

Race, Ethnicity and Disability:

The Financial Impact of Systemic Inequality and Intersectionality

National Disability Institute, August 2020

The Moment of Today

Today, the U.S. is facing two concurrent crises, the COVID-19 pandemic and widespread recognition of historic and systemic racism that disproportionately impact Americans that are Black, Indigenous and People of Color (BIPOC). COVID-related hospitalization rates for non-Hispanic, Black and Indigenous persons are five times that of non-Hispanic white persons. The Latinx community comes in at a close third, with hospitalization rates four times that of non-Hispanic white persons.¹ Additionally, Black-owned businesses experienced more difficulty receiving money from the \$349 billion government stimulus package.² Ahmad Aubrey, George Floyd and Breonna Taylor are part of a far-too-long list of murdered Black Americans whose names are being chanted in protests across the country. These protests continue to raise awareness on the dangers of systemic racism on Black Americans and communities of color. The country is experiencing a crisis in this moment when Black Americans are three times as likely to die at the hands of police and 2.5 times as likely to die at the hands of COVID-19 than white Americans.³

¹ “Coronavirus Disease 2019: Health Equity Considerations and Racial and Ethnic Minority Groups,” *Centers for Disease Control and Prevention*, last modified June 25, 2020, <https://www.cdc.gov/coronavirus/2019-ncov/need-extra-precautions/racial-ethnic-minorities.html>.

² Emily Flitter, “Black-Owned Businesses Could Face Hurdles in Federal Aid Program,” *New York Times*, April 10, 2020, <https://www.nytimes.com/2020/04/10/business/minority-business-coronavirus-loans.html>.

³ Ariana Eunjung Cha, “‘We don’t get justice’: When a black girl’s death from covid-19 feels like a collision of two crises,” *Washington Post*, June 6, 2020, <https://www.washingtonpost.com/health/2020/06/05/coronavirus-baltimore-race-police-violence/>.

These injustices also unduly affect Americans with disabilities. In relation to the pandemic, individuals with disabilities are overly represented in the lives lost due to COVID-19.⁴ Those that remain healthy have been disproportionately affected by job loss, where 20 percent of people with disabilities working in January were out of work in May. Among BIPOC Americans with disabilities, 35 percent lost their jobs. For some individuals, discrimination based on race and disability significantly affect their lives in a myriad of ways.

BIPOC Americans with disabilities face unique systemic challenges as a result of their intersecting identities. Michael Hickson, a Black man with quadriplegia, recently died of COVID-19 when doctors decided to terminate treatment, doubtful that, if he did survive, he would have much of a “quality of life.”⁵ Marcus-David Peters, another Black man with a disability, was shot and killed by police during a psychiatric episode.⁶ Both of these stories highlight examples of “people with the least power and least access to resources being left unprotected.”⁷

Systemic injustices lead to economic inequality. A recent poll shows that 76 percent of Americans today agree that racial discrimination is a “big problem” in America.⁸ As we reflect on the advances achieved, based on the passage of the Americans with Disabilities Act (ADA) 30 years ago, we are more aware than ever before of the promise of this groundbreaking legislation to promote economic self-sufficiency for individuals with disabilities. This promise must cover ALL individuals with disabilities regardless of race, ethnicity, gender and sexual orientation.

⁴ Stephen Frost, “Deadly Discrimination: The Forgotten Impact Of Covid-19 On People With Disabilities,” *Forbes*, July 6, 2020 <https://www.forbes.com/sites/sfrost/2020/07/06/deadly-discrimination/#68ea90ae2b93>.

⁵ Ariana Eunjung, “Quadriplegic man’s death from covid-19 spotlights questions of disability, race and family,” *Washington Post*, July 5, 2020, <https://www.washingtonpost.com/health/2020/07/05/coronavirus-disability-death/>.

⁶ Abigail Abrams, “Black, Disabled and at Risk: The Overlooked Problem of Police Violence Against Americans with Disabilities,” *TIME Magazine*, June 25, 2020, <https://time.com/5857438/police-violence-black-disabled/>.

