



# Upward to Financial Stability

Developed by:

**National Disability Institute**

National Office: Washington, DC

[www.realeconomicimpact.org](http://www.realeconomicimpact.org)

**The Collaborative**

Raleigh, North Carolina

[www.cultureofsavings.org](http://www.cultureofsavings.org)

This training program is supported by:

**NCCDD**  
North Carolina Council on  
Developmental Disabilities

# Upward to Financial Stability Train-the-Trainer Curriculum

*“The Nation’s proper goals regarding individuals with disabilities are to assure equality of opportunity, full participation, independent living, and **economic self-sufficiency** for such individuals;”*

- The Americans with Disabilities Act [42 U.S.C. § 1201(a)(8) (2005)]

Passage of the Americans with Disabilities Act (ADA) in 1990 brought new hope and expectations about the possibilities of full participation in the workplace and community life for millions of individuals with disabilities and their families. Yet, twenty-seven years later, the struggle to ensure equality of opportunity and full community participation continues.

This training guide is dedicated to individuals with disabilities and their families who desire to be more self-sufficient, less dependent on public benefits and who want to build a better economic future that promotes choice and greater community participation. The guide introduces eight strategies that complement each other as opportunities to become part of the economic mainstream by working, saving and developing assets.

The eight sections serve as lesson plans that orient individuals with disabilities, their families, as well as service professionals to a new way of thinking and taking action. With new tools, strategies and new community partnerships, we can discover a path to advance the financial capabilities of individuals with disabilities.

## Purpose

This training is intended to increase access to accurate information about financial capability strategies and asset building programs that are available for people with disabilities, their families and professionals in North Carolina. Over the course of the eight modules, the training will:

- Provide a framework for understanding what financial capability, financial services and asset development are and why it is important for people with disabilities;
- Provide training on eight categories of financial capability strategies that include: Money, Financial Capability and Access to Financial Services, Earned Income Tax Credit: Free Tax Preparation Assistance, Credit Matters, Continuum of Housing, Social Security Work Incentives, Self-employment and Public Benefit Work Supports, and Protecting Your Identity.
- Provide a look at sample programs to help individuals build their financial wellness;
- Provide an understanding of how these programs work in the local community and how they can be accessed by people who have disabilities;
- Provide information regarding expected outcomes for the training and how advocates can support successful completion of the program;
- Identify local resources and support for both customers and advocates;
- Recognize how developing assets can affect customer benefits and provide direction on how asset or income limits may be addressed.

## Principles of Training

- Information provided in this training is just one tool for decision making about building our financial wellness.
- Good decisions are the result of good planning.
- Trainings are based on the philosophy of self-determination and person-centered planning.

## Building Blocks for Self-Determination

- A person has the FREEDOM to dream, to make his or her own decisions and plan his or her own life.
- A person has the AUTHORITY to control how money is spent for his or her supports.
- A person has the SUPPORT needed from friends, family, and other people whom that person chooses.
- Individuals take RESPONSIBILITY to do what they say they will do.
- CONFIRMATION – the recognition that individuals themselves are a major part of the design of their long-term services and supports.

# Upward to Financial Stability Training Manual

Information in the training manual is divided into eight (8) modules to break down this complex information into more manageable morsels of information. The **Upward to Financial Stability** Training Program was created to increase access to accurate information about financial capability programs that are available for people with disabilities, their families and professionals. The training curriculum includes activities for individuals to enhance their knowledge on building assets and how to apply the information that they learn from the training.

The training is divided into eight categories of financial capability strategies and programs:

## **Introduction and Next Steps**

This module provides an introduction on the importance of financial capability for individuals with disabilities and how this curriculum can assist in delivering relevant information to individuals, family members and service professionals.

## **Module 1: Money**

Module 1 introduces the participants to the basic principles of money. Why do we need money, how do we get money, how do we create good money habits and how money can help us achieve our goals.

## **Module 2: Financial Capability and Access to Financial Services**

Module 2 introduces participants to the importance of choosing consumer-friendly financial services based on individual needs. Items covered are where financial services are offered, the basics of deposit accounts and loan services, and how to avoid paying too much for services.

## **Module 3: Earned Income Tax Credit: Free Tax Preparation Assistance**

Module 3 introduces participants to the Earned Income Tax Credit (EITC) including who is eligible for the tax credit and how the EITC is used by people with disabilities to improve their economic status. Participants will also learn about the Volunteer Income Tax Assistance (VITA) sites statewide where assistance is provided to prepare and file a tax return for free.

## **Module 4: Credit Matters**

Module 4 introduces participants to the importance of their credit profile. Included are the various ways that credit profiles are used in everyday life. We cover credit reports and credit scores, including what makes up a credit score, and how good credit scores save money. Finally, debt management is covered, including information about avoiding scams.

## **Module 5: Continuum of Housing**

Module 5 introduces participants to a range of housing choices including renting, home purchase and supports.

## **Module 6: Social Security Work Incentives**

Module 6 introduces students to a variety of strategies and supports offered by the Social Security Administration to encourage a return to work and advancing self-sufficiency.

## **Module 7: Self-Employment and Public Benefit Work Supports**

Module 7 introduces participants to employment opportunities including self-employment and public benefit work supports.

## **Module 8: Protecting Your Identity**

Module 8 introduces participants to their “personal identifiable information” (PII), and how that information can be used by thieves. Information will be shared on how to protect our identity.

If you need additional information, contact Michael R. Roush, M.A. at **National Disability Institute** for assistance; [mroush@ndi-inc.org](mailto:mroush@ndi-inc.org).

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To learn more about how to make a Real Economic Impact, join us:

[www.realeconomicimpact.org](http://www.realeconomicimpact.org)

 [www.twitter.com/realeconimpact](https://www.twitter.com/realeconimpact)

 [www.facebook.com/realeconimpact](https://www.facebook.com/realeconimpact)

 [www.realeconomicimpact.tumblr.com/](http://www.realeconomicimpact.tumblr.com/)

 [www.youtube.com/user/RealEconomicImpact](https://www.youtube.com/user/RealEconomicImpact)

# Introduction

Welcome to the ***Introduction***. This section provides an introduction on the importance of financial capability for individuals with disabilities and how this curriculum can assist in delivering relevant information to individuals, family members and service professionals.

## **Objective:**

- Provide an overview of the training;
- Define the importance of discussing financial capability strategies with individuals;
- Define financial wellness, financial literacy and financial capability as well as key components;
- Provide an overview of National Disability Institute's five key strategies;
- Strategies on how to use the curriculum and coaching techniques one-on-one or in group settings.



## INTRODUCTION

# Facilitator Preparation

### Facilitator Preparation:

- Prior to this workshop, the facilitator should:
  - Read Building a Better Economic Future – A Progress Report for Individuals with Disabilities and their Families in America [www.realeconomicimpact.org](http://www.realeconomicimpact.org)
  - Read the Consumer Financial Protection Bureau's (CFPB) report on Financial well-being: The goal of financial education [http://files.consumerfinance.gov/f/201501\\_cfpb\\_report\\_financial-well-being.pdf](http://files.consumerfinance.gov/f/201501_cfpb_report_financial-well-being.pdf)
  - Review National Disability Institute (NDI) website: <http://www.realeconomicimpact.org>
  - Review PowerPoint presentation for Introduction.
  - Personally complete all activities to familiarize yourself with each activity.
  - Identify and invite guest speaker for Making Connections in your Community segment.

### Gather:

- Laptop and LCD projector
- Sign-in Sheet
- Easel Pad & Easel
- Markers
- Power Point Presentation (make copies if you would like to distribute to attendees)
- Agenda (make copies if you would like to distribute to attendees)
- Activities (make copies of activity handouts)
- Homework Assignment (make copies)
- Evaluation (make copies)

## INTRODUCTION

# Pre- and Post-Test Evaluation

Location of Session: \_\_\_\_\_

Date of Session: \_\_\_\_\_

Trainers \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

Participant Name (Optional): \_\_\_\_\_

***Please complete this section before the beginning of this training session.***

### 1. BEFORE the training:

**PLEASE RATE YOUR KNOWLEDGE OF THE FOLLOWING TOPICS:**

	Excellent	Good	Fair	Poor	Very Poor
a. What financial wellness means	5	4	3	2	1
b. Financial wellness strategies	5	4	3	2	1
c. The importance of financial wellness for persons with disabilities	5	4	3	2	1
d. The impact of poverty on people with disabilities	5	4	3	2	1



The remainder of the form will be completed at the end of this training.

	Excellent	Good	Fair	Poor	Very Poor
2. The group discussions were:	5	4	3	2	1
3. Trainer (Name) _____ was:	5	4	3	2	1

Any additional comments or recommendations for improvement for the **trainer**:

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	Excellent	Good	Fair	Poor	Very Poor
4. The training materials were:	5	4	3	2	1

Any additional comments or recommendations for improvement for the **training materials**:

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5. I would recommend this training to others:                     Yes     No

6. What part of this training was the most enlightening to you and why?

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	Excellent	Good	Fair	Poor	Very Poor
7. The overall quality of this training was:	5	4	3	2	1

Suggestions and recommendations to improve the training:

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8. “AS A RESULT” of the training:

**PLEASE RATE YOUR KNOWLEDGE OF THE FOLLOWING TOPICS:**

	Excellent	Good	Fair	Poor	Very Poor
a. What financial wellness means	5	4	3	2	1
b. Financial wellness strategies	5	4	3	2	1
c. The importance of financial wellness for persons with disabilities	5	4	3	2	1
d. The impact of poverty on people with disabilities	5	4	3	2	1

Thank You for Your Feedback!

## INTRODUCTION

# Agenda

Introduction .....	15 Minutes
Overview, Purpose and Expected Outcomes .....	10 Minutes
PowerPoint Presentation .....	30 Minutes
• What Do We Know About People with Disabilities and Poverty?	
• What does Financial Wellness Mean?	
• Overview of NDI's 5 Key Strategies	
• Disable Poverty: A Grassroots Campaign	
BREAK .....	15 Minutes
American Dream Exercise.....	30 Minutes
Resources	
• Making Connections in Your Community	10 Minutes
• Disable Poverty: A Grassroots Campaign	
Homework Assignment and Wrap-up.....	10 Minutes
Evaluation and Closing .....	5 Minutes

**REMINDER:** Please distribute part one of the Introduction Evaluation now. Be sure to have the participants complete the second half of the Evaluation at the end of the session.

## INTRODUCTION

# Script for Trainer

### Introduction (15 Minutes)

Script for Trainer (corresponding PowerPoint Presentation Introduction)

My name is \_\_\_\_\_. Welcome to our training program – **“Upward to Financial Stability”**.

There will be eight sessions. Each session will last for two hours *(Please note that as the trainer, you have the flexibility of making each session longer or shorter)*.

The purpose of the training is to help you learn more about working, saving, and building your financial wellness. We will discuss tools and strategies that you can use to help you make good decisions about your financial life.

We are to talk about being financial fit and why it is important for us to be financially fit.

Each training session will help you learn about a different strategy to advance your financial wellness, promote choice and community participation.

### ACTIVITY# 1

To get started, let's go around the room and have each person introduce himself or herself. Tell us your name, if you are currently working, and something you like to do. For example: go to the movies, shopping, visit with friends.

[As each individual provides their answers, the Trainers should create a chart on a large easel pad.]

Conclusion: Trainer will point out common interests among participants and conclude with a positive statement:

“We will get to know each other better during the next eight sessions as we learn together about a new way of thinking and taking action.”

## Overview, Purpose, and Expected Outcomes (10 Minutes)

Script for Trainer (corresponding PowerPoint Presentation Module 1)

The **Upward to Financial Stability** program has been developed by National Disability Institute and The Collaborative for the purpose of promoting financial wellness and fostering greater economic self-sufficiency for persons with disabilities.

Let's spend a few minutes setting a framework for the **Upward to Financial Stability** program.

Passage of the Americans with Disabilities Act (ADA), in 1990, brought new hope and expectations about the possibilities of full participation in the workplace and community life for millions of individuals with disabilities and their families.

The ADA clearly states the nation's proper goals regarding individuals with disabilities and the need to ensure equality of opportunity, full participation, independent living, and economic self-sufficiency for individuals with disabilities.

Twenty-seven years later, great efforts have been made to advance opportunities related to employment and independent living. However, we have not really focused on "economic self-sufficiency."

### ACTIVITY#2

What does the term economic self-sufficiency mean to you? [Create a chart with answers on the easel pad.]

Economic self-sufficiency is about making good decisions around working and saving and managing a budget. It is setting goals to advance employment and economic status. It is about building assets, being financially well and working towards your American Dream.

This training program will introduce you to new strategies to advance your economic independence and to become less dependent on government benefits.

Today we will learn more about what financial wellness means and different kinds of strategies to become financially fit.

The next eight sessions will look more closely at specific financial wellness strategies and provide an understanding of how these programs work in your community and how they could benefit you.

The next eight sessions will focus on:

- Money;
- Financial capability and access to financial services;
- Earned Income Tax Credit & free tax preparation assistance;

- Credit Matters;
- Continuum of Housing;
- Social Security Work Incentives;
- Self-employment and public benefit work supports;
- Protecting your identity.

This training was developed with the **Self Determination – Building Blocks** in mind. It is important that we keep these building blocks in mind as they will help provide additional direction as we work towards becoming financially fit.

### ***Self-Determination – Building Blocks***

A person has the **FREEDOM** to dream, to make his or her own decisions and plan his or her own life.

A person has the **AUTHORITY** to control how money is spent for his or her supports.

A person has the **SUPPORT** needed from friends, family, and other people whom the person chooses.

A person takes **RESPONSIBILITY** to do what he or she says he or she will do.

**CONFIRMATION** – the recognition that individuals themselves drive the design of their long-term services and supports.

The information in each training session will help you to make informed decisions about saving money and building assets. Good decisions are the result of good planning.

At the end of the eight sessions, you will have gained new knowledge to plan and make decisions about a better economic future, a better quality of life, and more independence.

### **PowerPoint Presentation (30 Minutes)**

#### **What do we know about people with disabilities and poverty?**

- Only 35 percent of people with disabilities reported being employed full or part time, compared to 78 percent of those who do not have disabilities. (NOD/Harris Survey 2004)
- Three times as many people with disabilities live in poverty with annual household incomes below \$15,000 (NOD/Harris Survey 2004)



- One out of every three adults with disabilities live in very low income households as opposed to one of every eight non-disabled adults (NCD 1996 Report)
- Lack of money is a serious problem for 68%
- 39% of people with disabilities say that the lack of financial resources is the most serious problem they face. (NOD/Harris Survey 2000)
- Even when people with disabilities are employed, they earn substantially less than their non-disabled peers, roughly 72 cents to the dollar (NCD 1996 Report)
- Public assistance represents 59% of the total income of people with significant disabilities and only 8% of the total income of people who have no disability. (Harris Survey 2002)
- Less than 10% of people with disabilities own their own homes compared with 70% of persons with no disabilities.

#### Poverty Varies Significantly by Race

- 33% of all American households have no assets or are in debt.
- 54% of Hispanic households have no assets or are in debt.
- 60% of African American households have no assets or are in debt.
- For persons with disabilities, an estimated 80% have no assets or are in debt.

Whether it is access to:

- A quality education
- Effective transition from school to work
- Needed transportation, housing, technology or long-term supports

Enduring poverty and lack of economic empowerment will diminish choices and quality of life within communities and singularly diminish freedom, opportunity, and self-determination.

### **Activity # 3**

What does financial stability mean to you? [Create a chart with answers on the easel pad.]

Suggestions:

- Having control over own finances
- Having enough money to handle a major expense (expected or unexpected)

- Feeling like I have enough money to be secure in the future
- Having everything I need
- Having everything I want
- Having enough money for a good quality of life
- Ability to set and reach money goals

What does financial wellness mean?

The Consumer Financial Protection Bureau (CFPB) did a lot of research on this topic and found that for many Americans financial wellness is when they can fully meet current and ongoing financial obligations, can feel secure in their financial future, and are able to make choices that allow them to enjoy life.

### **Activity #4**

What might prevent us from achieving financial stability? [Create a chart with answers on the easel pad.]

Eligibility for many public benefits requires individuals with disabilities to not develop assets or have much money. You have to stay poor to remain eligible. Examples: Supplemental Security Income Benefits; Medicaid; Food Stamps; Housing Subsidies

Why is financial stability Important to Persons with Disabilities?

- Provides greater independence and financial security
- Allows greater choices in community participation and quality of life
- For persons with disabilities, it will produce choices that directly impact quality of life.
  - It will impact mental and physical health.
  - It will positively impact self-concept and level of community participation.
  - It will change expectations and status with other community stakeholders.

## NDI's 5 Key Strategies

National Disability Institute (NDI) focuses on five key financial stability strategies to help an individual build their financial wellness.

These five categories include:

- Public benefits and work supports
- Employment
- Free tax preparation and favorable tax credits
- Financial education/Financial coaching
- Asset Development



NDI believes that the resources and tools in each of these categories can help an individual move towards financial stability. This holistic approach of accessing tools and resources in each of the five key categories helps provide a framework that enhances an individual's pathway to self-sufficiency. During this session, we will look at each of these five categories in greater detail. We will also provide resources and tools for each category that can help you get started.

Let's explore each of these five categories for a few minutes and as we go through each of the other modules, we will learn more information for each category.

Before we start to work our way around the circle, it is important for us to establish a goal. Start thinking about your goal because we will be doing an activity shortly to help us identify our goal.

Once an individual establishes their goal, we begin to look at each of the five categories to see which programs and tools an individual is currently accessing and may access to help them achieve their goal.

### **Benefits Planning & Work Supports**

The first category is benefits planning and work supports. It is important for us to look at all of the public benefits that an individual is currently receiving and could potentially be eligible for. As we look at each of the public benefits, it is important for us to look at the work supports attached to each of the public benefit programs. You might be wondering, what do you consider public benefits and what do you consider a work support.

- Public benefits are those benefits made available by the federal, state or local government to assist people who need help with food, healthcare, and day to day expenses.

- When it comes to a work support they are the supports that lead to an increase in job retention or placement as well as possible advancement in their employment status. There are a variety of public benefits available to individuals if they qualify.

We will learn more about Benefits Planning & Work Supports in Modules 6 and 7.

### ***Employment***

The second category that we look at is employment. Once an individual understands benefits planning and work supports, we believe that this leads to better employment outcomes for individuals. We need employment to help us build our wealth.

When we look at employment we look at full-time, part-time, seasonal, self-employment, competitive, customized and supported employment.

We will learn more about employment in later modules.

### ***Free tax preparation services***

The third category to explore that can help an individual achieve their financial goals is free tax preparation services and the Earned Income Tax Credit. Often times, individuals with disabilities may not think that they need to file taxes due to low wages or they are afraid to receive a refund that would impact their public benefits. As a result, many people with disabilities do not receive the tax refund that could help them pay for expenses.

We will learn more about Tax credits and free tax preparation assistance in Module 3.

### ***Financial Education***

The fourth category that we look at to help an individual achieve their goal is Financial Education. Financial Education is the possession of knowledge and the understanding of financial matters.

We will gain knowledge and understanding of finances that are needed to build financial stability with each module.

### ***Asset Development***

The final category that we look at is Asset Development. As we put the other strategies into action, we will open the door for individuals to build and protect their assets to achieve their goals.

Each of these categories has tools and resources that can assist an individual to achieve optimal financial stability and potentially achieve their financial goals. In the remaining sessions, we will explore tools and resources for each of these categories.

## *Disable Poverty Campaign:*

People with disabilities face many barriers to economic success — low expectations, discrimination and a complex public support system that often limit employment opportunities and upward mobility. Millions of American adults with disabilities are caught in this endless poverty cycle.

In addition, those with disabilities are significantly under-represented in the workforce, despite having marketable skills and a sincere desire to contribute their talents. As a result, people with disabilities are among the most unbanked and underbanked individuals in our country, and are often forced to use unconventional banking services such as payday lenders and pawn shops which keep them in poverty and prohibit economic mobility.

At National Disability Institute (NDI), we believe no one with a disability should live in poverty. That's why we started the DISABLE POVERTY campaign.

In the next 10 years, we are committed to:

- INCREASE the use of mainstream banking products and services among Americans with disabilities by 50%
- DECREASE the number of working-age adults with disabilities living in poverty by 50%

**TAKE THE PLEDGE** at: <http://disablepoverty.org/wp-content/uploads/2016/07/disablepoverty-infographic.pdf>

To get us started, let's do an activity to help us determine our goals and what your American Dream is.

### **Activity # 5**

#### **American Dream Exercise (30 Minutes)**

Two-Part Exercise to be led by Facilitator

For millions of people in this country, the American Dream is owning a home, starting and owning a business, or saving income from work to retire with a positive quality of life.

**(Distribute My American Dream Handout.)**

Ask the attendees to answer:

- What is your American Dream? [Please share your ideas]
- What prevents achievement of your goal? [Create list of barriers]

Although there is no single strategy or solution to overcome these multiple barriers, there are new opportunities that we will learn about together to advance financial wellness and quality of life.

### **Activity #6**

Show videos from NDIs American Dream Video Contest.

#### **Next Steps**

Each session ends with Homework assignments. You need to believe that the more you learn and gain knowledge, the better informed you will be to make decisions about a better economic future.

#### **Homework Assignment and Wrap-Up (10 Minutes)**

1. Identify and write down 5 things you spend money on and bring those ideas to the next session. Or, the trainer can utilize the Daily Spending Diary to distribute and have students write down their spending for one week.
2. Ask students to bring in pictures or any small items that represent their American Dream.

### **Evaluation and Closing (5 minutes)**

Trainer should thank the participants for participating in today's training and congratulate them on completing their first steps towards improving their financial wellness.

**REMINDER:** Be sure to have the participants complete the second half of the evaluation and collect the evaluations.

## INTRODUCTION

# Activity – My American Dream

***The American Dream is the belief that by achieving goals a person can improve their quality of life.*** For millions of people in this country, the American Dream is owning a home, starting and owning a business, or saving income from work to retire with a positive quality of life.

If you were to improve your quality of life and achieve the American Dream, what would it be? Please share your idea in the space provided below.

**My American Dream is to...**

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**What prevents you from reaching this goal? Please share in the space provided below.**

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## INTRODUCTION

# Homework

For one week, keep track of the money that you spend each day. In the space below, write down the items you purchased and the amount you spent for each item and total the expenses for each day.

**Day**

**What did I spend money on today?**

**Sunday**

**Monday**

**Tuesday**

**Wednesday**

**Thursday**

**Friday**

**Saturday**



# Module 1: Money

Welcome to Module 1 – **Money**. Module 1 introduces participants to the basic principles of money. Why do we need money, how do we get money, how do we create good money habits and how can money management skills help us to achieve our goals?

## Objective:

- To describe what money is and what we use it for
- How money is earned
- Define asset
- Discuss why money is needed and begin learning what it means to budget money

## Value of this Module:

**Myth:** I don't need to know about money, my staff and family take care of everything.

**Reality:** Everyone needs money to have a good quality of life. Understanding money and managing the money you have will help you achieve your individual goals.

## MODULE 1: MONEY

# Facilitator Preparation

### Facilitator Preparation:

- Prior to this workshop, the facilitator should read Practical Money Skills: Finding the Right Financial Institution:  
<http://www.practicalmoneyskills.com/personalfinance/savingspending/banking/>
- Review websites:  
<http://www.mymoney.gov/Pages/default.aspx>  
<http://www.practicalmoneyskills.com/>  
<https://www.nalcab.org/family-financial-capability/>
- Review PowerPoint presentation for Module 1: Money.
- Personally complete all activities to familiarize yourself with each activity.
- Identify and invite guest speaker for Making Connections in your Community segment

### Gather:

- Laptop and LCD projector
- Sign-in Sheet
- Easel Pad & Easel
- Markers
- Materials for American Dream Vision Board
- Power Point Presentation (make copies if you would like to distribute to attendees)
- Agenda (make copies if you would like to distribute to attendees)
- Activities (make copies of activity handouts)
- Homework Assignment (make copies)
- Evaluation (make copies)

## MODULE 1: MONEY

# Pre- and Post-Test Evaluation

Location of Session: \_\_\_\_\_

Date of Session: \_\_\_\_\_

Trainers \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

Participant Name (Optional): \_\_\_\_\_

Please complete this section before the beginning of this training session.

