

# Nefe Digest

Spring 2018

## SOCIAL WORKERS

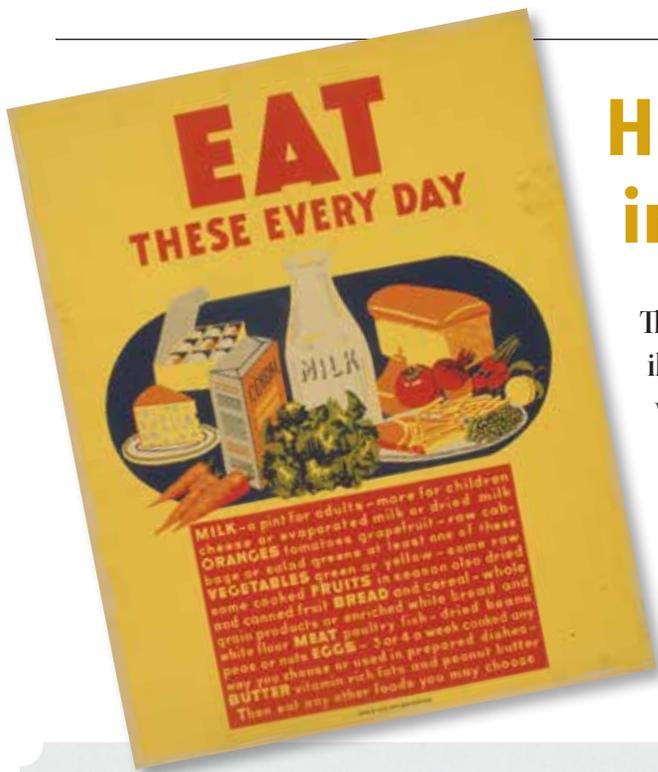
*Helping Americans  
Live Better Lives*

**T**oday's social workers face challenges unlike anything before: mental illness, substance abuse, poverty, financial insecurity — and a large population of aging Americans that is likely to need social work support for decades to come. Already advising on complex topics like housing, public benefits and health insurance, social workers may soon add financial education and guidance to their services. But would training social workers to increase the financial capability of their communities be too much to ask of an already strained profession? Or might it be an essential ingredient that has been underestimated all along?

*(Continued on page 2)*



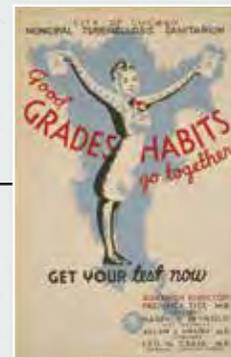
NATIONAL ENDOWMENT FOR  
FINANCIAL EDUCATION



# History of Social Work in the U.S.

There have been formal groups to help the poor, children and the mentally ill in the United States since before the American Revolution, but social work as we know it emerged just after the Civil War, when President Lincoln authorized Clara Barton to form an agency to locate and identify missing soldiers. By 1881, she and her partners founded the American Red Cross, often cited as America's first formal social work organization. Public opinion about social work has shifted with the times, but the need has not slowed down. The social work profession is predicted to grow 16 percent within the next 10 years.

- **American Revolution:** Church and secular aid groups help the poor, children and the mentally ill in their communities.
- **Urbanization and Industrialization:** Population growth, poor living conditions and widespread poverty create more need for public assistance.
- **In 1881,** Barton and her partners establish the American Red Cross.
- **1880s-1920s:** Social workers, along with home economists, encourage budgeting and economic virtues, along with savings programs.
- **The New Deal:** President Roosevelt implements several policies in the 1930s, solidifying the idea that government has a role in caring for the public.
- **1935-1945:** Number of social workers doubles from 40,000 to 80,000. The primary recipients of social work at this time are white, middle-class workers.
- **1955:** National Association of Social Workers (NASW) established.



- **Early 1800s:** States begin to establish governmental aid programs, but they are hard to manage.
- **April 20, 1865:** President Lincoln authorizes Clara Barton to start the Office of Correspondence with Friends of the Missing Men of the United States Army to locate and identify missing soldiers.
- **1877-1910:** Charity organization societies and "settlement houses" serve poor communities through home visits and tackling the environmental causes of poverty.
- **Great Depression:** The American public begins to see how poverty can result from circumstances and not just a lack of personal character.
- **Social Security Act of 1935:** Introduces the concept of entitlement programs to Americans. The first time the government guarantees assistance to children, the poor and the elderly.
- **World War II:** There is a spike in cases of "shell shock" or post-traumatic stress disorder (PTSD). Social workers turn to helping war veterans and their families.
- **Early 1960s:** Investigative media reveals that 40 million people — mostly children — are living in poverty in the U.S. Many Americans are shocked and pressure the government to do something.

