Financial Social Work “101” And How You Can Integrate It Into Your Practice

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Learning Objectives for Workshop

1) Get an overview of financial social work and how it is emerging today in social work practice
2) Learn more about the basics of financial issues and how they impact clients’ lives
3) Learn how to integrate financial social work concepts into practice and to have a practice that is especially sensitive to clients’ financial and psychosocial needs
Why Financial Social Work?

- Economic Recession impacted individuals & families across ALL income levels
- 35% of MD residents lack sufficient savings, 55% use subprime credit
- Finances are integrally related to individual, family and community wellbeing
- Person-in-Environment needs to include financial
- Application to diverse social service settings and populations
- Financial capability = attitude, knowledge, skills, and self-efficacy needed to make money management decisions that best fit the circumstances of one’s life
  - Need enabling environment that includes, but is not limited to, access to appropriate financial services. (Center for Financial Inclusion definition)
Why Financial Social Work?

Need to:

- Integrate financial and psychosocial aspects of counseling
- Recognize that a host of problems contribute to financial & emotional distress/devastation (life-threatening illness, aging at times, interpersonal violence, foreclosure, job loss)
- Address problems in a comprehensive, holistic way
- Recognize that financial and emotional stress are closely intertwined
- Identify social workers/counselors to be skilled in/comfortable with these areas with assessment and intervention
Why Financial Social Work?

- Development of interventions that address financial and psychosocial realities
- Development of new surveys measuring financial realities, capability, knowledge, self-efficacy
- Addressing poverty and income inequalities through policy and legislation
- Establishing partnerships among schools, agencies, practitioners, macro social workers, and others
Financial Social Work Considerations

- Social work practice with vulnerable individuals with complex needs, e.g., older adults, foster youth aging out of system, those previously incarcerated, those dealing with life-threatening illness, those dealing with intimate partner violence
- Social work practice with individuals and families who are trying to improve their financial situations and find greater stability
- Ethical requirement to understand, assess, and address with our clients the totality of their psychosocial, financial, and environmental realities
- What is financial capability?
Social workers = financial planners?

- Social workers currently help clients create budgets, manage benefits, and sometimes manage their finances (Ex: representative payees through Social Security).
- Social workers can help clients work through the psychosocial side of financial management.
- Social workers help clients often within the larger context of a psychosocial stressor(s).
- Social workers should not give financial advice, investment tips, or provide referrals to brokers (unless they are certified as well).
Financial capability is…

• According to Margaret Sherraden…
  • Combines a person’s ability to act with their opportunity to act
  • More than financial education
  • Must have access to financial products and services that allow them to act in their best financial interest
  • Leads to improved financial well-being and life chances
Application to Micro Social Work

- Clinical activities (counseling, coaching, therapy, resource linkage, and so forth) *but* so much more
- Cross-cultural considerations
- Our social work values
- Challenge of finite resources
- Responsive practice
- Theoretical approaches to guide
Clients’ assessment

• What to consider:
  • Does monthly income cover ongoing expenses?
  • Is income stable every 2 weeks or month?
  • Are they receiving any public benefits?
  • Are they eligible for any public benefits that they are not receiving?
  • Is there an impact on working ability?
Client interview

- Create a supportive environment.
- Understand what the client has gone through or is going through before he/she got to you.
- Take time to fully understand the issues at hand before getting straight to the solution
- Utilize “active listening” skills.
- Keep questions open-ended and probe as needed to delve into specific statements.
Theoretical Approaches that Guide Counseling Techniques

- Strengths-based
- Crisis intervention
- Brief, solution-focused
- Supportive
- Psychodynamic
- Cognitive-behavioral
- Grief
- Resource linkage
- Financial coaching
Interventions

- Supportive, strengths-based
- Family systems
- Crisis
- MI
- Grief/loss
- Advocacy
- Consultation
- Resource and peer linkage
What happens to money when you get it?
Do you think you are managing your money well?
In the past, what have you done with money you received?
How does having money make you feel?
How do you reward yourself?
What are some of your memories about having money when you were growing up?
Growing up, who in your household was in charge of money?
What friends or family members have helped you with money?
SOCIO-ECONOMIC EMPOWERMENT ASSESSMENT (Hawkins & Kim, 2011)

- Have friends or family members caused you to spend money in a way that you didn’t want to?
- Now or within the last few months, is there anything related to money that is stressful for you?
- Is there anything you feel is not related to money that is stressful or that you worry about?
- What do you think are the barriers to your not having as much money as you need?
- Are there educational barriers to stop you from being financially secure?
- Do you think you will be able to make enough money to survive in the future?
Bean Game

- Groups of 2-3 people
- Think of your group as a family
- Together as a family, decide how you want to spend your beans
- Each item has a set number of squares which indicates how many beans are needed to ‘pay’ for that item
- Move beans around until family is in agreement
Bean Game Discussion

• Easiest decision? Most difficult?
• If you had played on your own, would you have spent the beans differently?
• How did values, goals, and past experiences of each group member affect your choices?
• How did the negotiation process change after your budget got slashed?
Exploring your financial values

- Why do my financial values matter if I’m counseling someone else?
- How does my own financial history impact my decisions?
- How can I help someone else with their finances if my own finances are not perfect?
- I don’t have enough money to manage, so why do my financial values matter?
Big questions

• What Is Really Important to You?

• What Do You Want Out of Life?

