

Improving Financial Literacy and Capability: What Works?

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Demonstrating the Benefits of Work:

Testing an Educational Tool for Young People Aging Out of the
SSI Disabled Children Program

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A joint center of the RAND Corporation, Dartmouth College,

Research Team

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Outline

- Project Background - Year 1
- Financial Literacy Tool – Year 2
- Testing the Tool
- Next Steps

Project Background

- Year one
 - Young Adults in the Supplemental Security Income Disabled Children Program
 - Work, Earnings, and Program Benefits
 - Empirical research
 - Financial value of working for young adults on SSI
 - Resulted in a computational algorithm
- Year Two
 - Translated research into practice
 - Developed and tested a “tool” to aid in the decision to work

Why is this Important?

- The SSI child population has risen dramatically over the past two decades
- Most SSI-child beneficiaries transition directly onto the SSI-adult program
- Very few of these young adult SSI recipients ever seek or gain employment

What is Being Done?

- Youth Transition Demonstration Projects
- Six Potential Barriers to Work
- Lack of Knowledge About How Benefits Change When a Person Works
- Could a Benefit Calculator Help?

We Know

- Financial literacy is an issue for adults
- Financial education is a challenge for children
- Benefit rules are complex

Research Question:
Can we increase knowledge and improve
understanding through a
financial literacy application
tailored to young adult SSI recipients?

Year 2 - Creating an Educational Tool

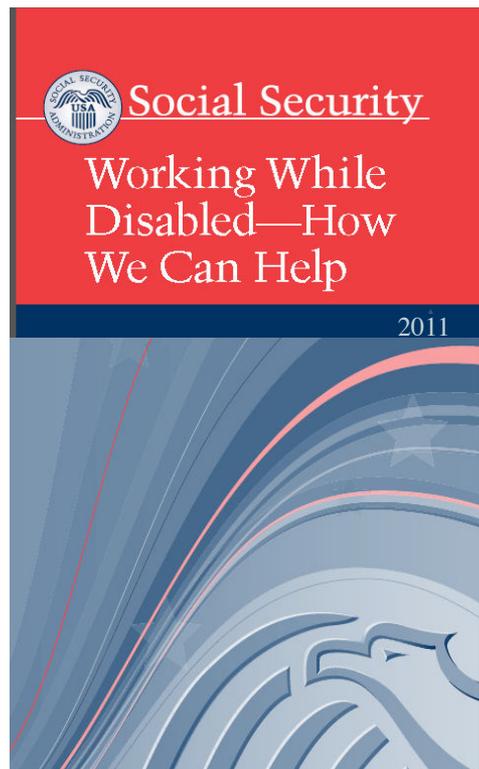
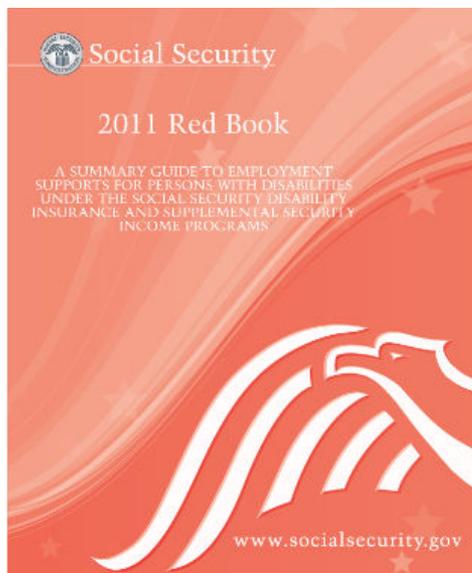
- Fall 2010 - developed a prototype “calculator”
- Goal
 - Convey the interactions between work and benefits
 - Improve decision-making
- Demonstrated at New Insights and Advances in Financial Literacy Conference
- Worked with Benefit Counselor
- Refined Tool

Testing the Tool

- Randomized Controlled Study
- Three Treatments
 - Control Group- SSA publication
 - 2 Experimental Groups - Calculator
 - Graphical results
 - Visual results
- Hypothesis:
 - The experimental treatment would result in improved comprehension of the payoff to working relative to the control treatment

Pilot Study

- Summer 2011, Cornell University undergraduates
 - Control – Redbook
 - Experimental Treatment - Calculator



Augmented Fact Sheet
-Formulas
-Worked Examples
Revised Tool

Opportunity Guide for Youth with Disabilities



Your Opportunity Guide

It's your future.
Go ahead and ask!

Many young adults receiving SSI are afraid to work, worried they will lose benefits or health insurance. The facts are *work pays* for most SSI recipients and many who work can earn other benefits such as SSDI.

To find out where you stand, get started with the online benefits counselor.