### 1. BEFORE the training:

**PLEASE RATE YOUR KNOWLEDGE OF THE FOLLOWING TOPICS:**

	Excellent	Good	Fair	Poor	Very Poor
a. What money is	5	4	3	2	1
b. How money is earned	5	4	3	2	1
c. What assets are	5	4	3	2	1
d. Why we need money	5	4	3	2	1



The remainder of the form will be completed at the end of this training.

	Excellent	Good	Fair	Poor	Very Poor
2. The group discussions were:	5	4	3	2	1
3. Trainer (Name) _____ was:	5	4	3	2	1

Any additional comments or recommendations for improvement for the **trainer**:

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	Excellent	Good	Fair	Poor	Very Poor
4. The training materials were:	5	4	3	2	1

Any additional comments or recommendations for improvement for the **training materials**:

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5. I would recommend this training to others:                     Yes     No

6. What part of this training was the most enlightening to you and why?

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	Excellent	Good	Fair	Poor	Very Poor
7. The overall quality of this training was:	5	4	3	2	1

Suggestions and recommendations to improve the training:

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8. “AS A RESULT” of the training:

**PLEASE RATE YOUR KNOWLEDGE OF THE FOLLOWING TOPICS:**

	Excellent	Good	Fair	Poor	Very Poor
a. What money is	5	4	3	2	1
b. How money is earned	5	4	3	2	1
c. What assets are	5	4	3	2	1
d. Why we need money	5	4	3	2	1

Thank You for Your Feedback!

## MODULE 1: MONEY

# Agenda

Introduction .....	10 Minutes
Overview, Purpose and Expected Outcomes .....	10 Minutes
PowerPoint Presentation .....	30 Minutes
<ul style="list-style-type: none"><li>• What is money and what do we use it for</li><li>• How do we get money</li><li>• What are assets</li><li>• Why do we need money</li></ul>	
BREAK .....	15 Minutes
My American Dream Vision Board Activity .....	30 Minutes
Making Connections in Your Community .....	10 Minutes
Homework Assignment and Wrap-up .....	10 Minutes
Evaluation and Closing .....	5 Minutes

**REMINDER:** Please distribute part one of the Module 1 evaluation now during the introduction. Be sure to have the participants complete the second half of the evaluation at the end of the session.

## MODULE 1: MONEY

# Script for Trainer

### Introduction (10 Minutes)

Script for Trainer (corresponding PowerPoint Presentation Module 1: Money)

My name is \_\_\_\_\_. Welcome to our training program – “**Upward to Financial Stability**”.

Today we are going to discuss money! Money is a key aspect of building optimal financial wellness.

How many of you like money!

### Overview, Purpose, and Expected Outcomes (10 Minutes)

Script for Trainer (corresponding PowerPoint Presentation Module 1)

Today we are going to talk about what money is, why we need it, how we get it and how to create good money habits to help us achieve the goals we set for ourselves. As we all know, money is very important to each of us in everyday life and it is required for the necessities in our lives. Money is also essential to achieve goals we set for ourselves and to buy things we may want to purchase.

The objectives for our training today include:

- To describe what money is, how we get it and why we need money
- Define assets
- Discuss why we need money and begin learning about what it means to budget money

### PowerPoint Presentation (30 Minutes)

Script for Trainer (continued corresponding PowerPoint Presentation Module 1)

#### What is money?

Money is something (such as coins or bills) we use as a way to pay for goods and services and to pay people for their work.

## **Activity #1**

Start by asking the group what do we need money for in everyday life?

(Trainer asks the group and makes a list on the easel pad.)

Examples might be:

Food

Clothes

Transportation

Home

Movies

Video games

Have a discussion with the group as you discuss what money is used for in everyday life. Money is how we buy things to eat and to wear. It's also what we need to have a home to live in and for transportation.

## **Homework Review**

Now that we understand what money is and what we spend our money on, let's review your homework assignment – Spending Diary. Who would like to share items they spent money on for yesterday? Ask for examples for each day.

### **Needs vs wants**

Now let's talk about needs versus wants.

## **Activity #2**

Now that we have identified items we spend our money on, let's identify which items are needs and which are wants and why we think so.

### **Needs**

There are things we have to pay for every month, like food, transportation, rent, electricity, phone, and more.

### **Wants**

Then there are things we pay for that we enjoy and let us have fun, like video games, movies, music and more.



Sometimes we don't have all the money we would like to pay for everything we want. This is when we must determine what our needs truly are and what are our wants.

**How are some different ways we get money?** (Trainer can allow participants to call out different ways they get money and confirm on the next slide)

### **Money = Income**

- Social Security Income/Social Security Disability Income
- Gifts
- Earn money through a job

What are some ways we can earn more money from our present income?

We know the more education; experience and skills you have will earn you more money at a job.

- Go to school for higher learning
- Gain experience in different areas at your current job
- Identify a career and develop additional skills

Each of these may lead to a promotion at your current job or lead you to an even better job with higher earnings.

### **Defining Assets**

Which of these do you think are assets?

House, Money, Education, Transportation

What are assets? Assets are items that have value that we own.

Examples include:

- Money you have in the bank
- Cash on hand
- Securities (shares) (retirement accounts, other investments)
- Property you own
- Owner equity in a home or business
- Transportation
- Furniture and appliances
- Miscellaneous items (jewelry, cars, etc.)
- Whatever is owed to you
- Education level and work experience

Why is the development of assets important to persons with disabilities? Assets provide greater financial security and independence. Assets improve our community participation and our

quality of life. Assets enable us to withstand decreases in our earnings. Overall, assets help us to build our financial wellness.

### **Activity #3**

Who influences how we think about and manage our money?

The trainer should take a few minutes to have students think about their first experience with money: how did they get it, what did they do with it, who influenced how they used it or saved it?

Why do we need money?

Now that have talked about what money is, what we spend money on, how we earn money, and what assets are, we have a better understanding of why we need money.

### **Activity #4**

In our last session, we identified our American Dream. Let's review our American Dreams. (Trainer should also distribute the Money Savings Goal worksheet now). Let us look at what it would cost to make at least one of these goals come true.

Trainer should have the students reflect on their American Dream and what it would cost to make this dream a reality. Then have students figure out how much they would have to save each week for a certain amount of time to make this dream a reality.

## **American Dream Vision Board (30 minutes)**

### **Activity #5**

Trainer should explain to the participants that they are going to create their very own American Dream Vision Board. The trainer should have completed their own vision board to share with students along with pictures included in the PowerPoint as samples. Explain the principles of the vision board:

- The My American Dream Activity provides an opportunity for individuals to define their American Dream.
- The opportunity to create a vision board, to help see your dream.
- Builds knowledge over the remaining weeks.
- Explores creativeness in developing a Dream Board!

## **Making Connections in Your Community: Guest Speaker (15 min.)**

Trainer will introduce the speaker: Representative from the State Treasurer's office or a financial institution to discuss money.

Speaker will have 10 minutes and follow the proposed outline:

1. Where does money (currency) come from?
2. How is money protected?
3. What is the purpose of your organization?

Allow 5 minutes for questions.

## **Homework Assignment and Wrap-Up (10 Minutes)**

Trainer should take the time here to review the budget worksheet.

1. Complete the "My Spending Plan" worksheet listing all the money you earn (income) on the left hand side and add up to write a sum at the bottom. On the right hand side write down all the areas in which spend money. Again, add up all your expenses in this column and write the sum at the bottom. Not all the lines have to be filled in, only complete what is relevant to you.

## **Evaluation and Closing (5 minutes)**

Trainer should thank the participants for participating in today's training and congratulate them on first steps toward improving their financial wellness.

**REMINDER:** Be sure to have the participants complete the second half of the evaluation and collect.

## MODULE 1: MONEY

# Activity – My American Dream

### My American Dream is to

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I will save \$\_\_\_\_\_ per week from my job or other income from \_\_\_\_\_.

If I save \$\_\_\_\_\_ per week for \_\_\_\_\_ weeks, I will have \$\_\_\_\_\_ to put towards my American Dream.

**My ultimate Savings Goal is \$\_\_\_\_\_.**

In the next session we will talk about setting goals and strategies on how to save to achieve your American Dream.

## MODULE 1: MONEY

# Homework – My Spending Plan

### My Income

### My Expenses

#### Fixed Expenses

**Wages**

\$ \_\_\_\_\_

**Public Assistance**

\$ \_\_\_\_\_

**Child  
Support/Alimony**

\$ \_\_\_\_\_

**Interest/Dividends**

\$ \_\_\_\_\_

**Social Security**

\$ \_\_\_\_\_

**Other**

\$ \_\_\_\_\_

**Other**

\$ \_\_\_\_\_

Rent/Mortgage

\$ \_\_\_\_\_

Property taxes/  
Insurance

\$ \_\_\_\_\_

Trash Collection

\$ \_\_\_\_\_

Cable

\$ \_\_\_\_\_

Car payment

\$ \_\_\_\_\_

Car insurance

\$ \_\_\_\_\_

Other loan payments

\$ \_\_\_\_\_

Health Insurance

\$ \_\_\_\_\_

Day care

\$ \_\_\_\_\_

### Flexible Expenses

Savings \$ \_\_\_\_\_

Gas/Oil \$ \_\_\_\_\_

Electricity \$ \_\_\_\_\_

Water \$ \_\_\_\_\_

Telephone/Cell Phone \$ \_\_\_\_\_

Food \$ \_\_\_\_\_

Transportation/Gas \$ \_\_\_\_\_

Car Maintenance \$ \_\_\_\_\_

Education \$ \_\_\_\_\_

Personal expenses \$ \_\_\_\_\_

Charity/Donations \$ \_\_\_\_\_

Other \$ \_\_\_\_\_

**Total Income** \$ \_\_\_\_\_

**Total Expenses** \$ \_\_\_\_\_

## Module 1: Money

# Tools and Resources

The following are additional tools and resources to enhance the knowledge of attendees for Module 1.

### **MyMoney.gov**

<http://www.mymoney.gov/Pages/default.aspx>

### **Practical Money Skills**

<http://www.practicalmoneyskills.com>

<https://www.nalcab.org/family-financial-capability/>

# Module 2: Financial Capability and Access to Financial Services

Welcome to Module 2 – **Financial Capability and Access to Financial Services**. Module 2 introduces participants to the importance of choosing consumer-friendly financial products and services based on individual needs. Items covered include what and where financial products and services are offered, the basics of deposit accounts and loan services, and how to avoid paying too much for services.

## Objective:

- To introduce participants to financial products and services.

## Value of this Module:

**Myth:** I only need a checking account because I receive SSI and/or SSDI.

**Reality:** There are ways to save money while receiving public benefits. There are resources available to help save money, a savings account is one of those tools and an NC ABLE account is another.



## MODULE 2: FINANCIAL CAPABILITY AND ACCESS TO FINANCIAL SERVICES

# Facilitator Preparation

### Facilitator Preparation:

- Prior to the delivery of Module 2, Financial Capability and Access to Financial Products and Services, the facilitator should review the following websites:
  - [www.northcarolinasaves.org](http://www.northcarolinasaves.org)
  - [www.bankrate.com](http://www.bankrate.com)
  - <http://ablenrc.org/>
  - <https://www.nctreasurer.com/able/Pages/NC-ABLE-Program-Frequently-Asked-Questions.aspx>
  - Create a Safety Net for Life's Unexpected Events:
    - <https://vimeo.com/191164771>
- Review the following materials:
  - Credit Builders Alliance: Banking the Unbanked
  - MoneySmart Module 1: Bank on It
  - FDIC Safe Account Template
- Review the PowerPoint presentation for Module 2
- Personally complete all activities in Module 2

### Gather:

- Laptop and LCD projector
- Sign-in Sheet
- Easel Pad and Easel
- Markers
- PowerPoint presentation (make copies to distribute to attendees)
- Agenda (make copies for attendees)
- Activities (make copies for attendees)
- Homework assignment (make copies for attendees)
- Evaluation (make copies)

## MODULE 2: FINANCIAL CAPABILITY AND ACCESS TO FINANCIAL SERVICES

# Pre- and Post-Test

Location of Session: \_\_\_\_\_

Date of Session: \_\_\_\_\_

Trainers \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

Participant Name (Optional): \_\_\_\_\_

Please complete this section before the beginning of this training session.

### 1. BEFORE the training:

**PLEASE RATE YOUR KNOWLEDGE OF THE FOLLOWING TOPICS:**

	Excellent	Good	Fair	Poor	Very Poor
a. Financial Capability	5	4	3	2	1
b. Money Smart	5	4	3	2	1
c. Checking Account	5	4	3	2	1
d. Savings Account	5	4	3	2	1
e. Debit Cards	5	4	3	2	1



The remainder of the form will be completed at the end of this training.

	Excellent	Good	Fair	Poor	Very Poor
2. The group discussions were:	5	4	3	2	1
3. Trainer (Name) _____ was:	5	4	3	2	1

Any additional comments or recommendations for improvement for the **trainer**:

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	Excellent	Good	Fair	Poor	Very Poor
4. The training materials were:	5	4	3	2	1

Any additional comments or recommendations for improvement for the **training materials**:

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5. I would recommend this training to others: \_\_\_\_\_Yes \_\_\_\_\_No

6. What part of this training was the most enlightening to you and why?

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	Excellent	Good	Fair	Poor	Very Poor
7. The overall quality of this training was:	5	4	3	2	1

Suggestions and recommendations to improve the training:

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8. “AS A RESULT” of the training:

**PLEASE RATE YOUR KNOWLEDGE OF THE FOLLOWING TOPICS:**

	Excellent	Good	Fair	Poor	Very Poor
<b>a. Financial Capability</b>	5	4	3	2	1
<b>b. Money Smart</b>	5	4	3	2	1
<b>c. Checking Account</b>	5	4	3	2	1
<b>d. Savings Account</b>	5	4	3	2	1
<b>e. Debit Cards</b>	5	4	3	2	1

Thank You for Your Feedback!

## MODULE 2: FINANCIAL CAPABILITY AND ACCESS TO FINANCIAL SERVICES

# Agenda

Introduction .....	10 Minutes
Overview, Purpose and Expected Outcomes .....	5 Minutes
Financial Capability and Financial Education.....	40 Minutes
• Financial Capability and Financial Education	
• What Information do People with Disabilities need to select the best financial services?	
• Rule Number One: Pay Yourself First	
• Basics of deposit and loan accounts	
• What is an ABLE Savings Account?	
• What about prepaid cards?	
• Defining terms and rights under the laws	
• What is ChexSystems?	
Activity .....	20 Minutes
<i>Self- Reflection:</i>	
• What influences my decision to open accounts and what questions do I ask to make decisions?	
• How do I currently use my checking account: using checks, using debit cards, using cash, and paying fees	
• Decision-making around credit: rent vs. own case study for furniture	
BREAK .....	15 Minutes
Making Connections in Your Community: Guest Speakers .....	30 Minutes
Homework Assignment and Wrap-Up .....	10 Minutes
• Sign up for northcarolinasaves.org (online)	
• Comparison shop for a credit card (online and worksheet)	
• Complete My Trip to the Bank activity	
Evaluation and Closing .....	5 Minutes

## MODULE 2: FINANCIAL CAPABILITY AND ACCESS TO FINANCIAL SERVICES

# Script for Trainer

My name is \_\_\_\_\_ Welcome to our third session of **Upward to Financial Stability** program. Today we will focus on our own financial capability and look at our choices for financial services. We will look at our own habits, and also hear from a community member who offers financial services.

Before we get started, let's first review our homework from Module 1. Who would like to share their experience in creating their spending plan for the week?

Let's start today by talking about some common financial services that we may use, and why we need them.

Look at the list on the slide, and tell me what service you use, and why you need it.

Thank you for sharing with the group.

Now we are going to think about our own individual situation, and banks and credit unions that you may use, or may be thinking about using.

### **Activity #1**

[Distribute the worksheet: My Own Financial Behavior and how I use financial services]

Keep your answers to yourself as you think through this—you can think more about this as we review the information on financial capability and hear from our speaker.

So what does financial capability mean?

Financial Capability is defined as a set of consumer behaviors that lead to tangible improvements in an individual's financial wellness. For persons with disabilities there are additional steps that an individual might need to take to improve their financial wellness. The following provides a guide and tangible steps on how financial capability is measured for individuals with disabilities.

Financial Capability is measured by whether individuals with disabilities:

- Set and achieve one or more financial health goal
- Access and manage public benefit and work support programs
- Manage monthly expenses and debt
- Manage credit appropriately

- Select and manage financial products and services
- Plan and save for the future
- Increase financial knowledge and make informed decisions regarding one's financial health

Today, we will discuss types of financial products and services, where financial products and services are offered, how to choose the best service with fees and charges that are affordable.

As we discussed in a previous session, money affects all parts of your life, and it is important that when you choose financial services, they are affordable and fair. The government agency that was created to make the markets fair for working Americans is called the Consumer Financial Protection Bureau, or CFPB for short.

CFPB defines financial well-being as having four parts:

- Feeling in control of your finances
- The capacity to absorb a financial shock
- On track to meet goals
- Flexibility to make choices

So the opposite of being financially capable, and experiencing financial well-being is being financially vulnerable, where one unexpected financial expense can impact us negatively. We are here today to learn how to be capable, and avoid being financially vulnerable.

How can we avoid being vulnerable?

Educate yourself on financial services; this series helps us gain the information we all need.

Set goals for yourself and work towards those goals.

Practice each month. What works for one person does not work for someone else. We want to help you learn how to monitor your financials as you develop your capability and encourage you to establish habits that you use each month.

[Discussion: Who can give me an example of a good financial habit that you do monthly?]

So what do you need to know about financial services?

- Who offers them
- What the various products are
- Where they are offered
- How to compare the service you need with the offer

The financial services field has exploded and now you are regularly offered financial services everywhere you go—including the internet. Traditionally, financial services were only offered by banks and credit unions. Today, you can get financial service products at Walmart, convenience stores, the post office, grocery stores, retail stores, and over the internet.

For our time today, we will focus on banks and credit unions. This is because there are laws that banks and credit unions must follow, that protect the consumer. It is not to say that other financial services are bad, just that you have to be careful. We will get to examples later on.

How do you think you would make a decision when choosing a financial service? Most people say that they would shop around, compare services and prices. As we talked about in Session One, money choices are oftentimes emotional, and what really influences us is

- How friendly are the people?
- How easy is the service to use, or how convenient is it to my house?
- Am I presented with many choices that can be overwhelming, or am I presented with one or two limited choices where it is easier to make a decision?
- Are there certain default options that the product offers? An example of this might be that when you open a checking account, you automatically get a free savings account for a period of time, perhaps 12 months. After the 12 months, it might be a better decision to have my savings account somewhere else, or in a different product choice, but because it was an automatic default option, I remain in that product year after year and don't take the time to "re-shop" my choices, but pay fees in the meanwhile.

So let's start with what the bank calls deposit accounts. These are accounts like checking, savings, or money market, where you deposit your money to the bank or credit union and have access to it later on.

When we think about how to choose a deposit account, we want to consider our habits and needs:

- How will I use it? Do I need a national ATM network, or is it ok if they only have ATMs in my city? Will I be depositing checks to the account, or will I have direct deposit? How will my checking account, which I use for day to day bills, connect with my savings account, which I use for my goals?
- Do I need branches? Depositing checks to my accounts, or depositing cash oftentimes means a trip to the branch. Are the branches convenient for my home or work?
- Is it insured? Bank accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per account owner. And the National Credit Union Association insures accounts up to \$250,000 also. What does this mean to you? That the deposit of your money is insured, in the event that the bank or credit union goes out of business. For example, on a prepaid card, such as a gift card, you use your money to add value to the card, but if you lose the card, you have lost your money. This is not the case when you have insurance. If you lose your ATM card, your money is still protected.
- Do I need to get overdraft protection? There are many options on overdraft protection. An overdraft occurs when an item, such as a check, is presented against your deposit account, and you do not have enough money in your account to cover it. The bank will then "return the item" to the presenter. This is commonly known as a "bounced check" and banks or credit unions charge for each bounced check, sometimes up to \$40 for each item. Also, if the presenter redeposits the item and it bounces a second time, this could then be \$80 in fees for one check. There are other fees that occur as a result of



an overdraft and returned item, and the person who presented the item often adds fees as well. Plus, whatever you wrote the check for initially, that was then returned, is still owed. Overdraft protection means that you have set up a process with your bank that ensures that they will not return items. This might include an automatic transfer from your savings account to your checking account to cover the item, or a line of credit or credit card, where you effectively take out a loan from the bank to cover the item.

This is why, as we build our own financial capability, it is important to know how we use our accounts, as the usage determines the cost of the account. These costs can include:

- Transaction fees, such as the overdraft fees we just talked about, monthly maintenance fees, minimum balance fees, ATM fees, withdrawal fees, and most recently, some banks are now charging consumers to close their accounts if they do not have them open for a minimum period of time.
- We briefly talked about the need for a savings account where you keep your money that is for a future goal. If you have a checking and/or savings account or loan account, you may be able to pay lower fees.
- Interest bearing accounts, like a savings account or certificate of deposit, is an account where you agree to access your money less frequently, and to compensate you for doing this, the bank or credit union may offer you interest. The interest that is paid to you on your accounts offsets the cost of fees that you pay to the financial institution.

Several years ago, the FDIC (remember they are the insuring agency for deposits at banks) developed guidelines for banks to offer what they call Safe Accounts. These accounts are consumer friendly, with minimal additional services, and are developed to meet the needs of underserved consumers.

The accounts are meant to be transparent in rates and fees, insured, and protected by all federal and state consumer protection laws.

To find free or low-cost banking accounts go to: <https://www.nerdwallet.com/checking-accounts>

## Activity #2

[Distribute the FDIC Model Safe Accounts Template referenced and review]

We have talked about checking accounts, and now we want to spend a little time talking about savings accounts.

Savings accounts are used for the goals that you set for yourself. The money in your savings account is not used to pay your monthly expenses.

Examples of savings account goals might be:

- Emergency or contingency savings—in case something happens, I want to be able to withstand a financial downturn. A good start is to have a \$500 contingency fund.
- Specific goals: many of us buy gifts for family and friends, and saving for this throughout the year makes it easier than getting hit all at once for birthdays, graduation, or holiday gifts. A savings account helps us manage.
- Another example is a longer term goal—for example, you may want to save for tuition expenses so that you can get additional training, or you may want to buy a car, or save for a down payment for a home. A savings account helps us segregate our money that is specifically for these goals.

Savings accounts are interest-bearing. That means that your account earns interest. For example, if your savings account had a \$500 balance, and the interest rate paid on your account was 1%, then you would receive \$5.00 in interest from the bank, and at the end of the year you would have \$505 in your account.

Savings accounts also limit the number of transactions on the account. You can make a deposit anytime for a regular savings account, and the most successful savers make deposits automatically at payday. You will often-times be charged a fee for withdrawal transactions on a savings account in excess of the allowed number.

Generally, checks are very limited on savings accounts. You may be provided with withdrawal documents that look like checks, but they can only be used to transfer money from savings to your checking account, or to present to a teller for cash. You cannot write a check to a store, to purchase something as you can with a checking account check.

Finally, debit cards may or may not be offered on savings accounts.

We will be talking more about consumer loans. Consumer loans, when you borrow money from a bank, credit union or retail outlet, are governed by a number of laws that are designed to help you understand the loan you are being offered. There are standard disclosures that the laws require be shared with consumers.

On deposit accounts, checking, savings, certificates of deposits, there are NO standard disclosures, so it is up to the consumer to ask specific questions. The Safe Account template is a good guide to help you do that.