*"... To enhance human well-being and help meet the basic human needs of all people, with particular attention to the needs and empowerment of people who are vulnerable, oppressed and living in poverty."*

— NASW Code of Ethics

## What Does the Future Hold?

Social workers must navigate issues ranging from survival needs like housing and medical care to chronic conditions like PTSD and substance abuse. What challenges face social workers in the near future?

- **Widening wealth inequality** – The wealthiest 1 percent of Americans controls 40 percent of the country’s wealth and the average American’s wages have not increased at the same rate as the cost of living.
- **Aging society** – By 2030, one-fifth of Americans will be 65 or older.
- **Housing insecurity** – In cities across the nation, families can’t find affordable housing, and millions are on waiting lists for housing vouchers.
- **Student debt** – 44 million Americans owe \$1.4 trillion in student debt; African Americans with bachelor’s degrees carry more than twice the debt of whites.

## Potential Positives

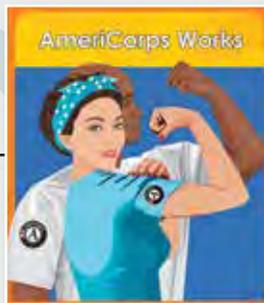
As the need for social workers increases, so does the need for educational infrastructure to train them. The number and quality of social work education programs continues to grow and adapt to new technology.

- **Increased evidence-based practice** – More social work programs and trainings are using data to plan, track and evaluate their initiatives. Better data helps to see what’s working and what’s not.
- **Online education options** – Web-based trainings, classes and info sessions mean social workers can stay current on the latest resources and changes to legislation affecting their communities.

For more on the future of social work, see the “12 Grand Challenges” Initiative at the American Academy of Social Work and Social Welfare (AASWSW) website: [www.aaswsw.org/grand-challenges-initiative/12-challenges](http://www.aaswsw.org/grand-challenges-initiative/12-challenges).



- **1964:** President Johnson declares an “unconditional war on poverty” and launches several programs, including the Job Corps, Head Start and the Office of Economic Opportunity.
- **1975:** Title XX of the Social Security Act establishes block grants giving states the power to provide social services tailored to their populations.
- **1980s:** Although there is general prosperity for the nation, poverty rates rise, particularly among children, young families and people of color.
- **1980s:** Major cutbacks in funding for social programs create challenges for social workers, who face new problems, including HIV/AIDS, homelessness, domestic violence and the crack cocaine epidemic. Social workers increasingly look for private support rather than government funding for their initiatives.
- **Sept. 11, 2001:** East Coast terrorist attacks raise awareness of PTSD and other mental health needs.
- **Great Recession:** Many Americans suffer financial, emotional and psychological damage due to unemployment, financial losses and housing difficulties.



- **1965:** Medicare and Medicaid enacted.
- **Late 1970s:** Social services focus on:
  - Reducing dependency and encouraging self-sufficiency.
  - Preventing neglect and exploitation of children and adults who can’t protect themselves.
  - Preserving and reuniting families.
  - Preventing or reducing unnecessary institutional care in favor of home care.
- **Early 1990s:** The number of people who qualify as poor reaches 36 million.
- **1994:** AmeriCorps established to encourage youth involvement.
- **2005:** Hurricanes Katrina and Rita leave thousands of people in need of public assistance.
- **2008:** Congress passes the Federal Mental Health Parity and Addiction Equity Act, requiring that mental health services receive the same level of insurance coverage as medical services.

Timeline sources: University of Michigan School of Social Work, American Red Cross, U.S. Department of Health and Human Services, Social Security Administration, Corporation for National and Community Service, National Institute of Mental Health, *Social Work Today* magazine. Vintage posters courtesy of the Library of Congress.