⁷ Ariana Eunjung Cha, “‘We don’t get justice’: When a black girl’s death from covid-19 feels like a collision of two crises,” *Washington Post*, June 6, 2020, <https://www.washingtonpost.com/health/2020/06/05/coronavirus-baltimore-race-police-violence/>.

⁸ Giovanni Russonello, “Why Most Americans Support the Protests,” *New York Times*, June 5, 2020, <https://www.nytimes.com/2020/06/05/us/politics/polling-george-floyd-protests-racism.html>.

Historical Context for Understanding Intersectionality

An individual's lived experience is greater than the sum of his or her identities. Intersectionality, a term coined by legal scholar Kimberlé Crenshaw, is "a lens, a prism, for seeing the way in which various forms of inequality often operate together and exacerbate each other."⁹ Crenshaw originally used the theory to explain the systemic discrimination against Black women, individuals who could not separate the "women's experience" from "the Black experience," in a legal setting.¹⁰ She uses the case *Degraffenreid v. General Motors* to support her argument. Prior to the year 1964, General Motors hired no Black women, but they did hire white women and Black men. After a new seniority policy led to the firing of all five Black women working in the company, the women had no legal grounds on which to base their suit. In essence, the women could not say they were experiencing discrimination based on race alone or gender alone and, without the term intersectionality, there was no way to describe the unique form of systemic discrimination that affected their lives. Scholars in the field of sociology and philosophy have since expanded the intersectional conversation to include the disability community. However, even though intersectionality is critical in understanding the diverse experiences of individuals with disabilities, little research has focused on how this intersectionality plays out in the economic sphere.¹¹

Financial Impacts

Centuries of exclusive practices in the United States, such as redlining and employment discrimination, have resulted in a society where people of color with disabilities, particularly BIPOC and the Latinx community, are at a particular disadvantage financially. Building on the National Disability Institute (NDI) 2015 report, *Financial Inequality: Disability, Race and Poverty in America*, updated research on the financial conditions of individuals, grouped by disability status and racial/ethnic identity, reflects that individuals who live at this intersection of race and disability experience disproportionate levels of financial distress.

⁹ Katy Steinmetz, "She Coined the Term 'Intersectionality' Over 30 Years Ago. Here's What It Means to Her Today," *TIME Magazine*, February 20, 2020, <https://time.com/5786710/kimberle-crenshaw-intersectionality/>.

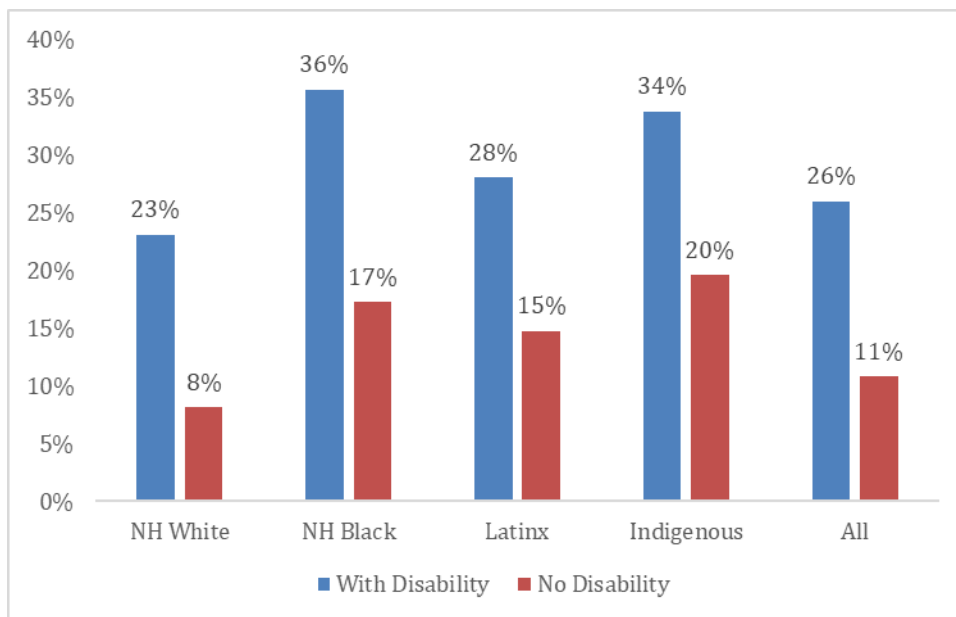
¹⁰ Kimberlé Crenshaw, "Demarginalizing the Intersection of Race and Sex: A Black Feminist Critique of Antidiscrimination Doctrine, Feminist Critique of Antidiscrimination Doctrine, Feminist Theory and Antiracist Politics," *University of Chicago Legal Forum*, 1989, no. 1 (1989): 139-167.

