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Section 188: Race and Disability: The financial impact of systemic inequality

>> MAHIKA RANGNEKAR: Hello, everyone, and good afternoon. It is my pleasure to welcome you to the LEAD Center webinar “Race, Ethnicity and Disability: The Financial Impact of Systematic Inequality and Intersectionality.” We are so glad to have you with us today. During today’s webinar you will learn about the financial impact of systemic inequality and intersectionality and how practitioners in the workforce development field are operationalizing the lessons learned about race, disability and poverty.

Today's webinar is hosted by the LEAD Center which stands for Leadership for the Employment and Economic Advancement of people with disabilities. For those of you who may be new to the LEAD Center we are a Workforce Innovation and Opportunity Act or WIOA Policy Development Center.

The LEAD Center is led by Social Policy Research Associates, a National Disability Institute and is funded by the Office of Disability Employment Policy at the U.S. Department of Labor. The mission of the LEAD Center is to promote innovation and policy, employment, and economic advancement to support individual and systems level change for all people with disabilities. Next slide, please.

So that everyone can fully participate in today's webinar we would like take a moment to share some captioning and housekeeping tips. Today's webinar is live captioned. If you would like to hide captions click the live transcript button to find the ‘hide captions’ option. You can also adjust the caption size under the ‘subtitle settings’ option. You also have the option to open the captioning web page in a new browser. The link has been posted in the chat box. You can adjust the background color, text color, and font using the drop-down menus at the top of the browser.

Position the windows to sit on top of the embedded captioning. Next slide. If you have content questions for our presenters, and we do encourage you to ask them, please type them into the Q and A panel and we will save time at the end for questions and answers. If your question is not content related, for example, you need tech support, use the chat box instead. Next slide, please.

To kick off our day today, we would like to welcome the Deputy Assistant Secretary for the Office of Disability Employment Policy at the U.S. Department of Labor, Jennifer Sheehy. Prior to her current position, Jennifer spent ten years at the U.S. Department of Education in many roles including acting Director of the National Institute on Disability and Rehabilitation Research, acting Deputy Commissioner of the Rehabilitation Services Administration, and special assistant to the Assistant Secretary of the Office of Special Education and Rehabilitative Services.

Jennifer came to the Department of Education from the Presidential Task Force on Employment of Adults with Disabilities where she was Senior Policy Advisor and served a detail as Associate Director in the White House Domestic Policy Council. Before she joined the task force staff, Jennifer was Vice President of the National Organization on Disability and Director of its CEO council. In 2016, Jennifer was also appointed by the President to the Ability One Commission. Jennifer, welcome to the webinar.

>> JENNIFER SHEEHY: Thank you, Mahika, and thank you everyone for joining us today. I'm particular excited about the topic of this webinar because it touches on all of the priorities of the Office of Disability Employment Policy. And I will get to that in a moment. But first, let me describe myself for those of you that need a visual description, I'm a white woman in her 50's, blond hair, way too long right now, and I use a wheelchair. So the Office of Disability Employment Policy is 20 years old this year. We are excited to celebrated to that landmark anniversary, but we have a lot of work to do. So while celebrating we are also trying to provide resources and continue to do good policy development work to benefit Americans with disabilities. So the priorities that our Assistant Secretary, Taryn Williams, and our Secretary, Marty Walsh, have established are four.

The first is inclusive COVID response and recovery. What does that mean? That really means as we build back better, we want to build workplaces and workforces that reflect the complexity and the profile of our nation and are as inclusive as possible from the start. That means accessible technology, workplace flexibilities, accommodations, and general engagement and inclusion.

The second is equitable policy. Equity in disability policy and considering disability in the national discussions on equity, and, again, that's why this webinar is so important today. One of the things that we know is that if we develop inequitable policies, then we will never be able to allow people with disabilities from all backgrounds to succeed in the way that we intend. And the first step in developing equitable policy is data, and that's why I'm so excited to hear about NDI's data today, and how we can capture the barriers, the need, and then envision a future where workers of all disabilities, all races, ethnicities and from underserved areas can benefit.

The third is youth, making sure that young people with disabilities are transitioning into meaningful lucrative financially stable and empowered careers. That's going to be very important right now because young people, all young people are disproportionately affected by this COVID interruption.

So, of course, that's one of our priorities.

And finally, competitive integrated employment. We don't really do anything but competitive integrated employment, but we want to help states and service providers and individuals transition from settings where they may have been paid sub minimum wage into competitive wages and inclusive integrated settings.

So those are our four priorities as we celebrate 20 years. And it's September, at the end of September, so we are also looking forward to National Disability Employment Awareness Month in October. Please visit our website at DOL.GOB/ODEP for ideas on how communities, schools, businesses, nonprofit organizations, and you can celebrate National Disability Employment Awareness Month.