# Why Americans Need Financial Help (Now)

Social workers deal with a wide range of issues. One social worker might be helping find treatment for an opioid addiction, while the next is placing a child in foster care, and the next is doing crisis management after a hurricane. At first

glance, these might not seem to have much in common, but there is a financial component underlying just about every situation a social worker might face.

## 3 Reasons Americans are Financially Vulnerable



### 1. They have low levels of resources.

Due to decades of persistent poverty and widening inequality of income and wealth, many American families have very few resources to build on. The cycle of poverty continues as generation after generation struggles to get ahead — and the divide is wider for nonwhite families.

Note that income and wealth are not the same. Income typically is thought of as money earned through work, while wealth is a person's net worth, or the value of what they would own after paying off all their debts.

- Over 12 percent of Americans (41 million) and 18 percent of children live in poverty, with even higher poverty rates for racial and ethnic minorities.
- Real median income for white households is 65 percent higher than that for African-American households and 36 percent higher than that for Hispanic households.
- In 2016, the median wealth of upper-income families was seven times that of middle-income families and 75 times that of lower-income families.
- A recent study found that white households had 10 times more wealth than African-American households and eight times more than Hispanic households.



### 2. They lack appropriate financial services.

More than a quarter of American households either lack access to basic financial services or use expensive and sometimes risky financial products such as payday loans. Many of these individuals have low income, are young or old, and identify as members of racial or ethnic minority groups.

- About 9 million households (7 percent of the population) are unbanked. They do not have a savings or checking account with a financial institution.
- Another 24.5 million households (20 percent of the population) are underbanked. They have an account, but also use alternative financial services like payday loans, auto title loans, pawnshops and check cashing services.
- An estimated 26 million adults are “credit invisible,” meaning they have no credit record. Another 19 million have an unscored credit record, limiting their access to favorable credit terms.



### 3. They have low financial literacy.

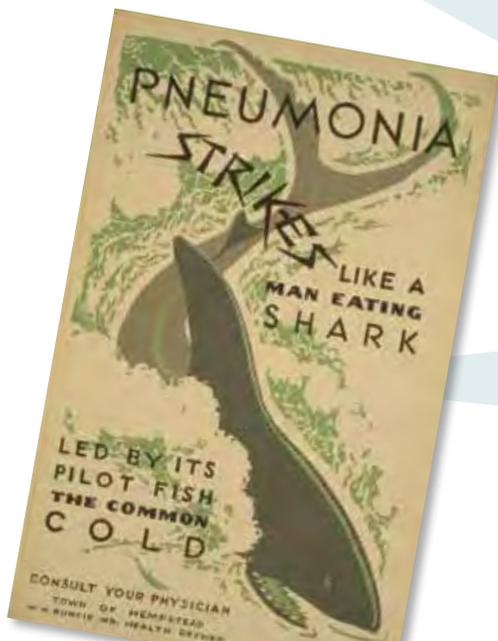
Despite the increasingly complex array of financial decisions faced by families, many Americans lack adequate knowledge and skills to manage their financial lives effectively, which can lead to short-term disruptions and long-term insecurity.

- A study using a simple measure of financial literacy found that U.S. adults on average could correctly answer only three of five basic financial knowledge questions.
- One-quarter could not answer a basic question on interest rates, and 41 percent could not answer a simple question on inflation.
- Scores for financial well-being are lower among those who report lower levels of “financial know-how” and confidence.

### What’s Fin Ed Got to Do with It?

At its core, financial education is about more than spending guidelines and credit scores. It’s about making informed decisions that benefit one’s self now and in the future. Here are just some ways that social work intersects with personal finance.

Financial Topic	
<b>Aging</b>	<ul style="list-style-type: none"> <li>• Navigating retirement savings</li> <li>• Choosing when to take Social Security benefits</li> <li>• Estate planning</li> </ul>
<b>Child welfare</b>	<ul style="list-style-type: none"> <li>• Basic money management</li> <li>• Goal setting</li> <li>• College planning</li> </ul>
<b>Employment</b>	<ul style="list-style-type: none"> <li>• Workplace benefits</li> <li>• Matching salary to skills</li> <li>• Paying for continuing education</li> </ul>
<b>Health care</b>	<ul style="list-style-type: none"> <li>• Getting health insurance</li> <li>• Managing medical debt</li> <li>• Paying for preventive care</li> </ul>
<b>Housing</b>	<ul style="list-style-type: none"> <li>• Getting a mortgage</li> <li>• Paying for home maintenance and repairs</li> </ul>
<b>Mental health</b>	<ul style="list-style-type: none"> <li>• Finding affordable treatment options</li> <li>• Managing finances as a caregiver</li> </ul>
<b>Natural disasters</b>	<ul style="list-style-type: none"> <li>• Protecting property and income with insurance</li> <li>• Making insurance claims</li> <li>• Recovering financially after a disaster</li> </ul>



