Background to the Problem

- Financial stress does not discriminate and affects all segments of society, including high-income individuals.
- The prolonged global financial crisis continues to affect vulnerable populations, highlighting the importance of financial capability in empowering individuals and families.
- Financial capability empowers individuals to make informed choices, avoid hazards, and know where to access help.

Research Questions

1. How does training on client financial issues (Despard and Chowa, 2010; Kindle, 2010) improve the professional practice and capabilities of social workers?

2. Does training improve personal financial knowledge and behaviors?

3. What organizational barriers exist that prevent social workers in their ability to assess and support client financial capability?

Financial Capability and Social Work Education

- Social workers receive little, if any, formal training on financial topics (Anderson et al., 2007; Despard and Chowa, 2010; Kindle, 2010).
- Many financial programs available do not reach the most vulnerable clients and families (Chowa, 2010; Sherraden et al., 2007).
- Participation in addressing financial capabilities in economic and social policy, concepts of financial capability (NASW, 2008), is still prevalent.

Client Financial Stability Overview

1. Day Course for Social Workers' CEUs
   - Learning Objectives
     1. Define financial capability and its importance.
     2. Identify key concepts of personal finances that social workers need to be informed about.
     3. Recognize the role of social workers in addressing financial stability.
     4. Build practical skills to work with clients’ financial issues.

What is Financial Capability?

- The capacity, based on knowledge, skills, and behaviors, for individuals to manage their own finances effectively, and to make informed decisions and take other actions to improve their financial well-being.

Measures

- Financial Capability: 33 items (range 1-5)
- Professional Self-Efficacy: 6 items (range 1-5)
- Financial Knowledge: 20 items (range 1-5)
- Financial Behavior: 17 items (range 1-5)

Results for Professional Practice

- Professional Self-Efficacy: Confidence scores increased significantly from T1 to T2 (p < .001), but not sustained at T3 (p = .88).
- Organizational Barriers reported at T3:
  - Not enough time (43%) to address client financial capability
  - Services do not align with work organization’s mission (41%)

Results for Personal Knowledge and Behaviors

- Personal Knowledge: Significant improvement reported from T1 to T2 for credit knowledge (p < .001).
- Personal Behaviors: Significant improvement reported between T1 and T2 for 6 behaviors, after 8 weeks.
- Significant improvement reported between T2 and T3 for 12 behaviors, after 16 weeks.

Results for Professional Practice (continued)

- Service delivery: 62 clients presented with secondary financial problems.
- 50% of clients presented with primary and secondary problems related to finances.
- 42% of clients presented with secondary financial problems.

Procedures and Data Analysis

- Pre-test (T1) online prior to training.
- Follow-up (T2) online 8 weeks after training.
- Data screening: Data were screened using PASW/SPSS v. 18 (2009).

Strengths and Limitations

- Strengths:
  - Random selection based on Little's (1988) test of MCAR
  - No significant differences with regard to demographics and practice characteristics (p > .05)

- Limitations:
  - Small sample size

What is Financial Capability?

- Definition: The capacity, based on knowledge, skills, and access, to manage financial resources effectively, to make informed decisions and take other actions to improve own financial well-being.

Results for Professional Practice

- Professional Self-Efficacy: Confidence scores increased significantly from T1 to T2, but not sustained at T3.
- Organizational Barriers reported at T3:
  - Not enough time (43%) to address client financial capability
  - Services do not align with work organization’s mission (41%)

Discussion

- Majority of social workers had no prior training.
- Initial improvement in self-efficacy from T1 to T2 was not sustained at T3 – further examination of organizational barriers needed.
- Improvement in professional knowledge & behaviors which is encouraging as a first step to improving professional knowledge & behaviors to increase financial capability for clients.

References Available in Handout

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Financial Capability & Economic Well-Being: An Evaluation Study
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