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# Self-Determination & Wellness through Innovative Asset Building Approaches



# Today's Presenters

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Wellness is a conscious, deliberate process that requires that a person become aware of and make *choices* for a more satisfying *lifestyle* (Swarbrick, 1997).

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- Physical
- Occupational
- Environmental
- Spiritual
- *Financial*
- Mental and Emotional
- Social
- Intellectual



# *Financial*

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- Financial well-being refers to subjective perceptions and objective indicators of individuals' personal financial status.
- Objective indicators of financial circumstances include measures such as income, debt, savings and aspects of financial capability such as knowledge of financial products and services, planning ahead and staying on budget.



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□ Subjective perceptions include individuals' satisfaction with their current and future financial situation.

□ <http://www.employment-studies.co.uk/press/project.php?item=N1018&id=hrm>

# Poverty

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*Poverty* is one of the most pervasive, significant, and debilitating barriers that individuals diagnosed with a mental illness face that prevents them from participating fully in the community.

Poverty impacts wellness!





# Self-Determination

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- free choice of one's own acts without external compulsion, and especially as the freedom to determine political status or independence.
- It is the right to decide or determine how to achieve one's own wellness and recovery

# Mental Illness, Services & Practices Often Undermine Self-determination

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- People want and need opportunities to participate fully in society without having to be like society, just be themselves





# Self-determination Barriers

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- ❑ Subsistent benefits and wages
- ❑ Limited access to community supports
- ❑ Limited access to housing
- ❑ Limited access to money, banking services and financial products
- ❑ Predatory practices by mainstream financial institutions



# Transcend Poverty via Assets....

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It is assets, not income, that allow people to move out of poverty and achieve economic independence.

*Source: CFED (Corporation for Enterprise Development)*



# Financial Service Principles to foster Self-determination & Wellness

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## Some Characteristics:

- ❑ Steady Income
- ❑ Managed Expenses
- ❑ Balanced Budget
- ❑ Good Credit



# Budgeting Basics

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- ❑ Helps reduce stress by establishing a *financial plan*
- ❑ Provides stability in your living, learning and working environments
- ❑ Identifies savings and prioritizes spending
- ❑ Offers *control and control over one's situation*



# Building a Strong Foundation

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## Savings:

- ❑ Save for emergencies
- ❑ Save for a “rainy day”
- ❑ Save for big ticket items
- ❑ Save for investment



# Why Is Important to Save?

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- ❑ Helps reduce stress in case of emergencies
- ❑ Provides security, a sense of well-being and worth
- ❑ Establishes financial goals, increases hope, a help *revitalize one's dreams*
- ❑ Gives *control of one's future*



# Broadening Your Horizon

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## Investments:

- Car
- Business
- Education
- Home
- Invest in future goals and plans



## Other Benefits

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- ❑ A Computer
- ❑ Higher Education
- ❑ Own Business
- ❑ A Spouse/Partner
- ❑ Deeper Spirituality
- ❑ Transportation
- ❑ A Better Job
- ❑ A Home of your own
- ❑ A 401k or Retirement Plan
- ❑ A Valued Role in Society
- ❑ A Better Tomorrow







# Collaborative Support Programs of NJ

- ❑ Incorporated in May 1984.
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- ❑ 23 self-help centers with over 2000 active members in 19 counties statewide.
  - ❑ Community based supportive services program serving over 400 people statewide.
  - ❑ Peer support activities across the state including outreach to boarding homes.
  - ❑ Strong consumer advocacy partnership for persons who have been or are currently recipients of mental health services.



# Community Enterprise Corporation

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- ❑ Created by Collaborative Support Programs of NJ, CEC was incorporated in 1992.
- ❑ Provides safe, decent, affordable and permanent supportive housing and economic opportunities to low income persons with special needs.
- ❑ HUD certified property manager managing many units of housing.
- ❑ Administers the financial services and social enterprise/ economic development programs.

# Financial Services Collaborators

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- ❑ State of New Jersey, Department of Human Services, Division of Mental Health Services (DMHS)
- ❑ State of New Jersey, Department of Community Affairs (DCA)
- ❑ US Department of Health and Human Services, Administration for Children and Families, Office of Community Services-Asset Building, Assets for Independence Program Grants (AFI)

<http://www.acf.hhs.gov/assetbuilding/>



# Financial Services

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# Financial Services Principles

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- ❑ Provides no fee access to money and banking products and services in a supported environment.
- ❑ Provides technical assistance in purchasing a home, starting a business, and seeking higher education in a supported environment.
- ❑ Assists with credit repair.