Regardless of whether the challenge is getting affordable housing, finding employment or caring for the elderly — basic financial skills and understanding are critical to making the best choices. Training social workers to educate their communities about debt management, spending guidelines, opportunity cost and other personal finance concepts could improve decision making and outcomes in just about every area.

# Financial Education in Social Work Today

New NEFE-funded research from Washington University in St. Louis investigates how much financial education is currently being taught in programs to train social workers around the country — and which financial topics social workers believe would benefit them the most.

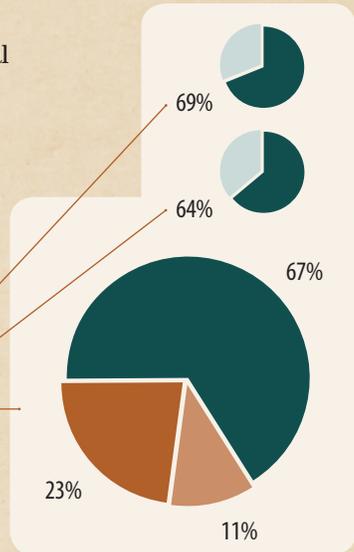
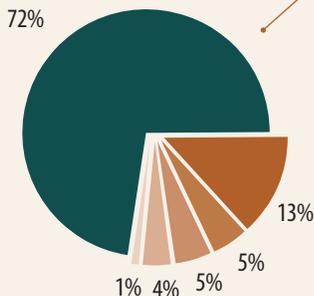
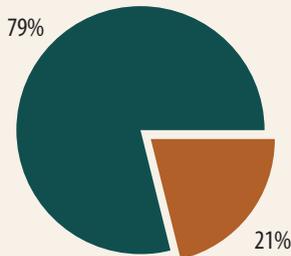
With the social work occupation expected to grow 16 percent in the next 10 years and social work education broadening its reach through online learning, this could be a critical time to integrate financial topics into the standard social work curriculum.

## Study Methodology

Washington University researchers conducted an email survey of 1,577 faculty members who taught in accredited social work programs at colleges and universities from August 2016 to May 2017.

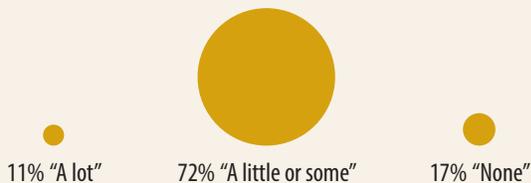
## Respondent Demographics

- 79% Female / 21% Male and gender neutral
- 72% White (non-Hispanic)
  - ▶ 13% African American
  - ▶ 5% Hispanic
  - ▶ 5% Asian American
  - ▶ 4% Multiple or other races
  - ▶ 1% American Indian/Native American
- 69% employed at a public university
- 64% hold a doctorate degree
- 67% are in tenure track positions
  - ▶ 23% in nontenure track positions
  - ▶ 11% in adjunct positions



## Financial Education

When asked how much financial education they have received in their lifetimes, respondents replied:



## Financial Capability

When asked to characterize their own financial knowledge and skills, respondents replied:



## Education and Capability are Linked

Researchers found the level of prior financial education reported and the assessment of financial skills and knowledge to be highly correlated:



- 84% of those who reported having a lot of financial education also reported having a high level of financial knowledge and skills. None of them reported having a low level.
- 42% of those who reported having no financial education reported a low level of financial knowledge and skills.

# 4 Key Questions (and Takeaways)

## 1. What is the amount and type of financial content currently taught in social work courses?

The researchers categorized financial and economic content into three groups: financial products and services, public policies and programs, and financial management and practices. Within each group, the topics are ranked by the percentage of respondents who said that they have “never taught” this content.



