disabilities rely on multiple public and private agencies and faith-based organizations to meet basic needs, including healthcare, housing, food assistance, income support and job skills training. Because they so often touch this community, social and human service agencies are in a strong position to integrate financial education and financial counseling and/or coaching into their service delivery.

American Job Centers (AJCs), Vocational Rehabilitation (VR) counselors' offices, Community Health Centers and access points for food assistance and other government benefits should expand their services to include financial capability services and supports.

NDI has been developing financial capability tools and curriculum that can be used by these agencies and has been testing their efficacy with the support of Mayor's Offices and diverse community partners. In addition to delivering services that address the complexity of financial needs of people with disabilities, these agencies need to ensure meaningful participation for people with a range of disabilities by providing reasonable accommodations in the form of materials in alternative formats, sign language interpreters and accessible websites for online notices and learning.

For agencies and organizations offering financial capability supports and services that have not traditionally served individuals with disabilities, the disability-related organizations can help educate them on the financial complexities created by disability and identify and resolve challenges to full access. For disability-focused provider agencies, the community organizations who focus on meeting the needs of people of color could be effective partners in outreach and communications to reach and inform the target audience of individuals of color with disabilities of new opportunities for support and pathways to greater financial stability. These collaborations offer strong value in investment by public and private funders.

13. Conclusion

This data provides a much needed and overdue spotlight on people of color with disabilities. The identified disparities require immediate and urgent attention. These disparities rob individuals and families of dignity and self-respect, deny their participation in the workforce and economic mainstream and diminish their quality of life.

This set of findings should act as a starting point for a new national conversation about race and disability that recognizes the need for collective action by federal and state governments, the private sector, the faith-based community, culturally diverse community organizations, disability advocacy groups and social justice advocacy organizations.

BIOS

Nanette Goodman, M.S., is the Senior Researcher at National Disability Institute, where she conducts quantitative and qualitative analysis of policies affecting the financial stability of people with disabilities. She has written on poverty and race, financial education in American Job Centers, the use of the Earned Income Tax Credit among people with disabilities and complexities and opportunities in the disability employment system. Ms. Goodman provides technical assistance to Department of Labor's Office of Disability Employment Policy (ODEP) through the LEAD Center. Prior to joining NDI, she conducted research on disability policy issues in the U.S. and developing countries as an independent consultant, a Senior Policy Advisor at ODEP, and a Research Associate at the Cornell University Institute for Policy Research. She gained insights into the importance of public policy by raising a child with a disability. Ms. Goodman received an M.S. in Economics from the University of Wisconsin and a B.A. in Economics and Public Policy from the University of Pennsylvania.

Michael Morris, J.D., is the founder and Executive Director of National Disability Institute. He is a former legal counsel to the U.S. Senate Subcommittee on Disability Policy and is a key architect of the ABLE Act. He serves as a subject matter expert on financial inclusion and poverty reduction concerning people with disabilities to the FDIC, IRS, Federal Reserve Bank of Atlanta, National Council on Disability, and multiple state ABLE programs. He was the first Kennedy Foundation Public Policy Fellow and worked in the office of Senator Lowell Weicker (CT).

Mr. Morris is the co-founder of the Real Economic Impact Tour and Network which, since 2005, has assisted more than two million low-income individuals with disabilities access the Earned Income Tax Credit and receive more than \$1.8 billion dollars in tax refunds. He received his undergraduate degree in political science with honors from Case Western Reserve University in Cleveland, Ohio, and his law degree from Emory University School of Law in Atlanta, Georgia.

Mr. Morris co-authored two publications for the National Council on Disability: *The State of 21st Century Long Term Services and Supports: Financing and Systems Reform for American with Disabilities* (2005), and *The State of 21st Century Financial Incentives for Americans with Disabilities* (2008). He is co-author of *Tax Credits and Asset Accumulation: Findings from the 2004 NOD Harris Survey of Americans with Disabilities* published in *Disabilities Studies Quarterly* (2005), which reported on research findings from the inaugural Disability and Rehabilitation Research Projects (DRRP) on Asset Accumulation. In 2014, he co-authored the *National Report on the Financial Capability of Adults with Disabilities*, based on data analyzed from the FINRA Financial Investment Education Foundation. In 2015 and 2017, he co-authored the *Banking Status and Financial Behaviors of Adults with Disabilities* reports, based on data analyzed from the FDIC's *National Survey of Unbanked and Underbanked Households*.

In 2016, Mr. Morris helped establish the ABLE National Resource Center, a collaborative of 25 of the leading national nonprofit disability organizations. The Center's website is the leading independent source of information about state ABLE programs and is on pace in 2017 to have one million visitors (www.ablenrc.org). He is the author of a monthly blog on the *Huffington Post* with a large national audience that presents a unique perspective on disability in America.

Kelvin Boston is the host of the *Moneywise* public television series. *Moneywise* is the premiere multicultural financial affairs program on public television. The series' mission is to empower viewers with useful wealth, health, business ownership and technology information. Mr. Boston is also the bestselling author of *Smart Money Moves for African Americans* and a contributor to the report, *FINANCIAL INEQUALITY: Disability, Race and Poverty in America*, published by National Disability Institute.

Mr. Boston is also the president of the Moneywise Foundation. The Moneywise Foundation provides financial educational resources, training and information to underserved communities. The Moneywise Foundation is one of the leading organizers of African American faith-based economic conferences in the United States. Mr. Boston has served as an advisor to both private and governmental organizations.

Dr. Donna Rena Walton has more than 20 years experience in Diversity and Disability Employment Services where she distinguished herself as leader, advocate and proponent of equal rights for persons with disabilities. Dr. Walton joined the Equal Employment Opportunity Commission (EEOC) in November 2012 to serve as the agency's Disability Program Manager (DPM), working to assure that people with disabilities are an integral part of the workforce.

In 2012, Walton also founded the Divas With Disabilities Project, a digital campaign aimed to support women of color with disabilities. A dynamic, award-winning speaker, Dr. Walton has made motivational presentations to institutions such as The National Council of Negro Women, the Equal Opportunity Employment Office, MedStar Washington Hospital Center and the Annual Conference on Disabilities, as well as at schools and universities, including Ball State University and Hood College.

Articles by or about Dr. Walton have been published in several publications, including *HealthQuest*, *inMotion*, *Amplitude* and *Disability Quarterly*. She is the author of *Shattered Dreams, Broken Pieces*, her first book.

Dr. Walton earned her bachelor's degree in 1979 from American University; a master's degree in 1985 in Adult Education from Syracuse University; and, in 2005, a doctoral degree in Counseling from The George Washington University.

National Disability Institute (NDI), since its establishment 12 years ago, has emerged as one of the leading national nonprofit organizations dedicated to advancing financial inclusion and economic self-sufficiency for individuals across the spectrum of disabilities and their families (www.realeconomicimpact.org). The majority of NDI staff and Board of Directors have personal experience with disabilities as individuals, siblings, and parents. With public funders (U.S. Departments of Labor, Education, Health and Human Services, and Social Security Administration) and private support (JPMorgan Chase, Bank of America, Wells Fargo, Citibank, TDBank, Walmart Foundation), NDI implements more than 20 projects at national, state and local levels that are improving financial capability and independence with partnerships between the disability and financial communities.

This report was made possible through the generous support of JPMorgan Chase.



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