So I want to close by thanking SPRA and NDI and the team at ODEP that is working on these important issues and I especially want to thank our presenters today. I'm excited to hear from you, and learn more. Thanks. And now back to you, Mahika.

>> MAHIKA RANGNEKAR: My name is Mahika Rangnekar, and I'm delighted to serve as the moderator for today's webinar. Our presenters today include subject matter experts and seasoned workforce professionals from the field who will share with you how they are operationalizing lessons learned about race, disability and poverty.

Dr. Andrea Urqueta Alfaro is the Director of Research at the National Disability Institute. Andrea has more than nine years of experience as a behavioral research scientist with a focus on disability and life span development. Her research is informed by six years of experience providing counseling to families of children with visual impairment and multiple disabilities and by ten years of teaching experience at universities in the United States, Canada and Chile on topics including visual disability and rehabilitation and developmental psychopathology. Andrea earned a Masters in Special Education from the San Francisco State University and a Ph.D. from the University of California at Berkeley in developmental psychology. She subsequently completed four years of post-doctoral work examining the impact of sensory and cognitive impairment on life span development at Envision Research Institute in the United States and the University of Montreal in Canada.

Nathan Turner, a part of the Achieving a Better Life Experience or ABLE National Resource Center Black, Indigenous or Other People of Color Ambassador program, is an ABLE financial coach and ABLE account owner. He serves on a wide variety of stakeholder groups including on the Board of Trustees for Legal Aid of Western Ohio, the Ohio Statewide Independent Living Council and Advocacy Task Force, the Ohio Self‑Determination Association, Lucus County Board of Developmental Disabilities Board of Directors, Ability Center of Greater Toledo. All of these organizations provide substantial support to minorities and BIPOC communities. Nathan has a vast amount of personal experience navigating all types of public benefits including Medicaid, Medicare, home and community‑based waivers, and Social Security work incentives. Nathan was educated in Political Science and International Studies from Wright State University and has received awards from several organizations including Lucas County Board of Developmental Disabilities Courageous Community Services and Partners for Inclusion.

Ben Feimer is a Credit Building Manager at Justine PETERSEN. He graduated from Missouri State University with a degree in Anthropology, which he feels really set him up for working with people even if that job had nothing to do with anthropology. After spending time in securities, healthcare, and retirement planning, Ben left the world of finance to join the Peace Corps as a volunteer English teacher in a remote village in western Mongolia. Ben came to Justine PETERSEN in late 2017. He was attracted to the position and organization because it combined his knowledge of the financial world with the opportunity to do community‑based work in the city he grew up in.

People of color with disabilities face unique systemic challenges as a result of their intersecting identities. Centuries of exclusive practices in the United States, such as red lining and employment discrimination have resulted in a society where people of color with disabilities, particularly Black, Indigenous and Latinx communities are at a particular disadvantage financially.

After today's session, you will know the context for understanding intersectionality as it applies to race and disability, how people of color with disabilities face unique systemic challenges as a result of their intersecting identities, and ways to positively impact financial inclusion and build economic self‑sufficiency through tools like credit building, financial education and ABLE accounts.

I will now turn it over to Andrea who will talk about some of NDI's research at the intersection of race, ethnicity and disability. It’s all yours Andrea.

>> ANDREA URQUETA ALFARO: Thank you, Mahika. Thank you everyone for this opportunity to talk to you about the research that is being conducted at National Disability Institute, or NDI for short. In this presentation, I will review key findings from my report that looked at the financial characteristics of persons who have disabilities and are also persons of color.

In this slide you can see there is a link, if you click on it, once you receive these slides, you can get a copy of this report. The report is entitled “Race, Ethnicity and Disability: The Financial Impact of Systemic Inequality and Intersectionality.”

First, let me say something very briefly about intersectionality although Mahika already touched on that. Intersectionality refers to the fact that persons who belong to multiple historically marginalized groups, for example, persons who have disabilities and also persons of color face several sources of financial barriers and discrimination which has a compounding effect and which leads to higher levels of inequality.

Now, from a research perspective this means that we cannot understand the inequality that results from intersectionality from looking at data from people that do not live in that intersectionality. So it's not enough to have data on people of different races and ethnicities and separately data on people that have disability, what we need is data from people that actually have disabilities and are also people of color, and that's precisely what this report that I'm going to share with you today did.

So before I go into a highlight of data points from the report, which was released in 2020, I want to give you a little bit of context. So, and I have to correct myself, not in 2017 as the slide says, but in 2015 NDI released a different report that concluded that the most financial vulnerable populations in America are the group of individuals that live at the intersection of disability, race and ethnicity.

Now, fast forward to 2020, if you can remember last year we were facing two concurrent crises. So first, the COVID‑19 pandemic which we are still enduring and which was and is disproportionately impacting people of color.

