



CONSORTIUM FOR CITIZENS
WITH DISABILITIES

LIMITED DISPOSABLE INCOME CAN BE DETRIMENTAL TO HEALTH

Protecting one's health should be a priority for people with low incomes.

A forum was held at the Brookings Institution entitled "Insufficient Funds: Savings, Assets, Credit and Banking among Low-Income Households". Presenters were Senior Fellows from the Brookings Institution, an economist from the Federal Reserve Board, and professors from financial management and business schools.

Summary

Low-income families need assistance with finding financial vehicles that allow them to more effectively manage debt, savings and their financial lives. There is a need to address problems on how to bring more low-income families into the formal financial sector by offering better financial products. There is also a need for more opportunities for savings for people with low incomes and regulation of credit and financial markets in ways that help them avoid credit card debt. Low-income families have twice the normal rate of unemployment and 68% bank by money orders. Alternative non-traditional financial sources become debt traps that further threaten families. Suggested methods to facilitate savings are mandated savings and automatic savings in plans.

Disability Prevention Issue

There is little economic stability for low-income families. Life is more volatile and financial efforts involve short-term alleviation of immediate crises such as utility shutoffs and repair of cars to get to work. These conditions make it difficult to save.

There are many low-income people from vulnerable groups who do not have health insurance. One such low income group is people with disabilities who do not have public health insurance and also lack employer health insurance. Thus, this group of vulnerable people with disabilities, without health insurance, needs to choose between the use of disposable income to invest in their health or invest in monetary saving products. Lack of access to timely health care for vulnerable populations can result in diminished health that leads to disability and secondary disabling conditions.

Activity

A letter was sent to staff of the Social Security Administration that described problems with low-income people with disabilities with no health insurance.

Principle

Family and federal financial resources should make health needs a primary priority rather than a secondary priority to prevent diminished health.