Each of these young SSI recipients had a question about work and benefits.



- Maria: Thinking about working
- Kathy: Wondering about Social Security Disability Insurance (SSDI)
- Derick: Deciding between full-time and part-time work
- Marcus: Considering taking a year off from his job

Have questions about your own work opportunities?
Use the Opportunity Guide to get *your* answers.

[Get Started »](#)

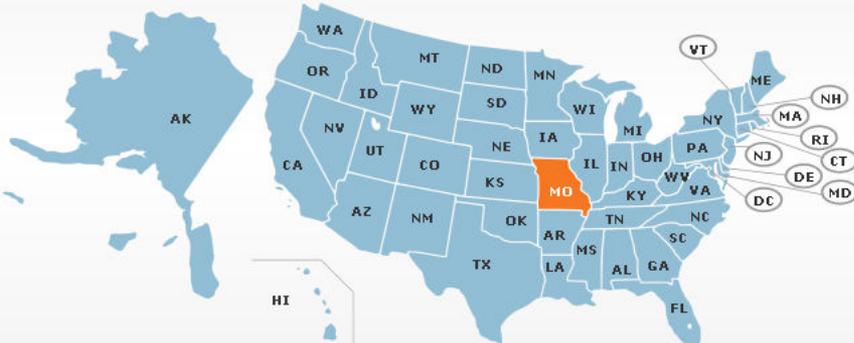


Opportunity Guide for Youth with Disabilities

Your Opportunity Guide

MY STATE | AGE & EDUCATION | WORK INTERESTS | WORK AMOUNT | YOUR INCOME

First, we need to know which state you live in.
Please find and click on your state from the map below.



Start over | « Previous | Next »

Did you know
The state you live in makes a difference when we calculate your monthly income.

Resources

- [Quick Reference: SSDI vs. SSI](#)
- [Glossary](#)

Opportunity Guide for Youth with Disabilities

Your Opportunity Guide

MY STATE: Missouri | AGE & EDUCATION: 19, high school | WORK INTERESTS | WORK AMOUNT | YOUR INCOME

Second, we need to know a few things about you.



How old are you?

How far have you gone in school?

[Start over](#) [« Previous](#) [Next »](#)

Did you know

Your age and the number of years you have been in school are important in calculating your monthly income.

Resources

- [Quick Reference: SSDI vs. SSI](#)
- [Glossary](#)

Opportunity Guide for Youth with Disabilities

Your Opportunity Guide

MY STATE: Missouri | AGE & EDUCATION: 19, high school | **WORK INTERESTS** | WORK AMOUNT | YOUR INCOME

Next, we'd like to know what type of work you might enjoy.
Look over the work settings shown below and click on the category of work you are interested in.

 Retail	 Construction	 Education	 Health care
 Business	 Security	 Services	 Other

[Start over](#) | [« Previous](#) | [Next »](#)

Did you know

You can get allowances to help pay for work related expenses like uniforms, tools, etc. Ask your counselor to learn more.

Resources

- [Quick Reference: SSDI vs. SSI](#)
- [Glossary](#)

Opportunity Guide for Youth with Disabilities

Your Opportunity Guide

MY STATE: Missouri | AGE & EDUCATION: 19, high school | WORK INTERESTS: Business | **WORK AMOUNT: 15 hours per week** | YOUR INCOME

Finally, we need to know how many hours you would like to work each week.

More work hours = more earnings.
How many hours per week do you think you might be able to work?

- 5 hours (~1 half day) per week
- 10 hours (~2 half days) per week
- 15 hours (~3 half days) per week
- 20 hours (~4 half days) per week
- 25 hours (~5 half days) per week
- 30 hours per week
- 35 hours per week
- 40 hours per week

[Start over](#) | [« Previous](#) | [Take a look at your result »](#)

Did you know

How many hours per week you work makes a difference for your monthly income today and your benefits in the future.

Resources

- [Quick Reference: SSDI vs. SSI](#)
- [Glossary](#)

Opportunity Guide for Youth with Disabilities

Your Opportunity Guide

MY STATE
Missouri
AGE & EDUCATION
19, high school
WORK INTERESTS
Business
WORK AMOUNT
15 hours per week
YOUR INCOME
SSI

Total monthly income: SSI + earnings

SSI + earnings = \$952.13

SSI only = \$674.00

Hours worked per week	SSI	earnings	SSI + earnings
5 hours (~1 half day)	\$637.96	\$157.08	\$795.04
10 hours (~2 half days)	\$559.42	\$314.17	\$873.58
15 hours (~3 half days)	\$480.88	\$471.25	\$952.13
20 hours (~4 half days)	\$402.33	\$628.33	\$1030.67
25 hours (~5 half days)	\$323.79	\$785.42	\$1109.21
30 hours	\$245.25	\$942.50	\$1187.75
35 hours	\$166.71	\$1099.58	\$1266.29
40 hours	\$88.17	\$1256.67	\$1344.83