And then we also were facing widespread recognition of historic and systemic racism that disproportionately impact communities of color. So given these two concurrent crises that we were experiencing, we at NDI felt it was needed and urgent to update and also expand our research on the intersectionality of disability and race.

And I want to acknowledge here before I go into the data points that this research was conducted by my colleague and the prior Director of Research at NDI, Dr. Nanette Goodman.

So let's start by looking at educational attainment. And I do that because we know that educational attainment is such an important factor for achieving employment. So let's look at educational attainment by disability status and race and ethnicity.

The graph bars that you see in the graph here represent percentage of working age adults that have a bachelor's degree. Now, within age, race and ethnicity represented in the graph, we have non‑Hispanic white, non‑Hispanic black, Latinx and Indigenous. You will see that there is a red bar which represents the population with disability and a blue bar which represents people without disabilities.

So let's first look at these two bars within each race and ethnicity, and what you can see is that no matter which race we look at, working age adults with disabilities have a lower percentage of having a bachelor's degree compared to people of the same race but without disabilities. So, for example, if we look within white, we can see that 41% of people who are white without disabilities have a bachelor's degree, compared to only 17% of white people with disabilities. Now, let's look at Indigenous: you see that 16% of people who are Indigenous with disabilities have a bachelor's degree. Now, that is low to begin with, right, but Indigenous people with disabilities this is even lower, only 9% of them have a bachelor's degree. So this is showing the impact of having a disability regardless of your race or ethnicity.

So now let's look at the intersectionality. To do that we are only going to focus on the red bar. So we are only going to look at data for people with disabilities. And you can see in the graph that compared to white people with disabilities, all other races, Black, Latinx and Indigenous have a lower percentage of the population that have a bachelor's degree. 17% of white persons with disabilities have a bachelor’s degree compared to only 11% of Black, 10% of Latinx and 9% of Indigenous.

Now, let's look at poverty rates in working age population. First, I want to call attention to what poverty means in this data. So imagine being a person who is living with an annual income that is below $12,760. Now, imagine being a family of four that is living with a budget of less than $26,200 a year. So this is what poverty means if we can imagine that.

I also want to notice that disability cash benefits are included in the calculations of poverty here. It means that the poverty rates that are being reviewed in people with disabilities are after we include whatever cash benefit they get due to their disability.

So now let's look at the data in the graph. We see that within each race ethnicity, a higher percentage of persons with disabilities live in poverty compared to people without disabilities. For example, let's look within the Black population. We see that 17% of Black persons without disability live in poverty, but over twice that, 36% of Black persons with disability live in poverty.

Now let’s look at the impact of intersectionality. So again let's only look at the red bars representing people with disabilities only. And we can see that compared to white, all other people with disabilities have higher rates of living in poverty. So 23% of white people with disabilities live in poverty, compare that to 36% of Black people with disabilities, 34% of Indigenous people with disabilities, and 28% of Latinx people with disabilities.

It's important to consider here that disability is both a cost and consequence of poverty. This is because most people with disabilities are left out of the labor market while at the same time, they have extra expenses that they have to incur because they are living with disabilities, and if you are living in poverty, you are experiencing factors that can lead to disability. For example, you might have a chronic condition, and if you don't have access to affordable, timely and quality healthcare, that chronic condition can become a permanent disability.

Now, let's look at the cost of housing. So if a household is spending more than 50% of their income on housing, that household is considered severely cost burdened. And you can imagine if you are spending more than 50% of your income in the household, you are in a position of extreme financial fragility. You are going to be way less able to withstand changes in your income, for example, if you lose your employment, like has just happened to many people during the pandemic. Or if you have new unexpected costs, like, for example, you have a family member that gets sick and there are extra health expenses.

So let's look at what do we see in terms of the impact of disability. Again, like in the other cases we see that in people with disabilities there is a higher percentage of households that are severely cost burdened. So let's look at Black and Latinx. You can see that in both, 23% of Black and Latinx households without disability are severely cost burdened and about 10% more of households with a disability that are Black and Latinx are significantly cost burdened. So you can see that 10% more likelihood of being severely cost burdened if you have a disability within Black and Latinx.

Now, let's look at intersectionality. Once again, what we can see is that Black and Latinx have worse outcomes compared to white without disabilities. So 23% of white households without a disability are severely cost burdened, but about 10% more of Black households with a disability and Latinx households with a disability, 33% and 34% respectively, are severely cost burdened.

And this could in part explain why the pandemic has disproportionately impacted Black and Latinx houses with disabilities.

Lastly, I want us to look at net worth. So by net worth we are talking about the assets of a household. So, for example, the value of the house, etcetera. I want you to know that the monetary values that I will review only represent the net worth of households where the householder is of working age. So these values are leaving out individuals that acquire disability after retirement, and who were able to accumulate wealth in the workforce without having a disability.

