



**A CLOSER LOOK: FINANCIAL HEALTH AND
TRANSPORTATION COSTS AMONG PEOPLE WITH
DISABILITIES**

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SaverLife

FINRA[®]
Investor Education
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Introduction

When it comes to research on the financial health of low-to-moderate-income households, transportation expenses are typically off the map. However, the two topics intersect in important ways. To shed light on the connection between transportation costs and financial health, in 2022, SaverLife and the FINRA Foundation surveyed 1,212 SaverLife members about their experiences with transportation costs.

SaverLife maintains a member panel of over 5,000 adults who are engaged in the SaverLife platform and represent the full user base of SaverLife members in terms of age, gender, race, ethnicity, geography, and income. Member panelists live in all 50 states and the District of Columbia. Their financial challenges reflect those faced by U.S. adults living on low-to-moderate income. Panelists make 80% of area-median income or less, and they take home an average of \$25,000 to \$35,000 per year. Over 80% are women, 60% identify as a person of color, and 85% are between the ages of 24 to 54.

This brief explores the connection between financial health and transportation costs among survey respondents with disabilities. While transportation expenses prove burdensome to the majority of survey respondents, those with disabilities face even steeper economic challenges.¹

A note on disability

Of the 1,212 survey respondents, 463 (38%) indicated that they had a disability. For analytic purposes, respondents who answered “yes” to at least one of the following questions are classified as having a disability:

- *Are you deaf or do you have serious difficulty hearing?*
- *Are you blind or do you have serious difficulty seeing, even when wearing glasses?*
- *Because of a physical, mental, or emotional condition, do you have serious difficulty concentrating, remembering, or making decisions?*
- *Do you have serious difficulty walking or climbing stairs?*
- *Do you have difficulty dressing or bathing?*
- *Because of a physical, mental, or emotional condition, do you have difficulty doing errands alone such as visiting a doctor's office or shopping?*

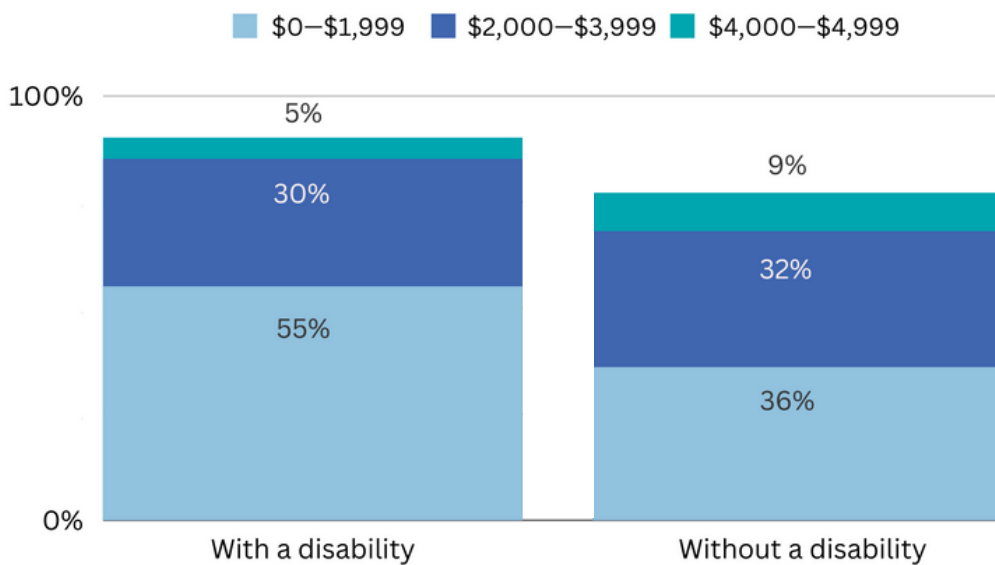
1. Other variables associated with transportation costs, like household income, may in part or fully drive the relationship between transportation costs and financial health. As such, we cannot establish a causal relationship between transportation costs and many of the outcome variables studied in this report.

People with disabilities are more likely to experience adverse financial hardships

People with disabilities face unique challenges in reaching financial stability. Survey respondents with disabilities report lower household incomes than those without disabilities. In particular, they are far more likely to earn incomes of under \$2,000 monthly, with over half (55%) of those with disabilities reporting this monthly income (Figure 1).

