

Financial Social Work: An Evaluation of its Effectiveness in Changing Financial Behaviors and Improving Self-Sufficiency

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I.0 Background and Purpose of the Financial Social Work Program

Financial Social Work (FSW), an approach to financial literacy, was implemented with approximately 45 families over the two-year time period. Its goal was to create sustainable, long-term financial behavioral change that supports self-sufficiency and financial stability in individuals and families via education, motivation, and support. FSW was designed to help low-income families learn and internalize more productive financial behaviors. The organizations committed to training staff members in this psycho-social orientation to financial literacy and integrating this approach into their work.

The specific research questions that were established included the following:

- Have the FSW Program participants increased their knowledge of financial concepts/terms?
- Have the FSW Program participants improved their efficacy regarding the ability to change their own financial behavior?
- Have the FSW Program case managers increased their efficacy regarding their ability to change the financial outcomes for participants?
- Have the FSW Program participants (as applicable):
 1. Improved their financial behaviors with respect to: accessing mainstream resources to improve their financial situation; establishing a set of banking services; tracking personal spending; balancing their checkbook; reducing their personal spending; developing and implementing a personal savings and spending plan; living within a balanced budget; and reducing their debt?
 2. Moved out of transitional housing to permanent housing?
 3. Improved their employment situation?
- Have the FSW Program participants increased their long-term self-sufficiency, with respect to these domains: access to services; career resilience—employment and training; childcare; debt; education; emotional wellness; housing; income; legal; life skills (financial matters); life skills (setting goals and resourcefulness); physical health; safety (community); safety (relational); support system; and transportation?

In addition to these research questions related to outcomes for both participants and case managers, data were gathered regarding satisfaction with the program, overall, as well as with

the various components of its implementation. The feedback from both groups provide additional insight into what works or doesn't work with respect to the FSW Program and areas where improvements can be made.

2.0 Evaluation Design

This evaluation used a pre-post quasi experimental design. Prior to the clients' participation in the evaluation of the FSW Program, they were asked to sign an informed consent document, which detailed their rights and obligations as a research participant.

The research instruments used to gather the data included the following:

Client Knowledge Review: Assessed participant's knowledge of basic financial matters that were learned throughout the program; it was administered prior to intake and after graduation.

Client Performance Form: Collected demographics of participant, dependents in household, and self-sufficiency according to identified domains. Self-sufficiency was separated into 17 domains, Used at intake (pre), discharge/graduation (post), and the 6-month follow up.

Client Performance Form/Homework: Two client homework documents for Employment Stability (3 of 17) and Debt (5 of 17) domains.

Client Performance Form/ Activities: Used throughout the program to collect data on FSW activities, including completed assessments, workbook sessions, goals, and referrals throughout the program and 6-month follow up.

Client Self-Efficacy: Assessed participant self-efficacy on two scales, Financial Self-Efficacy and Self-Efficacy for Self-Regulated Learning, before the program, and at graduation/withdrawal.

Case Manager Self-Efficacy: Assessed case manager's self-efficacy regarding ability to change the financial outcomes for participants, before their training on the FSW curriculum and at the end of their participation in the program as a case manager.

Client Satisfaction: Assessed participant satisfaction with the program, completed at graduation/withdrawal.

Case Manager/ Program Manager Satisfaction: Assessed case/program managers satisfaction with the program, completed at the end of the program's implementation.

3.0 Results

The FSW Program was implemented over a three-year period and the final evaluation report reveals a number of promising practices and outcomes for the participants, as well as further insight into ways in which future implementations can be improved and future research can contribute to the field.

Finding 1: Participants significantly improved their understanding and knowledge of financial concepts and terms. Overall, the participants scored 68.3% on the knowledge pre-test and 77.4% on the post-test, which was a significant change over time ($p \leq .001$).

Finding 2: Overall, in three of the four agencies, the participants' confidence (self-efficacy) in performing various financial behaviors improved significantly from pre to post (*Significance @ ≤ 0.001*). On the other hand, confidence in being able to engage in self-regulated learning did not change significantly, which was already high at pre measurement.

Finding 3: Case managers significantly improved their levels of self-efficacy from pre to post in three out of the four assessment areas: efficacy to influence agency decision making ($p \leq 0.01$); efficacy to influence client financial-related performance ($p \leq 0.05$); and efficacy to create positive agency climate ($p \leq 0.05$).

Finding 4: There was a significant change among the FSW Program participants with respect to use of banking services and their engagement in other positive financial behaviors, as evidenced by a change from pre (5.6) to post (7.0), significant at $p \leq 0.001$. The post score shows that there has been improvement in the participants' understanding of financial matters and ability to apply what they learned. However, the analysis of the 6 month follow up data showed that there was a leveling off from post to follow up with respect to ability to understand financial matters and apply what they learn.