As you are shopping for a deposit account, ask questions about fees, overdraft options, processing policies, and dispute resolution. Processing policies govern when your money is available to you. For example, your aunt from California sent you a check for your birthday. If you deposit the check to your account, when would the funds be made available to you? Is there a different processing policy based on the size of the deposit? So if it was a \$25 check, I might get immediate availability, but if it is a \$250 check, I might get partial credit today and partial credit tomorrow. What happens if you have a dispute with the financial institution? In recent years, the account agreements, which consumers sign when they open the accounts,

have the consumers agreeing to “forced arbitration”, which means that you give up your rights to sue the organization, despite how the consumer was damaged.

A national foundation, the Pew Charitable Trust, is urging the CFPB to adopt standard rules for deposit account disclosures, so that consumers are able to shop and compare among the banks and credit unions which they are considering. Now, that comparison is made more difficult because the information is imbedded in a multi-page account agreement.

So we have talked about deposit accounts at financial institutions—what are prepaid cards, and how are they different, even though they look the same—plastic with a (for example Visa or MasterCard logo), and they are used similarly—swiped at a retail store.

There are important differences:

- Prepaid cards may or may not have an insured bank account behind them. Recently, many people who have not been able to open bank/credit union accounts have instead used prepaid cards.
- They may not be protected if they are lost or stolen.
- Fees can be excessive for reloading them/making a deposit of value to the card, for transferring money among accounts, or for transferring money to other countries.
- Consumers may be influenced by marketing, as opposed by price and use. NetSpend is the largest marketer of prepaid cards, and partners with media stars to brand their cards, but they may have substantial fees to reload them, monthly maintenance fees, among other fees, with extensive difficult to read disclosures. (provide an example)
- Again, the consumer may give up their rights to sue the card issuer, and have forced arbitration. Forced arbitration is where two parties sit down and come to a resolution on their dispute, limited to the circumstances of their case, EVEN THOUGH many consumers may have been harmed by the practice in dispute. Class action lawsuits, by comparison, require practice changes by the financial institution for “classes” on consumers who may be harmed.

## **ChexSystems**

As we mentioned, consumers may be using prepaid cards because they are not able to open deposit accounts at financial institutions. Why would a financial institution turn down a consumer from opening an account? Because of ChexSystems.

What is ChexSystems?

It is a database shared by a network of member institutions (banks and credit unions) that contribute information on closed checking and savings accounts.

For example, a consumer may have incurred many overdraft fees and was unable to pay the bank/credit union for the fees. They regularly bounced checks. After a while, depending on each bank’s policy, the financial institution closes the account so that there are no additional losses to the financial institution. They then report that Consumer John Doe had an account

closed at XYZ Bank on a specific date, for this specific reason, with an outstanding balance of \$X dollars.

ChexSystems then shares this information with their members, and if John Doe comes into a ChexSystems member organization and tries to open an account, he will most likely be turned down. It is important to know that ChexSystems does not make an opening or closing decision for the bank, they only share the information among their members. Each bank/credit union makes their own decision based on their own policies.

We will talk about Credit in Module 4, and the credit reporting agencies. ChexSystems is another financial services system that provides consumer information. Like credit, it is important to know what your own consumer record is in ChexSystems, and to clear up any disputes as quickly as possible to maintain a clear record. When a person repays an account included in CheckSystems, they may be allowed to open a second chance account. This makes it possible for a person to show that they can follow the rules of having a checking account and over time, the person would be able to use other products at the bank or credit union too. Next, we will go to a poll question.

The answer: It depends. Federal laws require certain disclosures so that consumers know what they are agreeing to, but state laws vary. You may or may not be protected from predatory lenders, depending on who the lender is, and the nature of the loan.

Before we break, we will talk about two different types of consumer loans: Revolving loan accounts, like a credit card, and installment loan accounts, like a car payment.

First, revolving loans.

Revolving loans allow you to buy goods or services today, and pay it back on time, with flexibility to pay a little, or to pay the entire debt.

Examples are: visa, MasterCard, discover, target cards, department stores such as Penney's.

On a revolving account, the consumer has a "credit limit", which is the maximum amount that they can borrow.

They also have "minimum payments" which is the amount that they MUST repay each month. Issuers of revolving loans calculate the minimum payment in lots of different ways so be sure that you read the fine print in the account disclosure.

They have an annual percentage rate (APR), though this may vary if cash advances or special signups apply.

Like deposit accounts, they have special fees and terms.

They may have other consumer benefits. For example, life insurance for travel charged to the card, or "points" earned for each transaction, which can be converted into cash or travel, for example.

Revolving accounts are reported to the credit reporting agencies and allow consumers to build their credit. To raise your credit score with revolving loans, keep the balance below 30% of the credit limit of your card. We will talk more about credit scores in Module 4.

Even though they may look the same, prepaid cards do not enable credit building.

It is easier to comparison shop for revolving credit than with deposit accounts. Banks and Credit unions provide information on their credit cards at [www.bankrate.com](http://www.bankrate.com)

As we discussed earlier, unlike deposit accounts, federal law requires a standard disclosure named for Senator Charles Schumer of New York, who championed this law for consumers. The PowerPoint provides a real example of a very simple disclosure—many revolving loans have much more complex disclosure than this one, with multiple fee schemes.

The other type of consumer loan that we want to cover is Installment Loans. These loans differ from revolving accounts. They allow you to purchase goods and services now, and pay for them over a fixed period of time.

An example of an installment loan is a student loan, which is repaid over 10 to 30 years. A car purchase loan with a repayment term of 5 years is another example.

Installment loans have the same payment over the life of the loan, unlike revolving, which can differ.

They have a percentage rate, fees, and terms, and they may have additional benefits.

For example, some financial institutions may offer a free checking account for any installment loan customer.

Installment loans will build credit: longer-term installment loans, paid on time, will raise your credit score.

Installment loans can be offered by financial institutions and may be offered by stores. These are often very high interest rates and fees. However, 90 days same as cash, can be good deal, but be careful you are only paying for what you bought (not additional credit life and disability insurance tacked on), and know what happens if you don't pay within 90 days.

Right now, it is against the law in North Carolina to offer payday loans or car title loans. These loans are predatory and trap consumers in cycles of debt.

Like Revolving Loans, Installment loans have required disclosures:

**Annual Percentage Rate:** This is the cost of your credit, stated as a yearly percentage. Right now, the maximum APR for consumer loans in NC is 36%.

**Finance Charges:** This is stated in dollar amounts and includes the cost of interest, plus fees associated with the financing.

Amount financed is the original amount that you borrowed, stated in dollars. It includes, for example, sales tax, and special extended warranties, or other services.

Total of payments: This is what you will pay, assuming all payments are made on time.

Total sales price: This is the total cost of your purchase, including your down payment (which is not included in the financing agreement.)

**There are savings options for individuals who receive a needs-based benefit that has a \$2,000 resource limit attached to it. An ABLE Account allows qualified individuals to save up to \$15,000 a year.**

### **ABLE Account as a Protected Savings Option:**

#### **What is an ABLE account?**

ABLE Accounts, which are tax-advantaged savings accounts for individuals with disabilities and their families, were created as a result of the passage of the Stephen Beck Jr., Achieving a Better Life Experience Act of 2014 or better known as the ABLE Act. The beneficiary of the account is the account owner, and income earned by the accounts will not be taxed.

Contributions to the account made by any person (the account beneficiary, family and friends) will be made using post-taxed dollars and will not be tax deductible, although some states may allow for state income tax deductions for contribution made to an ABLE account.

For the first time, eligible individuals and their families will be allowed to establish ABLE savings accounts that will not affect their eligibility for SSI, Medicaid and other public benefits. The legislation explains further that an ABLE account will, with private savings, "secure funding for disability-related expenses on behalf of designated beneficiaries with disabilities that will supplement, but not supplant, benefits provided through private insurance, Medicaid, SSI, the beneficiary's employment and other sources."

The ABLE Act limits eligibility to individuals with significant disabilities with an age of onset of disability before turning 26 years of age. If you meet this age criteria and are also receiving benefits already under SSI and/or SSDI, you are automatically eligible to establish an ABLE account. If you are not a recipient of SSI and/or SSDI, but still meet the age of onset disability requirement, you could still be eligible to open an ABLE account if you meet Social Security's definition and criteria regarding significant functional limitations and receive a letter of certification from a licensed physician. You need not be under the age of 26 to be eligible for an ABLE account. You could be over the age of 26, but must have had an age of onset before your 26th birthday. The total annual contributions by all participating individuals, including family and friends, for a single tax year is \$15,000. North Carolina plans will have a maximum contribution limit of \$420,000.

However, for individuals with disabilities who are recipients of SSI, the ABLE Act sets some further limitations. The first \$100,000 in ABLE accounts would be exempted from the SSI \$2,000 individual resource limit. If and when an ABLE account exceeds \$100,000, the beneficiary's SSI cash benefit would be suspended until such time as the account falls back below \$100,000. It is

important to note that while the beneficiary's eligibility for the SSI cash benefit is suspended, this has no effect on their ability to receive or be eligible to receive medical assistance through Medicaid.

A "qualified disability expense" means any expense related to the designated beneficiary as a result of living a life with disabilities. These may include education, housing, transportation, employment training and support, assistive technology, personal support services, health care expenses, financial management and administrative services and other expenses which help improve health, independence, and/or quality of life.

**Upon the death of the beneficiary the state in which the beneficiary lived may file a claim to all or a portion of the funds in the account equal to the amount in which the state spent on the beneficiary through their state Medicaid program. This is commonly known as the "Medicaid Pay-Back" provision, and the claim could recoup Medicaid related expenses starting at the time the account was originally established. It is also important to note that not all ABLE account owners will be receiving Medicaid supports, and therefore would not be affected by this provision whatsoever. Lastly, some states have decided, by means of state law, to disallow their state Medicaid program from filing a claim of reimbursement as described above, and therefore ABLE account owners in those states would not be subject to the Medicaid Pay-Back provision in the ABLE Act.**

When the qualified beneficiary (the person who "owns" the NCABLE account) dies, with remaining assets in an ABLE account: the assets in the NCABLE Account may be used to "pay back" any state Medicaid plan up to the value of Medicaid services provided to the beneficiary *after* the account was opened. The amount is calculated after 1) any outstanding qualified disability expenses are paid, 2) after any funeral and burial expenses for the qualified beneficiary are paid, and 3) any Medicaid premiums paid by the beneficiary are subtracted.

To learn about the most up to date ABLE Account information go to:

<http://ablenrc.org/> and <https://www.nctreasurer.com/able/Pages/NC-ABLE-Program-Frequently-Asked-Questions.aspx>

**Special Needs Trust:** Another type of protected savings account is a Special Needs Trust. As of December 13, 2016, an individual can establish a Special Needs Trust Account in their own name. The resource counting provisions of the SSI trust statute do not apply to a trust **established through the actions of the individual, a parent, grandparent, legal guardian, or a court.** To learn more about the Social Security Administration rules, go to: <https://secure.ssa.gov/poms.nsf/lnx/0501120200>

"The trust must provide payback for any State(s) that may have provided medical assistance under the State Medicaid plan(s) and not be limited to any particular State(s). Medicaid payback may also not be limited to any particular period of time, i.e. payback cannot be limited to the period after establishment of the trust." <https://secure.ssa.gov/poms.nsf/lnx/0501120203>

## **MAKING CONNECTIONS IN YOUR COMMUNITY (30 minutes)**

Trainer will introduce Representative of local bank or credit union.

## **HOMEWORK ASSIGNMENT AND WRAPUP (10 minutes)**

- Sign up to be a North Carolina Saver. Set a goal, think about how much you want to save, and pledge to save and reduce your debt. As a saver, you will receive a newsletter every other month with consumer tips.

If you don't have bank accounts, now, we want you to visit the bank, and answer these questions:

If you do have deposit accounts now, we want you to research credit cards that meet your needs. Go to [www.bankrate.com](http://www.bankrate.com) and read about the features of the cards on the site.

## **Evaluation and Closing (5 minutes)**

Trainer should thank the participants for participating in today's training and congratulate them on taking steps to improve their financial wellness.

**REMINDER:** Be sure to have the participants complete the second half of the evaluation and collect.



# Module 3: Earned Income Tax Credit and Free Tax Preparation

Welcome to **Module 3 – Earned Income Tax Credit and Free Tax Preparation Assistance**. Module 3 introduces participants to the Earned Income Tax Credit (EITC) and includes who is eligible for the tax credit and how the EITC is used by people with disabilities to improve their economic status. Participants will also learn about the Volunteer Income Tax Assistance (VITA) sites statewide where assistance is provided to prepare and file a tax return for free.

## Objective:

- To provide an overview on the Earned Income Tax Credit.
- To understand who is eligible for the Earned Income Tax Credit.
- To identify and understand how to access free tax preparation services.

## Value of this Module:

**Myth:** *Because I have a disability, there is no need to file taxes.*

**Reality:** *Filing taxes and accessing qualified tax credits may provide a refund to help build your financial wellness*

## MODULE 3: EARNED INCOME TAX CREDIT AND FREE TAX PREPARATION

# Facilitator Preparation

### Facilitator Preparation:

- Prior to this workshop, the facilitator should review the following websites:
  - [www.eitc.irs.gov](http://www.eitc.irs.gov)
  - <https://www.irs.gov/es/spanish>
  - <https://www.irs.gov/pub/irs-utl/fact-sheet-2017-vita-tce-training-site-products.pdf>
  - <https://www.irs.gov/forms-pubs/disability-related-products>
  - [www.realeconomicimpact.org](http://www.realeconomicimpact.org)
- Review PowerPoint presentation for Module 3.
- Personally complete all activities in Module 3 to familiarize yourself with each activity.
- Identify and invite guest speaker for Making Connections in your Community segment.

### Gather:

- Laptop and LCD projector
- Sign-in Sheet
- Easel Pad & Easel
- Markers
- Power Point Presentation (make copies if you would like to distribute to attendees)
- Agenda (make copies if you would like to distribute to attendees)
- Activities (make copies of activity handouts)
- Homework Assignment (make copies)
- Evaluation (make copies)

## MODULE 3: EARNED INCOME TAX CREDIT AND FREE TAX PREPARATION

# Pre- and Post-Test Evaluation

Location of Session: \_\_\_\_\_

Date of Session: \_\_\_\_\_

Trainers \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

Participant Name (Optional): \_\_\_\_\_

Please complete this section before the beginning of this training session.

### 1. BEFORE the training:

**PLEASE RATE YOUR KNOWLEDGE OF THE FOLLOWING TOPICS:**

	Excellent	Good	Fair	Poor	Very Poor
a. The EITC	5	4	3	2	1
b. EITC Eligibility	5	4	3	2	1
c. Refundable credit	5	4	3	2	1
d. Locating a VITA site	5	4	3	2	1
e. The benefit of a split refund	5	4	3	2	1



The remainder of the form will be completed at the end of this training.

	Excellent	Good	Fair	Poor	Very Poor
2. The group discussions were:	5	4	3	2	1
3. Trainer (Name) _____ was:	5	4	3	2	1

Any additional comments or recommendations for improvement for the **trainer**:

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	Excellent	Good	Fair	Poor	Very Poor
4. The training materials were:	5	4	3	2	1

Any additional comments or recommendations for improvement for the **training materials**:

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5. I would recommend this training to others:                     Yes     No

6. What part of this training was the most enlightening to you and why?

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	Excellent	Good	Fair	Poor	Very Poor
7. The overall quality of this training was:	5	4	3	2	1

Suggestions and recommendations to improve the training:

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8. “AS A RESULT” of the training:

**PLEASE RATE YOUR KNOWLEDGE OF THE FOLLOWING TOPICS:**

	Excellent	Good	Fair	Poor	Very Poor
a. The EITC	5	4	3	2	1
b. EITC Eligibility	5	4	3	2	1
c. Refundable credit	5	4	3	2	1
d. Locating a VITA site	5	4	3	2	1
e. The benefit of a split refund	5	4	3	2	1

Thank You for Your Feedback!

## MODULE 3: EARNED INCOME TAX CREDIT AND FREE TAX PREPARATION

# Agenda

Introduction .....	10 Minutes
Overview, Purpose and Expected Outcomes .....	10 Minutes
PowerPoint Presentation .....	30 Minutes
• What is the Earned Income Tax Credit?	
• Why is it Important to Persons with Disabilities?	
• What is Volunteer Tax Preparation Assistance?	
• Where Do I Go for Assistance?	
BREAK .....	15 Minutes
Making Connections in Your Community: Guest Speakers .....	30 Minutes
Homework Assignment and Wrap-up.....	10 Minutes
Evaluation and Closing .....	5 Minutes

**REMINDER:** Please distribute part one of the Module 3 evaluation now during the introduction. Be sure to have the participants complete the second half of the evaluation at the end of the session.

## MODULE 3: EARNED INCOME TAX CREDIT AND FREE TAX PREPARATION

# Script for Trainer

### Introduction (15 Minutes)

Script for Trainer (corresponding PowerPoint Presentation attached)

My name is \_\_\_\_\_. Welcome back to our training program **Upward to Financial Stability**.

Today's session will focus on the Earned Income Tax Credit (EITC) and free tax preparation services. To benefit from the Earned Income Tax Credit or EITC, you must file a tax return with the Internal Revenue Service (IRS).

As a person with a disability you may qualify for one or more tax deductions or credits, which may result in the government owing you money.

### Activity #1

Raise your hand if you have heard of the Earned Income Tax Credit?

Last year, did you file a tax return with the IRS?

Who helped you file a tax return? Let's make a list of people or places that provide assistance in to filing taxes? [Trainer should create a chart on a large easel pad]

Assistance with Tax Return

1. Paid tax preparer
2. Family member
3. Did it myself
4. Volunteer Tax Preparation Assistance Site

[Conclusion: Trainer will point out that there are choices to be made in receiving preparation assistance. Some will cost money. Others are free and can help you save money.]

## Overview, Purpose, and Expected Outcomes (10 Minutes)

Script for Trainer (corresponding PowerPoint Presentation attached)

We learned in our first session that poverty and a lack of resources is a major challenge for many individuals with disabilities.

Today, we will learn about the Earned Income Tax Credit (EITC) as an important tool to be used by people with disabilities to improve their economic status.

This tax credit was first approved by Congress in 1975 to help low income workers with and without disabilities.

We will learn about who is eligible for the EITC and depending on income level and family status what the possible size of the refund is.

We will learn about Volunteer Income Tax Assistance (VITA) sites statewide where assistance is provided to prepare and file a tax return for free. We will also learn about online resources to prepare your taxes on your own for free with assistance available by phone or online chat.

Finally, we will talk about the connection between the EITC and building financial wealth.

EITC will be the first of several strategies we will learn about in the next training sessions. The starting point for all savings and asset building strategies is employment. Whether you work part-time or full-time, you will earn income.

Earned income is a requirement for the Earned Income Tax Credit and other strategies we will learn about to increase possibilities of saving and building assets.

At the end of this training session you will know:

- If you are eligible for the EITC
- how to find a location for free tax preparation assistance near where you live;
- about choices to be made about the use of your tax refund.

### Activity #2

[Trainer will ask the group a series of questions and create a chart on the easel pad:]

1. Raise your hand if you worked and earned income in the last 12 months?
2. Raise your hand if you are now working 40 hours or more per week?
3. Raise your hand if you are now working 20 hours or more per week?
4. Raise your hand if you are now working 20 hours or less per week?
5. Raise your hand if you are between the age of 25 and 64?



- Conclusion: If you are between the ages of 25 and 64 with no child and earned less than \$15,010 in 2017 by working part time or full time, then you are potentially eligible for a tax refund of up to \$510.

Please note: The income amount is higher if you have children and are married. Review <https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit/eitc-income-limits-maximum-credit-amounts-next-year>

## PowerPoint Presentation (30 Minutes)

### *The Earned Income Tax Credit (EITC)*

- The Earned Income Tax Credit (EITC) is a refundable tax credit that reduces or eliminates the taxes that low-income working individuals and families pay.
- The Internal Revenue Service (IRS) administers the Earned Income Tax Credit (EITC). To receive a tax refund from the IRS, you must file a tax return.
- EITC created by Congress in 1975 is intended to offset the cost of Social Security taxes, provide an incentive to work, and help low income families save and build assets.

The IRS and the National Disability Institute conducted focus groups with individuals with disabilities in selected cities around the country and discovered that people with disabilities:

- Lacked personal confidence in their understanding of taxes and tax filing;
- Were afraid they would lose public benefits (Supplemental Security Income and Medicaid) if they filed a tax return and received a tax refund.

In a Harris/National Organization on Disability survey of individuals with disabilities nationwide, results indicated that individuals with disabilities, as compared to their non-disabled peers were:

- Less likely to claim favorable tax benefits; and
- Less aware of possible tax benefits for which they were eligible.

Knowledge is power to make informed decisions. We are going to learn about the basic rules of eligibility for the EITC and how you can claim tax dollars that are owed to you.

The EITC is the largest federal support program for low income individuals and families. The EITC helps over 15 million low-income wage earners each year.

## Basic Facts about the EITC

- You must have a Social Security number that is valid for employment.
- You must have earned income.
- You must be at least 25 and under 65.
- You must have earned no more than \$15,010 in the 2017 calendar year if you were single.
- You must have earned no more than \$20,600 for married couples without children.
- If single with a household with one qualifying child the income limit is \$39,617 (\$45,207 married filing jointly) or a single filing status household with two children, the income limit is \$45,007 (\$50,597 married filing jointly) or a single filing status household with three or more children the income limit is \$48,340 (\$53,930 married filing jointly).
- To be eligible for EITC you must earn no more than \$3,450 in investment income.
- For an individual not married and without children and at least 25 years old, the credit will produce a tax refund between \$2 and \$510.

**Please note** that if a child of the tax payer has a disability, the age requirement is waived. For more information, go to: <https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit/qualifying-child-rules>

The EITC is a refundable credit. What that means is that it is based on your income, even when you have no tax liability, you will receive a tax refund.

Even with no tax liability; an individual must file a tax return. Without filing, you cannot receive an EITC tax refund.

### Impact on other Benefits

- EITC and any federal tax refund does not count as earned income and as a result does not impact eligibility for SSI or other federally funded benefits including Medicaid.
- EITC and any federal tax refund does not count as a resource for a period of 12 months after the month of receipt, for SSI and any federally funded public benefit.

## The Five Myths of EITC

1. You have to be married or have children to be eligible. False
2. You have to owe taxes to be eligible. False
3. You do not have to file to get your tax refund. False
4. The EITC refund will impact my other public benefits. False
5. You have to be employed by someone else (cannot be self-employed). False

## EITC Goes Unclaimed

Across the country, it is estimated that almost 1 million individuals with disabilities are not filing for the EITC.

### *Tax Preparation Assistance*

- The IRS Stakeholders Partnerships Education and Communication (SPEC) Division is responsible for outreach to eligible individuals and families to help with tax preparation assistance.
- In 350 communities nationwide, the IRS is working with diverse community partners to establish Volunteer Income Tax Sites (VITA) to help you prepare your tax returns and claim the EITC.
- Call 2-1-1 to find a free tax preparation site in your area.
- You can also call Internal Revenue Service at 1-800-906-9887 to find a free tax preparation site near you.
- There are also options to prepare your own taxes for free online with an easy to use self-preparation tool, such as <http://www.unitedway.org/myfreetaxes/>. This option allows you to answer a series of questions online with assistance available through chat and helpline features.

## Retroactive EITC Claim

If you are filing for EITC for the first time, you may file to claim the credit for a three-year retroactive period.

For example, you may claim the EITC for the year 2017 year as well as 2016, 2015, and 2014.

## Case Example

- Mary Williams is not married and has no children. She is 35 years old. She worked part-time in 2014, 2015 and 2016. Mary currently receives SSI benefits.
- In each of the three years, Mary earned \$5,000.
- Mary's earnings would entitle her to a \$384 tax refund by claiming the EITC.
- Mary did not file taxes the last two years because she had no tax liability.
- Since the EITC can be claimed retroactively, Mary can now submit to the IRS a tax return for the three years and be entitled to a refund of over \$1,150.

### *Split Refund*

- If you were Mary, getting a check for \$1,150 is a lot of money. There are decisions to be made.
- Since 2006, tax filers can split up their tax refunds into three different accounts.
- You can direct a portion of your refund to be directly deposited into your savings account.