### Percentages of Topics in Relation to Financial Well-Being “Never Taught” in Social Work Programs by Respondents

Financial Management and Practice	
Race and social class	48.74
Macro change	52.52
Finances and emotions	55.95
Household budgets	57.79
Household financial well-being	67.2
Student finances	70.72
Money conversations	70.87
Household financial decisions	72.73
Financial values and goals	74.75
Identity theft/scams	80.79
Public Policies and Programs	
Health insurance	49.21
Housing services	49.44
Public benefits	50.59
Tax credits/assistance	57.65
Financial Products and Services	
Saving for the future	62.98
Student loans/debt	64.42
Problem debt	65.68
Credit	67.58
Electronic benefits transfer (EBT)/prepaid cards	68.28
Emergency savings	68.94
Nonbank products	69.24
Bank products	74.72
Credit reports	86.15

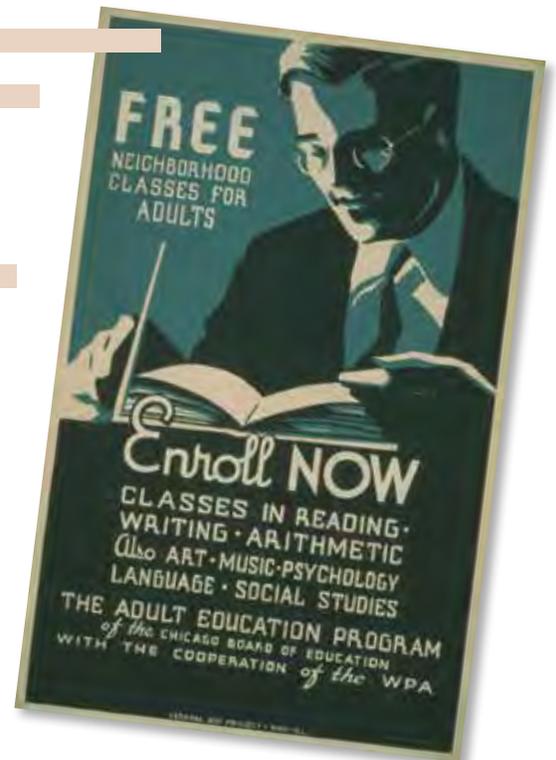
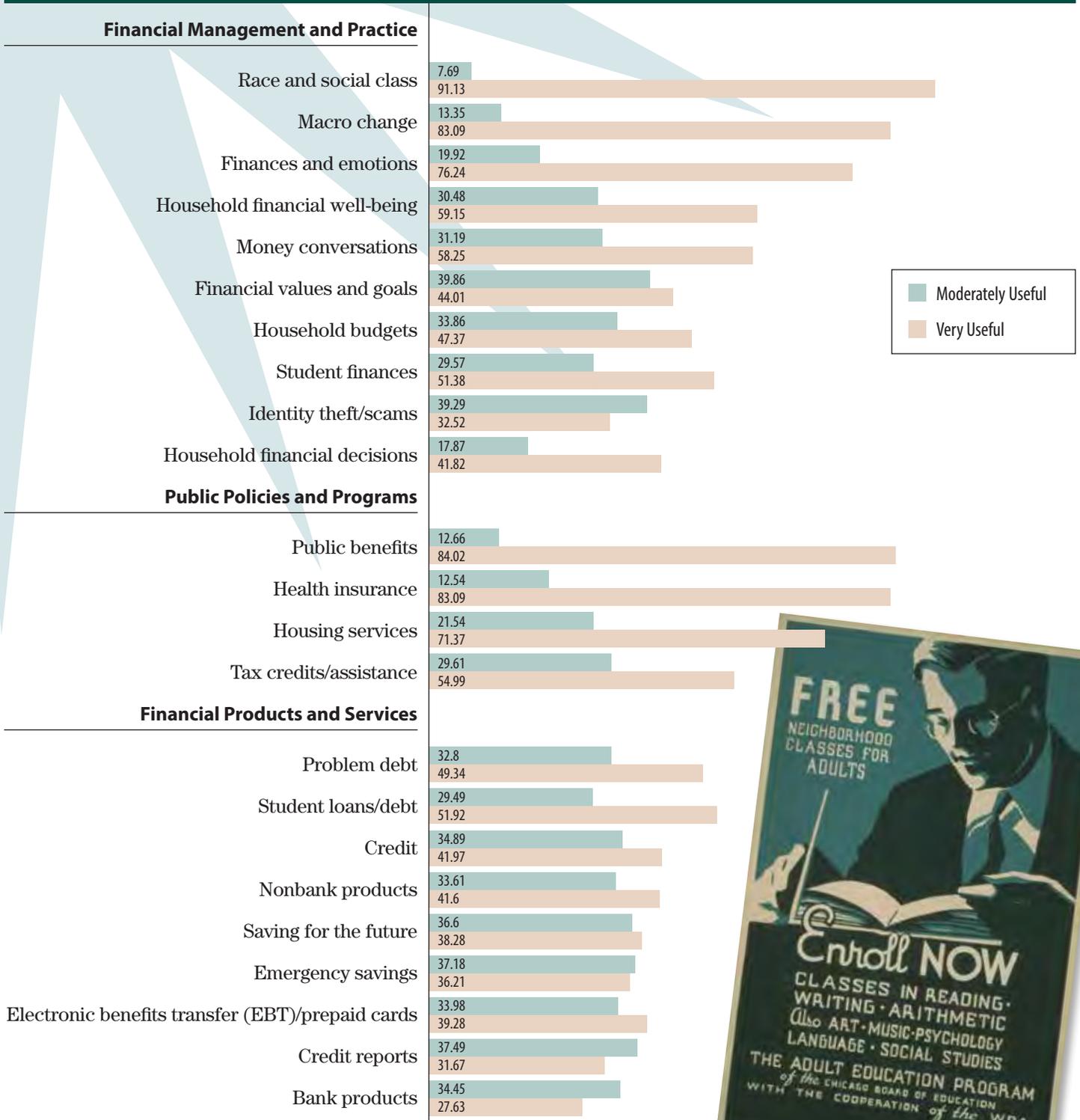
Response options included: never taught, taught a little, taught some and taught a lot.