Finding 5: There were significant change in the level of debt for the FSW participants from pre to post and follow up measures. The pre debt score for participants was a 5.0, compared to 6.2 at the end of the program, indicating significant improvement in debt level ($p \leq 0.01$). While this is improvement, both these scores represent a stable debt situation, in that income is below expenses, but the individual is actively involved in credit services. The follow up comparison for the group of participants with pre, post, and follow up debt data ($n = 24$) goes from 5.63 (pre) to 6.71 (post), to 7.08 (follow up). The changes from pre to post and pre to follow up are

significant ($p \leq 0.05$). Moreover, this represents movement into the safe level, indicating that income equals vital expenses and the individual is actively involved in credit counseling services.

Finding 6: There was no significant change in the FSW Program participants' housing situation. The housing pre score for the 40 participants with pre and post data was a 6.4, compared to 6.2 at the end of the program, indicating an insignificant decline. However, a score of 6 signifies that participants' housing is stable and that they are living in affordable private housing (50% or less of household income is spent on housing), but that their choice limited by moderate income. The comparison across time goes from 6.96 (pre) to 6.5 (post), then up slightly to 6.81. But, again, none of these changes are significant, indicating little impact on the participants' housing situation as a result of their participation in the FSW Program. However, it may not be reasonable to expect significant changes in a participant's housing in such a short period of time as their involvement in the FSW Program, particularly when already in a stable housing situation.

Finding 7: There are mixed results with respect to whether the FSW Program participants improved their employment situation. Compared to other self-sufficiency domains, employment stability was a serious challenge. The pre score, for the 39 participants with data at both time periods, was 4.3 compared to 4.1 (post), placing the participants in the vulnerable category at both time periods. No doubt, having little employment stability greatly contributed to the financial difficulties that these participants experienced. However, for the subset of participants with pre (3.13)/post (2.75)/follow up (4.04) scores ($n=24$), there was a significant change ($p \leq 0.05$) from post (2.75) to follow up (4.04) time periods, although the participants employment stability was still vulnerable. The pre and post scores of 3.13 and 2.75 indicate that the participants, for the most part, were employed in temporary, seasonal, or part-time employment for 50-74% of the desired number of hours with no benefits. The post and follow up scores of 4.1 (for the 39 participants) and 4.04 (for the 24 participants) represent employment in temporary, seasonal, or part-time employment for 75-99% of the desired number of hours with no benefits.

Finding 8: The career resilience/training domain also showed one significant change over time. While the overall change from pre to post was not significant (5.6 compared to 5.9), these scores indicate that the participants were just slightly below the stable category. This indicates, for the most part, that the participants have work histories of one to two years and some skills

that offer potential for obtaining a comparable position. However, the participants lack skills in one of the following areas: work readiness; and/or literacy, numeracy, or occupational skills in an occupation within a stable industry. These changes over time for the participants that have pre, post, and follow up data ($n = 26$). The change over time went from 4.69 (pre), to 5.08 (post), to 5.88 (follow up), representing a significant change from pre to follow up ($p \leq 0.01$) and from post to follow up ($p \leq 0.05$). While this is a positive result with respect to these participants over time, scores in this range still fall slightly below the stable category.

Finding 9: There was a significant improvement ($p \leq 0.05$) for the 41 participants with data on self-sufficiency, from pre (6.84) to post (7.04). For the 26 participants with data at all three time periods their levels of self-sufficiency went from 6.93 (pre) to 7.15 (post) to 7.45 (follow up). The change from pre to follow up was significant at the ($p \leq 0.001$) and the change from post to follow up ($p \leq 0.05$).

Finding 10: The assessment of the FSW Program was quite good across all participants—with 83% rating the program as either good or excellent. With respect to recommending the program to others who want to achieve financial self-sufficiency, an overwhelming percentage (87.9 %) said “yes.”

Finding 11: Participants as well as case/program managers were asked to rate the quality of various components of the FSW program, using a mean score from 1 to 4 with 1=poor and 4=excellent. Based on a participants' comparison of these mean scores, the support from the case manager (3.36) was rated the highest, followed by: 5-module workbook (3.12), personal financial goal plan development (3.02), referral to community resources (2.97), and access to short-term financial assistance (2.93). The case/program managers had a less favorable assessment of the program, with their mean scores hovering in the 2-3 range, compared to participants whose ratings were close to 3 or above. Case managers rated these components as following: the support from the case manager - 3.33, 5-module workbook - 2.23, personal financial goal plan development - 2.50, referral to community resources - 3.33, and access to short-term financial assistance -2.83.

On the positive side, one case manager indicated, “It is a very needed program and very unique. This was very well planned and very well organized. Financial literacy and the emotional piece that is key to some of our client’s financial demise.” On the negative side, case/program managers indicated that the workbook seemed dated; that the curriculum went beyond the

basics needed by the clients to increase self-sufficiency; and that the workbook needed to eliminate the “fluff.” In addition, it was noted that there were too many inspirational quotes and too many self-analysis exercises that left the participants feeling overwhelmed.