Start over
« Previous
SSDI »

Resources

- [Quick Reference: SSDI vs. SSI](#)
- [Glossary](#)

Opportunity Guide for Youth with Disabilities

Your Opportunity Guide

MY STATE: Missouri | AGE & EDUCATION: 19, high school | WORK INTERESTS: Business | WORK AMOUNT: 15 hours per week | **YOUR INCOME: SSDI**

Another Type of Benefit: SSDI

Working provides more than just a boost to your monthly income. It also can help you qualify for another type of disability benefit called Social Security Disability Insurance or SSDI. SSDI has many important advantages over SSI.

- First, on SSDI you can earn up to \$1,000 a month and not lose any of your benefit.
- Second, on SSDI you can get support from your parents or other family and friends without losing any of your benefits.
- Third, you can save some of your money each week and it won't count against you when qualifying for benefits.
- Finally, if you work enough when you are young (18-24) your SSDI benefit will be higher than your SSI benefit.

Resources

- [Quick Reference: SSDI vs. SSI](#)
- [Glossary](#)

Start over | << SSI | SSDI vs. SSDI >>

Opportunity Guide for Youth with Disabilities

Your Opportunity Guide

MY STATE: Missouri | AGE & EDUCATION: 19, high school | WORK INTERESTS: Business | WORK AMOUNT: 15 hours per week | YOUR INCOME: SSI vs. SSDI

SSI versus SSDI benefits and monthly income

Based on your selections earlier, here are your total monthly income estimates.

Monthly income from earnings + benefits

DI + earnings = \$895.38	
SSI + earnings = \$952.13	

Start over | « SSDI | Print the summary »

Did you know

Remember, although your SSDI + earnings income may be smaller than your SSI + earnings income, SSDI has many important advantages over SSI.

Resources

- [Quick Reference: SSDI vs. SSI](#)
- [Glossary](#)

Opportunity Guide for Youth with Disabilities

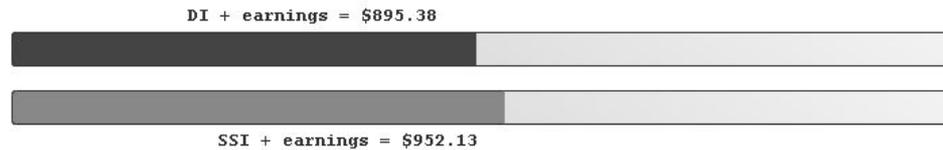


MY STATE: Missouri | AGE & EDUCATION: 19, high school | WORK INTERESTS: Business | WORK AMOUNT: 15 hours per week | YOUR INCOME: Summary

SSI versus SSDI benefits and monthly income

	SSI	SSDI
Benefit only	\$674.00	\$424.13
Hours worked per week	SSI + earnings	SSDI + earnings
5 hours (~1 half day)	\$795.04	\$298.46
10 hours (~2 half days)	\$873.58	\$596.92
15 hours (~3 half days)	\$952.13	\$895.38
20 hours (~4 half days)	\$1030.67	\$1193.83
25 hours (~5 half days)	\$1109.21	\$1478.13
30 hours	\$1187.75	\$1685.48
35 hours	\$1266.29	\$1793.25
40 hours	\$1344.83	\$1843.51

Based on your selections earlier, here are your total monthly income estimates.



Remember, although your SSDI + earnings income may be smaller than your SSI + earnings income, SSDI has many important advantages over SSI.



The Experiments

- Full Study on August 24 – September 13, 2011
- 245 volunteer subjects (47% male, 5% graduate students)
 - Treatment A – 83 subjects
 - Treatment B – 80 subjects
 - Treatment C – 82 subjects
- Subjects earned \$10 - \$25 (based on correct responses to test questions, no payout on post-test survey)

Test Materials

- Numeracy test (three questions)
- SSI and SSDI comprehension and application questions
- Post test, three questions
- Post-experiment survey

What Did We Learn?

- Math-proficient undergraduates had difficulties applying the complex benefit rules
- The online tool had positive impact on questions requiring facility with SSI/SSDI calculations
- Visual version resulted in positive effects on the calculation but mixed results with comprehension
- Potential value in an educational tool customized for young adults on SSI and their support teams

Next Steps

- **Revise the Online Benefit Counselor tool**
 - Review and incorporate suggestions from experiment participants
 - Graphic and interaction design
- **Field test the tool with Benefit Counselors**