Center for Financial Security Family Financial Security Webinar Series

April 9, 2013

Promoting Financial Capability Building Services with Families in Head Start

Sponsored by a grant from the UW-Madison School of Human Ecology Beckner Endowment
Presenter
Peggy Olive, MSW
University of WI-Extension, Cooperative Extension
Promoting Financial Capability Building Services with Families in Head Start: Money Smart in Head Start

Peggy Olive, MSW
University of WI-Extension, Cooperative Extension
peggy.olive@ces.uwex.edu
Financial Capability Building Framework

- What a person knows about positive money management
- Factors that contribute to beliefs, attitudes, and behaviors
- Availability and use of appropriate financial products and services
- What a person does with their financial knowledge
Partners

- 16 UW Cooperative Extension County Family Living Educators
- 10 Head Start Partner Agencies
- 507 Households enrolled in Early Head Start & Head Start

- UW-Extension/Madison Family & Consumer Economics Specialist Michael Collins
- Financial Support from Annie E. Casey Foundation
- Technical Support from UW-Madison Center for Financial Security
Project Overview (2009-2011)

- Baseline surveys - Fall
- Financial Education Interventions:
  - 8 Monthly Newsletters
  - 2 Financial Workshops
  - Financial Coaching
  - None – for comparison group
- Follow-up surveys - Spring
Financial Surveys

**Purpose:** measure changes in self-reported financial attitudes and behaviors

**Examples**

**Measures of Distress:**
- Financial stress scale (0 = no stress; 10 = overwhelming stress)

**Financial Behavior:**
- Do you currently have a: checking account; savings account; credit card; have money automatically deposited into savings/investment account, etc.

**Financial Planning:**
- Do you have at least one financial goal?
Participating Head Start Households

Fall 2010 Baseline Survey Findings (N=507):

- 92% were women
- 57% were unmarried
- 88% were white
- 89% had completed high school
- 48% had attended at least some college
- 28% were homeowners
Household Members
M$HS Baseline Survey Respondents
(N=500)

- Two children in home: 37%
- Three children in home: 25%
- One child in home: 21%
- Four or more children in home: 17%
Monthly Take Home Income
M$HS Baseline Survey Respondents
(N=477)

- $801-$1600: 40%
- Between $1601-$2400: 20%
- Between $800 or less: 29%
- $2401 or more: 11%
M$HS Baseline Survey Respondents (N=507)

- Have a savings account: 68%
- Have a checking account: 70%
- "Unbanked" (neither savings nor checking accounts): 20%
- Have a retirement account: 20%
Participating Households

- 60% reported having difficulty paying some of their loans or debts
- 36% of respondents reported paying their bills late “almost always” or “often”
- 31% had received three or more calls from a creditor in the last three months
- 6% of respondents had a rainy day fund with 3 months’ worth of expenses – compared to 43% of Wisconsin’s population as a whole
Financial Capability Building Interventions

- Newsletters
- Workshops
- Financial Coaching

Plus 100 households received no financial education
8 Financial Newsletters

- Settings Goals for Your Money
- Spending Your Money
- Planning for Tax Time
- Saving Your Money
- Keeping Your Money Safe
- Building Good Credit
-Dealing with Debt
- Getting Organized
Financial Newsletters

2011 Follow-up survey results (N=154):

- 67% reported they read “most” or “all” of the monthly newsletters, while 32% “skim” it
- 1 in 5 households pass their newsletter along to share with someone else
- 93% rated the information in the newsletters as “somewhat” or “very” helpful, compared with other sources for financial information, such as parents/friends (81%) and websites (54%)
Reading the Money $mart in Head Start newsletters helped me to...

- set financial goal
- make spending plan
- get most from tax refunds/credits
- figure out debt & start to make payments
- put money into savings

Legend:
- AGREE
- DISAGREE
- NEITHER
Financial Workshops

Topics: Budgeting & Saving and Credit Management

UW-Extension family living educators in 11 counties offered 21 financial education workshops with 135 participants.

Participant comments included:

“This gave me some really good ideas on how to save my money.”

“Thank you for the information. I actually have been attempting to do this myself, but these tools will make it a lot easier.”

“This information was fantastic for any person who needs to try to find a few more dollars in their pocket.”

“This session made me look at my spending differently. Good ideas!”

“The presenters were wonderful and helped me so much. This was such an excellent learning tool that will change my life.”
Financial Coaching

Family living educators in eight M$iHS counties provided financial coaching for 24 households working toward achieving their financial goals

Key Elements of Coaching

- Collaborative process to change behavior
- Focus on long-term outcomes
- Based on client’s unique needs & goals
- Include action steps and check-in for accountability
- Practice new skills
Baseline survey: respondents interested in working with a financial coach vs. those who were either not interested in or unsure about coaching.
Parents interested in coaching also reported:

- More difficulty in paying their loans or debts
- More likely to have a financial goal
Follow-up Survey Findings

During the 2010-2011 school year, 193 parents completed both the baseline and follow-up surveys.