- The split refund makes it easier to save a part of your EITC refund. A new Form 8888 submitted with your tax return allows the filer to provide the name of the financial institution and the individual account and routing numbers.

### More Information

- Over 18 million people nationwide already benefit from the EITC.
- To learn more about the EITC, visit the IRS website – [www.eitc.irs.gov](http://www.eitc.irs.gov)

### Special Tax Credits and Deductions for People with Disabilities:

In addition to the EITC, there are also special tax deductions and credits for households that have a person with a disability. To learn more go to: <https://www.irs.gov/publications/p907>

### Real Economic Impact Network

- The IRS is reaching out to the disability community through local, state, and national partnerships.
- In cooperation with the National Disability Institute, the Real Economic Impact Tour was established to reach low-income taxpayers with disabilities. (Today the Real Economic Impact Tour is known as the Real Economic Impact Network)
- In 2014, over 500,000 individuals with disabilities were assisted in over 100 cities with free tax preparation. Over \$400 million in tax refunds were received.
- To learn more about the Real Economic Impact Network, visit the website at [www.realeconomicimpact.org](http://www.realeconomicimpact.org)

### Conclusion

- EITC is an important tool to increase your assets.
- With the split refund option, you can immediately choose to put a part of your refund in a savings account and begin to earn more money toward a specific asset-building goal.

## Making Connections in Your Community:

### *Guest Speakers (30 minutes)*

Invite a guest speaker from the IRS or a local/regional EITC/Tax Coalition to talk about their work with EITC and use of the VITA program.

I want to introduce Mr. /Ms. \_\_\_\_\_, who will tell you more about outreach efforts in our community to increase awareness about the EITC and provide free-tax preparation and assistance.

### Outline for Speaker:

- A. History of EITC Coalition in the community

- B. Current activities related to marketing, outreach and VITA
- C. Location of VITA site
- D. Documentation needed to prepare returns
- E. Connection to savings and asset building opportunities (split refund)
- F. Questions

## Split Refund Exercise (10 minutes)

### Activity # 3

Exercise to be led by Trainer

We have learned about the split refund opportunity. If your retroactive refund was calculated to be \$900, what choices would you consider related to spending and saving?

Please write down what you would decide to do with the \$900. [Allow five minutes]

Do I have a volunteer who will tell us about the decisions you would make and why?

[Record several individual answers on large easel pad]

Conclusion: The decision to save is a first step toward one or more asset goals. Remember the suggestion from Module Two: Pay Yourself First! Set savings and asset building goals.

The next session will focus on Credit Matters.

## Homework Review (10 Minutes)

[Trainer will ask the following questions]

- Did you visit the North Carolina Saves website? Did you take the America Saves pledge?
- Did you visit the FDIC website and review the Money Smart module on banking?
- What did you learn?
- Did anyone move forward with setting a savings goal?
- What are you saving for?
- How much do you need to save?
- How much will you try to save weekly?
- Will you pay yourself first?

## Homework Assignment and Wrap-Up (10 Minutes)

1. Go to <https://www.unitedway.org/myfreetaxes> or
2. call 2-1-1 Social Services Directory Line and ask where the nearest Volunteer Income Tax Assistance Site (VITA) is. Make contact with the site to learn more about the assistance available. Or visit <http://www.irs.gov/Individuals/Free-Tax-Return-Preparation-for-You-by-Volunteers> to find a VITA site near you. Complete the Finding a VITA Site handout.
3. Visit <http://www.unitedway.org/myfreetaxes/> to see if you qualify to use online free self-tax preparation and if this may be a viable option for you.
4. Visit the Real Economic Impact Network website ([www.realeconomicimpact.org](http://www.realeconomicimpact.org)) to learn more about the Real Economic Impact Network. Be ready to talk about one thing you learned from the website.
5. Visit the FDIC Money Smart curriculum modules on “To Your Credit” and “Charge It Right”.

## Evaluation and Closing (5 minutes)

Trainer should thank the participants for participating in today's training and congratulate them on taking steps to improve their financial wellness.

**REMINDER:** Be sure to have the participants complete the second half of the evaluation and collect.

**MODULE 3: EARNED INCOME TAX CREDIT AND FREE TAX PREPARATION**

# Activity – Split Refund Exercise

We have learned about the split refund opportunity. If your retroactive refund was calculated to be \$900, what choices would you consider related to spending and saving?

I have just received a \$900 retroactive refund from the Internal Revenue Service.

With my \$900, I plan to

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## MODULE 3: EARNED INCOME TAX CREDIT AND FREE TAX PREPARATION

# Homework – Finding a VITA Site

What does VITA stand for?

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Call North Carolina's 2-1-1 Social Services Directory Line and ask where the nearest Volunteer Income Tax Assistance Site (VITA) is. If 2-1-1 does not work in your area call the nearest United Way Office to ask about the nearest VITA location or go to:

<https://www.unitedway.org/myfreetaxes>

The closest VITA Site to my home is (write the address down here)

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Telephone number is: \_\_\_\_\_

The hours of operation are:

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The VITA Site that I have chosen provides the following services:

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## MODULE 3: EARNED INCOME TAX CREDIT AND FREE TAX PREPARATION

# Tools and Resources

The following are additional tools and resources to enhance the knowledge of attendees:

### **Internal Revenue Service**

[www.etc.irs.gov](http://www.etc.irs.gov)

<https://www.irs.gov/es/spanish>

### **National Disability Institute's Real Economic Impact Network**

[www.realeconomicimpact.org](http://www.realeconomicimpact.org)

### **MyFreeTaxes**

[www.myfreetaxes.com](http://www.myfreetaxes.com)

### **National Earned Income Tax Credit Outreach Campaign**

<https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit/etc-income-limits-maximum-credit-amounts-next-year>

<http://www.unitedway.org/myfreetaxes/>

<https://www.irs.gov/publications/p907>

# Module 4: Credit Matters

Welcome to Module 4 **Credit Matters**. Module 4 introduces participants to the importance of credit and their personal credit profile. This module covers various ways that credit profiles are used in everyday life including an introduction to credit reports and credit scores. This module identifies what makes up a credit score, and how good credit scores save an individual money. Finally, debt management is covered with information about avoiding scams.

## Objectives:

- Understand the importance of credit
- Why we need credit
- Strategies on how to establish credit
- Understanding your credit profile: credit report and credit score basics

## Value of this Module:

**Myth:** A credit score is only important when I plan to borrow money.

**Reality:** A positive credit score plays a role in where we live, how much we pay for car insurance and for some jobs.

## MODULE 4: CREDIT MATTERS

# Facilitator Preparation

### Facilitator Preparation:

- Prior to the delivery of Module 4, Credit Matters, the Facilitator should review the following materials:
  - [https://www.credit.org/nfcc/?gclid=EAlaIQobChMlne2o8Z6j1wIVrr\\_tCh0UPA3cEAAYBCAAEgL41PD\\_BwE](https://www.credit.org/nfcc/?gclid=EAlaIQobChMlne2o8Z6j1wIVrr_tCh0UPA3cEAAYBCAAEgL41PD_BwE)
  - [www.experian.com/credit-education/credit-information.html?bcpid=65729168001&bclid=65756974001&bctid=6578214500](http://www.experian.com/credit-education/credit-information.html?bcpid=65729168001&bclid=65756974001&bctid=6578214500)
  - <https://www.bettermoneyhabits.com/improve-my-credit-score/start-building-credit.html>
  - <https://www.bettermoneyhabits.com/improve-my-credit-score/how-to-boost-your-credit-score.html>
  - <https://www.bettermoneyhabits.com/improve-my-credit-score/good-credit-score.html>
  - [www.experian.com/credit-education/credit-information.html?bcpid=65729168001&bclid=65756974001&bctid=6578214500](http://www.experian.com/credit-education/credit-information.html?bcpid=65729168001&bclid=65756974001&bctid=6578214500)
  - Visit the *Hands on Banking* website: [handsonbanking.org/ndi](http://handsonbanking.org/ndi) and Instructor and Quick Reference Guides at: <http://www.realeconomicimpact.org/financial-education/disability-reference-guides>.
- Review the PowerPoint for Module 4
- Personally complete all activities in Module 4

### Gather:

- Laptop and LCD projector
- Sign-in sheet
- Easel Pad and Easel
- Markers
- PowerPoint presentation (make copies and distribute to attendees)
- Agenda (make copies for attendees)
- Activities (make copies for attendees)
- Homework assignment (make copies for attendees)
- Evaluation (make copies)

## MODULE 4: CREDIT MATTERS

# Agenda

Introduction .....	10 Minutes
Overview, Purpose and Expected Outcomes .....	5 Minutes
Personal Credit Matters .....	40 Minutes
<ul style="list-style-type: none"><li>• Why Credit is Important?</li><li>• Why do people with disabilities need credit?</li><li>• Credit affects your life, other than when borrowing money.</li><li>• How do I establish credit?</li><li>• Your credit profile: credit report and credit score basics.</li><li>• What to do when bill collectors call or notices come in the mail?</li></ul>	
Activity .....	15 Minutes
<ul style="list-style-type: none"><li>• Credit financing for an appliance: What a person with good credit pays and what a person with bad credit pays.</li></ul>	
BREAK .....	15 Minutes
Making Connections in Your Community: Guest Speakers .....	30 Minutes
Homework Assignment and Wrap-Up .....	10 Minutes
<ul style="list-style-type: none"><li>• Self-assessment of my credit profile</li><li>• Self-assessment of my debts</li></ul>	
Evaluation and Closing .....	5 Minutes

## MODULE 4: CREDIT MATTERS

# Pre- and Post-Test Evaluation

Location of Session: \_\_\_\_\_

Date of Session: \_\_\_\_\_

Trainers \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

Participant Name (Optional): \_\_\_\_\_

Please complete this section before the beginning of this training session.

### 1. BEFORE the training:

**PLEASE RATE YOUR KNOWLEDGE OF THE FOLLOWING TOPICS:**

	Excellent	Good	Fair	Poor	Very Poor
a. Credit Score	5	4	3	2	1
b. Credit Profile	5	4	3	2	1
c. FICO Score	5	4	3	2	1
d. Credit Report	5	4	3	2	1
e. Secured Credit Card	5	4	3	2	1



The remainder of the form will be completed at the end of this training.

	Excellent	Good	Fair	Poor	Very Poor
2. The group discussions were:	5	4	3	2	1
3. Trainer (Name) _____ was:	5	4	3	2	1

Any additional comments or recommendations for improvement for the **trainer**:

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	Excellent	Good	Fair	Poor	Very Poor
4. The training materials were:	5	4	3	2	1

Any additional comments or recommendations for improvement for the **training materials**:

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5. I would recommend this training to others:                    \_\_\_\_\_Yes                    \_\_\_\_\_No

6. What part of this training was the most enlightening to you and why?

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	Excellent	Good	Fair	Poor	Very Poor
7. The overall quality of this training was:	5	4	3	2	1

Suggestions and recommendations to improve the training:

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8. “AS A RESULT” of the training:

**PLEASE RATE YOUR KNOWLEDGE OF THE FOLLOWING TOPICS:**

	Excellent	Good	Fair	Poor	Very Poor
<b>a. Credit Score</b>	5	4	3	2	1
<b>b. Credit Profile</b>	5	4	3	2	1
<b>c. FICO Score</b>	5	4	3	2	1
<b>d. Credit Report</b>	5	4	3	2	1
<b>e. Secured Credit Card</b>	5	4	3	2	1

Thank You for Your Feedback!

## MODULE 4: CREDIT MATTERS

# Script for Trainer

### Introduction

My name is \_\_\_\_\_. Welcome to our fourth session of **Upward to Financial Stability**. Today we will learn about the importance of credit and credit profiles. Included are various ways that credit profiles are used in everyday life. We cover credit reports and credit scores, including what makes up a credit score, and how good credit can save money. Finally, debt management is covered with information about avoiding scams.

But first we want to review our homework from Module 3. Who would like to share their experience in identifying a VITA site in the area?

### Overview, Purpose, and Expected Outcomes (5 minutes)

#### *Activity #1*

We are going to start with a question for the group:

True or False, a credit score is only important when I borrow money.

Discussion: Tell us why you answered the way you did.

The answer is False—credit is important for everyone, including people with disabilities, and a credit score is only one part of our credit profile.

### PowerPoint Presentation (40 minutes)

Let's start by talking about what we mean when we talk about credit.

If we say we are buying something on credit, we mean that we purchase our goods or services today, and pay for it over time.

When we say we have good or bad credit that is referring to our credit profile, which is developed over time, based on our habits in managing our credit. In Section 2, we learned about two types of loans—revolving and installment. Today we will learn how those loans affect our credit.



Financial Institutions refer to the four Cs of credit:

- Capacity—do you have the ability to repay the loan that you are applying for—both now, and in the future?
- Capital—this is another way of looking at your overall financial situation. What is the value of your assets and your net worth? Your assets are what you own, and your net worth is your assets, less your liabilities. So you may have many assets, but if you have too much debt, your net worth will be low, or even could be negative.
- Character: how have you paid your bills in the past? Did you make payments as promised, and on time?

Collateral: specific to the loan that you are applying for, do you have property or assets that can be used to secure the loan? An example of this is a car loan. If you are borrowing money to buy a car, then the car itself is the collateral for that loan. If you do not make payments on the car loan, then the bank can take the car and sell it to satisfy the money that is owed to them; often more is owed after the car is sold.

Credit is used to borrow money, but it is also used for a wide variety of life purposes, and here is a short list of some of those:

- Employment—often employers review applicants' credit reports during the job application process, and other background screens may be used as well.
- Insurance policies—the insurance companies frequently check credit to answer two questions: is your credit good enough that they believe you will pay the premiums on your policies, and secondly, if you don't have good credit, you will pay much more in premiums than someone who does have good credit.
- Renting apartments—landlords use credit as a determining factor in who they rent to.
- Utilities: People with good credit are able to establish accounts for water and electricity, or cell phones without paying a deposit. People without good credit will pay deposits.
- Emergencies: You may have an emergency where you need to borrow money, and having good credit will ensure that you are able to. For example, you have a car repair that is more than the money you have saved. You would like to be able to get a credit card to pay for the repair. Good credit ensures that you are able to do this.
- Convenience: Credit cards, for example, are often used as a convenience in managing money, and may be preferred for some purchases, such as travel, hotel, car rentals.
- Large purchases: cars and homes. Without good credit you may not be able to make a large purchase, and if you are, it will be much more expensive.

Borrowing at a reasonable interest rate. We will have an activity that will demonstrate the benefits of borrowing at a reasonable interest rate, with good credit.

Next, we are going to talk about Credit Scores and Credit Reports, which make up your own personal credit profile.

### Activity #2

True or False: Once a bad credit score, always a bad credit score.

The answer is False.

Your credit score is a snapshot of what your credit looks like at a point in time. Gradually, your credit score changes based on how you handle your credit.

True or False: A great credit score guarantees that I will be able to get a loan.

False. As we talked about, credit is just one of the factors that lenders use to make credit decisions. Other factors, like income and/or collateral, are also taken into account.

When lenders talk about your credit profile, they are talking mainly about two things: your credit score and your credit report.

Let's watch a short video from Experian on Establishing Good Credit.

<http://www.experian.com/blogs/ask-experian/video-how-can-i-establish-credit/>

At the end of the video, there was a plug for their identity theft protection product, protect my I.D. There are many identity theft products on the market, of which this is one. We will talk more about that in Module 8: Protecting Your Identity.

A credit score is a number between 350-850, with 720-850 considered excellent.

The most commonly used credit score is based on FICO, which stands for Fair Isaac Company, which created and computes the FICO credit score.

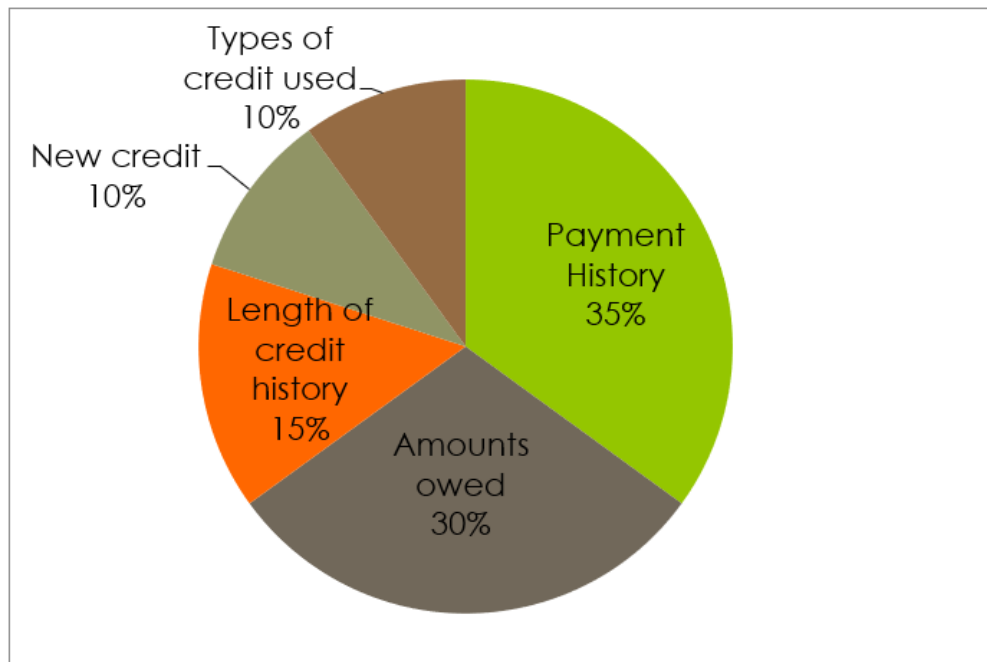
In Module 2, financial services, we talked about ChexSystems. ChexSystems only has negative information on consumers, and so if you are NOT in ChexSystems, that is a good thing.

BUT credit scores and credit reports consider both positive and negative information about consumers. The FICO Score is calculated from several different pieces of information and grouped into five categories.

The five categories of a FICO Score are:

- Payment History—how have you paid your bills in the past. This accounts for 35% of your credit score.
- Amount Owed—are you overextended and have too much debt or are your loans in line with your income? This accounts for 30% of your score.
- Length of credit history—if you are a new borrower, or have few loans to have established a history of payments, then this negatively impacts your score. Length of credit history accounts for 15% of your score.
- New Credit--if you have had many recent inquiries on your credit and have established many new accounts, your credit will be negatively impacted. This accounts for 10% of your score. An exception to this is when you are shopping for a major purchase, such as a car or a house. If you have multiple inquiries to your credit and then have one large purchase within 30 days, your credit score will not be negatively impacted. Too many

credit card applications, on the other hand, will negatively impact your credit score, with the thought that you are struggling financially if you are applying for multiple credit cards.



Now, you have a couple of options to estimate your credit score. There are some credit cards that offer a free credit score on your statement, and you can also visit <https://www.creditkarma.com/free-credit-score> to get a free credit score. Credit Karma reports from TransUnion and Equifax, and also, you will be asked to enter personal identifying information to confirm that you are who you say you are. When you order your own credit report it does not change your score.

Later payments on your loans will lower your credit score, but establishing or re-establishing a good track record of paying on time will raise your score.

Here's another test question:

Where can you get a free copy of your credit report?

- A. <https://www.annualcreditreport.com/>
- B. [www.freecreditreport.com](http://www.freecreditreport.com)
- C. By writing or call the three credit reporting bureaus: Equifax, Transunion, and Experian

The correct answer is A.

B. is not free, though well-advertised on television.

C. is also not free, though you can write or call them.

It is a law, that each consumer is entitled to receive a free copy of their credit report every twelve months.

Here is the contact information for the three credit bureau reporting agencies (listed on the PowerPoint). We have included the fraud hotline on this PowerPoint. In Module 8, Protecting Your Identity, you will learn about identity theft, and if you have been the victim of fraud or identity theft, you definitely want to call the credit reporting bureaus so that they can make a note on your credit file.

### **Activity # 3:**

Open Discussion: How is your credit score different from a credit report?

So what is a credit report?

This report includes basic demographic information about you and your life:

- Where you work
- Where you live
- Where you have lived in the past
- How you pay your bills
- Public records of whether you have been sued, or filed for bankruptcy
- Includes collections and judgements

First, identifying information, including:

- Name
- Social Security number
- Current and previous addresses
- Telephone number
- Birth date
- Current and previous employers
- If married, spouse's name

Second, a report containing your credit history. That includes your account record with different creditors.

- It will show how much credit has been extended and
- How you have repaid it.

Third, a report containing a list of inquiries from

- Creditors and other authorized parties who have
- Requested and received your credit report.

Fourth, a report containing information about you in

- Public records such as collection accounts,
- Bankruptcies, foreclosures, tax liens, civil judgments, and late child support payments.
- Bankruptcies: Chapter 7 (regular income and repayment) or Chapter 13 (forfeiture of property) Bankruptcies have the most severe impact on your credit profile and stay on your records from 7 to 10 years.

A judgment is a court order placing a lien on a debtor's property as security for a debt owed to a creditor. It remains on the credit report for 7 years from the date it was filed.

A collection account is a past-due account that has been turned over to a specialist to collect part or all of the debt.

So we have talked about credit and borrowing money, and the different types of debt. In developing our financial capability, it is important to understand our choices when preparing for a purchase, so that we can make the most of our money.

Looking at your credit profile can help you decide if you are prepared to borrow money for a purchase, or if you would prefer another choice. We will not be covering this here in detail, but there are many sources that will help you make the most of your money so that you can spend the least on your purchase and get the best deal. These include shopping, couponing and discount websites and apps.

When you are ready to make a purchase, you can borrow the money, or you can choose a smart alternative to borrowing, but avoid the costly alternatives to borrowing.

As we discussed in Module 2, Credit Cards allow you to buy goods or service now, and pay back over time. These are “revolving” debts.

- Examples: Visa, MasterCard, Discover
- Have minimum payments
- Have annual percentage rates/fees/terms
- Allow you to build credit
- Some have rewards
- All “plastic cards” are not credit cards. “Store brand charge cards” have similar features and also allow credit-building.
- Plastic Debit Cards and Stored Value/Prepaid Cards do not enable credit building
- For FICO scores, keep outstanding balance below 30% of the credit limit

Consumer Installment Debt: allow you to purchase goods and services now, and pay back over a fixed number of installments, thus “installment debt”.

- Examples: Student loans-10 to 30 years, car loans 5 up to years
- Have the same payment for the life of the loan
- Have a percentage rate, fees, and terms
- May have other benefits

- In a FICO score, longer-term installment debt, paid on time will raise your score.
- Mortgage Loans: for the purchase of a home/real estate.
- Very important in FICO Score, and high FICO scores are a requirement for financing
- Banks, credit unions and government lenders involved in the industry
- Stable employment and income are required to attain a mortgage loan

You may choose a smart alternative to borrowing:

Savings—emergency funds, vacation, gifts, specific small purchases

- Pay yourself first and save automatically at payday
- Lay-away—Specific stores will hold your purchase, and enable you to pay for it over time
- Holiday purchases
- Watch for fees, terms of the agreement—what happens if you don't meet the terms 90 days same as cash—be sure you understand the terms

Try to avoid the costly alternatives to traditional borrowing, because you will end up paying much more for your purchase in the long term.

- A. Avoid the rent-to-own stores. We will have an exercise that demonstrates how expensive this alternative is.
- B. Avoid buy here/pay here. Often seen on large purchases such as cars, these are often predatory lenders with very high interest rates and aggressive repossession procedures. They may make the bulk of their income by churning cars—selling, repossessing, and reselling the same cars.
- C. Other predatory loans—payday and car title currently outlawed in North Carolina—The federal government has also passed laws to protect consumer against unfair lending practices. You have the right to file complaints if you have a dispute or are treated unfairly. The Credit Protections include:
  - Credit Card Accountability, Responsibility and Disclosure Act (CCARD Act): prohibits a lender from extending credit to a borrower under the age of 21 unless the borrower can show that he or she can afford to repay the debt or the borrower has a co-signer, along with other protections
  - Equal Credit Opportunity: Everyone must be treated the same on credit decisions
  - Truth in Lending Act: requires lenders to disclose interest rates in terms of an annual percentage rate (APR)
  - The Credit Reporting protections include:
  - Fair Credit Reporting Act: Ensure accuracy, fairness and privacy of information filed with Credit bureaus.