Figure 1: Approximate monthly income, by disability status

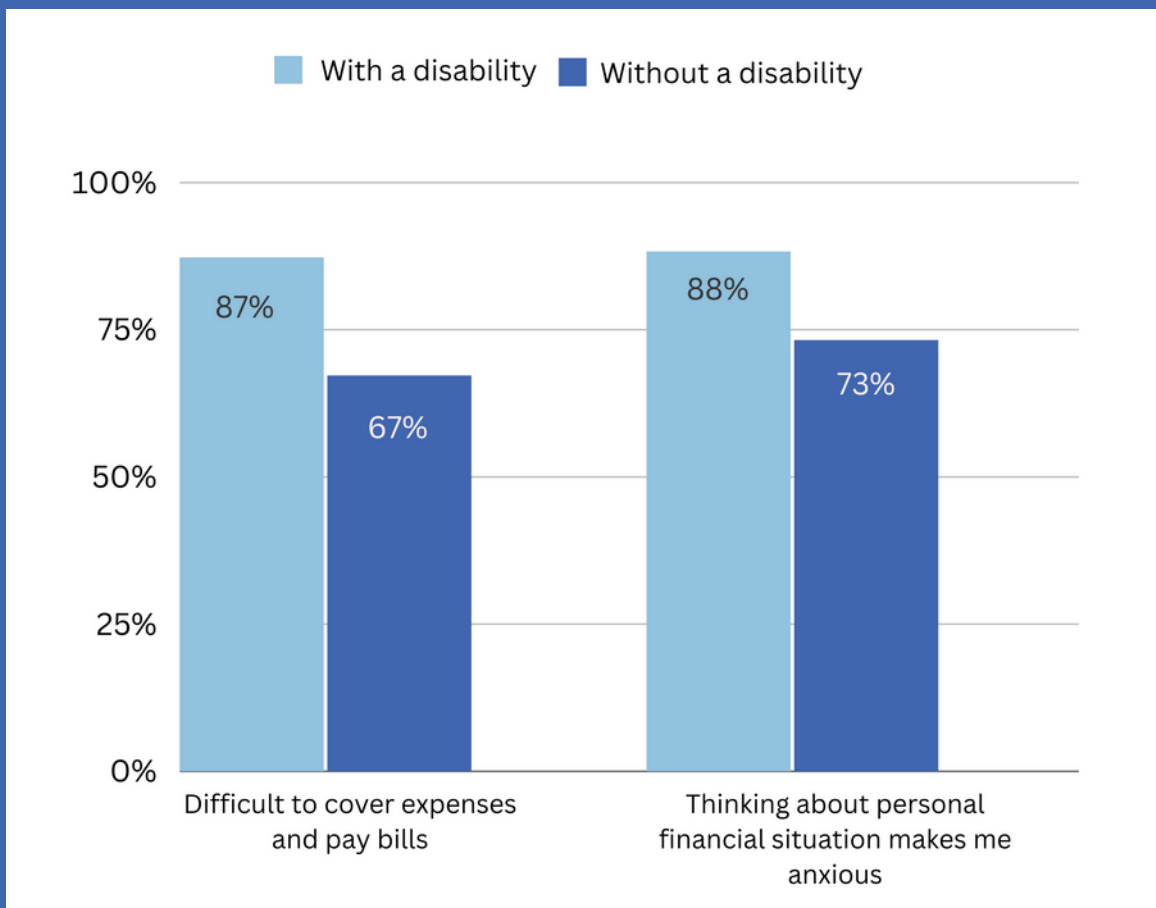
What is your household's approximate income in a typical month?



Note: Individual bars do not sum up to 100 percent because the percentage of respondents who answered "\$5,000 monthly or above", "Don't know", or "Prefer not to say" are not displayed.