Compared differences between:
- households who received the newsletters & may also have taken part in a workshop or coaching
- households who did not receive any financial capability-building education
Differences for both the program and comparison group for attitudes, such as worries, confidence, and self-assessed ability to manage finances. (N=187)
Difference in **behaviors** for the **program** and comparison group, including debt levels, bill payment, and using a budget. (N=187)
Differences between comparison group and households who received only the monthly financial newsletters and households who received the newsletters and participated in a financial education workshop and/or coaching. (N = 187)
CONCLUSIONS

- Overall, each of the three services offered through the Money $mart in Head Start program led to improved financial security relative to receiving no services.
- Leveraged existing community resources to reach vulnerable populations.
- Highly replicable initiative for financial capability building.
For more information:

Money $mart in Head Start Program Materials: http://fyi.uwex.edu/moneysmartheadstart


Discussant

Christine Callahan, PhD, LCSW-C
Research Lead Specialist, Clinical
Financial Social Work Initiative
University of Maryland School of Social Work
UW-Madison Center for Financial Security Webinar, April 9, 2013

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Research Lead Specialist, Clinical
University of Maryland Financial Social Work Initiative
Financial Social Work Initiative (FSWI) at U of Maryland School of Social Work

• Founded in 2009 after several years of conceptualizing and planning
• Partnership between UMSSW alumni, school of social work, and other interested community partners
• Three-pronged focus: education, practice, and research
Evolution of FSWI

• Social workers in the community recognized need for additional financial skills in working with clients and communities
• Alumni consulted with educators, researchers, and leaders in the field and began providing trainings
• Financial crisis accelerated
• Demand for clinical and community-based services outpaced the capacity of those with training; agencies had no pipeline of financially savvy social workers
Evolution (continued)

• Alumni with an interest in financial social work challenged the school to take a leadership role
• Funders were willing investors in building the school’s training and community-based program capacity
• The School responded to media attention regarding activities in response to the financial crisis
• FSWI work-plan arose (11/08)
Why Financial Social Work?

- Need to integrate financial and psychosocial aspects of counseling
- Need to recognize that a host of problems contribute to financial & emotional distress/devastation (life-threatening illness, interpersonal violence, foreclosure, job loss)
- Need to address problems in a comprehensive, holistic way
- Need to recognize that financial and emotional stress are closely intertwined
- Need for social workers/counselors to be skilled in these areas with assessment and intervention
INTEGRATION INTO EDUCATION

• Advanced elective course in MSW curriculum on financial stability for individuals and communities

• Developing this course as an elective for both clinical and MACO tracks

• Efforts to infuse financial social work throughout curriculum

• Courses offered through CPE on financial stability; technology/tools; medical debt and financial social work
INTEGRATION INTO EDUCATION AND PRACTICE

• Paid internships and field placements in organizations/agencies providing financial social work

• Links to School of Social Work’s Community Outreach Service (SWCOS); links between the campus and faculty-led field units

• Links with alumni working in asset building field locally
INTEGRATION INTO RESEARCH

Financial Stability Pathways Project
• New initiative offered through Maryland CASH in collaboration with the Aspen Institute’s on-line tool (Asset Platform)
• Links low-to-moderate income individuals and families to a network of service providers in Baltimore-based non-profit organizations
• Connections to affordable and appropriate financial services; to establish emergency savings and assets; and to obtain public benefits
• Measuring changes to clients’ knowledge, attitudes, behaviors, and financial capabilities (about which little is known)
• Measuring providers’ knowledge and behaviors on financial capability
INTEGRATION INTO RESEARCH
(continued)

• Project with Junior Achievement of Central Maryland and Maryland CASH to conduct a feasibility study of matched college savings account programs in Baltimore City
• Research on the financial burden at end of life for patients and families
• Research on debt management plan conversion rates
• Financial Capability and Asset Building Social Work Research Consortium with other schools of social work across the nation
EXCITING HAPPENINGS

• Yearly special interest groups at SSWR on asset building and financial capability
• Partnership with UMB Center for Financial Education and Wellness across all 7 graduate schools
• Lunch ‘n Learns for MSW students
• Credit cafes and classes hosted for students
• Shout Out for Social Work Month (3/2013)
WHY FINANCIAL SOCIAL WORK (redux)?

• Development of interventions that address financial and psychosocial realities
• Development of new surveys measuring financial realities, capability, knowledge
• Addressing poverty and income inequalities through policy and legislation
• Establishing partnerships among schools, agencies, practitioners, macro social workers, and others
CONTACT US!

• Dr. Jodi Jacobson (FSWI Chair and Associate Professor):  jjacobson@ssw.umd.edu

• Dr. Christine Callahan (FSWI Research Lead Specialist, Clinical):  ccallahan@ssw.umd.edu

• http://www.ssw.umd.edu/fs

• Join us on LinkedIn! (Financial Capability Research Group at the University of Maryland School of Social Work)
Q&A
Save the Date:

Tuesday, May 14
1pm-2pm Central

Advancing Evidence-Based Policy:
Getting Your Research Across to Policymakers

Karen Bogenschneider, Rothermel-Bascom Professor of Human Ecology, UW-Madison

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