And also I want to highlight the graph showing the average household net worth. So this means that there are people below the average in each of these groups. These are the averages. So the data shows that within each race and ethnicity, households with disabilities have a lower net worth compared to households without disabilities.

The biggest gap that you can see here is within white. So if you look at white households without a disability, the average net worth is $132,400. Compare that to only $27,100 in net worth in white households without a disability. Now, the gap within the other races is smaller, as you can see in the graph, and this has to do with the detrimental advantage that’s in this society, being white and without disabilities afford. But even in Black and Latinx you see the disparity between households with or without disabilities. Let's look at Latinx households without a disability, the average net worth is $19,800. Latinx with disabilities, the average is below $13,340.

Now, let's look at intersectionality. So we see that Black and Latinx households with disabilities have lower net worth, average net worth, than white households with a disability. And this is particularly striking when we look at Black households with a disability. You can see that the net worth is only $1,282.

And so in closing, I just want to highlight how time and time again when you look at financial outcomes, we can see that the ones that have the most financial vulnerability are those living at the intersection of disability and race. And with that, I thank you for your attention, and we go back to Mahika.

>> MAHIKA RANGNEKAR: Thank you so much, Andrea, for laying that ground work for our conversation today. You know as Jennifer mentioned in her opening, quality data collection and analysis is so critical to developing inclusive policy. So it was great to get this overview. And Andrea, like you said, we are in a unique position in time to reflect on the intersectionality of race, injustice, poverty and disability and we do have a responsibility to not only increase awareness of how people of color with disabilities in the U.S. are even more impacted by systemic inequalities, but also to take advantage of opportunities to positively impact their financial inclusion and stability.

And so one of these examples, you know, are ABLE accounts. I'm going to bring in Nathan Turner who will tell us more about his experiences as an ABLE account owner.

And just as a reminder, if you have any questions for our speakers today, please put them in the Q and A box so that we can get to them at the end of the presentation.

So ABLE accounts are a savings vehicle that allows an eligible individual with a disability to save for qualified disability expenses while maintaining eligibility for critically needed public benefits. And so Nathan will talk a bit more about ABLE as well as some of his other work in financial security. So welcome Nathan. It's really good to have you here.

>> NATHAN TURNER: Yes, thank you so much Mahika for having me. It's a pleasure to be here. So I'm working on two key initiatives in our disability communities. Recently I began working with the National Disability Institute ABLE National Resource Center as part of a truly incredible team of ABLE account owners and family members who are serving as BIPOC Ambassadors to help the Center in providing outreach and awareness of benefits of ABLE accounts to BIPOC communities.

And for the past several years I have also worked locally with the Lucas County Board of Developmental Disabilities on a grant from the Ohio Developmental Disabilities Council. It's called Money Matters, and I co‑facilitate a series of hybrid courses on basic financial literacy, work readiness and competitive employment, and also utilizing able accounts and other strategies to stay eligible for public benefits.

I think what's critical about these initiatives is that they demonstrate the value of peer support as strategies for best practices in delivering equitable information on financial empowerment. Achieving equity for people with disabilities and people with disabilities who are members of Black, Latino and other communities of color require a truly individualized person‑centered approach. We need to meet everyone where they are and help them to recognize that they do not need to have all of the answers immediately. What I like to call ‘not having a Ph.D.’ in ABLE to benefit from opening the ABLE account and generally increasing financial education.

>> MAHIKA RANGNEKAR: Thank you, Nathan, for that wonderful introduction. Can you tell us a little bit more about what ABLE means to you personally, and maybe how having an ABLE account, how has that changed the way that you think about building wealth.

>> NATHAN TURNER: In my role as an ABLE Ambassador and also when I co‑facilitate my Money Matters classes to the DD community locally I have a special saying, I reiterate the fact that money means freedom to people with disabilities, especially in BIPOC communities. Before ABLE accounts were established in 2016 I quickly understood how difficult it was for me to personally navigate working and maintaining eligibility for public benefits and let alone finding a job that's going to accommodate my significant physical disabilities and meet my passionate interests. I believe that everyone has the right to work, to be in a job that meets their passion and people with disabilities need to also have those opportunities.

And in that regard, I was very fortunate to have a strong and supportive family. They definitely encouraged me to go to university and pursue community employment but feared that I would lose access to my critically needed means-tested public benefits and knew that alone they couldn't help me replace benefits and Medicaid waiver services. So for me opening the ABLE account was a lifeline for me to be able to access working and maintain eligibility for public benefits.

>> MAHIKA RANGNEKAR: I have had a lot of prior work experience with the SNAP, TANF, Medicaid public benefits side and so I'm aware of benefits cliffs among other things that make it really difficult to maintain eligibility while still trying to save money or while still trying to get to financial security.