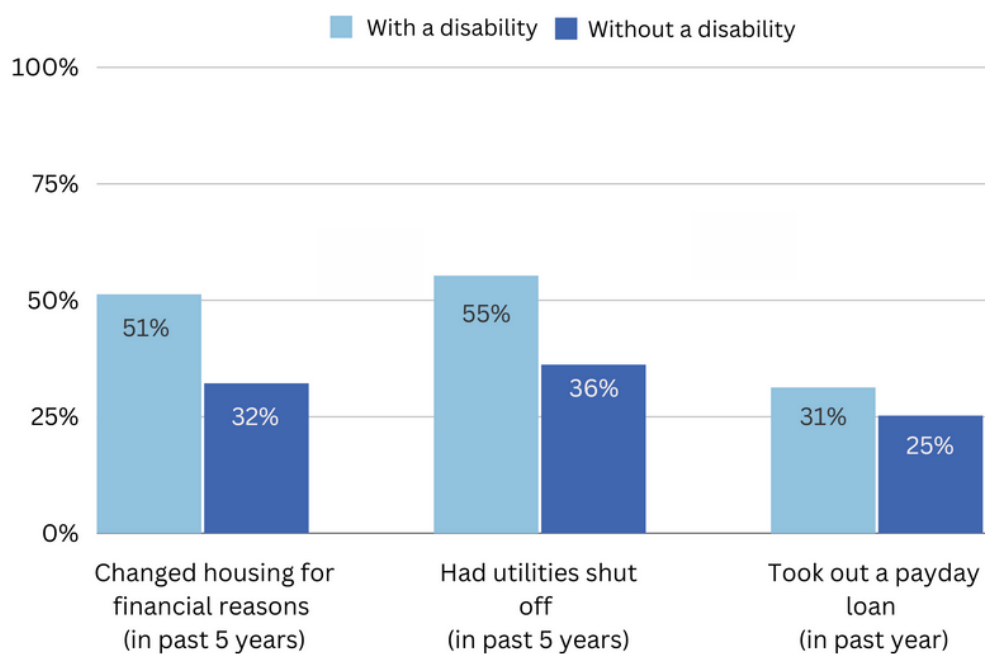
87 percent of survey respondents with disabilities report that it is difficult to pay their expenses and cover their bills, compared to 67% of those without disabilities. Those with disabilities are also 21% more likely to say that thinking about their personal financial situation makes them anxious (Figure 2).

Figure 2: Attitudes about financial circumstances, by disability status



Survey respondents with disabilities are also more likely to experience challenges in affording household expenses. Compared to those without disabilities, respondents with disabilities were 59% more likely to have moved due to being unable to afford housing payments, 53% more likely to have had their utilities shut off, and 24% more likely to have taken out a high-cost, short-term payday loan (Figure 3).

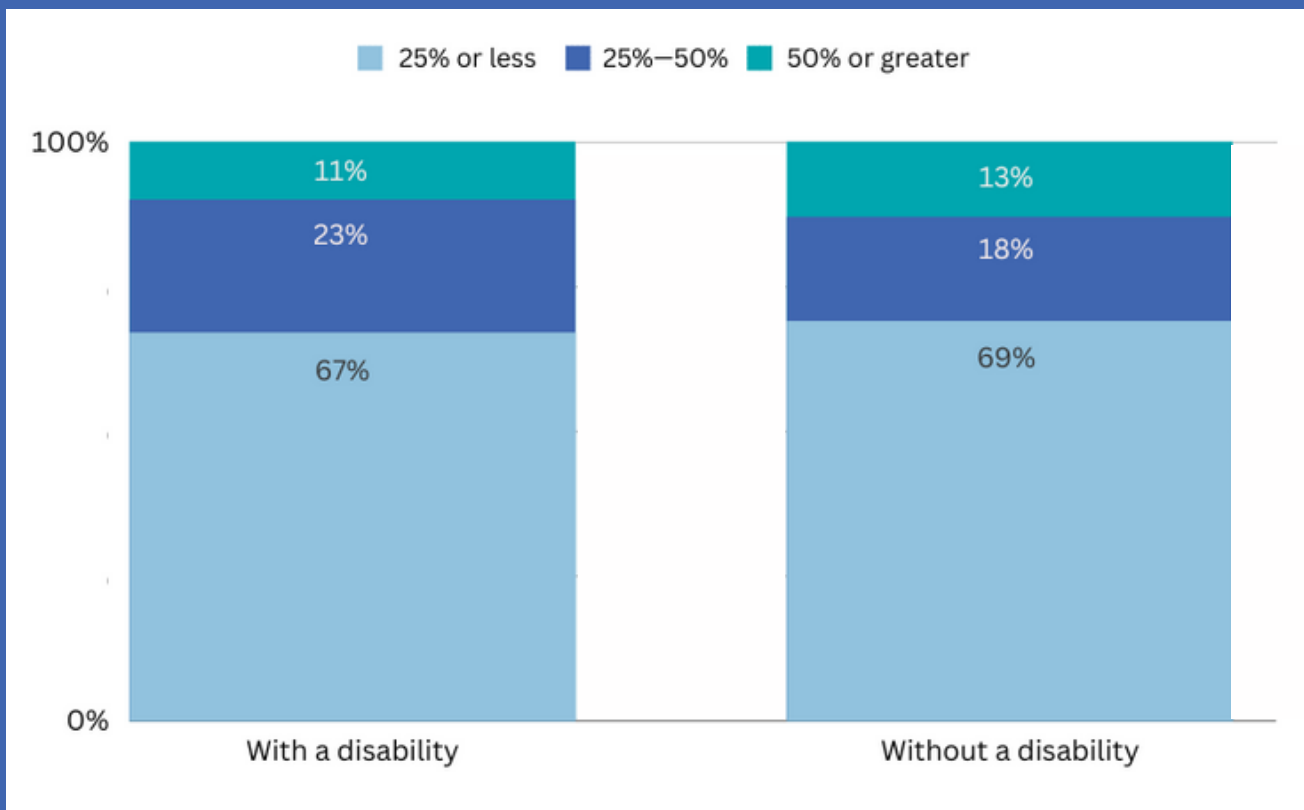
Figure 3: Financial hardships by disability status