We have included a summary of the Fair Credit Reporting Act {distribute handout}

The Debt Collection protections include:

- Fair Debt Collection Practices Act: protects consumers from predatory and unfair debt collection

- If you receive phone calls, emails, or mail BE CAREFUL.

And if you have been victimized, file a complaint. Call the North Carolina Attorney General and file a complaint with the Consumer Financial Protection Bureau.

So if you don't have credit, how do you build credit?

- Watch the video <https://www.bettermoneyhabits.com/improve-my-credit-score/start-building-credit.html>

One way to establish credit is through a secured credit card.

A Secured Credit Card is a type of credit card that is backed by a savings account used as collateral on the credit available with the card. Money is deposited and held in the account backing the card.

{Distribute and review the Credit Builders Alliance "Pros & Cons of Obtaining a Secured Credit Card as a Credit Building Tool"}

## **MAKING CONNECTIONS IN YOUR COMMUNITY (30 minutes)**

Trainer will introduce Representative of local bank or credit union to talk about credit

### ***HOMEWORK***

- Order your free credit reports from <http://www.annualcreditreport.com>
- Check your report for errors
- Contact any lenders as necessary

## **EVALUATION AND CLOSING (5 minutes)**

Please complete the evaluation for Module 4 {distribute the evaluation and collect them}



## MODULE 4: CREDIT MATTERS

# Handout – “A Summary of Your Rights Under the Fair Credit Reporting Act”

The federal Fair Credit Reporting Act (FCRA) promotes the accuracy, fairness, and privacy of information in the files of consumer reporting agencies. There are many types of consumer reporting agencies, including credit bureaus and specialty agencies (such as agencies that sell information about check writing histories, medical records, and rental history records). Here is a summary of your major rights under the FCRA. **For more information, including information about additional rights, go to <https://www.consumer.ftc.gov/topics/credit-and-loans> or write to:**

**Consumer Response Center, Room 130-A, Federal Trade**

**Commission, 600 Pennsylvania Ave. N.W., Washington, D.C. 20580.**

- **You must be told if information in your file has been used against you.** Anyone who uses a credit report or another type of consumer report to deny your application for credit, insurance, or employment – or to take another adverse action against you – must tell you, and must give you the name, address, and phone number of the agency that provided the information.
- **You have the right to know what is in your file.** You may request and obtain all the information about you in the files of a consumer reporting agency (your “file disclosure”). You will be required to provide proper identification, which may include your Social Security number. In many cases, the disclosure will be free. You are entitled to a free file disclosure if:
  - a person has taken adverse action against you because of information in your credit report;
  - you are the victim of identity theft and place a fraud alert in your file;
  - your file contains inaccurate information as a result of fraud;
  - you are on public assistance;
  - you are unemployed but expect to apply for employment within 60 days.In addition, all consumers are entitled to one free disclosure every 12 months upon request from each nationwide credit bureau and from nationwide specialty consumer reporting agencies. See <https://www.consumer.ftc.gov/topics/credit-and-loans> for additional information.

- **You have the right to ask for a credit score.** Credit scores are numerical summaries of your credit-worthiness based on information from credit bureaus. You may request a credit score from consumer reporting agencies that create scores or distribute scores used in residential real property loans, but you will have to pay for it unless you order it from CreditKarma. In some mortgage transactions, you will receive credit score information for free from the mortgage lender. See: <https://www.creditkarma.com/free-credit-score>
- **You have the right to dispute incomplete or inaccurate information.** If you identify information in your file that is incomplete or inaccurate, and report it to the consumer reporting agency, the agency must investigate unless your dispute is frivolous. See <https://www.consumer.ftc.gov/search/site/dispute> for an explanation of dispute procedures.
- **Consumer reporting agencies must correct or delete inaccurate, incomplete, or unverifiable information.** Inaccurate, incomplete or unverifiable information must be removed or corrected, usually within 30 days. However, a consumer reporting agency may continue to report information it has verified as accurate.
- **Consumer reporting agencies may not report outdated negative information.** In most cases, a consumer reporting agency may not report negative information that is more than seven years old, or bankruptcies that are more than 10 years old.
- **Access to your file is limited.** A consumer reporting agency may provide information about you only to people with a valid need -- usually to consider an application with a creditor, insurer, employer, landlord, or other business. The FCRA specifies those with a valid need for access.
- **You must give your consent for reports to be provided to employers.** A consumer reporting agency may not give out information about you to your employer, or a potential employer, without your written consent given to the employer. Written consent generally is not required in the trucking industry. For more information, go to <https://www.consumer.ftc.gov/search/site/employment%20credit%20check>.
- **You may limit “prescreened” offers of credit and insurance you get based on information in your credit report.** Unsolicited “prescreened” offers for credit and insurance must include a toll-free phone number you can call if you choose to remove your name and address from the lists these offers are based on. You may opt-out with the nationwide credit bureaus at 1-888-5-OPTOUT (1-888-567-8688).
- **You may seek damages from violators.** If a consumer reporting agency, or, in some cases, a user of consumer reports or a furnisher of information to a consumer reporting agency violates the FCRA, you may be able to sue in state or federal court.
- Identity theft victims and active duty military personnel have additional rights. For more information, visit <https://www.ftc.gov/news-events/media-resources/military-consumer-protection>.

**States may enforce the FCRA, and many states have their own consumer reporting laws. In some cases, you may have more rights under state law. For more information, contact your state or local consumer protection agency or your state Attorney General.**

## MODULE 4: CREDIT MATTERS

# Handout – “Credit Builder Practitioner Tip Sheet”



### CREDIT BUILDER PRACTITIONER TIP SHEET

#### PROS & CONS OF OBTAINING A SECURED CREDIT CARD AS A CREDIT BUILDING TOOL

PROS: Generally a good option for someone:

- ✓ With no credit or banking history
- ✓ With fewer than 3 trade lines
- ✓ With no other revolving credit account
- ✓ Can save the cash collateral to deposit
- ✓ Who needs an ongoing way to continue to build credit
- ✓ Has enough income to cover his or her monthly expenses but may need some assistance managing monthly cash flow
- ✓ Can afford to pay the minimum monthly payment
- ✓ Who pays his or her bills on time
- ✓ Needs a safe way to manage financial emergencies

CONS: Generally not a good option for someone:

- ✓ With a high score already
- ✓ With more than 3 open accounts
- ✓ Who carries or is likely to carry a high monthly balance (i.e. over 30% of the credit limit)
- ✓ Without capacity to save for deposit
- ✓ Does not have enough income to cover his or her monthly expense
- ✓ With a propensity to miss payments
- ✓ Experiences chronic financial emergencies

# Module 5: Continuum of Housing & Supports

Welcome to Module 5 – **Continuum of Housing and Supports**. Module 5 introduces participants to the concept of a continuum of housing and making a decision about the type of housing that best meets your needs. Choices include renting and home purchase. There are supports designed to help individuals, including those with disabilities to achieve their housing goals, including home ownership.

## Objective:

- Understand rights and responsibilities
- Gain knowledge of residential housing options
- Review information about accessing utilities
- Understand Section 8 for rent and home purchase
- Overview of the Family Self-Sufficiency Program.
- Overview of Individual Development Accounts.
- Share local success stories

## Value of this Module:

**Myth:** People who have a disability cannot own a home.

**Reality:** Let us explore how people who have a disability can in fact, live where they choose, including owning a home, condominium or a manufactured home.

## MODULE 5: CONTINUUM OF HOUSING & SUPPORTS

# Facilitator Preparation

### Facilitator Preparation:

Prior to this workshop, the facilitator should review the following websites:

- <https://www.arcnc.org/housing>
- <http://www.publichousing.com/>
- <http://www.nascsp.org/Weatherization.aspx>
- <http://www.cid.d.unc.edu/psea/>
- <http://www.sog.unc.edu/node/1842>
- <http://www.fairhousingnc.org/>
- <https://affordablehousingonline.com/public-housing-waiting-lists/North-Carolina>
- [https://www.hud.gov/topics/information\\_for\\_disabled\\_persons](https://www.hud.gov/topics/information_for_disabled_persons)
- <http://college.unc.edu/2016/02/22/latino-housing/>

### PowerPoint presentation for Module 5

- Personally complete all activities in Module 5 to familiarize yourself with each activity.

### Gather:

- Laptop and LCD projector
- Sign-in Sheet
- Easel Pad & Easel
- Markers
- PowerPoint Presentation (make copies if you would like to distribute to attendees)
- Agenda (make copies if you would like to distribute to attendees)
- Activities (make copies of activity handouts)
- Homework Assignment (make copies)
- Evaluation (make copies)

## MODULE 5: CONTINUUM OF HOUSING & SUPPORTS

# Pre- and Post-Test Evaluation

Location of Session: \_\_\_\_\_

Date of Session: \_\_\_\_\_

Trainers \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

Participant Name (Optional): \_\_\_\_\_

Please complete this section before the beginning of this training session.

### 1. BEFORE the training:

**PLEASE RATE YOUR KNOWLEDGE OF THE FOLLOWING TOPICS:**

	Excellent	Good	Fair	Poor	Very Poor
<b>a. Continuum of housing</b>	5	4	3	2	1
<b>b. Family Self Sufficiency Program</b>	5	4	3	2	1
<b>c. Individual Development Accounts</b>	5	4	3	2	1
<b>d. Credit, Utilities &amp; Insurance</b>	5	4	3	2	1
<b>e. Organizations that help</b>	5	4	3	2	1



The remainder of the form will be completed at the end of this training.

	Excellent	Good	Fair	Poor	Very Poor
2. The group discussions were:	5	4	3	2	1
3. Trainer (Name) _____ was:	5	4	3	2	1

Any additional comments or recommendations for improvement for the **trainer**:

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	Excellent	Good	Fair	Poor	Very Poor
4. The training materials were:	5	4	3	2	1

Any additional comments or recommendations for improvement for the **training materials**:

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5. I would recommend this training to others:                    \_\_\_\_\_Yes                    \_\_\_\_\_No

6. What part of this training was the most enlightening to you and why?

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	Excellent	Good	Fair	Poor	Very Poor
7. The overall quality of this training was:	5	4	3	2	1

Suggestions and recommendations to improve the training:

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8. “AS A RESULT” of the training:

**PLEASE RATE YOUR KNOWLEDGE OF THE FOLLOWING TOPICS:**

	Excellent	Good	Fair	Poor	Very Poor
<b>a. Continuum of housing</b>	5	4	3	2	1
<b>b. Family Self Sufficiency Program</b>	5	4	3	2	1
<b>c. Individual Development Accounts</b>	5	4	3	2	1
<b>d. Credit, Utilities &amp; Insurance</b>	5	4	3	2	1
<b>e. Organizations that help</b>	5	4	3	2	1

Thank You for Your Feedback!



## MODULE 5: CONTINUUM OF HOUSING & SUPPORTS

# Agenda

Introduction .....	10 Minutes
Overview, Purpose and Expected Outcomes .....	10 Minutes
Continuum of Housing, Utilities, Section 8, FSS, IDAs .....	40 Minutes
BREAK .....	15 Minutes
Making Connections in Your Community: Guest Speakers .....	30 Minutes
Review of Homework Assignment.....	10 Minutes
New Homework Assignment .....	10 Minutes
Evaluation & Closing.....	5 Minutes

**REMINDER:** Please distribute part one of the Module 5 evaluation now during the introduction. Be sure to have the participants complete the second half of the evaluation at the end of the session.

## MODULE 5: CONTINUUM OF HOUSING & SUPPORTS

# Script for Trainer

### Introduction (15 Minutes)

**Script for Trainer** (corresponding PowerPoint Presentation Attached)

My name is \_\_\_\_\_. Welcome to our fifth session of **Upward to Financial Stability**.

To start us on the right path today, let us first revisit some of the information we have received in our prior trainings.

#### Activity #1

What do the following acronyms/abbreviations stand for? Write down your answer.

1. EITC
2. VITA
3. CFPB
4. FDIC
5. IRS SPEC

*[The Trainer asks for an individual to volunteer to provide the answers one at a time. After each correct answer, the trainer requests the class members to raise their hand if they had the correct answer.]*

*[The Trainer reviews the correct answers with the group:]*

1. EITC = Earned Income Tax Credit
2. VITA = Volunteer Income Tax Assistance
3. CFPB = Consumer Financial Protection Bureau
4. FDIC = Federal Deposit Insurance Corporation
5. IRS SPEC = Internal Revenue Service Stakeholder Partnerships, Education and Communication

This session will continue to build on our knowledge about the importance of work, producing income, savings and asset building. Our focus will be on the opportunities and importance of an appropriate home environment.

## Overview, Purpose, and Expected Outcomes (10 Minutes)

**Script for Trainer** (corresponding PowerPoint Presentation Module 5)

Housing choices have a significant impact on peoples' future options. The cost of housing can either limit a person's options for affording additional items or make it possible to afford other things. In this Module we will take a look at the continuum of housing options, including home purchase. Please note. Items marked with an (\*) indicate this is an annual figure that could change each year, as announced by SSA.

## PowerPoint Presentation (30 Minutes)

### *Continuum of Housing:*

Each of us has the opportunity to take steps to select the type of housing that best meets our needs. Our choice of housing can make it possible for us to have more choices and responsibilities. In addition, it may be a way to secure an asset that does not impact our public assistance or SSA disability benefits. For example, public benefits, Medicaid and SSI all allow for ownership of one residence.

So let us look at possible options for housing and sort them out as a rent or purchase option.

Circle the "R" next to a renting option or an "O" next to an owner option. (Hint: Some options may be both.)

R   O		R   O	
R   O	College Dorm	R   O	Market Rate Apartment
R   O	Condominium	R   O	Public Housing
R   O	Double Family Home	R   O	Single Family Home
R   O	Group Home	R   O	Subsidized housing
R   O	Live with Family	R   O	Supportive housing

## ***Rights & Responsibilities:***

The Fair Housing Act prohibits housing discrimination based on race, color, national origin, religion, sex, familial status, or disability. Property owners cannot ask you about your disability or how you got your disability. If the unit is for persons who receive SSA Disability benefits, they will require proof of SSI and/or SSDI. In addition, you also have the right to ask for a reasonable accommodation in the application process and request an accommodation as part of an agreement for renting or purchase. For example, someone may benefit from owning a home close to work but would need a live in aide for help. A unit that has more than one bedroom may be a good choice to meet that need.

**Important things to take into consideration:** when selecting where we want to live, it is our responsibility to figure out how much is affordable. Please refer to Module 1. When preparing a spending plan, it is important to add all expenses that are a part of our housing choice. For example, some apartments include the cost of utilities in the monthly rent. When we purchase a home or rent other places, we need to add in costs of utilities and property taxes. In North Carolina, there are real and personal property taxes. Land and land improvements are considered real property. Mobile property is classified as personal property.

Everyone needs to remember to add all costs related to their housing into their spending plan to be certain their dream for housing is affordable.

Another thing to be aware of is that there are predatory practices that may exist anytime there is an exchange of money. There are housing counselors who can help us to learn what questions to ask and what things to be on the look- out for. If a person discovers a predatory situation, they are encouraged to report those instances to the Consumer Financial Protection Bureau. The report may help you and others. To report a concern or your story call: 1.855.411.2372.

## ***Housing Options & Supports:***

The ARC of North Carolina has a great guide for things to consider when selecting housing: <http://arcnc.org/images/housing-resource-guide-2015.pdf>

**Housing Options can include:**

**College Dorm:** Most financial aid packages do include the cost of a dorm room or on-campus housing there are single, multiple and family units available. If you decide to rent a house off-campus, be sure to have enough money to cover the first and last month's rent, and other related expenses.

**Market Rate Housing:** Most types of rental housing listed in newspapers and on-line, including apartments and single-family homes; these are examples of market- rate rental housing. Market rate housing is privately- owned housing, with rents determined by what the property owner decides to be reasonable, which varies by location.

**Subsidized Housing:** Subsidized housing has financial support to make it more affordable to lower-income tenants. The amount of rent a tenant pays is a calculation of their income.

**Supportive Apartments:** Supportive apartments are generally independent apartment units targeted specifically for persons with disabilities. They have some supportive services such as help with transportation, budgeting and shopping. If an individual works enough to come out of pay for SSI and/or SSDI, they would need to move within 30 days. The need to move can be a planned event, as a part of a goal to be self-sufficient.

**Public Housing:** comes in all sizes and types, from scattered single-family houses to high-rise apartments; however, it is often a block of purpose-built apartments that are called “projects.”

**Section 8 Vouchers:** With a Section 8 voucher, participants choose their own housing unit from the private rental market including apartments, townhomes, and single-family homes. A housing inspection ensures that the unit meets the requirements of the program. A major advantage is that participants can select housing that is fully- integrated in the community, meeting the individual’s preferences and needs. There is usually a waiting list and there are special vouchers available for individuals with disabilities.

### **Section 8 Homeownership:**

HUD regulations now permit Section 8 tenant-based vouchers be used to help purchase a home.

To participate in the homeownership voucher program, you must be a current participant in the Section 8 Tenant based voucher program and meet additional eligibility requirements. These requirements include having a history of paying rent on time and agreeing to participate in homeownership and credit counseling. This homeownership assistance program has no term limit for those with a disability. That means you can have help to pay the mortgage until it is paid in full.

Participants with a disability receiving a voucher must have an annual income equal to the federal SSI benefit amount of \$735\*, multiplied by 12, or an annual income of at least \$8,820\*. Working can help to meet the income requirement and the ability to afford a home purchase or rent in a safer neighborhood.

The homeownership option allows the voucher holder to use their subsidy to pay their mortgage and costs associated with owning a home such as mortgage insurance, maintenance, homeowner’s insurance and utilities instead of paying rent to an owner. Participants will own their home, possibly their largest asset.

### **Credit Development by Rent Reporting:**

It is always nice to be able to develop a credit score rating without needing to borrow money. You may want to ask your landlord/housing manager and utility companies if they would help you by reporting your timely payments to a credit reporting agency. Remember, that a credit score can help a person when they need to purchase an item on credit, get a student loan for

themselves or their children or sign up for a utility when moving. Since you have to pay rent anyway, why not have those timely payments help you to develop credit?

**First Time Homebuyer Programs:** Banks and credit unions also sponsor first time homebuyer programs that have Individual Development Accounts where a person can save an agreed upon amount that is matched, sometimes, 4:1. If a person saves \$50 per month for 3 years, their savings with the match would be \$7,200. Far greater than a person's portion of only \$1,800.

**Family Self-Sufficiency Program:** The Family Self-Sufficiency (FSS) program is a Housing and Urban Development (HUD) initiative that encourages communities to help individuals and families who are receiving Section 8 Vouchers or rental assistance to set employment goals and advance their self-sufficiency by saving money. More information is available at:

[https://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/pha/contacts/nc](https://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/pha/contacts/nc)

**First Step:** An individual or family prepares a goal plan for 5 years with their FSS housing counselor. The plan serves as a contract outlining the participant's responsibilities and the program's responsibilities. When the household's income increases due to employment, a savings account is established with the program. The additional amount due for rent is paid by the renter, and the rent increase is saved in the program account. Those savings are for use at a future date. The savings do not count as a resource for SSI until the month the person obtains the monies. The monies are tax-free and sometimes the program matches the savings.

#### **Key Points to Family Self-Sufficiency Programs:**

- FSS is an asset-building program;
- Additional income earned for a participant can be set aside in an escrow account and does not count as income; it does not impact eligibility for other public benefits;
- The saved funds are used to meet the individual's needs and goals;
- It is an employment and savings program for low-income individuals receiving or on the waiting list for a Section 8 voucher;
- Once a participant has successfully completed the identified goals in their FSS plan they, are given the funds that were set aside in their escrow fund, plus any matched funds, tax-free.

**Important Note:** Any increases in rent, which are paid, due to increased income, are set aside by the FSS program. The money is saved in a financial institution in an interest bearing account. There may be options for matching the savings too.

There are no restrictions on the use of funds in the escrow account; it is simply necessary that the participant meet their goals. If the goals are not met, the monies paid for the increase in rent stay with the program. The FSS program has support services designed to help people meet the goals and improve the quality of their lives. How great is this? When a person works and their rent is increased, they pay the extra towards rent, which is saved to meet their agreed upon goals! You could save the increase in rent for yourself!

### North Carolina Housing Coalition:

- FSS participants get services that include education, job development, housing, child care, transportation, budgeting, career advancement, business ownership, and home ownership;
- Participants have paid off debts, bought cars, or become independent of rent subsidies and moved into private housing;
- Eligibility is limited to individuals currently receiving or on the waiting list for Section 8, now called Housing Choice Voucher, which offers rental assistance.

### Success Stories from North Carolina' Housing and Urban Development offices:

"As a single mom with 5 kids it was a challenge, but the FSS Program helped me get my degree and a successful career in Information Systems Management." ~ Deborah

"I completed my nursing degree, got a job as an R.N.; and I am saving through FSS to buy a home." ~ Joan

"The FSS program helped me, while I managed the family business and enrolled in college courses. Eventually I plan to buy a home with the help of my escrow account." ~ Joseph

"I have come a long way since I signed my FSS contract. I became a State Certified Nursing Assistant, almost doubled my income and bought a home in my old neighborhood." ~ Diana

**Family Self-Sufficiency Program:** The Family Self-Sufficiency (FSS) program is a Housing and Urban Development (HUD) initiative that encourages communities to help individuals and families who are receiving Section 8 Vouchers or rental assistance to set employment goals and advance their self-sufficiency by saving money.

### Activity #1:

Okay, now that we have a better understanding of the housing supports, look at the housing continuum and chart out where you are now, where you would like to be in one to five years, and your housing goal for 5 or more years.



Who can help you reach your housing goals?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

**Exercise:**

State your success story: What would you purchase with your FSS saved funds?

What FSS support services will help get you there?

**Activity #2****Before we learn about IDAs, Let's do an exercise.**

[Question for the Group:]

If you had a choice of saving dollars for buying a home, starting a business, or continuing education, which one would it be? Tell us why you made your choice.

[Trainer could chart the answers on the large easel pad.]

- Buying A Home
- Starting A Business
- Continuing Education

[The Trainer can indicate which the most popular answer was and call on individuals to explain why he or she chose "buying a home."]

[Trainer can then make several concluding statements:]

- Yes, for most of us, owning a home is usually our biggest asset.
- Starting a business can be complicated but there are many supports and services available to help.
- Great, yes, saving for education for employment can make it easier to obtain most financial goals. We will review additional supports for affording college and technical training such as PASS, ABLE accounts and financial aid.

**Conclusion:**

Saving money from month to month is hard to do. People find it more rewarding to do when a program matches savings, dollar for dollar. Each dollar is set aside in a separate account for one of three asset goals: buying a home, starting a business, and continuing an education. The program agrees to match the savings, sometimes, as much as 4:1. The program is called an Individual Development Account or IDA.

Let us explore more about IDAs and the benefits of setting an asset goal and having a matched savings plan. We are going to hear from an IDA program provider and learn more about opportunities with IDA providers across the state.

Participating in an IDA program is one way you can become more independent, less dependent on government benefits, and have a better economic future.



For the homework assignment, we had asked you to learn more about an IDA program in your community.

From our presentations and discussions today, we will learn:

What an IDA is;

- A. What are the key IDA program elements;
- B. Who are some IDA providers in your area;
- C. Ideas on how you can an IDA to boost your savings.

## PowerPoint Presentation (30 Minutes)

### IDA: A Benefit for Low Income Workers

#### Congressional Findings:

- Economic capacity does not come from spending and using things; economic capacity requires savings, investment and asset building.
- Assets can improve economic stability and independence, give hope for the future, and promote a sense of financial wellness when people take an active role in using their money to reach those goals.

**Individual Development Accounts or IDAs:** Matched savings accounts designed to help low income workers plan for and reach specific asset building goals.