>> NATHAN TURNER: The great thing about ABLE accounts is that they are so flexible. You don't necessarily have to work to benefit from them. You can save for longer term expenses, or even as a child with a family, the family can help open the ABLE account and immediately make contributions to save after family members. If they have to move to another state, it's just a great way to plan for unexpected expenses, help someone pursue hobbies or interests. They are so flexible.

>> MAHIKA RANGNEKAR: And what advice would you have for people who might be eligible to open an account? Would you just recommend ABLE accounts for everyone who qualifies?

>> NATHAN TURNER: 100% I would recommend anyone who is eligible to open an ABLE account as soon as possible so that they can more immediately save for qualified disability expenses. The ABLE National Resource Center has an abundance of helpful content to assist each person wherever they are in their ABLE account journey. The roadmap to enrollment and the roadmap to independence on the ABLE NRC website are great places to start.

And we also have our recently developed ABLE Decision Guides series which focus on a variety of different topics. Ones that I use most often focus on finding funds for contributions and how to navigate maintaining that eligibility for public benefits while working at the same time. Those are my favorite resources for adults with disabilities, because making small contributions, I think, are an essential piece for people with disabilities to maintain their long‑term financial future and just build wealth and have the opportunity to build wealth like everyone else has.

>> MAHIKA RANGNEKAR: Nathan as a financial educator, as a financial coach, can you talk a little bit more about how ABLE accounts integrate with other financial literacy and wealth building approaches?

>> Nathan Turner: ABLE accounts provide people with disabilities an opportunity to exercise self-determination since the person with a disability owns the account. It's their name on the account. They direct the funds. And ABLE accounts also allow the person with a disability to easily access investment options with an account that they fully control.

If the account owner needs assistance, they can have a trusted family member or support person assist them, and for people with disabilities who have a special needs trust, they can direct the trust to contribute to their ABLE account for more flexibility on how to access and use the funds especially on food and housing expenses. You can have more than one of these protected savings vehicles. In fact, the Special Needs Alliance, a national organization of attorneys who focus their practices on disability laws and are experts on special needs trust and pool trust, work with the ABLE National Resource Center to develop resources such as the ABLE account, special needs trust and pooled trust comparison chart available at the ABLE NRC website to help people have accurate objective information on the various savings vehicles and how they are different and how they can work together.

>> MAHIKA RANGNEKAR: If people are curious about these resources we certainly will have links to them in the slides. So once they are available you will be able to check them all out. Nathan, as we kind of look to financial stability for people with disabilities, where would you situate ABLE accounts in a larger set of issues we need to consider? So ABLE as one piece of kind of the larger puzzle, what would you say the other puzzle pieces look like?

>> Nathan Turner: ABLE accounts are definitely a foundational strategy to build wealth, plan for the future or unexpected expenses and generally make it easier to live, learn and access our communities as people with disabilities. ABLE accounts ultimately allow owners, such as myself, to live more self‑determined lives. I think as a proud member of the ADA generation I have greatly appreciated being active, all these protections for my entire life, and the ABLE Act builds on the promise of ADA providing a powerful tool that can help millions of people with disabilities live life to their fullest potential.

And having that ABLE account too, it really just allows for individuals once they are freed from having to worry about the constraints and resource limits from tested programs to think about ways that everyone else would generally build wealth in terms of making big ticket expenses in ways that weren't previously possible, purchasing a vehicle, or home, for instance, to feel truly integrated in with their communities. And I think that's one of the biggest promises of the ABLE Act and ABLE account is that ability for people with disabilities to truly integrate in with their peers.

>> MAHIKA RANGNEKAR: Nathan, is there a particular financial goal that you have kind of set and how your ABLE account is helping you to kind of achieve that goal?

>> NATHAN TURNER: Absolutely. So I am definitely a saver for bigger expenses when it comes to how I use my ABLE account. And so additionally, because even though I live in an urban area, we have significant limitations on the transportation that the community is able to provide. So my initial goal was to buy an accessible vehicle, and I was able to accomplish that in 2019 without my family. Since then I have been saving for a down payment on a home so that I can give back to the great community in Lucas County that's given so much to me. We have a very strong community here and we are supportive of people with disabilities and I just want to be a part of that like everyone else.

>> MAHIKA RANGNEKAR: Thank you so much, Nathan, for sharing your personal experience and your expertise around ABLE accounts and gaining financial security. If folks have questions for Nathan, please put them in the Q and A. We will be having time for that at the end of the webinar.

So we have heard from Andrea about how to understand intersectionality as it applies to race and disability and how people of color with disabilities face unique systemic challenges as a result of those intersecting identities.

Just now Nathan shared several ways to positively impact financial inclusion and build economic self‑sufficiency. We are going to continue that conversation with Ben Feimer from Justine PETERSEN. So Ben the floor is all yours.