• What Do You Want From Your Money?
Exploring your client’s financial values

- I can’t save because……
- Every time I have money……
- My family is broke and I’ll always be broke.
- My money is my family’s money.
- I don’t know how to manage my money.
- Banks don’t care about poor people like me.
- Banks are for rich people.
- People who have money are greedy.
- I can never be rich.
Role of social worker with client

- Reflecting on your own biases
- Asking questions without judgment
- Money is emotional; stay with the client where he/she is
- Use continuum to ask directive questions
- Familiarize yourself with types of financial assistance programs
Financial coaching

• Strengths-based
• Client-driven
• Work on self-identified financial goals

• Hear about financial coaching in action:

• [https://www.youtube.com/watch?v=fLrMaKAVKgI&t=18s](https://www.youtube.com/watch?v=fLrMaKAVKgI&t=18s)
Financial education

• Several key areas to focus on:
  • Understanding basic banking services.
  • Understanding tax credits and how to file taxes.
  • Basic budgeting/creating a spending plan; shifting if needed during the crisis.
  • Understanding financial values and decision-making.
  • Protecting yourself from identity theft.

• Resources: FDIC Money Smart curriculum

• Your Money Your Goals (CFPB)
  http://www.cfpb.gov
Case management

- Client usually doesn’t come to organization for overall financial planning assistance.
- Often doesn’t focus enough on person-in-environment; need to look at issues holistically.
- Due to lack of income stability, case management is often focused on crisis intervention (eviction, utility shut-off, housing, food).
- If contact is limited and short-term, make sure client is connected to ongoing support on financial and psychosocial issues.
Counseling

- Financial stress can cause feelings of low self-worth, depression, anxiety, shame, and hopelessness.
- Financial stress is a major factor in divorce, family tension and fighting, job loss, and program/school drop-out.
- Depending on your role, client may need to be referred to a counselor/therapist to address mental health and emotional issues.
Information and referrals

• There are countless programs and resources available to clients, but they often don’t know about them, or can feel helpless or overwhelmed.

• A network of information and referral programs can help connect clients to a wide range of programs.

• Alliance of Information and Referral Systems
  • [http://www.marylandairs.org/](http://www.marylandairs.org/)

• First Call for Help (211 or 800-492-0618)
  • [http://www.uwcm.org/uwcm/2-1-1-maryland.html](http://www.uwcm.org/uwcm/2-1-1-maryland.html)
Role of social worker in community

- Understand the unique financial barriers of community residents
- Reach out to existing financial institutions to engage around financial education and low-cost, appropriate products
- Use continuum to identify complimentary program and products
- Participate in local asset-building coalitions
- Identify policy barriers to financial security and advocate for change
Community assessment

What to look at:
- Poverty and asset poverty rates
- Median and mean household income
- Resources (financial and psychosocial)
- Employment and unemployment rates
- Median hourly wage
- Access to basic banking services
- Understand perception vs. reality
Programs

- Income supports
- Benefits screening and management
- Financial education
- Case management and referrals
- Counseling (financial and psychosocial/supportive)
Income supports

- Temporary CASH Assistance (TCA)
- Purchase of Care (POC)
- Head Start
- Unemployment Insurance
- Supplemental Nutrition Assistance Program (SNAP)
- Maryland Children’s Health Insurance Program (MCHIP)
- SSI/SSDI
Ethical and professional boundaries

• Professional boundaries
  • Managing use of self
  • Understanding your triggers
  • Know when to refer

• Ethical boundaries
  • Allowable practice within your relationship and expectation with client
  • Allowable practice within funding or organizational requirements
  • Referrals to only services with consent of client, no economic gains or conflict with you or your organization
Asset Building Continuum - Adults

Emergency & Transitional services
- Financial education
- Benefits screening
- Case management & referrals
- Counseling
- Income supports
- Utility discounts
- No fee/low fee checking/savings
- Second chance checking
- State ID or driver’s license
- Expansion of income limits (benefit cliffs)
- Expansion of asset limits
- Improve Check cashing regulations
- Employer incentives
- Bounce loans (overdraft)

Financial stability
- Financial education
- Financial coaching & credit counseling
- Free tax prep (VITA)
- Pro bono legal counsel
- Family Self-Sufficiency
- Subsidized health insurance
- Discount prescriptions
- Credit builder loans
- Debt consolidation
- Loan refinance/Short-term loans
- Debt management and settlement protections
- Refund anticipation loan/payday loan reform
- Bankruptcy and credit card reform
- Rent to own disclosures

Short-term asset ownership
- Financial education & coaching
- Car ownership
- IDAs (computers, 1st last month rent)
- Entrepreneurship
- Matched Savings Accounts
- Auto build CDs
- Ways to Work vouchers
- Affordable car loans
- Financial aid for higher ed.
- Insurance – car, rental, property, life
- Auto insurance pricing
- Matched account funding
- Funding for microenterprise programs
- Product quality protection
- Credit reporting standards

Long-term wealth creation
- Financial coaching
- Housing counseling
- Investment clubs
- Retirement planning
- Small business development
- Down payment assistance
- 401(k), 403(b), IRAs
- College Savings Plans
- Insurance – car, rental, property, life
- Predatory lending protections
- Foreclosure prevention
- Preserving individual right
- Identity theft protection

Initial employment
Continuous employment
Career development and mobility

Maryland CASH Campaign 2009