## 2. How useful do social work faculty think financial topics are in preparing students for practice?

Among the faculty respondents who provided a valid response, nearly all (91 percent) agreed with the statement that “students would benefit from more financial or economic content than is currently being taught.”

The recognized usefulness of these topics, in contrast to the lower percentage who are teaching these topics, suggests a call for more financial education in social work education.

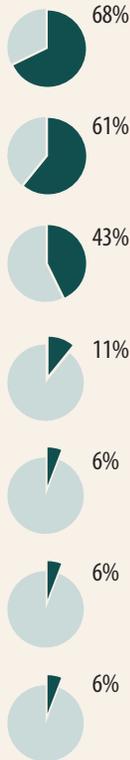
### Perceived Usefulness of Financial Education in Social Work Programs



Response options included: not useful, slightly useful, moderately useful and very useful. Sample size: 1,577.

### 3. Among social work faculty, what are the perceived barriers to and opportunities for teaching financial content?

Among those who said more financial content would be beneficial, lack of time and faculty expertise were cited as primary barriers. Even those who do not think students would benefit from more financial content indicated lack of time as one of the main reasons.



#### Perceived Barriers

- **68%:** Lack of flexibility and time to teach additional content
- **61%:** Lack of faculty expertise in teaching financial and economic content
- **43%:** Lack of faculty interest in financial and economic content
- **11%:** Not required by the Council for Social Work Education (CSWE)
- **6%:** The content is "not the role of social work"
- **6%:** Other barriers
- **6%** No barriers

Even some of those who do not think students would benefit from more financial content indicated lack of time as one of the main reasons. Time and flexibility to teach financial education are real limitations, but the research shows that people who have received financial education themselves are more likely to teach it. This suggests the importance of adding financial capability content to the social work curriculum and increasing faculty exposure to and training in financial capability. The more people in the social work profession who receive financial education, the more these perceived barriers might fall away.

### 4. What are faculty's recommendations for including financial content in the social work curriculum?



- **81%:** Integrate or infuse content into an existing course
- **57%:** Provide extracurricular opportunities (such as workshops)
- **39%:** Add an elective stand-alone course
- **17%:** Add a required stand-alone course
- **6%:** Other recommendations

Faculty recommended infusing financial education in existing courses, adding elective courses or offering extracurricular activities. Most respondents recommended online mechanisms (webinars, online courses and other online resources) as the best ways to teach faculty. These preferences are not surprising given time pressures and possible discomfort about teaching financial matters. Online, faculty can learn at their own pace and convenience.