¹¹ Angela Frederick and Dana Shifrer, "Race and Disability: From Analogy to Intersectionality," *Sociology of Race and Ethnicity*, 5, no. 2 (2019): 200-214, <https://doi.org/10.1177%2F2332649218783480>.

Poverty rate:

Across all racial and ethnic groups, 26 percent of individuals with a disability are living below the poverty line compared with 11 percent of individuals without a disability. The poverty rate of BIPOC communities is higher than the rate of white communities regardless of disability status. However, regardless of race and ethnicity, individuals with disabilities are significantly more likely to be living in poverty than those without disabilities. The groups with the highest poverty rates are Black and Indigenous individuals with disabilities (Figure 1).

Figure 1: Poverty Rate of Working-age Population, by Race, Ethnicity and Disability Status, 2018

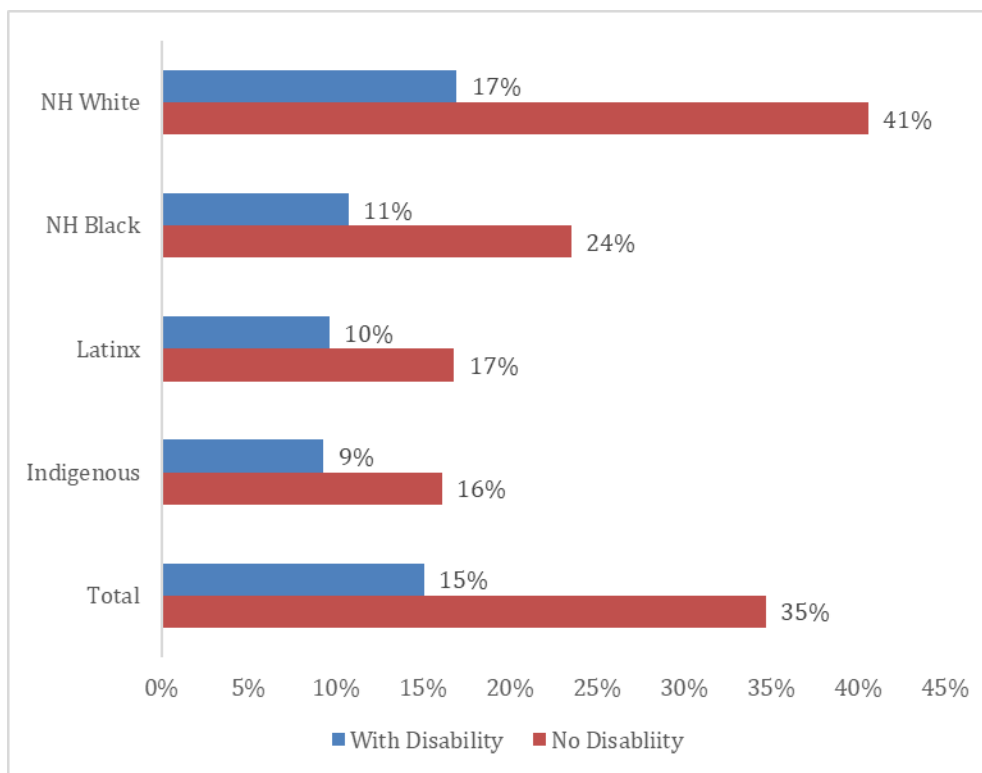


Source: NDI Analysis of U.S. Census Bureau. (2019). 2018 American Community Survey 1-year Public Use Microdata Sample.

