

# Improving Family Financial Security: A Family Economics—Social Work Dialogue

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*A one day dialogue between family economists and social workers was sponsored by the National Endowment for Financial Education. This article summarizes part of the discussion.*

Key words: *Family economics, Family finance, Social work*

Historically, the professional disciplines of family economics and social work have taken similar yet separate paths to achieve the same broad goal: the betterment of the welfare of the family. Yet rarely—if ever—have the proponents of these disciplines sat down together formally to discuss their mutual concerns, practices, and goals. In October of 2000, a small group of leading academic representatives from each of these disciplines met for a single day in what they described as a "seminal" synergistic meeting to accomplish just that: an "interdisciplinary conversation" to identify where their disciplines' paths crossed and diverged from each other...where they shared a common trail...and where they might blaze new stretches of common path. Their specific agenda: explore ways their respective disciplines might collaborate in order to improve the financial literacy of families, particularly low-income families.

All in attendance concurred on the vital importance of improving the financial security of lower-income families. It was noted, for example, that the family is thought of as the social institution that provides cradle-to-grave nurturing, education, and basic needs such as food, housing, and clothing. Yet it was noted that when 140 nations reported on their family-building capacities under the United Nations' 1994 International Year of the Family, "they were relatively silent on the role of financial education, employment, and economic supports. Meanwhile, many of these nations have families bringing home less than a dollar a day in wages." Concurrently, enormous sums of money are being used for economic development initiatives, globalization, and free trade, and this process is not being connected to families.

In the U.S., in the last 20 years there has been a huge

widening of the wealth gap. Families are entering what may be a different kind of economy, where the labor markets are less stable, many people are earning limited incomes, and millions of families are thought of as the "working poor." This new economy raises the challenge of how to help families lead reasonably stable and satisfying lives on relatively small incomes.

While the Family Economics-Social Work meeting addressed the collaborative issues surrounding families of limited incomes, it was observed that economic insecurity affects the well-being and human interaction of all levels of families; thus, collaborative efforts between the two disciplines have applicability for all. Consequently, family economists and social workers need to take both a global and local perspective on these issues, which have enormous implications for the way that each discipline addresses the economic status of families. Prompt efforts to begin developing a framework for cooperation between the two professions could have "tremendous impact."

Their mutual concern is shared by the National Endowment for Financial Education® (NEFE®), which sponsored the one-day "Family Economics-Social Work Dialogue" at NEFE's headquarters in Denver, Colorado. NEFE, a nonprofit foundation dedicated to promoting financial literacy among individual Americans, has worked closely for nine years with U.S. Department of Agriculture's Cooperative Extension family finance educational programs, especially those targeting youth.

### *Three Key Questions*

NEFE posed three key questions to the participants at the meeting:

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1. How does each discipline address the concept of poverty in terms of research, curriculum, and preparation for practice?
2. How do the respective disciplines believe they are enhancing the economic functioning of families and individuals, and what commonalities in their efforts can the two disciplines find?
3. What does each discipline do educationally to help limited-income families achieve financial security?

Within the time constraints of the day-long dialogue, explorations and answers to these challenging questions were necessarily limited. Nonetheless, several key themes and action steps emerged from the meeting.

First was the confirmation that the very concept of pursuing potential collaborative programs between social work and family economics to address the financial needs of low-income families was both a worthy and a realistic goal.

Second, each discipline has much to offer the other in addressing these needs; effectual collaboration, drawing on each other's strengths, is possible on many fronts.

Third, building on these perspectives and strengths, the participants identified a number of potential, broad collaborative efforts that the professions might pursue, ranging from joint literature reviews to developing core competencies to promoting interdisciplinary research and conferences.

Fourth, the participants generated several specific action steps designed to build on the seminal accomplishments of the meeting, and to stimulate further explorations and broader collaboration between the two disciplines.

#### *Family Economics and Poverty*

As a component of the broader discipline of family and consumer sciences (formerly home economics), family economists assume many different roles. As one participant put it, "every family economist is created in his or her own right." But despite being a diverse discipline, family economists in their broadest sense work to improve the development, acquisition, maintenance, and conservation of scarce resources that allow families and individuals, as they interact with the world around them, to better their levels of living.