Transportation costs and experiences vary by disability status

Survey respondents with and without disabilities spend comparable proportions of their income on transportation expenses. Over one in three respondents with disabilities (34%) spend a quarter or more of their monthly income on transportation expenses, including gas, auto insurance, and vehicle maintenance (Figure 4). This compares to 31% of those without disabilities.

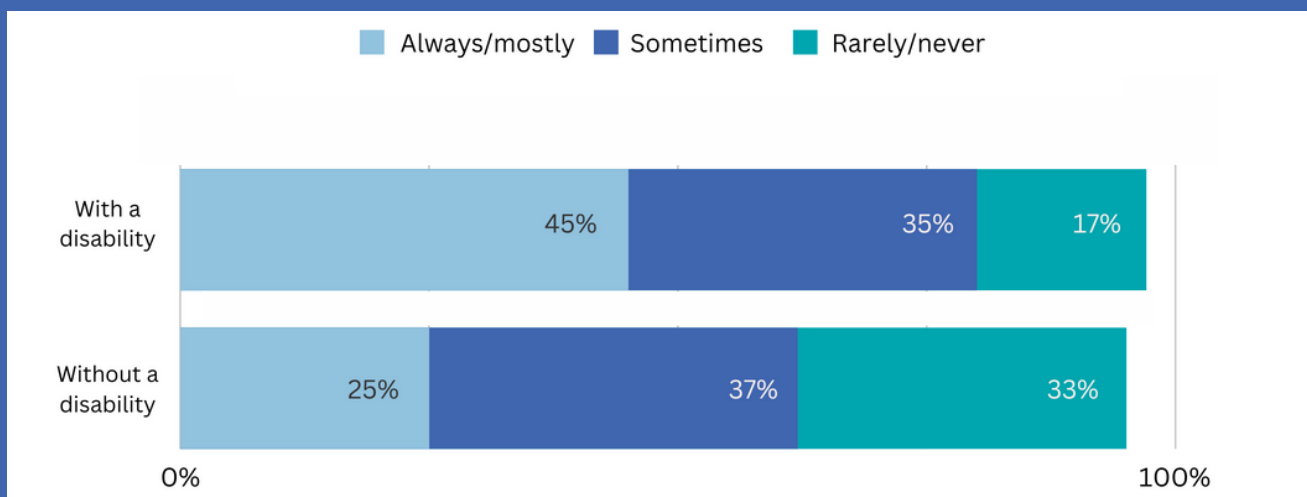
Figure 4: Percentage of monthly income spent on transportation expenses, by disability status



Among survey respondents, those with disabilities have more difficulty handling expenses related to transportation. While vehicle ownership rates are similar among respondents with and without disabilities (76% and 81%, respectively), those with disabilities have a significantly harder time maintaining their vehicles. Respondents with disabilities are much more likely to delay servicing their vehicles for financial reasons than those without disabilities (Figure 5).