Educational Level:

Across all racial and ethnic groups, 35 percent of individuals without a disability have a bachelor's degree or higher, while 15 percent of individuals with a disability have similar educational attainment. Again, individuals with disabilities have lower levels of educational attainment within each racial/ethnic group, and all racial/ethnic minority groups have lower levels of educational attainment when compared to non-Hispanic white individuals. Because educational attainment is such an important factor in employment and income, the lower level of education among adults with disabilities, and especially among BIPOC adults with disabilities, has a significant impact on economic outcomes and the ability to weather the consequences of the COVID-19 pandemic (Figure 2).

Figure 2: Percentage of Working-age Adults with Bachelor's Degree or Higher by Race, Ethnicity and Disability Status, 2018

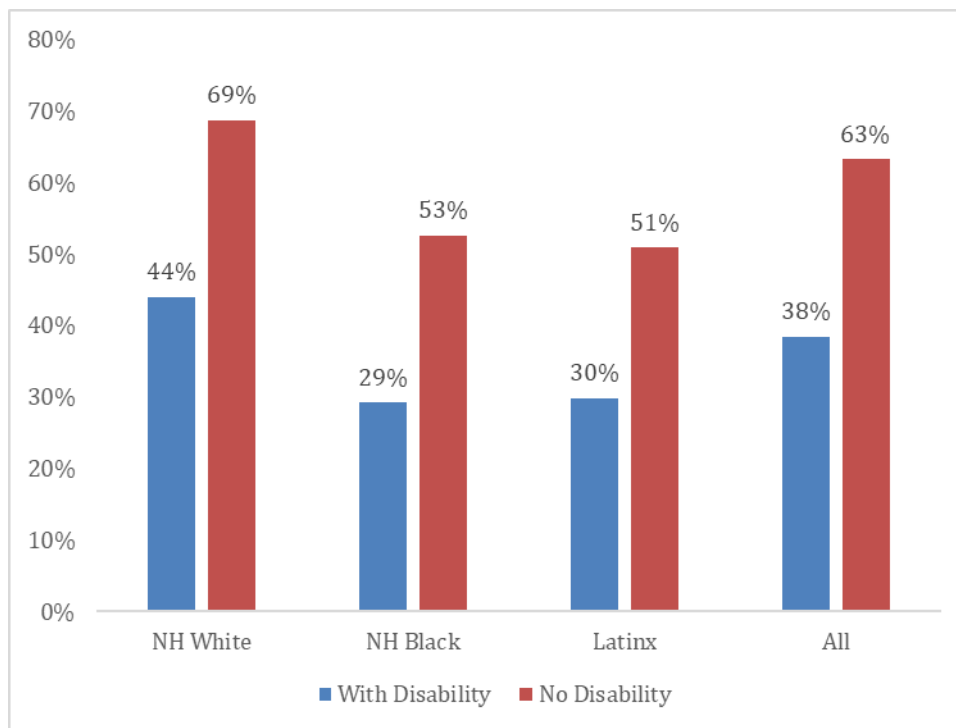


Source: NDI Analysis of U.S. Census Bureau. (2019). 2018 American Community Survey 1-year Public Use Microdata Sample.

Savings:

There are similarly disparate levels of savings across racial/ethnic groups and within groups dependent on disability status. When asked if they set aside any money in the past 12 months for unexpected expenses or emergencies, more non-Hispanic white individuals regardless of disability status reported saving compared to other racial/ethnic groups, and individuals without disabilities are more likely to save than individuals with disabilities. The groups with the lowest percentage of individuals who save for unexpected expenses are the Black and Latinx communities with disabilities (Figure 3).¹²

Figure 3: Percentage of Working-age Adults That Set Aside Any Money in the Past 12 Months for Unexpected Expenses, by Race, Ethnicity and Disability Status, 2017



Source: Goodman, N. and Morris, M. (2019) Banking Status and Financial Behaviors of Adults with Disabilities: Findings from the 2017 FDIC National Survey of Unbanked and Underbanked Households. Washington D.C.: National Disability Institute. The Survey question is: “Even if you later spent it, did you or anyone in your household) set aside any money in the past 12 months that could be used for unexpected expenses or emergencies? I’m only asking about funds that could be easily spent if necessary and am not asking about retirement or other long-term savings.”