Finding 12: A series of questions asked participants about specific outcomes of their participation in the FSW Program. On a 4-point scale where 1 = no, 2/3 = somewhat and 4 = yes, the participants were positive about what they achieved from the FSW Program, in that all identified outcomes were rated 3.47 or higher. The outcomes considered most valuable by the participants were that the program provided them with:

- A process for taking greater responsibility for their emotional well-being and financial future (3.72).
- Someone to ask questions of and to learn from (3.72).

The outcomes of least value to the participants were that the program provided them with:

- The financial knowledge, skills, tools, and insight to create a more stable and secure future (3.47).
- The help with changing my behavior and relationship with money (3.47).

Finding 13: The participants’ assessment of their case manager on various domains on a 4-point scale revealed positive ratings, with all the mean scores 3.32 or higher. The items most positively rated were that the case manager responded to the client’s questions or concerns (3.68) and they were treated with respect (3.66). There were three items with the lowest mean score (3.32): knowledge of the FSW workbook; identifying strengths and using them to help reduce/eliminate financial problems; and using useful examples in working to improve financial behavior. Compared to the participants’ assessment, case managers had slightly lower self-ratings, although the two items rated the highest were the same ones that the participants rated highest—i.e., responding to questions or concerns (3.60) and being treated with respect (3.60).

4.0 Conclusions and Recommendations

As a pilot project, the FSW Program had a number of “bumps in the road” as it evolved over the three years of implementation. Initially, the plan was to collaborate across agencies and have regular meetings to discuss the project’s implementation. Indeed, at the beginning this facilitated the joint decisions with respect to the best method of delivering the educational

component (i.e., one-on-one case manager/participant interactions vs. group sessions); the appropriate client for this program; the evaluation tools and methods of collecting data; and any other issues that came up.

However, it was difficult to maintain that momentum after the first cohort of participants completed the FSW Program. It was quickly learned that the clients at Community Shelter Services (CSS) were not good candidates for the program, as they are in a homeless shelter and for the most part, did not have any steady source of income. Hence, CSS soon bowed out of the project; given this, we were unable to collect any of the follow up data on the 4 participants from there and their case/program managers.

Second, it was soon decided to allow each agency to select the method of delivery that suited them best (e.g., one-on-one vs. group sessions). With this variation in delivery, and the limited numbers in the sub groups, it was not possible to determine anything about the delivery method and whether one approach resulted in better outcomes for participants than another.

The requirement for extensive data collection and reporting was also a burden for the agency staff and it required a considerable amount of follow up with the agencies to obtain the data needed to complete the evaluation. Some of this difficulty was exacerbated by the meager budget that was available to implement the FSW program across these 4 agencies, as well as the requirement to conduct an extensive evaluation effort.

In addition, the cost to agencies for the case manager training and the client workbooks, as well as their indirect cost for delivering the program with respect to staff time, was a burden for these agencies, reducing their long-term commitment to its implementation. And, for one agency, they had access to other “free” financial literacy curriculum materials, which they felt were comparable to those of the FSW Program.

Regardless of all these “bumps in the road” the project served 45 participants. Enough data were gathered through the evaluation effort to draw some initial conclusions with respect to the potential for this unique financial literacy curriculum to impact the knowledge gain and financial behaviors of individuals who are struggling to achieve self-sufficiency.

Indeed, there are a number of positive findings regarding the program’s impact on participants. Significant positive changes were noted in efficacy for both participants and case managers; knowledge gain; increase in number of positive financial behaviors; reduction of debt; improved

employment situation; increase in career resilience; and improved self-sufficiency overall. As well, the participants expressed a high level of satisfaction with their case managers, the program, and the impact it had on them.

While there were significant improvements in a number of areas, participants still struggled to move out of the “stable” level of self-sufficiency; which for the most part, places them in the middle of the self-sufficiency scale. They were most vulnerable in the area of employment, which makes sense as to why they are struggling financially.

Some areas for improvement in the delivery of the FSW Program were highlighted in the comments provided by participants as well as the case/program managers. Most of the comments about the workbook are pertinent and point to ways in which it can be improved. Other aspects of the delivery are relevant regarding finding ways to facilitate the participants’ completion of the assignments/homework.

What this analysis cannot do because of the time constraint on the evaluation follow up, is to determine if there will be any long-term impact of the improvement in financial literacy and the psycho-social changes related to how the participants relate to money and behavioral changes with respect to saving and spending. As well, this analysis cannot determine if this approach to financial literacy is any better than a typical financial literacy course, since there was no comparison group to make this determination. Both of these issues offer potential areas for further investigation.

The overarching conclusion with respect to the FSW Program is that it does have potential for accomplishing its stated goal of creating sustainable, long-term financial behavioral change that supports self-sufficiency and financial stability in individuals and families via education, motivation, and support. There are still a number of areas in need of improvement and further research is needed to more definitively conclude it is superior to other approaches to financial literacy. However, as designed, FSW Program was created to help low-income families learn and internalize more productive financial behaviors. Therefore, organizations are likely to benefit by training staff members in this psycho-social orientation to financial literacy and integrating this approach into their work.