Figure 5: Frequency of delaying vehicle servicing, by disability status

How often does your household delay vehicle servicing or repairs due to financial reasons? (Among those who own or lease a vehicle)

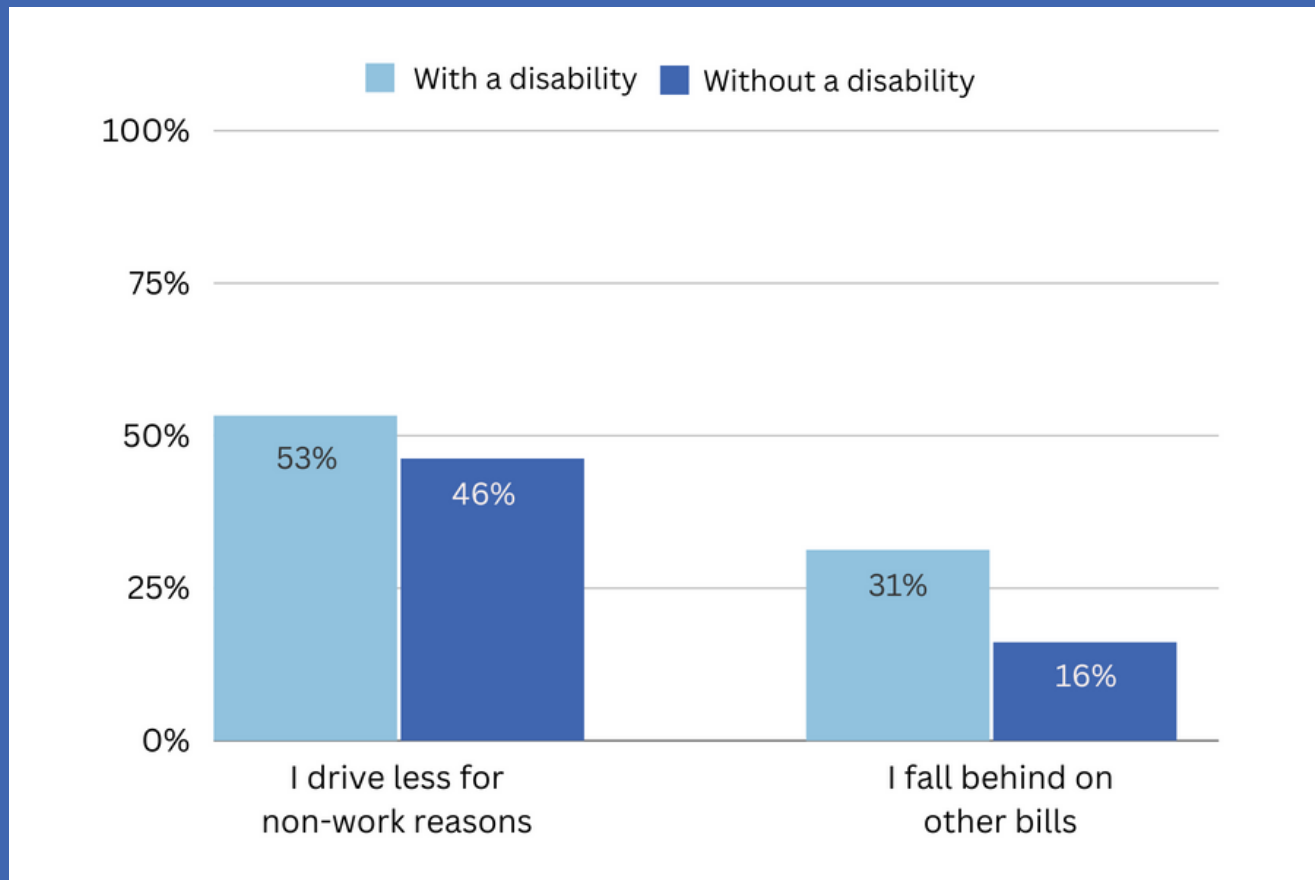


Note: Individual bars do not sum up to 100 percent because the percentages of respondents who answered "Don't know" or "Prefer not to say" are not displayed.

Moreover, when gas prices increase, respondents with disabilities face greater hardship. They are 15% more likely to cut back on driving for non-work reasons when gas prices increase, and nearly twice as likely as those without disabilities to fall behind on other bills when gas prices increase (Figure 6).

Figure 6: When gas prices increase...