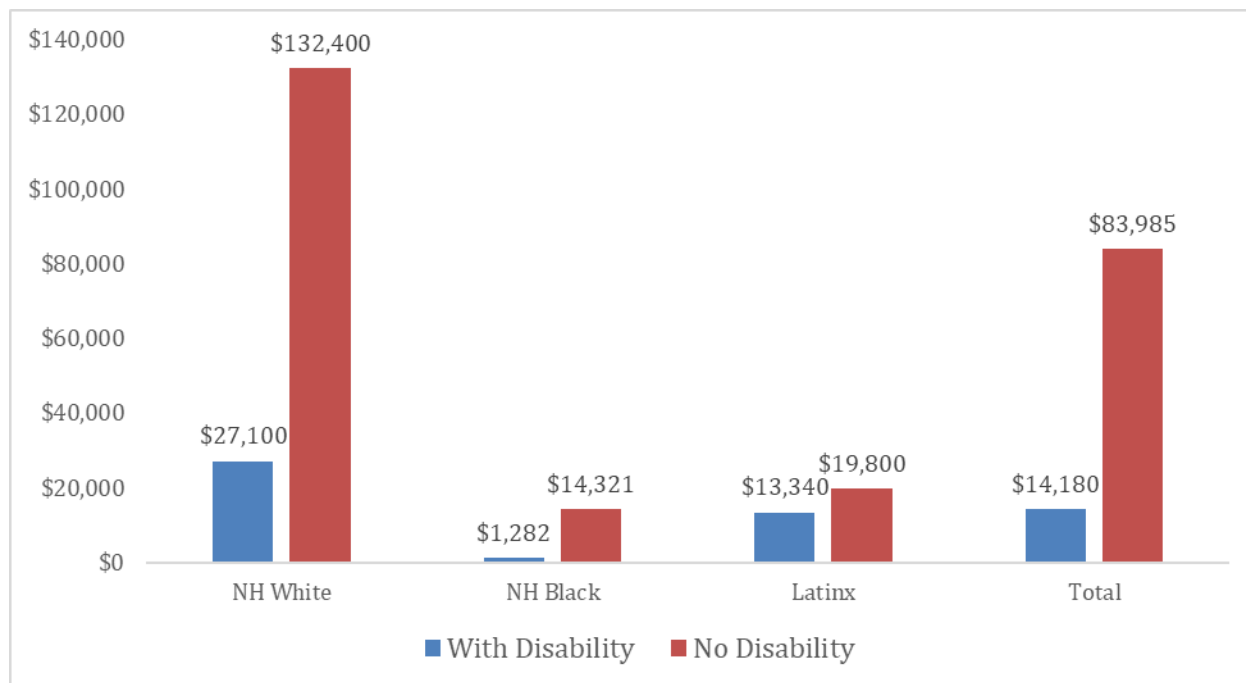
¹² Reliable estimates for the Indigenous Community cannot be calculated because of the sample size of the data source.

Net worth:

When looking at the net worth of households depending on racial/ethnic group and the disability status of the householder, significant disparities exist. The following monetary values only represent the net worth of households where the householder is of working age. Thus, these values leave out the individuals that acquired a disability after retirement, who were able to accumulate wealth without a disability while in the workforce. Across all racial and ethnic groups, households with a disabled working-age householder were worth an average of \$14,180, compared to other households, which were worth an average of \$83,985. When looking within racial and ethnic groups, the disparity between households with and without a disability remains.

However, net worth for non-Hispanic white households is higher than that of other racial/ethnic groups. In fact, the average net worth for non-Hispanic white households where the householder has a disability is higher than that of Black and Latinx households without disability. The group with the lowest net worth is Black households where the householder has a disability, at \$1,282 (Figure 4).