# How Do We Provide Support

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- Respond to needs
- Examine the individual experience
- Innovate and change, responding to additional needs
- Look at the experience again
- Innovate and change again





# Opportunities & Services

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Billing Paying/ \$ Management

Savings Club

Individual Development  
Account

Emergency Loan  
Program



# \$ Management/Bill Paying Service

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Individualized, flexible community based service provided by CSP-NJ for adults with mental health issues and other special needs.

This service includes financial literacy trainings and money management services.

Promote financial stability

Based on the concepts of empowerment, personal responsibility and self-determination.







# Bill Paying/\$ Management

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We provide financial literacy trainings and money management services to 105 participants currently enrolled in this program statewide.



# Savings Club

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Addresses needs and desires to save toward the purchase of assets that have lasting value.

It was also created to enable people to get into the habit of saving and build assets

Helps people to develop skills to enter the financial mainstream as a tool to enhance self-sufficiency.

# Savings Club

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- ❑ One year matched savings program
- ❑ 1:1 match
- ❑ \$10.00 minimum monthly deposit
- ❑ \$1,200.00 maximum match
- ❑ Must save for a least 3 months
- ❑ 11 participants currently enrolled



# Current Participants Saving's Goals

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Cars

Computer

Furniture

Medical bills

Business



# EMERGENCY LOAN PROGRAM

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# Emergency Loan Program

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Assist Financial Services participants with short-term financial emergencies and/or unanticipated expenses in order to help them to retain their savings in the matched savings accounts.

It is also used to assist with the rental security deposit to our section 8 voucher holders

# Eligibility

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- Applicants must be a CSP/CEC participant and/or part of at least one of the financial services.
- Applicants not participating in the financial services will be asked to enroll in their regional \$ management program.





# Loan Program Specification

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- ❑ No interest loan
- ❑ Nine months to pay back
- ❑ Savings used as a collateral
- ❑ Flexibility to continue saving







# Overall Assets Purchased:

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- 2 Homes
- 1 Home refinance expenses
- 14 cars
- 1 Bike
- 3 car insurance
- 3 Credit card payments
- 3 Medical bill payments
- 5 Personal computers
- 1 Printer
- 1 Computer desk
- 4 Businesses
- 1 Digital camera
- 4 Wardrobe
- 1 Dental work
- 1 Exercise equipment
- 1 Funeral arrangement
- 2 Televisions
- 4 Quality furniture
- 1 Vision laser surgery
- 2 Rent payments
- 2 Apartment security deposits payments
- 1 School supplies
- 1 Weight control program
- 5 Miscellaneous items



# Low Income Credit Union

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- A credit union is like a bank in terms of the services it offers, but it has a more specific target group of customers, called its *defined field of membership*.
- It is owned by its members, and instead of a profit, it uses any money it takes in to provide better services, such as better interest rates, low or no fees, etc.



# Low Income Credit Union

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- A *low-income credit union* serves a low income membership and offers additional services that one might not find at a mainstream bank such as small loans to people who would not be able to get a loan from a bank.
- Services will include check cashing, money orders, saving accounts, credit cards, loans, mortgages and financial education.



# Things We Learned

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- ❑ Participants' income
- ❑ Limited or no money management and budgeting skills
- ❑ Relapse or recurrence of symptoms
- ❑ Financial emergencies
- ❑ Housing market price
- ❑ Stress and strain of life



# Services & Strategies

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- ❑ 1:1 financial management counseling/support
- ❑ Direct deposit into the saving's account
- ❑ Coaching services by trained staff
- ❑ Emergency loans



# Strategies & Services

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- ❑ Hold regular meetings and trainings to reinforce the importance of their financial goal.
- ❑ Develop a support system
- ❑ Frequent case management thru telephone contact
- ❑ Peer Support groups
- ❑ Link to community resources: SCORE, Affordable Housing Programs, HUD's Section 8 Homeownership Vouchers...