The Journal of Financial Therapy: <http://newprairiepress.org/jft/vol5/iss2/3> reports that those who completed IDA programs experienced the highest gains of credit score development. Nationally, more than 13,000 individuals are participating in IDA programs. How can you join those savers?

The Corporation for Enterprise Development (CFED) reports that there is documented evidence from IDA initiatives that low-income people, with proper incentives and supports, will save regularly and acquire productive assets. For example, 2,128 low-income families participating in the American Dream Demonstration, the first large-scale test of IDAs, saved \$602,181 as of June 2000, and these savings leveraged another \$1,146,919 in matching funds. The average monthly net deposit per participant was \$19, and with an average match rate of 2:1, participants accumulated about \$700 per year.

#### What is the impact of IDAs?

Over the last decade, more than 85,000 IDAs have been opened in programs administered by more than 1,100 sites across the country. The impact of this initiative has resulted in more than 9,400 new homeowners, 7,200 educational purchases and 6,400 small business start-up and expansion purchases. How can you join in saving for your goals?

## **IDA Savings Agreement:**

Someone who is working and has limited income can agree to make regular savings deposits into an IDA provider account. An agreement states how much the saver wants to save towards a specific goal and how much the provider will match those savings.

Federally supported IDA programs offer low-income workers three choices for asset goals:

1. Buy a Home
2. Start a Business
3. Continue higher education

## **Besides needing an asset goal and a plan for saving to meet a goal, what else is needed?**

1. The IDA program provider will offer a match for each dollar saved in the account; it is usually \$1 - \$4 towards every \$1 that is saved. A person can save up to five years.
2. The saver is required to participate in financial education classes; usually 12.5 hours, before the savings can be used. The training helps the saver learn the skills necessary to be a wise consumer; know how to spend money wisely.

## **Case Example**

- Susan has set an asset goal to start a business. Susan enters into a savings agreement with the IDA provider to save \$50 per month for two years.
- The IDA provider indicates that the program will match her contribution with four dollars for every dollar she saves and deposits into the account.
- At the end of two years, Susan has contributed \$1,200 to her IDA. The IDA program will match her savings with \$4,800.
- Susan now has \$6,000 to start her business.

## **Impact on Other Public Benefits**

Federally funded IDAs are exempt from counting as an asset for the purposes of remaining eligible for SSI and Medicaid; while you are saving you are still eligible for your benefits!

“Assets for Independence Act Evaluation, Impact Study: Final Report,” U.S. Department of Health and Human Services indicates that the average IDA participant saves \$935 after 3 years in the program. When matched, that is an average of \$1,870. The study revealed several statistically significant effects on the three major forms of asset ownership: IDA participants were 35 percent more likely to be homeowners, 84 percent more likely to own businesses, and 95 percent more likely to pursue postsecondary education than non-participants.

### **Success Story:**

- Locally, a brother/sister each saved in an IDA and bought a condominium together last summer. They were able to get a 1:4 match- so they saved 1,000 each and had \$10,000 to put down in the end. They qualified for a mortgage through the Benefit Bank to help people. They continue to look for ways to save money by filing their taxes through the free tax program.
- The North Carolina Housing Finance Agency reports that 11 people, who self-reported a disability, participated in their IDA Loan Pool. That program provides IDA match funding and a mortgage loan subsidy for homebuyers.

## **Making Connections in Your Community: IDA Program in Your Community (30 minutes)**

Trainer Notes: Invite an IDA Provider in your community to speak to the group. Ask if he/she will bring an individual IDA account holder or someone who has succeeded in reaching his/her asset goal.

Today let me introduce you to an IDA program in our community.

### Outline for IDA Speaker

1. History of their IDA Program
2. Eligibility requirements and current number of people participating in the program.
3. Past record of success.
4. Matching rates and targeted asset goals.
5. Interest in signing up new eligible individuals to establish IDAs.
6. Financial education program

### Outline for IDA Current or Past Recipient

1. Past experience in trying to save before IDA
2. Asset Goal
3. Savings Plan
4. Financial Education
5. Current status on meeting your goal

**[Have both presenters answer questions.]**

### **[Trainer Concluding Comments]**

Thank you both for sharing with us the exciting opportunity available in your IDA program. An IDA is an important tool to help set saving and asset building goals.

## Homework Assignment Review (10 Minutes)

1. Did you identify a FSS and/or an IDA program near you?
2. Did you contact or visit with the FSS and IDA program staff?
3. What asset goals does each program support?
4. Are you eligible to participate in an FSS and an IDA program?
5. Did anyone do more reading about IDAs on the Office for Community Services website?  
<http://www.sog.unc.edu/node/1842>
6. What did you learn?
7. Is anyone ready to open an IDA account?
8. What would be your asset goal?
9. How much would it cost?

## MODULE 5: CONTINUUM OF HOUSING & SUPPORTS

# Homework

Explore your housing goals and contact one housing representative to share your goals and ask for help to meet you housing goals.

My Housing Goals Are:

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Visit the website of [http://portal.hud.gov/hudportal/HUD?src=/states/north\\_carolina/offices](http://portal.hud.gov/hudportal/HUD?src=/states/north_carolina/offices) Find out more about the services it offers.

## MODULE 5: CONTINUUM OF HOUSING & SUPPORTS

# Tools and Resources

The following are additional tools and resources to enhance the knowledge of attendees for Module 5.

North Carolina ARC Housing Guide: <http://arcnc.org/images/housing-resource-guide-2015.pdf>

NC HUD Information for People with Disabilities:

[https://www.hud.gov/topics/information\\_for\\_disabled\\_persons](https://www.hud.gov/topics/information_for_disabled_persons)

Latino Housing: <http://college.unc.edu/2016/02/22/latino-housing/>

# Module 6: Social Security Work Incentives

Welcome to Module 6 – ***Social Security Work Incentives***. Module 6 introduces participants to a variety of strategies and supports offered by the Social Security Administration

## **Objective:**

- To provide an overview of Social Security Work Incentives that promote asset building for beneficiaries

## **Value of this Module:**

**Myth:** Beneficiaries are limited to how much money they can earn and how many hours they can work.

**Reality:** The Social Security Administration has many work incentives that allow beneficiaries to increase their earnings and hours of work while continuing to receive SSI and/or SSDI benefits. Being aware of the work supports that are available can help people to use them in a planned way, maximizing their incomes. People can even work so that they can successfully come off of benefits so that they can earn even more, save regularly and have more assets and resources.

## MODULE 6: SOCIAL SECURITY WORK INCENTIVES

# Facilitator Preparation

### Facilitator Preparation:

- Prior to this workshop, the facilitator should be aware of the Social Security Administration's Red Book in English and Spanish: <https://www.ssa.gov/redbook/>
- <https://www.ssa.gov/news/press/factsheets/colafacts2018.pdf>
- Review PowerPoint presentation for Module 6.
- Personally complete all activities in Module 6 to familiarize yourself with each activity.

### Gather:

- Laptop and LCD projector
- Sign-in Sheet
- Easel Pad & Easel
- Markers
- Materials for American Dream Vision Board
- PowerPoint Presentation (make copies if you would like to distribute to attendees)
- Agenda (make copies if you would like to distribute to attendees)
- Activities (make copies of activity handouts)
- Homework Assignment (make copies)
- Evaluation (make copies)



## MODULE 6: SOCIAL SECURITY WORK INCENTIVES

# Pre- and Post-Test Evaluation

Location of Session: \_\_\_\_\_

Date of Session: \_\_\_\_\_

Trainers \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

Participant Name (Optional): \_\_\_\_\_

Please complete this section before the beginning of this training session.

### 1. BEFORE the training:

**PLEASE RATE YOUR KNOWLEDGE OF THE FOLLOWING TOPICS:**

	Excellent	Good	Fair	Poor	Very Poor
<b>a. Social Security Work Incentives</b>	5	4	3	2	1
<b>b. PASS</b>	5	4	3	2	1
<b>c. Continuing Medical Reviews</b>	5	4	3	2	1
<b>d. Benefits Summary Analysis</b>	5	4	3	2	1
<b>e. Income Disregard &amp; Exclusions</b>	5	4	3	2	1



The remainder of the form will be completed at the end of this training.

	Excellent	Good	Fair	Poor	Very Poor
2. The group discussions were:	5	4	3	2	1
3. Trainer (Name) _____ was:	5	4	3	2	1

Any additional comments or recommendations for improvement for the **trainer**:

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	Excellent	Good	Fair	Poor	Very Poor
4. The training materials were:	5	4	3	2	1

Any additional comments or recommendations for improvement for the **training materials**:

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5. I would recommend this training to others:                     Yes     No

6. What part of this training was the most enlightening to you and why?

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	Excellent	Good	Fair	Poor	Very Poor
7. The overall quality of this training was:	5	4	3	2	1

Suggestions and recommendations to improve the training:

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8. “AS A RESULT” of the training:

**PLEASE RATE YOUR KNOWLEDGE OF THE FOLLOWING TOPICS:**

	Excellent	Good	Fair	Poor	Very Poor
<b>a. Social Security Work Incentives</b>	5	4	3	2	1
<b>b. PASS</b>	5	4	3	2	1
<b>c. Continuing Medical Reviews</b>	5	4	3	2	1
<b>d. Benefits Summary Analysis</b>	5	4	3	2	1
<b>e. Income Disregard &amp; Exclusions</b>	5	4	3	2	1

Thank You for Your Feedback!

## MODULE 6: SOCIAL SECURITY WORK INCENTIVES

# Agenda

Introduction .....	15 Minutes
Overview, Purpose and Expected Outcomes .....	10 Minutes
PowerPoint Presentation .....	30 Minutes
• What are Work Incentives?	
• What are Plans for Achieving Self-Support?	
• What other work incentives preserve income?	
BREAK .....	15 Minutes
Making Connections in Your Community .....	20 Minutes
Homework Assignment Review .....	10 Minutes
Future Plans .....	10 Minutes
Evaluation and Closing .....	5 Minutes

## MODULE 6: SOCIAL SECURITY WORK INCENTIVES

# Script for Trainer

**REMINDER:** Please distribute part one of the **Module Six Evaluation** now. Be sure to have the participants complete the second half of the Evaluation at the end of the session. Please note. **Items marked with an (\*) indicate this is an annual figure that could change each year, as announced by SSA.**

### Introduction (15 Minutes)

*Script for Trainer (corresponding PowerPoint Presentation Module 6)*

My name is \_\_\_\_\_. Welcome to our sixth session of **Upward to Financial Stability**.

**Myth:** Beneficiaries are limited to how much they can earn and how many hours they can work.

**Reality:** The Social Security Administration has many work supports that allow beneficiaries to increase their earnings and hours of work while continuing to receive SSI and/or SSDI benefits, for a while. Being aware of the work supports that are available can help people to use them in a planned way, maximizing their incomes. People can even work so that they can successfully come out of pay for benefits so that they can earn even more, save regularly and have more assets and resources.

### Activity #1

*[Trainer asks the group:]*

Can anyone explain what a work incentive is?

*[Trainer can create a chart to list the answers from the group]*

A work incentive is a special rule which offers social security beneficiaries' options to return to work, earn money and continue to receive disability benefits for a period of time.

### Overview, Purpose, and Expected Outcomes (10 Minutes)

*Script for Trainer (corresponding PowerPoint Presentation attached)*

Today, we will learn more about the Social Security Administration (SSA) work supports.

**Supplemental Security Income (SSI) & Social Security Disability Insurance (SSDI):**

Let us start with a review of how people become eligible for SSI and/or SSDI.

The Social Security Administration (SSA) may determine that a person has a disability if they are unable to work and earn more than \$1,180\* per month for one year or more, due to a medical condition. A person can apply directly to SSA for disability. As part of the determination process, SSA reviews medical records from doctors and or counselors. If the records indicate that a medical condition prevents a person from working and earning \$1,180\* (2018 level), the Substantial Gainful Activity (SGA) to meet their needs for one year or longer, they may be determined eligible for disability benefits.

If an adult (over age 18) has a limited work history, if they have a disability, meet the residency, citizenship or alien requirements, and have income and resources within specified limits, they will receive SSI. Children with disabilities under the age of 18 may also qualify if parental household income and resources are within specified limits. SSI benefits are paid the first day of the month following application, as long as the person continues to meet the definition of disability. In order to continue to be eligible, a beneficiary needs to show that the disability still exists and that resources are less than \$2,000\* for an adult, and less than \$3,000\* for a couple. The resource limits for children include parental resources. As long as a beneficiary receives at least \$1.00 in SSI benefits the first month eligible, they are eligible for Medicaid.

In order for SSA to determine that someone is eligible for SSDI, the following conditions are considered:

- Has the applicant worked and earned enough quarters recently enough and long enough to meet an “insured” requirement (a quarter for 2018 is earnings of at least \$1,320\* in a calendar year);
- Does the person have one or more impairments that prevents them from earning more than \$1,180\* per month;

If there is documentation that SSA can review, SSA may determine that the person has met SSA's definition of disability and the person and their dependents may be determined eligible for SSDI benefits and auxiliary benefits.

There is a five-month waiting period before SSDI benefits are paid. Medicare eligibility is available for most individuals after waiting 24 months from the first SSDI month of payment. Individuals with end stage renal disease or Lou Gehrig's disease do not serve a waiting period. While applying for benefits, or while in the 24-month waiting period, people can apply for medical insurance through <https://www.healthcare.gov/> to meet their needs until they are eligible for Medicare.

### **Age 18 Redetermination:**

If a person had a disability as a child and received SSI benefits, when they turn age 18 SSA automatically conducts a redetermination for SSI benefits. SSA will send questionnaires to the individual requesting a variety of information related to daily activities, school, and medical treatment. The person will need to complete this packet of information to show that they still have a disability based upon the adult definition of a disability outlined above. In addition to medical

records, records from participating in Vocational Rehabilitation services and Special Education such as copies of IEPs can help to demonstrate that a person has a disability that may limit earnings into the future. If SSA denies the redetermination of benefits, a person can request an appeal and file a Section 301 for a continuation of benefits while the appeal is processed. For Section 301 continued benefits, they must have been participating in an approved vocational rehabilitation plan prior to the denial determination.

### **Work Support Assistance for SSI and SSDI Beneficiaries:**

A Community Partner Work Incentive Counselor (CPWIC) or a Community Work Incentives Coordinator (CWIC) who works for a Work Incentive Planning Assistant (WIPA) grantee can prepare a Benefit Summary Analysis report outlining your employment, saving goals and options for reaching those goals.

The first step to prepare for this is to order a free BPQY (SSA-2459) from a local Social Security Administration if you are a SSI and/or SSDI beneficiary. It will help your CPWIC or CWIC to prepare your Benefit Summary Analysis. The BPQY (SSA-2459) posts your earnings, the type of SSA disability benefits you receive and what, if any work supports you may have used. This is required information for the CWIC or CPWIC so that they can guide you appropriately. Sometimes information on an SSA-2459 is not correct, your CPWIC or CWIC can help you to correct that information with SSA too.

### **SSA Work Supports:**

To be eligible for SSI, an adult individual must remain poor, never accumulating more than \$2,000\* in countable resources; \$3,000\* for a couple. SSI beneficiaries can own one home and one vehicle. Anything more than may be a countable resources other than a limited burial fund. There are ways to plan to earn more and save more while receiving SSI. Does anyone here want to have more income? Okay, let us learn about some options.

SSA monitors income, savings and resources for SSI beneficiaries. It counts resources as of the first "moment of each calendar month" and it applies to the entire month. Changes do not have an effect until the following month. It is important to report any income or earnings to SSA on a monthly basis. SSA calculates gifts and earnings at different rates when deciding a change in monthly SSI payments.

### **What are SSI General Income Exclusion and Earned Income Exclusions?**

SSA, in an effort to encourage SSI beneficiaries to work, helps people to have more money when they work by offering exclusions. These exclusions are for any SSI recipient, and apply even into retirement. If someone gives a SSI beneficiary \$100, \$20 is excluded, as the general income exclusion and the remaining \$80 is countable. The person's SSI benefit is then reduced by \$80 that month. Full benefit rate \$750\* - \$80 = SSI \$670. The person has \$20 more for the month.

When a beneficiary works and earns \$100 they have more money. The \$20 is excluded as the General Income Exclusion and an additional \$65 of Earned Income is disregarded. Then, in

addition, only half of the remainder is considered countable income as part of the 2 for 1 rule. The person has much more money because of working and earning \$100 rather than receiving a gift of \$100, as shown below:

<b>SSI Full Benefit (single individual)</b>	\$750*
<b>Earnings \$100</b>	\$100
<b>General Income Exclusion</b>	$\$100 - \$20 = \$80$
<b>Earned Income Disregard</b>	$\$80 - \$65 = \$15$
<b>½ balance = countable income</b>	$\$15 \text{ divided by } 2 = \$7.50$
<b>Adjusted SSI payment</b>	$\$750^* - \$7.50 = \$742.50$
<b>Total income:</b>	$\text{SSI } \$742.50 + \text{earnings } \$100 = \$842.50$

A person who receives SSI and works to earn \$100 has \$842.50 at the end of the month; that is \$152.50 more than the person given \$100.

### **SSI Student Income Exclusions:**

SSA recognizes that training and education can prepare people for better paying jobs. Therefore, SSA provides the SSI Income Exclusion support to encourage youth to continue their education while working. Education is an asset that helps a person achieve their life goals.

How many of you are under the age of 22? Okay this support is for you. If you are receiving SSI and are under the age of 22, and you regularly attend school or a training program, a portion of your work earnings can be excluded for SSI. Even home-schooled students or those attending an online school may qualify.

It is important that a person report their earnings to SSA. Each month, a student can earn up to \$1,820\* per month, or up to \$7,350\* per year without it effecting their SSI benefit. This is how it works:



### Sample #1:

- Yes, I receive SSI
- Yes, I am under the age of 22
- Yes, I go to school each day during the school year
- Yes, I work and earn money; I work 20 hours per week and earn \$12.00 per hour; \$1040 per month (4.333 weeks per month is the formula SSA uses)
- Yes, I want to keep my earnings and the SSI that I am eligible for:

#### Sample #1

**SSI per month** \$750\*

**Earnings per month** \$1,040

**Total** \$1,790

### Sample #2:

- Yes, I receive SSI
- Yes, I am under the age of 22
- Yes, I go to school each day during the school year
- Yes, I work and earn money; I work 40 hours per week and earn \$1.00 per hour; \$2,080 per month
- \$2,080 is more than the \$1,820\* by \$260; therefore, my SSI needs to be reduced to \$ that month(s) as calculated below.
- Yes, I want to keep my earnings and the SSI that I am eligible for:

#### Sample #2

**SSI per month** \$750\*

**Earnings per month** \$2,080 - \$1,820\* = \$260

**General Income Exclusion of \$20** \$260 - \$20 = \$240

**Earned Income Exclusion of \$65** \$240 - \$65 = \$175



## **Plan for Achieving Self-Support (PASS):**

The more education a person has, the more likely they are to have a job and earn more money. There are many training programs available. Some give a certification, some provide a degree and some are apprenticeships where a person is trained within a work setting for future hire. There is funding available to help people to get that needed training.

## **Funding Sources:**

Vocational Rehabilitation

American Job Center Training Programs / Department of Labor

Community or College programs / Meet with a Financial Aid Officer

If a person has a specific work goal and needs to pay for some of their training, or they have business start-up expenses, they may want to see if a PASS would help them to pay for those expenses. If a person receives SSI, that is great, that is one of the requirements. If a person is a SSDI beneficiary and they can afford to live on SSI, given their household, they may want to check out the possibility of having a PASS account with an application for SSI. A person could set aside earnings, including SSDI to make their necessary purchases. Refer to your spending plan/budget to see if you could afford your expenses with SSI income. In its 2006 Annual Report, SSA stated that at least 37% of SSI recipients (1.5 million individuals) between the ages of 18-64 had sufficient wages to be set aside in a PASS. You could be one of those people if you have income along with SSI!

**There is a great on-line tool for this at:** <http://www.passonline.org/aboutPass.cfm?section=11>

**Who can help you to complete a PASS? Answer: A CPWIC or CWIC who works for a WIPA:** <http://www.chooseworktw.net/>

### **PASS Example:**

This is how a PASS can help you if you want to have more money to meet your goal:

Let us imagine that you are working part time; 20 hours per week.

Wage is \$15.00 per hour and there are 4.333 weeks in a month.

Therefore, your earnings are \$1,299.90 per month.

You live alone, so your full SSI payment rate is \$750\*

<b>Gross wage:</b>	\$1,299.90
<b>General Income disregard:</b>	- \$20
<b>Earned Income disregard:</b>	- \$65
	\$1,214.90
<b>Minus 50% of remainder</b>	- \$607.45
<b>Countable Income</b>	\$607.45
<b>PASS exclusion</b>	- \$607.45
<b>Countable income</b>	\$0
<b>BASE SSI rate</b>	\$750*
<b>Minus countable income</b>	\$0
<b>SSI check</b>	\$750*
<b>Total monthly income</b>	\$2,034.90

This sample also works for people who earn less than \$1,500 per month; if a person earned more, more could be set aside in the PASS account to meet approved expenses. At the time of PASS application, the person needs to be SSI eligible.

So, a student could qualify for financial aid, and work to afford college and/or transportation costs. The Social Security Administration supports this by allowing for a PASS plan. The approved money in a PASS exclusion needs to be saved in a separate checking or savings account with a bank or credit union. A PASS participant is required to provide monthly statements and receipts for items that are purchased, as part of the plan. The PASS is intended to help a person position themselves to earn an income that would reduce or eliminate SSI benefits in the future.

Another thing to remember: When a person has a checking and/or savings account and completes an education program, they are increasing their credit capability. Opening a PASS account offers another opportunity to demonstrate responsible use of an account. In addition, it is another way to practice regular saving which is a skill associated with financial stability and capability.

Are you interested in participating in a training, college or apprentice-ship program and think that you may need a PASS to pay for your training? Who can you talk to for help with this? A CPWIC or WIPA or employment counselor. Before your meeting, it will be helpful to order a BPQY (SSA-2459).

### **Quarter of Coverage for SSDI / Retirement Benefits:**

When a person works and earns more than \$1,320\* in a calendar year, SSA counts the earnings towards a quarter needed to qualify for SSDI benefits and/or retirement benefits for the future. Based upon their earnings, a person can earn up to 4 quarters per year. That averages to only \$440 per month. The younger a person, the fewer quarters needed to qualify for SSDI. Does this seem possible for you?

Sometimes a SSI beneficiary has earned enough to qualify for SSDI benefits on their own record, if the earnings were limited, the amount of SSDI would be limited. So, a SSDI beneficiary may also be eligible for SSI. That is why some people get both SSI and SSDI; they are a concurrent beneficiary. They are eligible for both benefits and work supports for SSI and SSDI beneficiaries. We will cover the SSDI work supports next in this Module.

### **SSDI Work Supports:**

SSA supports SSDI beneficiaries in their effort to work. When working a beneficiary can continue to receive their SSDI payments for a while. This is how it works:

### **Trial Work Period:**

When a SSDI beneficiary gets a job, they need to report the hours that they work within a month and the amount earned per hour, to SSA. A CPWIC, CWIC or employment counselor can help with that.

SSDI beneficiaries are entitled to 9 Trial Work Period (TWP) months. During those months, a person can earn as much as they can and still receive SSDI. If the earnings are more than the Trial Work Level of (\$ 850 for 2018) in a month, that month qualifies as one of the nine Trial Work Period months. That person is still eligible for SSDI monthly payments.

Once 9 of those Trial Work Period months are used within five years, the person is then eligible for 3 grace period months. Grace period months are used when a SSDI beneficiary has earned more than Substantial Gainful Activity (SGA), which is \$1,180\* (for 2018), or \$1,970\* for a blind beneficiary, the person is still in pay for SSDI for those 3 grace months.

**IRWE's**, after a SSDI beneficiary has used their 9<sup>th</sup> Trial Work Period, they are allowed several ways to reduce countable earnings, which may help the person to stay in-pay until their income increases, allowing them to become financial self-sufficient. When a SSDI beneficiary pays for an item related to their disability, and the item relates to the person working that month, the expense can be approved by SSA and is deducted from the gross wage, reducing the countable earnings.