Figure 4: Household Net Worth by Race, Ethnicity and Disability Status of Working-age Householder, 2016

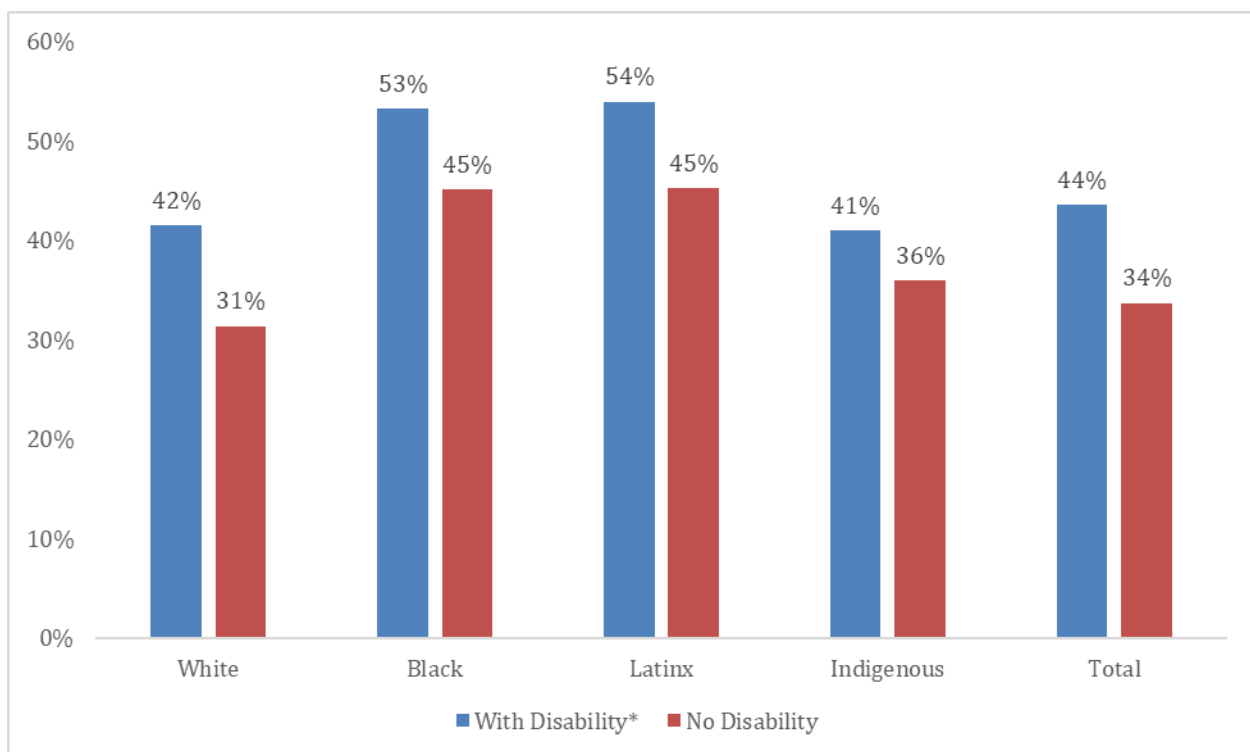


Source: NDI Analysis of U.S. Census Bureau (2019) Survey of Income and Program Participation Microdata, 2014 Panel, Wave 4.

Housing Costs:

Households that spend more than 30 percent of their income are considered “costs burdened.” Forty-four percent of household with one or more members with a disability are cost burdened compare with 34 percent of those without a disability. The rate of cost-burden varies by race and ethnicity with more than 50 percent of Black and Latinx Households with a disability spending more than 30 percent of their income on housing compared with 42 percent of white households with a disability. COVID-19 has put these already cost-burdened households at a higher risk of foreclosure or eviction (Figure 5).

Figure 5: Percentage of Households That Spend More Than 30 Percent of Their Income on Housing Costs, by Race, Ethnicity and Presence of Disability in the Household.