# Sources of Motivation

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- ❑ Required to qualify for match funds
- ❑ Free educational material
- ❑ Transportation
- ❑ Refreshments
- ❑ Gifts related to the training topic
- ❑ Group work
- ❑ Flexible hours



# IDA Saving's Goals

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- 19 current participants saving for:

Homeownership	4
Business	7
Education	8
  
- 6 participants purchased the following assets

Homeownership	1
Business	4
Education	1

# Research on Financial Education Needs of People with Psychiatric Disabilities

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- Research funded by the National Endowment for Financial Education (NEFE®), a Denver-based, nonprofit foundation focused on helping individuals control their financial lives  
<http://www.nefe.org/>
- Conducted focus groups & interviews with consumers, advocates & providers





# From Oregon...

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- “I live like a starving artist, in a mobile home behind my parents’ place...even though I’m over-educated and over 50!”
- “Having [a mental illness] means never having to say I’m solvent!”



# From Florida...

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- ❖ “I don’t have anywhere to turn to. The mental health system doesn’t provide that kind of financial planning type of service that is free. I can’t afford to pay for financial planning that comes with a fee.”



# From Georgia...

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- ❖ “I just sat down the other day and wrote out checks with which to pay my bills and find out I’ve already spent my money before I even have it. There was no fat to trim, nothing to budget.”
- ❖ “The solution seems to lie beyond individual financial planning. You cannot plan with something you do not have. And often, your best laid plans aren’t as much of a sure thing as you thought... To be honest, I find it hard to imagine financial security, because I haven’t had it.”

# People Demonstrated Expertise & Desire to Manage Money

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Diverse financial management strategies...

- envelope budgeting; money jars; using generics; shopping at discount & outlet stores; clipping coupons; stocking up at food banks; sharing resources; finding free/low-cost services; self-denial; bartering; calendars.



# UIC Financial Education Curriculum

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Six sessions involving small group interaction, humor, & expenditure tracking

- Values, needs vs wants; identifying financial goals; tracking income & expenses
- Fixed vs. flexible expenses; envelope budgeting; how to start & maintain a savings plan; track expenses
- How to increase income/decrease spending; track expenses
- Understanding credit; credit report/score; managing credit/debt problems; expense tracking
- Using financial institutions; expense tracking
- Consumer rights; tracking expenses



# Disadvantages of Being “Unbanked”

- Having to Pay High Check Cashing Fees
- Foregoing Earned Interest
- Inability to Take Advantage of Direct Deposit
- Inability to Pay Bills Online

## Millions are ‘unbanked’

*A look at who has bank accounts in the United States, in millions:*



© 2007 MCT  
Source: Center for Financial Services Innovation  
Graphic: Judy Treible