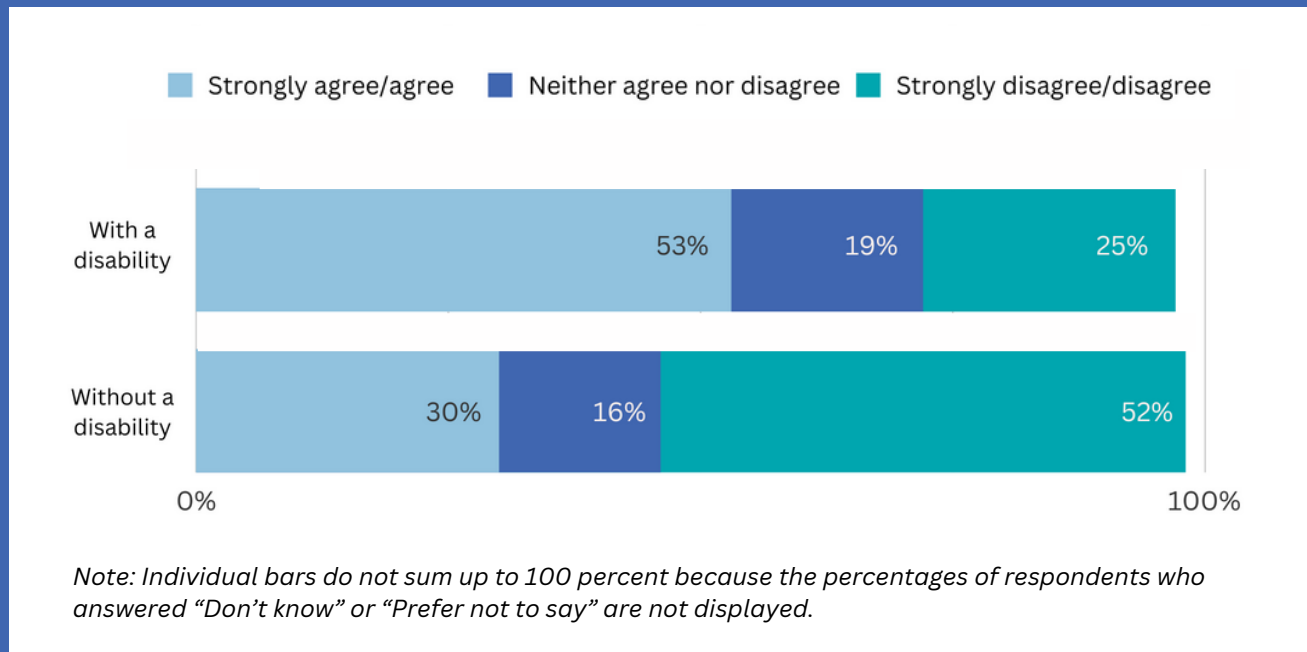
(Among those who own or lease a vehicle)



Transportation expenses limit life opportunities for those with disabilities

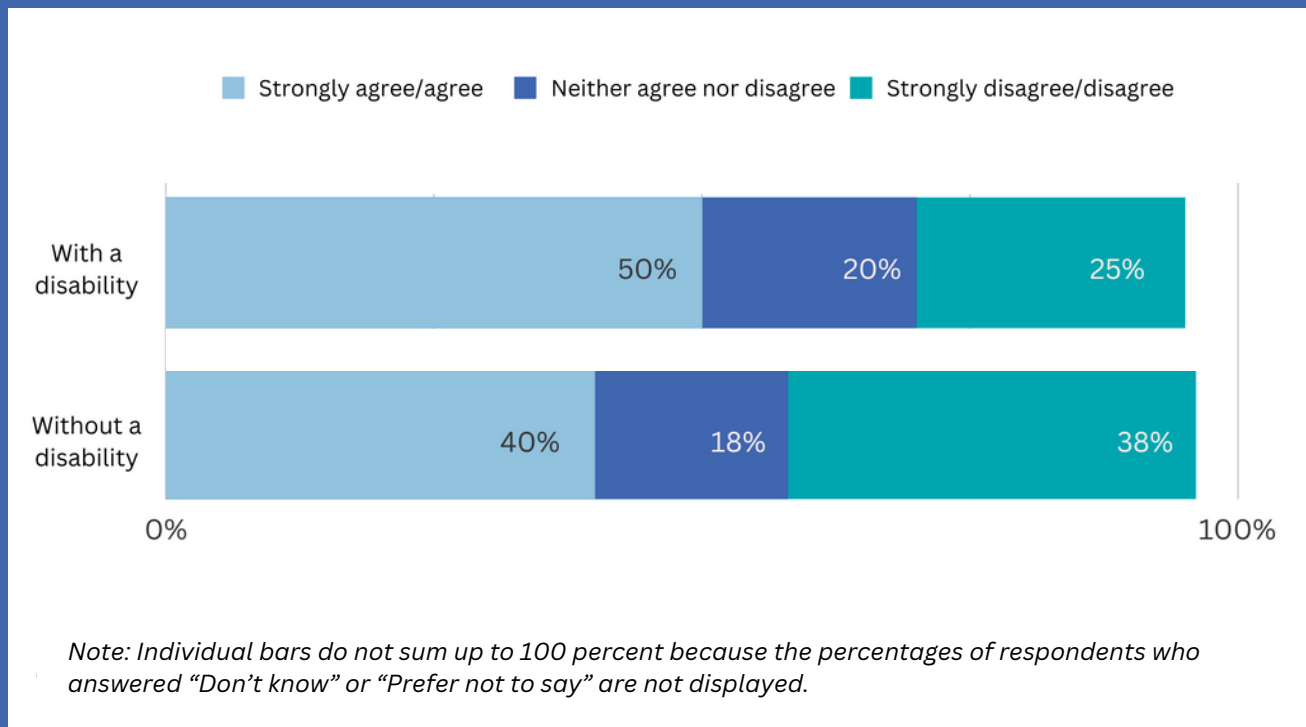
Survey respondents with disabilities are 77% more likely than those without disabilities to say that unaffordable transportation has proved limiting to their life opportunities (53% vs. 30%, respectively) (Figure 7).