Source: *Housing Costs: American Housing Survey Custom Table Creator:*
<https://www.census.gov/programs-surveys/ahs>

**With a disability is defined as any member of the household having a disability*

Job Loss:

A new finding relevant to COVID-19 relates to the unequal levels of job losses since the start of the pandemic for individuals of different races, ethnicities and disabilities. All groups, regardless of racial/ethnic group or disability status, experienced considerable job loss between January and May 2020, then recovered some of those jobs by June (Figure 6a). When looking at the percent change of individuals employed and at-work within each group since January, Black individuals with disabilities suffered the highest rate of losses. Of the estimated 3.3 million Black working-age individuals with disabilities, 750,000 were employed and at-work in January. By April, 44 percent were no longer working. A similar, but less dramatic, drop occurred among Latinx community with disabilities where 22 percent of workers with disabilities lost their jobs between January and April. In comparison, 20 percent of all workers with disabilities were out of work in May. This disparity highlights the unique challenges faced by BIPOC individuals with disabilities. (Figure 6b).

Figure 6a: Percentage of individuals within each group that was employed and at-work during each month

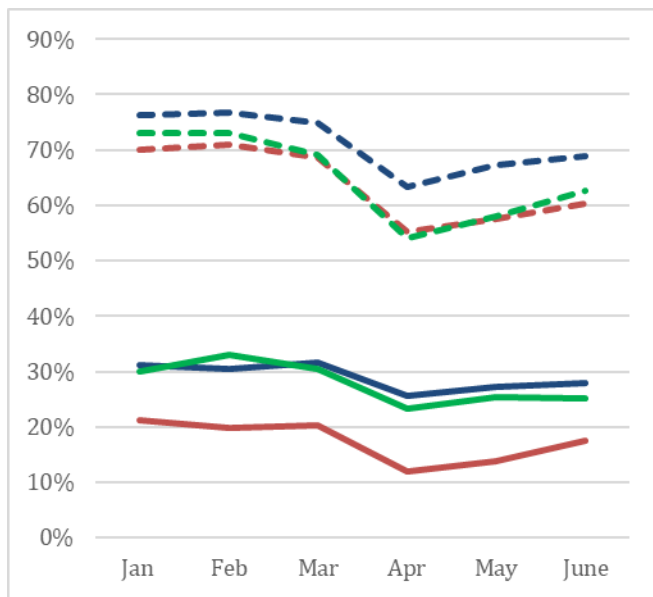
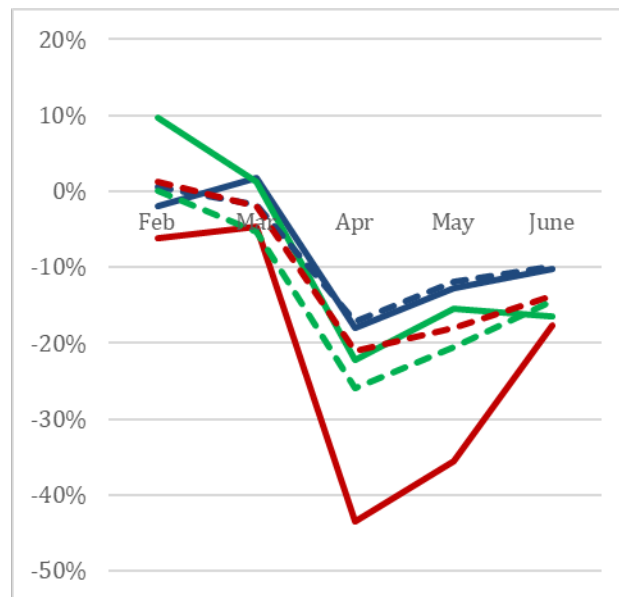


Figure 6b: Percent change in employment rates per group since the month of January



Source: NDI Analysis of U.S. Bureau of Labor Statistics (2020) Current Population Survey Microdata File. Basic Monthly CPS, January-May 2020.