>> BEN FEIMER: Thanks, Mahika. Hello everybody my name is Ben Feimer, I am the Credit Building Manager here at Justine PETERSEN. I first off want to say I am very, very excited to be here and be part of this panel. I want to thank Andrea and Nathan for really digging into these topics about the systemic inequalities that are out here in the United States for people with disabilities and people of color as well as the different kinds of resources that are available to them to help them get access to the things that they need.

And the other half I think, of what Nathan was touching on with the ABLE accounts is setting up your own savings, making sure that you are able to purchase something like a vehicle or a home to be integrated into your community. The other half of that coin I think in my personal opinion is credit. And credit is what I do. That's in my title.

I'm the Credit Building Manager here at Justine PETERSEN, and Justine PETERSEN is a CDFI, a community development financial institution based in St. Louis, Missouri, that does quite a bit of small business lending as well as credit‑building activities, both in Missouri and around the country in general.

And I wanted to touch on making sure that people of color with disabilities have access to the institutional resources that they need, and half of that equation like Nathan said, money means freedom, and half of that equation and getting access to the institutional resources they need is credit. And unfortunately, because of the way that the system is built here in the United States, primarily the credit system as well as the access to different kinds of loans and lending, it's built to keep people down.

So the system is designed to keep people trapped. On this slide you can see a map from the Center of Responsible Lending. They published this in March of 2021. This is a map of the United States for the average interest rate for a $300 loan, and it's a two‑week, 14-day, $300 loan. And Justine PETERSEN is located in St. Louis, Missouri, where the average interest rate for a $300 loan is 527%. There is over half of the states in the U.S. don't have any kind of caps on the interest rates that payday loans are able to offer, or if they do, they are exorbitant.

Last time I heard the cap for a payday loan in Missouri was around 1024%. Now don't quote me on that number, but it's quite high. So the average is 527%. Andwhen people with disabilities as well as Andrea said people living in poverty, they don't have access to a lot of funds. And so when they have a breakdown in their car or they have run out of money or they are on a fixed income and they are waiting until the next payday, a lot of the people that we at Justine PETERSEN work with they turn to payday loans. And payday loans in my opinion are an epidemic in this country that are designed to keep people trapped in this vicious cycle.

So take a second to find your state. If you are lucky enough to live in one of the states that’s in blue, there are specific caps on what a payday loan can offer. Illinois right next door to Missouri, I think just this last year capped it out at 36% for a payday loan. It could be 36, could be 37, but that's a cap. If anybody has any experience in lending or borrowing, generally having an interest rate that's double digits is way too high.

I can't tell you how many people I sit down with day after day that we pull up their credit report, and I see that they are paying $600 a month for a car. I'm asking what are you driving? What kind of great German car are you driving? And they are not. They are paying $600 a month for a three‑year‑old Toyota.

That's just not sustainable because that kind of payment as Andrea said, we are working with people that have 40%, 50% of their monthly income going towards their living situation, their housing, and they are paying another $600 or so to be able to have access to a vehicle in order to get to work. That's not sustainable.

So a lot of my clients lean into these payday loans. This is just an average of a two‑week payday loan for $300. I want to give you guys another example of a gentleman I worked with earlier last month. He borrowed $600 from a local payday lender here in Missouri. That payday loan was around that 527%. So he borrowed $600 for a six‑month pay back. He and I sat down and we did the math and he is paying a total of $1,180 in interest on a $600 loan for six months., which means he is paying $1,700 for a $600 loan.

I think one of the things that Justine PETERSEN really tries to focus on is to let people know that these systems are out there and that they are designed to keep people trapped. If someone falls behind on one of these extensive payday loans the payday lender will offer them another loan to pay off the first loan and they will reset the interest rate, reset payments and they stay in that cycle.

Justine PETERSEN tries to combat that through several different things. We have several core products here at JP. We focus on credit building and financial education, which is what I do, that’s what I am doing right now, working with you. We also focus on home ownership preparation and retention and also small business micro enterprise lending and training. We do a lot of that through one‑on‑one work with our clients. They come in, we sit down, we pull their budget, we go over it with them. We see where people with disabilities, people of color time and time again might be caught in one of these traps or might be on a fixed income, and they can't afford to pay their bills.

So Justine PETERSEN being a CDFI focuses a lot on one‑on‑one lending. We offer consumer loans to people that might not necessarily qualify for them with traditional institutions. And one of the reasons that we do that is because we have a very specific philosophy about people's financial situation.

Our philosophy is that credit is an asset. If you think of credit as the other half of the coin on saving like Nathan talked about, then it can give you access to so many more things out there in the world. I liken your credit score to your adult report card. When we were going through school, we had a report card. Our grades mattered until we went to the next grade, our grades mattered when we went to college, to university, on and on and on, but once you graduate from that, your grades don't matter so much anymore.