Can you think of something that you need in order to work? If you pay for that item, it may be enough for you to earn a lot of money and stay in-pay for SSDI. A person has seizures and cannot drive; no public transit is available, so the person has to pay a taxi \$25 each way, per day: \$1,083 per month (This is an example that may be approved by SSA).

<b>Gross pay</b>	\$1,516
<b>IRWE:</b>	- \$1,083
<b>Countable Earnings:</b>	\$433
<b>SSDI</b>	\$1,000
<b>Total monthly income:</b>	\$2,516

Is this person's situation better? They receive \$2,516 in total income per month, instead of only \$1,000 in SSDI. They may be eligible for EITC when they file their taxes. What other good things happen when you work?

**Subsidies:** Okay here is an example of a subsidy: Let us say someone is working but they need an accommodation of an extra break so they can take their medications during their work-day. Maybe the person also needs a computer with voice recognition so the person can speak the entries and do their data entry job.

The beneficiary can ask SSA if those two things qualify as subsidies. If SSA determines that they are subsidies, the person can earn (2 items @ 10% each) 20% more than SGA and remain in pay status. That is up to \$1,416 per month and they continue to qualify for SSDI! If the person is blind that is even more: \$2,364.

**Extended Period of Eligibility:** When the 9th Trial Work Period is completed, and the 3 grace period months are used, any month that the person earns more than SGA, they do not receive a SSDI check. Any month that the earnings are less than SGA, they do receive SSDI. This happens for 36 months from completing the 9th TWP.

Once the Trial Work Period is completed, there are SSA work supports that a SSDI beneficiary may be eligible for that can reduce countable earnings, and thereby, allow the person to work and earn more than SGA and remain in-pay status.

### **Expedited Reinstatement (EXR):**

**Myth:** There is a Myth that once a person comes out of pay, they would need to re-apply for SSA disability benefits.

**Reality:** SSA also provides work supports for people who work and earn enough to come out of pay for SSDI. Expedited Reinstatement allows a person who has worked and earned enough to come out-of pay for SSDI benefits to request SSDI payments if the condition that made them eligible for SSDI interferes with their ability to work and earn more than SGA. This benefit is available if the situation happens anytime within 5 years of the last SSDI payment. That means that SSA provides SSDI work supports for at least 6 years while SSDI beneficiaries try to work and earn as much as they can!

For some individuals with disabilities, there is such fear of loss of benefits that they may choose to limit income production and stay poor. You can plan for a productive future and save for your goals! You are invited to explore your financial capabilities!

### **Medical Coverage:**

**Myth:** What about that Myth that when a person works they lose their medical insurance?

**Reality:** SSA also provides work supports related to making sure that you have medical coverage until you are eligible for medical insurance through an employer or through HealthCare.gov.

SSI Medical Benefits		SSDI Medical Benefits
Medicaid		Medicaid
Medicaid \$33,707*	1619(b)	Medicare; extended 93 months following the 9 <sup>th</sup> TWP
Medicaid Waiver		Medicare Savings
Medicaid Buy-In; no earnings limit in North Carolina		

The eligibility for these various medical insurance plans is determined upon household composition, income, assets, the type of housing a person resides in and the individual needs of each person.

**Recap:**

With new knowledge about these SSA work incentives and their possible combination with other asset building strategies, beneficiaries have new choices towards planning for their economic futures and greater community participation. CPWICs and WIPAs specialize in helping SSA disability beneficiaries to explore and plan-fully utilize all work supports, including public benefits to help people with disabilities to reach their goals for work and financial capability.

The Social Security Administration provides a brochure that provides an overview of the SSI and SSDI work supports. The Red Book is available on-line and there is a printed version in English or Spanish, as well as a braille version. <https://www.ssa.gov/redbook/>

<https://www.ssa.gov/pubs/brailrequest.htm>

The updates are available at: <https://www.ssa.gov/news/press/factsheets/colafacts2018.pdf>



## PowerPoint Presentation (30 Minutes)

Work supports are complicated and it is best for beneficiaries to contact a Community Partner Work Incentive Counselor (CPWIC) or a Work Incentive Planning Assistance (WIPA) advisor. These people can often be found at Ticket To Work Employment Network centers.

### Activity # 2

[Trainer can ask the group:]

1. Do you need money to reach an employment goal?
2. Do you need money to reach an education goal that could lead to a good job?
3. Do you need money to pay for a job coach or to pay someone to transport you to a job?
4. Do you need money to purchase tools or equipment for school or a job?
5. Have you explored the PASS on line?
6. Have you reached out to a CPWIC or WIPA for help preparing a PASS?

## Making Connections in Your Community (20 minutes)

[Trainer should make contact with one of the WIPA grantees to invite their CWIC or CPWIC to present to the group or a benefits specialist.]

### Presenter Outline

- A. Role of a Benefits Specialist
- B. Services available
- C. Eligibility requirements
- D. Number of people served last year and outcomes achieved
- E. Example of a success story with use of PASS
- F. Resources to learn more about work incentives

[The trainer may also want to invite an individual from the SSA field office to present on work incentives and/or the Ticket to Work Program.]

[Trainer introductions]

I am pleased to present \_\_\_\_\_, who is a Benefits Specialist and \_\_\_\_\_ from the SSA field office. Together they will answer questions about social security work incentives.

[After the presentation(s), take questions.]

## Homework Assignment Review (10 Minutes)

1. Order your BPQY (SSA-2459) from SSA.
2. What work supports would you like to use?
3. What kind of assistance do you need? Who will help you?

# Module 7: Self-Employment and Public Benefit Work Supports

Welcome to Module 7 – ***Self-Employment and Public Benefit Work Supports***. Module 7 introduces participants to employment opportunities including self-employment and public benefit work supports.

## **Objective:**

- To learn Rights & Responsibilities
- SNAP and HUD work supports
- Small Business Development
- PASS: Plan to Achieve Self-support
- PESS: Property Essential to Self-Support
- Alternative Finance Project; Assistive Technology Loans
- How To Purchase a Reliable Vehicle
- Learn of local success stories

## **Value of this Module:**

**Myth:** Persons with disabilities cannot own their own business.

**Reality:** Self-employment for people with disabilities is an employment option to realize their full potential while becoming financially self-supporting

## MODULE 7: SELF-EMPLOYMENT AND PUBLIC BENEFIT WORK SUPPORTS

# Facilitator Preparation

### Facilitator Preparation:

Prior to this workshop, the facilitator should review the following websites:

- <https://secure.ssa.gov/apps10/poms.nsf/lnx/0301803000>
- [www.sog.unc.edu/node/1842](http://www.sog.unc.edu/node/1842)

### PowerPoint presentation for Module 7

- Personally complete all activities in Module 7 to familiarize yourself with each activity. Please note. Items marked with an (\*) indicate this is an annual figure that could change each year, as announced by SSA.

### Gather:

- Laptop and LCD projector
- Sign-in Sheet
- Easel Pad & Easel
- Markers
- Materials for American Dream Vision Board
- PowerPoint Presentation (make copies if you would like to distribute to attendees)
- Agenda (make copies if you would like to distribute to attendees)
- Activities (make copies of activity handouts)
- Homework Assignment (make copies)
- Evaluation (make copies)

## MODULE 7: SELF-EMPLOYMENT AND PUBLIC BENEFIT WORK SUPPORTS

# Pre- and Post-Test Evaluation

Location of Session: \_\_\_\_\_

Date of Session: \_\_\_\_\_

Trainers \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

Participant Name (Optional): \_\_\_\_\_

Please complete this section before the beginning of this training session.

### 1. BEFORE the training:

**PLEASE RATE YOUR KNOWLEDGE OF THE FOLLOWING TOPICS:**

	Excellent	Good	Fair	Poor	Very Poor
a. SNAP & HUD work supports	5	4	3	2	1
b. Small Business Development	5	4	3	2	1
c. PESS: Property Essential to Achieving Self-Support	5	4	3	2	1
d. AFP & AT	5	4	3	2	1
e. How to Purchase a Reliable Vehicle	5	4	3	2	1



The remainder of the form will be completed at the end of this training.

	Excellent	Good	Fair	Poor	Very Poor
2. The group discussions were:	5	4	3	2	1
3. Trainer (Name) _____ was:	5	4	3	2	1

Any additional comments or recommendations for improvement for the **trainer**:

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	Excellent	Good	Fair	Poor	Very Poor
4. The training materials were:	5	4	3	2	1

Any additional comments or recommendations for improvement for the **training materials**:

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5. I would recommend this training to others: \_\_\_\_\_ Yes \_\_\_\_\_ No

6. What part of this training was the most enlightening to you and why?

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	Excellent	Good	Fair	Poor	Very Poor
7. The overall quality of this training was:	5	4	3	2	1

Suggestions and recommendations to improve the training:

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8. “AS A RESULT” of the training:

**PLEASE RATE YOUR KNOWLEDGE OF THE FOLLOWING TOPICS:**

	Excellent	Good	Fair	Poor	Very Poor
a. SNAP & HUD work supports	5	4	3	2	1
b. Small Business Development	5	4	3	2	1
c. PESS: Property Essential to Achieving Self-Support	5	4	3	2	1
d. AFP & AT	5	4	3	2	1
e. How to Purchase a Reliable Vehicle	5	4	3	2	1

Thank You for Your Feedback!

## MODULE 7: SELF-EMPLOYMENT AND PUBLIC BENEFIT WORK SUPPORTS

# Script for Trainer

**The Supplemental Nutrition Assistance Program (SNAP):** or what used to be referred to as Food Stamps, provides work supports too.

When determining SNAP eligibility, all unearned and earned income, including cash assistance, unemployment, child support and Social Security payments are calculated. Most SNAP recipients work.

SNAP allows for special considerations when people work. For example, when a person works, the SNAP eligibility calculation considers income, work expenses, cost of child care when needed to work, and a 20% deduction for earned income too. It is important to remember that an Income Tax Refund and EITC do not count towards income when determining SNAP eligibility.

As a result, of the SNAP benefit calculation rules, SNAP households are financially better off if they are able to secure employment or increase their earnings.

So, when a person works their SNAP may change, but they have more money to reach their goals. Many other public benefit work supports utilize SNAP eligibility as the determining factor for continued eligibility. These public benefits may include the following: LIHEAP for utility assistance; Child Care Subsidy or Dependent care subsidy to help cover child-care or adult day care; and WIC for nutrition supplement for women, infants and children, Weatherization and Home modification.

## **Housing & Urban Development (HUD) Work Supports:**

In Module 5, we had a chance to learn about how HUD can help people afford to rent or purchase a home. As a review, when a person's income goes up, there are savings programs available through the Family Self-sufficiency program that allow for the increase in rent payment to go into a savings account. Some accounts allow for a 1:1 match to assist persons in meeting their financial goals towards independence in the future. There are also Supportive Housing and Home Buyer Programs with 4:1 match savings accounts and Housing Opportunities for persons with AIDS. These savings accounts do not count towards SSI and Medicaid eligibility until the month of disbursement.

This is how the HUD work supports can help. Typically, a tenant's share of rent is 30% of income. For those previously unemployed, there is a 12-month disregard of earned income. Thereafter, in months 13 – 24, 50% of new wages are disregarded. As earnings go up, the tenant share of rent goes up. Rent generally goes up \$1 for every additional \$3 of earned income. For more information regarding eligibility, speak with your HUD case manager.



Resident Service Stipend: (SSI / SSDI budget)

**Please note. Items marked with an (\*) indicate this is an annual figure that could change each year, as announced by SSA.**

	No Job		1 <sup>st</sup> 12 months with job		13 – 24 months with a job		25th or more months with a job	
	SSI	SSDI	SSI	SSDI	SSI	SSDI	SSI	SSDI
<b>SSA income</b>	\$750*	\$800	\$442.50	\$800	\$442.50	\$800	\$442.50	\$800
<b>Pay</b>	\$0	\$0	\$700	\$700	\$700	\$700	\$700	\$700
<b>30% of income rent</b>	\$225	\$240	\$225	\$240	\$283.88	\$345	\$342.75	\$450
<b>Total income</b>	\$750*	\$800	\$1,142.50	\$1,500	\$1,142.50	\$1,500	\$1,142.50	\$1,500
<b>\$'s after rent paid</b>	\$525	\$560	\$917.50	\$1,260	\$858.62	\$1,155	\$799.75	\$1,050
<b>FSS Monthly Savings</b>	\$0	\$0	\$0	\$0	\$58.88	\$205	\$117.75	\$210

**Please note:** It is very important to let your housing counselor know that you have gotten a job, as soon as is possible. You may be able to sign up for the FSS program at that time, and have any increases in rent saved for your goals. The SSI beneficiary could have saved \$177; the SSDI beneficiary could have saved \$415 in a FSS account, over the three years, with the possibility of a 4:1 match.

Another thing to remember is that, as the SSI beneficiary earns SSA quarters of coverage for each \$1,320\* they earn, they could become eligible for SSDI benefits and SSDI work supports in the future.

**HUD or Foster Grandparent service positions:** Individuals may wish to apply for service positions with their HUD housing facility and qualify for a stipend. It may be a good way to test the ability to work. A stipend of less than \$200 per month does not count towards income related to rent subsidy, SSI and/or SSDI benefits.

## **Microenterprise Development:**

The definition of microenterprise is a business having five or fewer employees and start-up capital typically of less than \$35,000.

Small Business Development Centers provide business consulting, education, training, and information systems that deliver the resources, tools & management disciplines that small businesses need.

**Entrepreneurship/self-employment/small business ownership:** It is an exciting opportunity for people with disabilities to realize their full potential while becoming financially self-supporting. Some of the benefits of self-employment may include working from home, controlling the work schedule, allowing accommodations to meet needs, the possibility of reduced transportation costs and the freedom to make more of their own decisions.

Small Business Development Center (SBDC) and local Chamber of Commerce offices sponsor small business training that helps people to explore options, become aware of competitors, network with partners, market strategies, and develop sound business plans. The business plans are essential to knowing how much is needed to survive and how much income the business will produce. Business plans are also necessary requirements when applying for a business loan, a grant or for a Plan to Achieve Self-Support (PASS), as covered in Module 6.

Education, including Small Business Training is seen as an asset that can help people to qualify for financial products to start or grow a business.

For those who receive SSI and/or SSDI benefits, there are specific work supports that can help people to increase their earnings and develop their business while continuing to receive disability benefits. Beneficiaries are encouraged to work closely with a Community Work Incentive Counselor (CWIC) who works for Work Incentives Planning & Assistance grantee (WIPA) to become aware of opportunities and limitations. Employment Networks usually have advisors on staff or they can refer you for that important assistance.

## **Activity # 2**

### **Success Story:**

[Trainer should disseminate the case example “A Wheelchair and an Ice Cream Cart – A Winning Combination” and ask for participant comments.]

### **Case Example:**

“A Wheelchair and an Ice Cream Cart—Winning Combination”

In the state of North Carolina, individuals who receive state support must be working, or on a pathway to employment. With her parents’ help, Lacey, of Charlotte, North Carolina, who is disabled by cerebral palsy, has become not just a valuable member of the workforce, she is an entrepreneur!

Lacey is considered to be someone with significant disabilities. She has cerebral palsy, which affects her ability to speak and walk, and she relies on body language to communicate. She uses a wheelchair to move from one place to another. But the 23-year-old, who weighs in at around 70 pounds, also has an infectiously optimistic attitude.

Lacey's mother "totally freaked out" when she learned the state wanted her daughter to develop a plan to enter the workforce. "She shows me every day that she is a lot more capable than I thought," said Dee, Lacey's mom.

Lacey Jean owns an Italian Ice pushcart business—a very successful one. Beginning July 2007, in her first 3 months of operation, and working only on weekends, she grossed \$12,000. "We learned a lot, fast," states Larry, her step-dad. "We'll do a lot better next year, but we even paid our employees a few bonuses this summer." Lacey's goal? To be debt-free by the end of her second season.

From her wheelchair, Lacey works hard at fairs and events, offering free samples. Using a simple color cue—red Mylar balloons on her sample tray, and red Mylar balloons at her Italian ice cart—she directs customers to her cart. At the cart, employees scoop the super popular frozen treat, which she purchases from Little Jimmy's Italian Ices ([www.italianice.net](http://www.italianice.net)) in New Jersey. After a taste, the Italian Ice product sells itself—its non-fat, non-dairy, and has no high fructose corn syrup. "The flavor's intense, and this is something you can't get in stores," says Larry. "It's the kind of treat people look for next year, when they come to the fair again."

In the van she purchased to transport her business, Lacey has room for a therapy table, where she can stretch out every few hours. As her budget permits, she is adding her own branding to the van, labeling it boldly with the Lacey Enterprises logo.

How did Lacey find the push-cart business? "There was an ad in Entrepreneur's Home Business edition, and I had been looking for something that would connect our daughter with a lot of people," Larry recalls. This very real successful business is a perfect fit for Lacey, who is friendly and outgoing, and she plans to hire others who are disabled as her business grows. Lacey joined the local Chamber of Commerce, and plans to sell Italian Ice year-round now, at openings, festivals, and concerts."

"Little Jimmy's is a great partner", says Larry. "They make suggestions about ways to market, they send us lists of shows, and they're always there for us when we have questions."

Lacey's first real signs of success came this summer, at a Fourth of July fair. For two hours, Lacy Enterprises had a solid line of customers. Total sales went over \$1,700, for 5-6 hours work.

At one Outer Banks Festival, the crowd was so large, Lacey ran out of ice, and the crew had to run for more! The company has two high school seniors, Britta and Kaila, who work for \$8.50 per hour, scooping and taking cash.

To help her fledgling business, the State of North Carolina connected Lacey with a nonprofit training and technical assistance organization. James Corey, of WISE, says the innovative

partnership has won national recognition from the U.S. Equal Employment Opportunity Commission (EEOC) as a leader in employment of people with disabilities. The organization is part of a network of training and support, both public and private, across the country.

Lacey Enterprises, and other businesses owned by people with disabilities, are part of the microenterprise movement. Self-employment is growing over 20% annually across America, with an estimated 20 million Americans owning home-based businesses. Between 1990 and 1994, microenterprise (businesses employing 1 to 5 workers) generated 43% of all new jobs in the United States. In the past decade, 60% of are founded by women. In fact, these businesses created more jobs than all the companies listed in "Fortune 500".

Cary Griffin, Senior partner at Griffin-Hammis Associates, ([www.griffinhammis.com](http://www.griffinhammis.com)) consultancy for networking business opportunity, says, "There is a cultural and economic shift of taking individual responsibility, and turning it into individual opportunity, and it appears to be largely unaffected by swings in the larger economy."

Companies such as Griffin-Hammis Associates offers training and support programs for individuals with disabilities seeking to start a business, or get into the workforce. The company networks clients who are individuals with disabilities with government agencies and private specialists to find ways to make entrepreneurship possible. Experience has taught them that there are no tests or professional evaluations that can tell them who will succeed in business. Rather, personal commitment and a strong support group, can be the best indicators that a person with a disability will succeed. Lacey is outstanding, and she has an outstanding family. "Not everyone who comes to us for help goes this far. Our goal is to put individuals with disabilities on a path to employment, getting them out of sheltered workshops and integrated into the community. Lacey is someone everyone should meet."

### **PESS and Self-Employment:**

This is a SSI work incentive. Property Essential to Self-Support (PESS) can be approved as a means to exclude certain resources used in a business. The items are not included in the resource limit of \$2,000 for an individual to remain eligible for SSI. Therefore, PESS becomes an important strategy that can help advance self-sufficiency.

## Examples of PESS:

- Property you own and use in a business such as a farm, a machine shop, or a beauty parlor
- Personal property that you use for work, such as tools, uniforms or safety equipment
- Property you use to produce goods or services

## PESS Plans:

- SSI will not count up to \$6,000 of equity value of non-business property which is used to produce goods or services (example: land used to provide food for personal use).
- SSI will not count up to \$6,000 of equity value of non-business income producing property if the property yields an annual rate of return of at least 6% (Example: Sharon owns a loom to make rugs. The equipment is valued at \$7,000. Her equity is \$5,000 since she still owes \$2,000 on the loom. Her net earnings from self-employment are \$400. Sharon's equity is under the \$6,000 limit for property essential to self-support and her income (\$400) is greater than 6% of her equity. Her income producing property is excluded from her resource limit.

## Other SSA Supports and Self-Employment

SSA has other supports in place which allow for deductions from net earnings from self-employment (NESE) for unpaid help and unincurred business expenses. Although these deductions and "not incurred" or paid by the individual with the disability and are not allowable expenses from the Internal Revenue Service, they would nevertheless decrease the NESE if paid. A brief description and examples are as follows:

- Unpaid Help: Help which is provided by family members, or friends or others who work without being paid. SSA generally determines the value of the uncompensated services by using prevailing wages as shown at: <http://www.bls.gov/oes/current/oesrcst.htm>
- Unincurred Business Expenses are contributions by others to the business effort and includes items or services which would be allowable by the IRS as a legitimate business expense if paid. Example may include:
  - Vocational Rehabilitations pays for a computer or other equipment used in the business
  - A local organization pays for start-up equipment for a business
  - Free rent provided by an organization, friend or more commonly by Vocational Rehabilitation

Both unpaid help and unincurred business expenses are used when making substantial gainful activity determinations.

### Activity #3

[Trainer can ask the group:]

- Have you ever met with a CWIC/Benefits Specialist?
- Have you discussed the options of PESS?
- What did you learn?

After the break, we are going to hear a presentation from a Benefits Specialist and learn more about the services available to you.

1. Spend one hour thinking about what it would be like to be self-employed.
2. Contact the SBDC near you and review opportunities for assistance. Be prepared to talk about what you learned.

#### **Assistive Technology/ Accommodations:**

The Job Accommodation provides information regarding Assistive Technology and accommodations that may help individuals with disabilities to increase their ability to function more independently with activities of daily living, education and work, significantly increasing their quality of life. For example, a person may use a smart phone as a guide to completing steps of their job in a timely manner. Another person may benefit from a screen reader to help them to understand written directions. Someone else may need a home modification to easily shower, prepare meals and exit their home to get to a job.

Job Accommodation Network lists examples of alternative input devices, personal assistance services, product listings to help with cognitive impairments, deaf/hard of hearing impairments, motor impairment devices, vision aids, service animals, speech recognition and two way radios and items to consider for each at:

<http://askjan.org/media/prodserv.htm> Additional info: <https://atpdc.wordpress.com/>

Sometimes school systems, Vocational Rehabilitation and American Job Centers and Medicaid can provide funding for these needs. If a person has to pay for such items, they may be tax qualified and/or they may qualify as IRWE's or indicate the existence of a subsidy. Sometimes a loan may help a person to afford the purchase of Assistive Technology.

## Alternative Finance Project:

The U.S. Department of Health and Human Services provides funding for agencies to assist individuals to make assistive technology (AT) devices and services more available and accessible to individuals with disabilities and their families through lending, demonstrations and the availability of assistive technology loans. Local provider: <http://www.ncatp.org/>

There is help to select and/or try out an Assistive Technology device. Once a person knows what they need, they can apply for a loan to purchase the item(s) if no other funding is available. In order to qualify for an AT loan, the person needs to have enough money to be able to make monthly payments for the term of the loan. Remember, you can build a good credit history by having your timely assistive technology loan, utility and rent payments reported to a credit reporting agency.

## Vehicles and Vehicle Modifications:

At Disabled –World, the disability transport section covers businesses and services offering transport for people with disabilities in specially adapted vehicles that can carry wheelchairs and other disability aids. Private and Public Disability Transport Services Listings providing group transport for disabled persons are also listed: <https://www.disabled-world.com/disability/transport/> To find a listing employer transportation to work, demand response, car ownership, vanpooling, late night and shared mobility options go to: <http://web1.ctaa.org/webmodules/webarticles/anmviewer.asp?a=2588&z=103>

Often, vehicle ownership is the second largest asset a person owns, with a home being the first largest and most durable asset. Often private transportation is the only viable option to be able to reliably get back and forth to work. So what is necessary to own a vehicle?