Conclusions and Implications

As a nation, the two current national crises have created a unique point in time to reflect on the intersectionality of race, injustice, poverty and disability. Widespread recognition of historic and systemic racism has created a moment for deep reflection, in which we have a responsibility to increase our awareness of how BIPOC Americans with disabilities are even more impacted by systemic inequalities.


The current health and financial challenges of COVID-19 have further widened the economic disparities for this population. The overlay of disability and chronic health conditions brings to light a group of people that are the most vulnerable and adversely impacted by the complexities of being low-income, experiencing housing cost burdens and needing access to services – each of which can push individuals into more densely populated, low-income neighborhoods in large cities where they experience the compounding challenge of lack of adequate healthcare resources in low- and moderate-income (LMI) neighborhoods.

The 30th anniversary of the signing into law of the Americans with Disabilities Act on July 26, 2020, created a unique point in time to reflect on the advances made and the challenges still ahead for people with disabilities. Despite meaningful gains in the removal of physical and communication barriers to full community participation for over 50 million Americans with disabilities, there are strikingly persistent disparities in employment, income production and net worth between people with and without disabilities. Those disparities remain even larger for BIPOC Americans with disabilities.

As we take responsibility for increasing awareness of the problems faced by BIPOC Americans with disabilities, we also offer select opportunities to positively impact the financial inclusion and stability of this most vulnerable population.

This summer, a new final rule was published regulating the Community Reinvestment Act (CRA). For the first time in the 40 years since the law was passed, the rule offers new clarity and coverage of LMI individuals with disabilities. Thus, it is timely and necessary for covered financial institutions to refocus their CRA investment, lending and service activities to respond to the unmet economic needs of LMI individuals who are the most vulnerable in this COVID-19 environment. Banks' investment in community development, a requirement of the Community Reinvestment Act (CRA), is designed to address the needs of low- and moderate-income people and those living in LMI neighborhoods. In this moment, it is vital that we ensure community development does not leave behind BIPOC communities, the disability community or the individuals that are a part of multiple communities.

The shift to telecommuting offers new opportunities for businesses of all sizes and sectors to recruit job seekers with disabilities. Many individuals with disabilities have long awaited the workplace



flexibility that the COVID-19 pandemic has forced on many workplaces. With the removal of barriers to working at home, individuals with disabilities who face transportation, assistive technology and other obstacles that may be more easily addressed in a home office, are better positioned to secure employment that matches their experience, talents and abilities. Reaching this talent pool requires that employers consider new partnerships with disability-related organizations, the public workforce development system, including vocational rehabilitation (VR) and disability employment service providers at the local and state level.

Available since 2015, ABLE accounts are an underutilized savings vehicle that allows an eligible individual with a disability to save for qualified disability expenses while maintaining eligibility for critically needed public benefits, such as Medicaid and/or Supplemental Security Income (a Social Security Disability benefit for eligible individuals with limited income and assets).

To increase the use of ABLE accounts among BIPOC Americans with disabilities, there will need to be comprehensive and targeted outreach and education efforts with guidance on identifying resources to set aside at regular intervals, even in small amounts.

As we have identified, the most financially vulnerable population in America is the group of individuals that live at the intersection of disability, race and ethnicity. The simultaneous experiences of discrimination and lack of access to economic opportunity, due to racism and ableism,¹³ deserves urgent attention by the financial community, government, faith-based communities, community development organizations and media as leaders begin to design and implement the post-COVID-19 path to economic recovery. As President George H. W. Bush stated in his remarks 30 years ago at the signing of the Americans with Disabilities Act, “Together, we must remove the physical barriers we have created and the social barriers that we have accepted. For ours will never be a truly prosperous nation until all within it prosper.”

¹³ Ableism is discrimination and social prejudice against people with disabilities based on the belief that typical abilities are superior. It rests on the assumption that people with disabilities require ‘fixing.’ Like racism and sexism, ableism classifies entire groups of people as ‘less than,’ and includes harmful stereotypes, misconceptions and generalizations of people with disabilities. <https://www.accessliving.org/newsroom/blog/ableism-101/>