If you need access to an apartment, if you need access to buying a car so that you can get to work every day, they check your credit score nine times out of ten. So focusing on building your credit score is we think the single most important factor in developing long‑term assets.

I 120% agree with Nathan that getting access to different products enable you to save and build your financial profile is the other half of the coin, 120%. But being aware of your credit and how it works is the other half, because if you have a strong credit profile, you can save on average a quarter of a million dollars over your lifetime in interest and fees. And primarily through avoiding payday loans.

So Justine PETERSEN really tries to focus on making sure that we have, and work with, different institutions that offer things like credit building loans. I highly encourage you to look into an organization called Credit Builders Alliance. They are a network of CDFIs, community development financial institutions, around the nation that work with and offer personal and small business loans to people that might not traditionally qualify.

So staying on top of credit building and staying on top of the different products that are available to them is really going to help propel the people that we work with to the next level and secure their financial future. That's all I have. Thanks, Mahika.

>> MAHIKA RANGNEKAR: Wonderful, thank you so much, Ben, for taking us through the inequities resulting from predatory payday loans as well as the racial gap in marketing by banks and payday lenders. And also for sharing the types of services that can help remediate the problem such as credit building, and microenterprise lending and training.

So we are now going to move into the Q and A section of the webinar. We have some really great questions from folks in the audience today. I will do my best to get us through all of them. First up, Andrea I have a question for you. Can you tell us what are some of the reasons for the disparities we see between the average household net worth per race?

>> ANDREA URQUETA ALFARO: I will respond on that based on knowledge I have from other data points but it's not based on a regression model which would be the statistical way to do this. That would be the next step in the research. But just based on other data points that I know, what do you need to accumulate net worth, to have assets? You need the means to acquire them. So, for example, think of buying a house. What do you need to buy a house? You need money, right.

So I'm just now finishing looking at data from 2019 from the FDIC, and I look at income in people with disabilities by race and ethnicity, and what we can see is that Black and Latinx are more represented in lower income brackets. Black and Latinx people with disabilities are more represented in lower income brackets and less represented in higher income brackets compared to white households with disabilities.

So there is an inequity there in terms of income. We also found in this data that households that are Black and Latinx with disability have a marginally higher, it’s still higher, not as much as with the income, but they are still higher, unmet need for credit. And that goes to what Ben talked about. So people who have used non‑bank credit, people who have not applied for bank credit because they are scared they are going to be turned down, and so we see a big impact with disability because we don't see as much differences among the races as we see in income, but still you see that there's more unmet need for credit in households with disability who are Black and Latinx.

And lastly, one way to get income is employment. If you look at data from the Department of Labor for 2020 you will see that higher percentages of Black and Latinx people with disabilities are unemployed compared to white. Now, most people with disabilities are actually out of the labor force. So that means not only they are unemployed but they also stop looking for a job actively. I don't have data disaggregated by race there, but given that unemployment is higher in persons with disabilities that are Black and Latinx I suspect that also a higher percentage of them are out of the labor force. But all that combined I think, and other factors that I can’t think of right now, but all of those realities are leading to this difference in the net worth of households with disabilities depending on race.

>> MAHIKA RANGNEKAR: Thank you, Andrea. And just a follow‑up question, one of the participants was interested to learn why the Indigenous population was left out of a couple of those graphs in the slides.

>> ANDREA URQUETA ALFARO: Thank you so much for that question, that is a very important question. So this is what we call a “data gap.” It's an issue of also inequity. We need equitable data which means that to show inequalities we need to collect data from all of the groups, but what happens is that sometimes we don't have enough data, and if we don't have enough data, we cannot calculate and estimate for the population. That's what happens many times with data.

Data are what is called weighted by the Census Bureau so that they represent what the census says about the total of the nation's population, but that sometimes means you end up with a sample that is too small for certain groups and we end up with a data gap.

Which means we don't have the means to really calculate reliable population estimates for those groups. So thank you for that question because that is something that is important to bring to the forefront. We need to make sure that we have data for all of these groups.

>> MAHIKA RANGNEKAR: Wonderful, thank you Andrea. Next I have a question here for Nathan. Nathan, can you say more about what it is to be an ABLE Ambassador and maybe some of the things that you do as an ABLE Ambassador?

>> NATHAN TURNER: A lot of what we do in our work as ABLE Ambassadors is connecting with our communities, listening to the inequalities they have around financial empowerment and connecting them with resources in their community to strengthen their economic self‑sufficiency.

We do a lot of just helping people build what we call a circle of support, identifying allies in their life that you know might be able to help them or community organizations that might be able to help them open an ABLE account or find out more information on how to gain access to credit or make larger purchases. We provide just a lot of information.

And we want to be a support system to them, maybe share our personal experiences, but as Ambassadors, it's important to note that we don't provide case management services, so we are always going to refer them to community resources for that.