Figure 7: Daily opportunities in life are limited by transportation costs, by disability status



In addition, transportation costs impact the opportunities that survey respondents with disabilities seek. Half of survey respondents with disabilities say they have decided to not apply for, or have turned down, a job because of high transportation costs, compared to 40% of those without disabilities.

Figure 8: Turned down or decided not to apply to a job because transportation costs were too high, by disability status



Areas for future research

This research surfaced insights about experiences and hardships unique to people with disabilities who are living on low-to-moderate incomes and raises new questions to explore in future research. This includes:

- **Potential implications of lower transportation costs.** More research is needed to understand how lower transportation costs might improve the life experiences and prospects of those with disabilities living on low-to-moderate incomes. For example, lower transportation costs could increase participation in the labor markets and/or allow people with disabilities to pursue better paying jobs. Further, from a policy perspective, it is important to know more about how transportation assistance could aid household financial stability by increasing the likelihood that people with disabilities stay current on monthly bills.

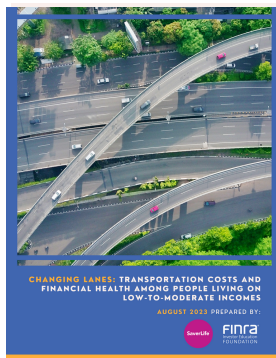
- **Impact of delayed vehicle repairs.** Survey respondents with disabilities are 80% more likely to always or often delay servicing their vehicles due to financial reasons, compared to respondents without disabilities. Additional research can help us better understand how delaying vehicle repair impacts overall social and economic mobility and, in turn, financial health.
- **Unpacking how transportation limits life opportunities.** 53% of survey respondents with disabilities say their life opportunities are limited by transportation costs, compared to 30% of those without disabilities. Further research might explore the nature of such limitations, including what specific opportunities people with disabilities are passing up because of high transportation costs. This, in turn, could surface policy interventions leading to better quality of life for lower-income people with disabilities.

Transportation costs take up an outsized portion of the budgets of individuals living on low-to-moderate incomes. For people with disabilities, who already face greater social challenges and higher cost of living than those without disabilities, lessening the burden of transportation expenses might lead to better financial security and greater equality of opportunity.

Methodology

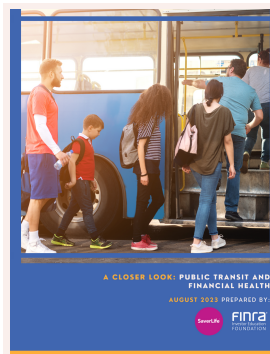
SaverLife, in collaboration with the FINRA Foundation, fielded a survey to 1,212 SaverLife member panelists between August and September 2022 that asked about people’s experiences with transportation costs. Development of the survey instrument was informed by 15 qualitative interviews with SaverLife member panelists conducted from January to April 2022. (For more details about the methodology for this research and the SaverLife member panel, click [here](#).)

Additional briefs associated with these research efforts



Changing Lanes:
Transportation Costs and Financial Health Among People Living on Low-to-Moderate Incomes

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