### About the Study

The final report, *Faculty Perspectives on Financial Capability and Asset Building in Social Work Education*, was produced as part of the Financial Capability and Asset Building (FCAB) initiative at the Center for Social Development in the George Warren Brown School of Social Work at Washington University in St. Louis. The researchers are Margaret S. Sherraden, Ph.D., Jin Huang, Ph.D., Lissa Johnson, MSW, Peter Dore, Julie Birkenmaier, Ph.D., Vernon Loke, Ph.D., and Sally Hageman, MSW.

More information on methodology, analysis and limitations are available in the full report.

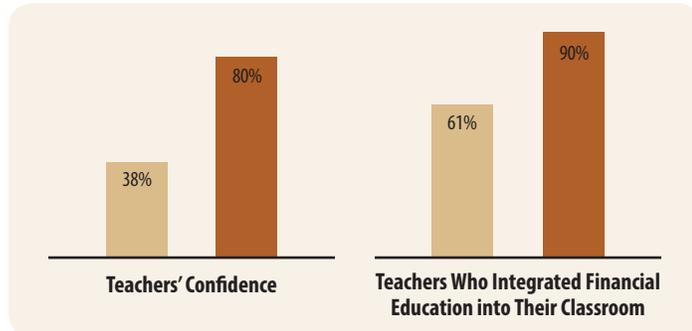
## Why We Should Train Social Workers Now

**F**ranksly, we at NEFE are not surprised by the Washington University findings about financial education and social workers.

We've seen this before. In a 2009 study by the University of Wisconsin-Madison, less than 20 percent of K-12 teachers felt "very competent" to teach personal finance, but 89 percent agreed it was important for students to learn before graduating from high school.

Clearly, we needed a way to increase teachers' competence to inevitably raise their confidence.

The financial capability community stepped up to collaborate on a new teacher training initiative, the Jump\$tart Financial Foundations for Educators (J\$FFE) model, a replicable program, which focuses on a learner-centric approach to building teachers' confidence, and was tested in five states.



As a result of receiving the J\$FFE training:

- Teachers' confidence increased from 38 to 80 percent.
- Ninety percent of the teachers who received the training integrated financial education into their classroom instruction — up from 61 percent prior to the training.

A two-year pilot in Vermont also showed that students taught by well-trained teachers improved their financial literacy by an average of 17 percent.

This is powerful evidence that better financial capability is achieved through well-trained teachers.

**Almost all (91 percent) social work faculty in the Washington University study felt students would benefit from more finance and economic content than is currently taught;** and the majority (61 percent) said a lack of faculty expertise was standing in the way, which may point to faculty lack of confidence.

If teachers' confidence and likelihood to teach personal finance could increase so dramatically after receiving comprehensive training, it is likely that social workers would experience similar results.

### Building on Teacher Training Success

**We have what we need** to truly make a difference in the financial capability of this nation. We know how to effectively train teachers and we know that students benefit more from well-trained teachers. These pilot studies also provide blueprints for evaluation of changes in knowledge and behavior for both teachers and students.

We believe that **the tools used to train classroom teachers can be adapted** to the needs of social work school faculty and students so they too can benefit from more confidence and better financial behaviors.

Although research provides concrete data on why intermediaries don't teach personal finance, we really don't need any more research to assume that this imbalance (most don't feel competent to teach it, but most feel it should be taught) carries through most of the helping and teaching professions. Let's just proceed as if it is given.

## J\$FFE

The Jump\$tart Financial Foundations for Educators program (J\$FFE) was designed to ensure consistency and rigor in national teacher training programs and is administered by the Jump\$tart Coalition on behalf of its partners and affiliates.



## The Jump\$tart Financial Foundations for Educators Model:

- Is licensed, at no cost, to qualified users.
- Helps local organizations conduct professional development programs for teachers in their area.
- Focuses on teachers as learners and as consumers.
- Complements many existing teacher training programs and conferences.
- Is suitable for teachers at any grade level, regardless of the subject into which the teacher incorporates financial education.
- Promotes both consistency and customization.

For more information, visit  
<http://www.jumpstart.org/financial-foundations-model.html#>

The beauty of this teacher training model is that it helps both students and adults improve their financial behaviors. It is not solely focused on a sliver of the population. Research shows **it works for every age group** — teachers directly, and students indirectly.