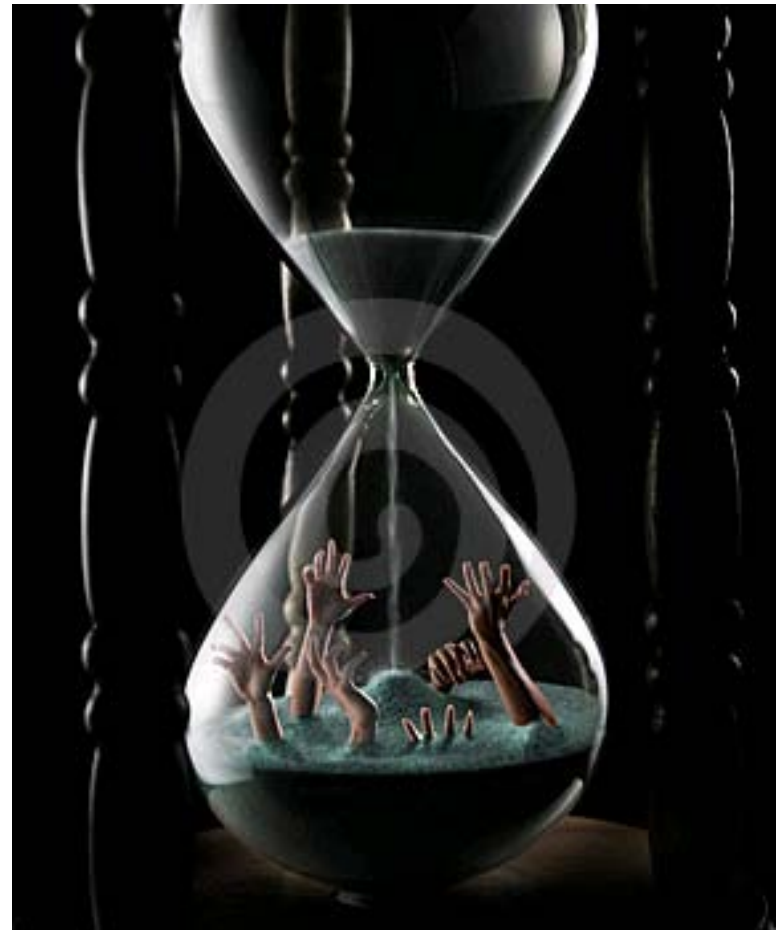
# Ways to Track Spending

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- ❑ **Spending Diary** – write it down in a small notebook or say it into a voice recorder
- ❑ **Collect Your Receipts** – get a receipt for each purchase & total them weekly
- ❑ **Use Expense Tracking Worksheets** – assign purchases to categories at the end of each day via free paper & pencil or excel worksheets  
[www.pcop.org/Tracking%20Spending%20Worksheet.xls](http://www.pcop.org/Tracking%20Spending%20Worksheet.xls)
- ❑ **Use Online Budget Tracking** – a free system called Budget Tracker is available on the Internet  
<http://budgettracker.com/login.php>

# Spending Traps

- Rent-to-own stores
- Payday lenders
- Pawn shops
- Online shopping
- Mail-order clubs
- Auto-purchase
- Buying parties



# Learning to curb the use of shopping to feel better

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# Members & Staff of the UIC Individual Development Account Project



Funded by the Consumer Affairs Program of the Center for Mental Health Services of SAMHSA, & the National Institute on Disability & Rehabilitation Research of USDOE

# Individual Development Accounts (Federal IDA Program)

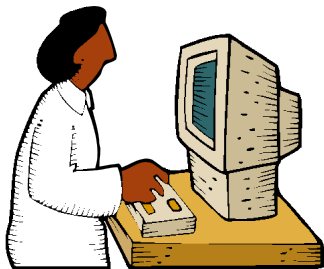
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- 💰 Save earned income for 1<sup>st</sup> home, small business capitalization, or post-secondary education
- 💰 Income below 200% of poverty level to qualify (<\$20,800 family of 1)
- 💰 Savings not counted against SSI/SSDI
- 💰 Individual must receive financial education
- 💰 Individual's contribution is matched by federal & non-federal source
- 💰 Working with Asset Builders Community Development Corporation

# What will \$2,700 buy in Chicago?

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- 💰 3% down on a \$90,000 condo
- 💰 12 credit hours of undergraduate tuition at UIC
- 💰 10 credit hours of graduate tuition at UIC
- 💰 Microsoft Office Specialist Certification
- 💰 Laptop, printer, office supplies, phone, and transportation for small business





# IDA Participant Updates

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- A woman with AA degree is working with local colleges to find one where she can combine her IDA savings with their financial aid to complete her BA. **\$2592**
- A man is now attending seminars on home buying and linking with city and state home buyer programs that will supplement his down payment & secure a low fixed rate mortgage for a condo. **\$5952**
- A man who holds a Master's degree will use his savings to realize his lifelong dream of getting his Ph.D. **\$5088**
- "E" lost his job while was hospitalized for 2 months and has been unable to find employment. His **\$220** in deposits and interest is refundable.



# New Education IDA Program

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- ❑ partnering with Assets Illinois (IL-DHS)
- ❑ 3:1 match rate, allowing savings up to \$1950 for tuition, books, & school supplies
- ❑ savings period of three years
- ❑ must use an IL public post-secondary school
- ❑ direct deposit required
- ❑ working w multiple MH agencies in Chicago
- ❑ 5 participants have signed up so far



# The Bottom Line re: Economic Security

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- ❖ Financial security is essential to recovery.
- ❖ Even as people return to work, debt, poor credit, & financial hardship can threaten the recovery process.
- ❖ Financial literacy & on-going support is a matter of effort, not expenditure.
- ❖ Asset accumulation works!



People in mental health recovery  
need to be on the road to  
economic security

Thank you!