>> MAHIKA RANGNEKAR: Great, thank you, Nathan. And there was another question here for you. Do you know of any additional resources for people of color with disabilities that have also been involved with the prison industrial system and how their needs might be different and what services are there for them specifically?

>> NATHAN TURNER: That's a good question. I would have to circle back on specifics. One of the great things about ABLE accounts though is that if you do have a disability that's onset before the age of 26, they are open to you. You don't necessarily need to have Social Security benefits to open the ABLE account if you can have a doctor certify that you have a disability before the age of 26, that ABLE account is available to you.

And as far as someone had a question about advocacy. One of the things that the ABLE National Resource Center is supporting is lifting the age requirement to open that ABLE account to 46 years old.

>> MAHIKA RANGNEKAR: Wonderful. Thank you, Nathan. And, Ben, I have a question here for you. So small business owners and entrepreneurs with disabilities lack access to credit and loans that are at a reasonable rate due to no or poor credit history. How could CDFIs do more nationwide to respond to the needs of people with disabilities?

>> BEN FEIMER: That’s a great question. I don’t want to speak for an entire industry, but I will say that Justine PETERSEN as a CDFI, and there was another question about what CDFI stands for. That stands for Community Development Financial Institution. So we are a lending institution that looks past the traditional means of how somebody might qualify for a loan. And that's kind of how I would answer that question, Mahika.

CDFIs in general try to look past the traditional underwriting standards for a loan from like a bank. We try to look, and especially here at J.P. we look into people's, not just their credit scores, but what does their income look like? Are they a member of the community? And some organizations start people out with starter loans.

And if they can pay back a $300 credit building loan, then we will absolutely work with you to get a $5,000 small business loan or a 10 or a 15. It's about relationship building, I think, with your borrowers as a CDFI and looking past, oh well, you don't have a 700 credit score so you can't work with us. So having an open mind about underwriting standards opens things up for a lot of our borrowers.

>> MAHIKA RANGNEKAR: Thank you, Ben for that very robust answer. The last question, and we are coming up to the end of the webinar, but there is a really good last question here I want to ask all of our panelists. This question is, are there recommendations about how to have the conversation in your community about the employment discrimination faced by folks with disabilities, particularly BIPOC and other minority folks with disabilities? So a question around how to have these conversations in folks' respective communities. This is for anyone and everyone.

>> ANDREA URQUETA ALFARO: This is Andrea. Something that I, off the top of my head that I can think of, we did some work looking at entrepreneurship in persons with disabilities. So persons with disabilities that started their own businesses. We talked to an organization that has incubators and supports people with disabilities in starting their entrepreneurship. And there is something that they say on their website, that I think applies to the employment in any type whether it's entrepreneurship or being an employee in a company, about a person with disability is they have a, you have a problem-solving kind of mind set, because they are living in a world that is not designed for them.

So everyday they have to problem solve. And Nathan, you can agree or disagree with my perspective. I'm not a person with a disability myself, but I'm speaking from what this organization talks about. And that made sense to me. Having to resolve so many situations that are not planned for you and you have to work around it and solve it I think is a great skill that anybody would want in an employee.

So I think highlighting the strength that hiring people with disabilities will bring to your organization is a way to bring about this conversation.

>> MAHIKA RANGNEKAR: Thank you, Andrea. Nathan, go ahead.

>> NATHAN TURNER: I was just going to say that I definitely agree with that approach and I would also say that reaching out specifically to BIPOC communities and targeting information to them, maybe finding someone, you know, on your staff who is motivated and interested in targeted outreach to BIPOC communities is a way to provide equitable information. Because one of the areas I struggled with coming up is having access to accurate and equitable information.

So I just think that this type of a peer support model is something that a variety of agencies and organizations can emulate.

>> MAHIKA RANGNEKAR: Thank you, Nathan. It's always so good to have a webinar end on a really high and hopeful, optimistic tone. So thank you both very much for that.

We have a few minutes left. If you would like to learn more about our speakers and the wonderful work they do, here are several resources you can access. These links will be in the slide deck that you can access once it's uploaded on the website.

We have the full NDI report on Race, Ethnicity, Disability in addition to the new Financial Toolkit for individuals with disabilities. We have a host of ABLE resources and more information about Justine PETERSEN.

If you enjoyed today's webinar, we hope you stay in touch. If you would like to be the first to know about upcoming events, we encourage you to follow the LEAD Center and sign up for our newsletter. This slide includes a link to the LEAD Center website where you can sign up to get information and notifications.

You will see that there are many ways that you can connect with us. You can follow the LEAD Center via Facebook, Twitter, LinkedIn, and YouTube.

A very special thank you to our three presenters, Andrea, Nathan and Ben and a big thank you to all of you in the audience for coming out today. We hope to share with you again during upcoming LEAD Center webinars. Have a great rest of the day. The session is now closed.

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