It is time for us to take a stand on **what constitutes financial education**. There is a big difference between a one-hour game or simple flyer and a comprehensive personal finance curriculum. In order to be effective for its learners, financial education needs to include the 5 Key Factors (see below). It's confusing for students, teachers and consumers when materials that fall short are labeled "financial education," and makes it easy for critics to proclaim that "financial education doesn't work."

We know that many of our readers already are in alignment on these principles and we applaud your dedication and high standards. **Take a stand with us** to inform influencers about the proven resources available to boost financial capability in their communities. Insist on using high-quality instructional materials and **reach out to like-minded organizations** to build coalitions to improve financial capability for all individuals and families. If we don't make training teachers and intermediaries such as social workers a priority, we are failing the public we are committed to serve.

## 5 Key Factors of Effective Financial Education



1. Well-trained Educator (and/or tested e-learning protocol)
2. Vetted/Evaluated Program Materials
3. Timely Instruction
4. Relevant Subject Matter
5. Evidence of Impact (Evaluation)

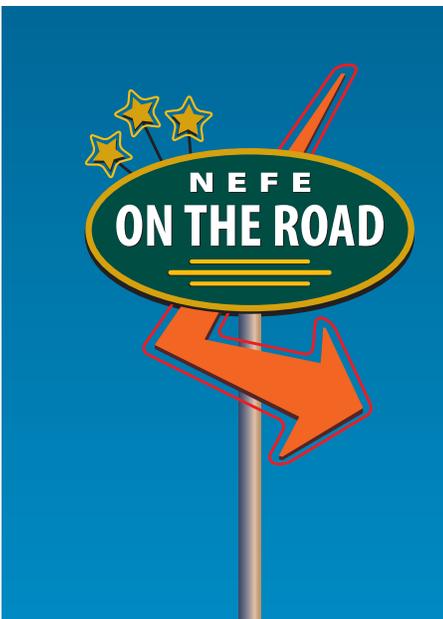
For more information on the Washington University study and other NEFE-funded initiatives, visit [www.nefe.org/research](http://www.nefe.org/research).



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## HOLIDAY CLOSINGS

NEFE will be closed March 30 for Good Friday and May 28 for Memorial Day.



## Stop by Our Booth or Look for Us at the Following Conferences:

Student Affairs Administrators in Higher Education (NASPA) Conference . . . . .	March 3-7	Philadelphia
Radio Television Digital News Association (RTDNA) First Amendment Awards . . . . .	March 8	Washington, D.C.
Moneywise . . . . .	March 17	Washington, D.C.
California Community Colleges Student Financial Aid Administrators Conference . . . . .	March 20-22	Palm Springs, Calif.
Problem Gambling Training Summit . . . . .	March 21-22	Sacramento, Calif.
Public Library Association Conference (PLA) . . . . .	March 21-23	Philadelphia
Coalition on Adult Basic Education (COABE) Conference . . . . .	March 25-28	Phoenix
Hope Global Forum . . . . .	March 26-28	Atlanta
National Business Education Association Conference . . . . .	March 28-30	Baltimore
Montana Financial Education Coalition Conference . . . . .	April 2-3	Bozeman, Mt.
National Catholic Educational Association Conference . . . . .	April 3-5	Cincinnati
Texas Library Conference (TLA). . . . .	April 4-6	Dallas
RTDNA at National Association of Broadcasters . . . . .	April 9-10	Las Vegas
JumpStart Coalition National Partners Meeting and Awards Dinner . . . . .	April 10-11	Washington, D.C.
Nonprofit Technology Conference . . . . .	April 11-13	New Orleans
JumpStart Financial Literacy Day on Capitol Hill . . . . .	April 12	Washington, D.C.
Phi Theta Kappa Annual Convention . . . . .	April 19-21	Kansas City, Mo.
Colorado Library Consortium (CLiC) . . . . .	April 20	Pueblo, Colo.
Maryland Financial Education Summit . . . . .	April 25	Howard County, Md.
Society of American Business Editors and Writers (SABEW) Annual Conference . . . . .	April 26-28	Washington, D.C.
California Continuing Education Association . . . . .	April 26-29	San Diego

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