- Having good credit can qualify people for a vehicle loan at a low interest rate;
- Having enough disposable income to afford vehicle payments, gasoline, repairs & maintenance, and auto insurance each month;
- Good credit, a good driving record and participation in a defensive driving class can reduce auto insurance premiums;
- Knowing how to purchase a good vehicle;
- Knowing how to negotiate the vehicle purchase price.

**North Carolina's Center for Responsible Lending has a site to help with vehicle purchase:** <http://www.responsiblelending.org/states/north-carolina>

In Module 4, we covered how to develop a good credit history.

In Module 1, people had the chance to create a spending plan. Before purchasing a vehicle, a new spending plan can be prepared including all costs associated with having a vehicle, as listed above. This way you know:

- I have a good credit score of 700 or better to qualify for a conventional vehicle purchase loan and I can afford monthly payments, insurance, repairs, gas and to pay my other expenses on time;
- Because I have a credit score of less than 700, I may be eligible for an alternative loan program;
- I have enough income and savings to afford to purchase a vehicle;
- I need to increase my earnings by this amount \$     to purchase a vehicle;
- I need to save this much \$ to purchase a vehicle;

How can you be more certain that you are selecting a reliable vehicle?

Consumer Reports posts listings of the most reliable and un-reliable new or used vehicles each year. Be certain to limit your choices to the most reliable vehicles. This will reduce the repairs needed over the life of the vehicle. Often Public Libraries have these magazines available.

What is a vehicle worth?

If a new vehicle is being purchased, it is often possible to purchase a vehicle for \$2,000 less than MSRP. When purchasing a reliable vehicle, there is no need to purchase an extended warranty, undercoating or gap insurance.

For a used vehicle, value quotes are available at NADA: <http://nada.com/>

The base price be taken as the value. Be certain to enter your ZIP code and mileage for the vehicle at the site. Sometimes CarFax will list an accident that a vehicle was in, if there had been an insurance claim on the vehicle:

[https://www.carfax.com/?partner=BNG\\_0&click=sem&gclid=CMCO75acl9ACFdRnNwod41ACsA&gclidsrc=ds](https://www.carfax.com/?partner=BNG_0&click=sem&gclid=CMCO75acl9ACFdRnNwod41ACsA&gclidsrc=ds)

### **Pre-purchase Evaluation:**

When purchasing a used vehicle, it is important to ask the selling dealership if the vehicle you are considering for purchase can be transported to your repair shop for a pre-purchase evaluation. If the selling dealer is not willing to do that or is not willing to do the recommended repairs, it is suggested that another dealer be approached. Pre-purchase inspections may cost about \$150, but they can save you, on average \$2,000 - \$4,000 in repairs within the first year. If you are relying on the vehicle, you do not want to be waiting for months while it is being repaired. That can mean the difference between keeping or losing a job. Regardless, there is always a need to have a back-up plan. Who can transport you to work if the vehicle breaks down or you miss the bus, etc.

### **Lemon Law:**

The North Carolina Lemon Law, also known as the New Motor Vehicles Warranties Act (N.C.G.S. 20-351), applies to new passenger cars, pick-up trucks, motorcycles and most vans bought in North Carolina. It requires manufacturers to repair defects that affect the use, value,



or safety of a new motor vehicle within the first 24 months or 24,000 miles (whichever comes first).

### **Trade In:**

If you are planning to trade in your present vehicle, negotiate that trade in at the close of the deal to know exactly how much the newer vehicle is being sold to you for and how much is being offered for the trade in value. You can compare that to the estimated value from NADA. Often people get more by simply selling the vehicle themselves. Sometimes, that can be a hassle too.

### **Financing:**

There are several ways to protect yourself, when it comes to financing a vehicle. Approach your bank or credit union to know their interest and period of repayment terms that are available. You could be pre-approved before even going to a dealership. If you are purchasing a new vehicle, manufacturers often provide financing with interest rates that are lower than what banks or credit unions can offer. Make sure that the term of the loan is not more than 3 – 5 years; it is important that the retail value is not lost before the payments end.

Use care not to purchase a vehicle based upon monthly payments alone, sometimes dealers will stretch the term of the loan out to make payments affordable, but this significantly increases the overall purchase price of the vehicle.

Timely vehicle loan payments help people to improve their credit scores, over time. Beware of buy-here, pay-here-financing, as those facilities usually do not report timely payments to credit reporting agencies unless a vehicle is repossessed. In addition, people are likely to pay several \$1,000's more due to higher interest rate that are common practice at buy-here, pay-here facilities. Prior to purchasing a vehicle, taking steps to improve a credit score and save for a significant down payment can help save money when purchasing a vehicle.

### **A Higher FICO® Score Saves You Money:**

<http://www.myfico.com/myfico/creditcentral/loanrates.aspx>

The Loan Savings Calculator shows how FICO® scores impact the interest you pay on a loan. You can see that working to get your score in the higher ranges can mean a big savings! For example, if your score is less than 589 now, and it improves to 720-850, you could save an extra \$3,082 during a 48-month term loan of \$12,000. Before applying for a loan, it is important to do whatever you can do to improve your credit score and save your money for something more.

### **Automobile Insurance:**

Your FICO® score is also important for your vehicle insurance. Insurance carriers rely more and more not only on a driving record and claims history, but also on credit scores. Their experience tells them that people who are reckless with their credit tend to be reckless with their car, too.

# Module 8: Protecting Your Identity

Welcome to **Module 8 – Protecting Your Identity**. Module 8 introduces participants to their “personally identifiable information” (PII), and how that information can be used by thieves. Ways that we can protect our identities is covered.

## Objective:

- Why is protecting our identity important?
- Identify ways that people can steal your identity.
- What to do when I suspect my identity has been stolen.

## Value of this Module:

**Myth:** My identity is protected because I receive a public benefit.

**Reality:** There are a variety of ways that an individual’s identity can be compromised and receiving a public benefit does not protect your identity.

## MODULE 8: PROTECTING YOUR IDENTITY

# Facilitator Preparation

### Facilitator Preparation:

To prepare for the delivery of Module 8, Protecting Your Identity, the Facilitator reads and reviews the following materials:

- Agenda for the Session
- Pre & Post Evaluation
- Facilitator Script
- Activity Instructions and Materials
- Resources referenced
- PowerPoint Presentations
- Review these videos on Credit and Identify Theft:
  - <https://www.consumer.ftc.gov/topics/privacy-identity-online-security>

### Gather:

- Laptop and LCD projector
- Sign-in Sheet
- Easel Pad & Easel
- Markers
- Materials for American Dream Vision Board
- Power Point Presentation (make copies if you would like to distribute to attendees)
- Agenda (make copies if you would like to distribute to attendees)
- Activities (make copies of activity handouts)
- Homework Assignment (make copies)
- Evaluation (make copies)

## MODULE 8: PROTECTING YOUR IDENTITY

# Pre- and Post-Test Evaluation

Location of Session: \_\_\_\_\_

Date of Session: \_\_\_\_\_

Trainers \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

Participant Name (Optional): \_\_\_\_\_

Please complete this section before the beginning of this training session.

1. BEFORE the training:

**PLEASE RATE YOUR KNOWLEDGE OF THE FOLLOWING TOPICS:**

	Excellent	Good	Fair	Poor	Very Poor
a. What is PII	5	4	3	2	1
b. How my identity can be stolen	5	4	3	2	1
c. Steps to protect my identity	5	4	3	2	1
d. Staying safe	5	4	3	2	1
e. What to do when my identity has been stolen	5	4	3	2	1



The remainder of the form will be completed at the end of this training.

	Excellent	Good	Fair	Poor	Very Poor
2. The group discussions were:	5	4	3	2	1
3. Trainer (Name) _____ was:	5	4	3	2	1

Any additional comments or recommendations for improvement for the **trainer**:

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	Excellent	Good	Fair	Poor	Very Poor
4. The training materials were:	5	4	3	2	1

Any additional comments or recommendations for improvement for the **training materials**:

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5. I would recommend this training to others: \_\_\_\_\_ Yes \_\_\_\_\_ No

6. What part of this training was the most enlightening to you and why?

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	Excellent	Good	Fair	Poor	Very Poor
7. The overall quality of this training was:	5	4	3	2	1

Suggestions and recommendations to improve the training:

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8. “AS A RESULT” of the training:

**PLEASE RATE YOUR KNOWLEDGE OF THE FOLLOWING TOPICS:**

	Excellent	Good	Fair	Poor	Very Poor
a. What is PII	5	4	3	2	1
b. How my identity can be stolen	5	4	3	2	1
c. Steps to protect my identity	5	4	3	2	1
d. Staying safe	5	4	3	2	1
e. What to do when my identity has been stolen	5	4	3	2	1

Thank You for Your Feedback!

## MODULE 8: PROTECTING YOUR IDENTITY

# Agenda

Introduction .....	10 Minutes
Overview, Purpose and Expected Outcomes .....	5 Minutes
Protecting Your Identity (Power point presentation) .....	30 Minutes
• Personal Identifying Information and why it is important	
• Why do people with disabilities need to protect their identity?	
• Ways people can steal your identity	
• Common mistakes	
• What to do to protect myself	
• Staying safe online	
• What to do when I suspect my identity has been stolen	
Activity .....	15 Minutes
Self-assessment: Examine my own practices: in my home, in the community and online	
BREAK .....	15 Minutes
Making Connections in Your Community: Guest Speakers .....	30 Minutes
Homework Review, Assignment and Wrap-Up .....	10 Minutes
Evaluation & Closing.....	5 Minutes

## MODULE 8: PROTECTING YOUR IDENTITY

# Script for Trainer

My name is \_\_\_\_\_ Welcome to our eighth and final session of **Upward to Financial Stability**. Today we will learn about the importance of protecting our identity. We will introduce you to personal identifying information (PII) and how that information can be used by thieves. We will also cover ways that we can protect ourselves from becoming a victim of identity theft.

### Introduction

{Discussion} So why do you think people with disabilities need to protect their identities?

Today we will learn how to keep your identity safe by understanding the variety of threats.

For the 15<sup>th</sup> year in a row, identity theft is the number 1 consumer complaint received by the Federal Trade Commission.

First, we will watch a short video from the Federal Trade Commission that talks about what Identity Theft is:

<https://www.consumer.ftc.gov/topics/privacy-identity-online-security>

Our personal identifying information (PII) is what we are attempting to protect.

PII is:

*Information* that can be used on its own or with other *information* to *identify*, contact, or locate a single person, or to *identify* an individual in context.

Like other information, it can exist physically on paper, or electronically in computers.

Examples of PII include:

- Name
- Social Security number
- Date and Place of birth
- Mother's maiden name
- Medical information
- Employment history
- Education information
- Home Address
- Vehicle Information



- Criminal records
- Gender or race

So that we all have the same understanding as to what we are talking about, here is a definition of identity theft:

Identity theft occurs when someone uses your personal identifying information to commit fraud or other crimes AND, this happens without your knowledge or permission.

There are many ways that thieves can steal your identity and we are going to talk about the most common ways. Later tonight we have a representative of local law enforcement coming to talk with us about what they see on identity theft.

One important thing to remember is that the ways of stealing identity continually change, and so you are wise to be vigilant and learn about new protections as they come about.

- ❖ **Dumpster diving** – when someone rummages through trash looking for bills or other paper with your personal information on it.
- ❖ **Skimming** – They steal credit/debit card numbers by using a special storage device when your card is processed.
- ❖ **Password**—they capture your online identity
- ❖ **Phishing** – They pretend to be financial institutions or other companies and send spam or pop-up messages to get you to reveal personal information.
- ❖ **Door to Door**—They come to your house and ask you questions about your habits—maybe to return later, or to scam you into revealing PII
- ❖ Changing your address – They divert your billing statements to another location by completing a change of address form.
- ❖ **Data Breaches**—hackers penetrate (corporate, any) databases where your PII is resident; Target and Home Depot are recent examples of businesses, and Anthem health insurance was breached in February, 2015.
- ❖ **Old-Fashioned Stealing** – They steal wallets and purses; mail, including bank and credit card statements; pre-approved credit offers; and new checks or tax information. They steal personnel records, or bribe employees who have access.
- ❖ **Pretexting** – They use false pretenses to obtain your personal information from financial institutions, telephone companies, and other sources.
- ❖ **Electronics**—old and new

So what is it that thieves are after when they steal your personal identifying information?

They may be after financial gains for themselves through:

Financial gains—they could be interested in stealing money using your identity—opening new accounts, changing the address on your existing accounts to come to them, and many other ways as we have discussed.

Governmental—one scam that has increased in frequency in the past few years is the theft of income tax refunds. Thieves steal identities, file fraudulent tax returns that request refunds, and when the victim files the real return, they receive a message from the Internal Revenue Service that the return has been filed. Also, the theft of payments of government benefits is another way.

Criminal—there is a market for personal identifiable information, and there are many ways that thieves can sell your PII for gain.

Medical—people have seen doctors and checked into the hospital under false names in order to receive services. Also, hospitals and medical providers have been the targets of corporate hacks where millions of records are stolen.

Next, we will watch a Federal Trade Commission video: Five Ways To Help Protect Your Identity.

[https://www.youtube.com/watch?v=lp\\_8cvNm\\_vE](https://www.youtube.com/watch?v=lp_8cvNm_vE)

So how do we protect ourselves:

Be proactive!

- Monitor accounts monthly and credit profile annually
- Protect your social security card and number
- Protect your trash—shred
- Protect your mail—incoming and outgoing
- Be careful on the internet—information provided, and passwords
- Be careful of what you carry in your wallet/purse
- Consider a credit freeze with the NC Attorney General's office
- Protect your smartphone
- Safely dispose of all old electronics
- Beware of scams and frauds
- Protect all of your passwords

We are going to quickly mention online shopping as more of us depend on the internet for purchases. There is a lot of information on how to be a wise consumer, but briefly:

- The FBI estimates that every computer that connects to the internet is scanned for vulnerabilities by criminals within 45 seconds of connecting.
- The Identity Theft Resource Center at <http://www.idtheftcenter.org> has a complete guide for shopping including specifics on websites, payment, confirmation, electronic signatures, and more.

So what do you do if you think that your identity has been compromised?

- Close accounts that have been tampered with or opened fraudulently.
- Review and place a Fraud Alert on your Credit Reports
- File a complaint with the Federal Trade Commission.

This can be accomplished by:

1. Calling the FTC's Identity Theft Hotline at  
1-877-ID-THEFT.
2. Visiting [www.ftc.gov](http://www.ftc.gov) and complete the online complaint form.

Most importantly, file a report with your local police in the community where you believe the theft took place.

Activity: Make a plan to keep your personal identifiable information secure. We will start on this worksheet today, and then you can complete it at home.

{Distribute worksheet: Keeping your personal identifiable information secure}

## **MAKING CONNECTIONS IN YOUR COMMUNITY (30 minutes)**

Trainer will introduce Representative of local law enforcement to talk about identity theft in the community

### **HOMEWORK**

- Develop a plan for the safe storage of personal identifying information

## **EVALUATION AND CLOSING**

Please complete the evaluation for Module 8 {distribute the evaluation and collect them}

## MODULE 8: PROTECTING YOUR IDENTITY

# Activity - Keeping Your Personally Identifiable Information Secure

### Behaviors:

	Yes	No
Do you cover or block the point of sale or ATM keypad when you enter your PIN?	<input type="checkbox"/>	<input type="checkbox"/>
Do you carry only the identification, checks, credit cards, or debit cards that you really need?	<input type="checkbox"/>	<input type="checkbox"/>
Do you use direct deposit for paychecks, tax refunds, and benefit payments?	<input type="checkbox"/>	<input type="checkbox"/>
Do you use complex passwords with a mix of numbers, symbols and letters instead of easily guessed words?	<input type="checkbox"/>	<input type="checkbox"/>
Do you use secure mailboxes for incoming and outgoing mail?	<input type="checkbox"/>	<input type="checkbox"/>
Do you avoid sharing personal identifying information except on a “need to know” basis?	<input type="checkbox"/>	<input type="checkbox"/>
Do you promptly communicate errors and disputes that are identified on bills and monthly statements?	<input type="checkbox"/>	<input type="checkbox"/>
Do you review your credit report annually and identify/correct errors?	<input type="checkbox"/>	<input type="checkbox"/>
Do you review medical service statements such as Medicare Summary Notices and Explanations of Benefits for suspicious charges?	<input type="checkbox"/>	<input type="checkbox"/>

	Yes	No
Do you maintain appropriate insurance coverages (property, liability, health, auto, home, etc.) and review coverages and costs as needs change?	<input type="checkbox"/>	<input type="checkbox"/>

Have you communicated with the persons you have named in a durable power of attorney and health care power of attorney?	<input type="checkbox"/>	<input type="checkbox"/>
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**Documents and secure storage**

Do you shred documents with personal/financial information before disposing of them or recycling?	<input type="checkbox"/>	<input type="checkbox"/>
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Do you open all mail and review bills, communications, and monthly statements for errors?	<input type="checkbox"/>	<input type="checkbox"/>
---	--------------------------	--------------------------

Do your family members or close friends know where your emergency documents are?	<input type="checkbox"/>	<input type="checkbox"/>
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Do you copy or keep electronic copies of important communications and documents as backups?	<input type="checkbox"/>	<input type="checkbox"/>
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Do you maintain a durable power of attorney in a secure location? (This document enables you to name one or more people to handle finances and remains in effect if you become incapacitated)	<input type="checkbox"/>	<input type="checkbox"/>
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Do you maintain a health care power of attorney in a secure location? (This document enables you to name one or more people to handle health care and life-prolonging procedure decisions if you become incapacitated)	<input type="checkbox"/>	<input type="checkbox"/>
--	--------------------------	--------------------------

Do you maintain irreplaceable/important documents in a safe deposit box or other secure location offsite from your home? (birth certificates, passports, important contracts, power of attorney, etc.)	<input type="checkbox"/>	<input type="checkbox"/>
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Yes

No

*Planning for the unexpected*

- Adequate insurance

- Durable power of attorney

- Health Care power of attorney

- Will

Do you keep your emergency documents in a secure location?

- Forms of identification (driver's license, state identification for non-drivers, insurance cards, social security cards, passport, birth certificate)

- Checkbook and enough blank checks and deposits to last one month

- ATM/debit cards and credit cards

- Cash

- Telephone numbers for financial service providers, insurance companies, and loans

- Important account numbers (bank accounts, credit cards, loans, insurance policies)

- Key to your safe deposit box

Source: Money Smart for Older Adults: Prevent Financial Exploitation, CFPB and FDIC, June, 2013

# Future Plans

*Trainer leads the discussion*

Together, we have learned about multiple tools and strategies to advance a better economic future.

We have learned about different ways to save income, incentives to work and preserve income, and opportunities to build assets.

To test your knowledge, we have prepared an economic empowerment quiz to test your knowledge. Take five minutes and answer each question.

[Trainer will review the answers to all 14 questions.]

By a show of hands, did anyone get the correct answers to all the questions?

[Hand Out American Dream Checklist.]

Please write down three priorities in terms of your future plans related to working, saving, and asset building.

[Trainer collects the index cards and reads out loud individual future plans.]

Congratulations! We have completed all eight sessions. You have new knowledge and new power. You have new choices to consider to become more self-sufficient. As I call your name, please accept a certificate for the successful completion of the 14-hour program to become a saver and asset builder.

Please complete the evaluation form for today.

## FUTURE PLANS

# Activity – Financial Wellness Checklist

Financial Wellness Checklist	YES	NO
1. Open a checking account.	<input type="checkbox"/>	<input type="checkbox"/>
2. Open a savings account.	<input type="checkbox"/>	<input type="checkbox"/>
3. Have a spending plan.	<input type="checkbox"/>	<input type="checkbox"/>
4. Have a savings plan with asset goals.	<input type="checkbox"/>	<input type="checkbox"/>
5. Review credit report. <a href="http://www.annualcreditreport.com">www.annualcreditreport.com</a>	<input type="checkbox"/>	<input type="checkbox"/>
6. Visit with a Benefits Specialist and explore use of Work Incentives.	<input type="checkbox"/>	<input type="checkbox"/>
7. Improve employment status. Visit an American Job Center. <a href="http://www.servicelocator.org">www.servicelocator.org</a>	<input type="checkbox"/>	<input type="checkbox"/>
8. Participate in financial education classes.	<input type="checkbox"/>	<input type="checkbox"/>
9. Visit a VITA site and benefit from EITC and free tax preparation. <a href="http://www.irs.gov">www.irs.gov</a> in search box type in VITA sites.	<input type="checkbox"/>	<input type="checkbox"/>
10. Visit with an IDA Provider and consider eligibility and an asset savings plan.	<input type="checkbox"/>	<input type="checkbox"/>
11. Split your EITC refund. Dedicate a part of refund to your IDA account.	<input type="checkbox"/>	<input type="checkbox"/>



Financial Wellness Checklist	YES	NO
12. Visit your local Public Housing Authority and learn about FSS program and eligibility.	<input type="checkbox"/>	<input type="checkbox"/>
<a href="https://www.hud.gov/program_offices/public_indian_housing/pha/contacts/nc">https://www.hud.gov/program_offices/public_indian_housing/pha/contacts/nc</a>		
13. Visit with microenterprise program and learn about self-employment assistance. <a href="http://www.start-up-usa.biz">www.start-up-usa.biz</a>	<input type="checkbox"/>	<input type="checkbox"/>
14. Learn about possible creation of a PASS with the Benefits Specialist.	<input type="checkbox"/>	<input type="checkbox"/>
<a href="http://www.socialsecurity.gov/disabilityresearch/wi/pass.htm">http://www.socialsecurity.gov/disabilityresearch/wi/pass.htm</a>		
15. Re-evaluate your budget, savings and asset goals monthly.	<input type="checkbox"/>	<input type="checkbox"/>
16. Explore ABLE Accounts, your eligibility, and options for saving money in your own protected savings account.	<input type="checkbox"/>	<input type="checkbox"/>
<a href="http://ablenrc.org/">http://ablenrc.org/</a>		
17. Other:	<input type="checkbox"/>	<input type="checkbox"/>

## UPOWARD TO FINANCIAL STABILITY

# Glossary of Terms

**ABLE Act** – The ABLE Act amends Section 529 of the Internal Revenue Service Code of 1986 to create tax-free, protected savings accounts for individuals with disabilities.

**Asset Development** – A series of strategies that has the potential to help people with disabilities improve their economic status, expand opportunities for community participation, and positively impact the quality of life experience.

**Credit** - The use of funds from a financial service provider. Credit may be extended to you by a loan with specific terms and conditions to purchase a car, a house, or a consumer product like a computer.

**Community Work Incentive Coordinator (CWIC)** - to help guide individuals and families through the complex choices required to attain employment and begin to save and build assets.

**Earned Income Tax Credit (EITC)** – A refundable tax credit that reduces or eliminates the taxes that low to moderate income working individuals and families pay; it may provide a refund.

**Economic Self-sufficiency** – Making good decisions about working, saving and managing a budget. It is setting goals to advance employment and economic status. It is about building assets.

**FDIC** - Federal Deposit Insurance Corporation is an independent agency created by the Congress that maintains the stability and public confidence in the nation's financial system by insuring deposits, examining and supervising financial institutions, and managing receiverships.

**Financial Literacy** - Making informed decisions that are in your own best economic interest. It is about understanding the difference between paying cash and using a credit card, which will cost you money in interest payments if you do not pay your full credit charges each month.

**Individual Development Accounts (IDAs)** - IDAs are matched savings accounts designed to help low income workers plan for and reach specific asset building goals

**PASS** – Plan to Achieve Self-Support is an earned income and resource exclusion that allows a person who is disabled or blind to set aside income and/or resources to reach an occupational goal. (Applies to SSI)

**PESS**- property essential to self-support is an SSI work incentive. SSI does not count some or all of certain property necessary for self-employment when they apply the SSI resource test.

**VITA** -Volunteer Income Tax Sites (VITA) help you prepare your tax returns and claim the EITC.

**WIPA** - WIPAs are authorized to serve all SSA beneficiaries with disabilities, including transition-to-work aged youth, providing benefits planning and assistance services on request and as resources permit.