Within this broad context, how do family economists

address issues of family financial security, especially poverty? What do they teach their students about personal finance issues? It was asserted that family economics takes three conceptual approaches:

1. Absolute conceptualizations—typically resource-based related to money, time, and human capital.
2. Relative economic status, which addresses the issues of resource distributions and concerns about wealth gaps and inequality.
3. Subjective views of economic status, particularly financial satisfaction.

To what extent are family economists involved in the issues of severe resource limitations within families? "For some of us, almost not at all," stated one participant. "The focus is more on wealth-building and how to maximize resources. For others, it's clearly the main focus of our work." For those within the profession who do focus on lower-income families, any widespread focus has been relatively recent—within the last ten years or so.

From a research standpoint, family economists pursue two major approaches: (1) policy analysis with the emphasis on data-type research; and (2) direct involvement with limited-resource people, requiring more in-depth personal interviews and qualitative focus groups. Family economists were described as "empirical positivists"—that is, they tend to view things in an objective, measurable way. They wrestle with the issues of how to measure economic welfare, looking at such components as a household's flow of income, earnings, interest on savings or other assets, human capital investments, intergenerational transfers of money, net stocks of assets (home, appliances, furniture, vehicles), and so on. Thus, a lot of family economic research work deals with manipulating large data sets, such as the *Survey of Consumer Finance*.

Consequently, poverty becomes viewed as a level—a "magic gateway"—between what could be called abject poverty and higher levels of economic well-being. For example, what measures of food or housing are needed to determine whether a household has satisfied that basic level of economic well-being and not be in poverty? From this approach, the typical paper from a family economist examines the average level of incomes or quintiles of income, looking more at the entire continuum rather than concentrating on a particular segment.

Inferences can be drawn regarding the impact of ethnicity, gender, family size, or any other number of family variables on economic well-being. From this, one can look broadly at interventionist policies, such as whether food stamps, affirmative action, or credit-card counseling improve a family's economic well-being.

Some participants felt that this objective measurable approach has its limitations. While it can help to explain why people are at this or that place in the economic spectrum, family economists find it more difficult to frame educational strategies with this research. One participant described it as a "comfort zone," where some family economists find it "very nice to sit in a room and wrangle about how you measure emergency funds of households and which variable you use and so on, but to actually talk to people—to meet real people, real families—and deal with their problems disturbs that comfort zone in a major way."

Educationally, typical course work within a family economics department at a large university—the department might not be called family economics at all—might include financial planning, family economics, family policy, family law, and families and communities, including practicums or internships with local family and consumer agencies. Although the school may prepare financial counselors and offer coursework related to poverty issues, the personal finance courses tend to be "very middle class." It was felt by some of the attending family economists that there are few clearly defined job titles for practitioners, and that the curriculum must be improved so that it more accurately reflects the professional requirements needed by the practitioner. More qualitative research also needs to occur so that practitioners can have a greater impact on families and individuals.

#### *Social Work and Poverty*

In its origins, social work as a profession displayed an early commitment to working with low-income populations, exemplified by the work of Jane Addams in settlement houses, and by social workers' assistance with family budgets and consumption. Yet, for a variety of reasons, social work drifted away from this commitment, and the profession has been less interested in working with poverty in recent history. To the extent that social work has addressed poverty, it has been more on a policy and community level than at the family level. The profession has proposed new standards for accreditation calling for the profession to alleviate poverty and promote social justices. Nonetheless, social work

curriculum offers no training in any kind of practice that addresses household or family economics. One social worker noted that her school, celebrating its 50th year, is just now offering its first poverty class, and within many social work departments poverty classes are an elective, not part of the core curriculum for all courses of study.

Instead, the profession focuses more on the case work and nonfinancial side of family life, disregarding the integration of economic, employment, and occupational supports. Although social workers deal often with families in poverty, poverty is rarely the presenting problem. Typically, social workers address other issues such as mental illness, child abuse, domestic violence, health problems, and chemical dependency, even though poverty often is an underlying factor that touches and exacerbates the presenting problem. Furthermore, social workers—true social workers—generally are removed from the public welfare agencies that actually deliver direct economic and financial services such as food stamps. Today's social workers commonly work for host agencies or host environments such as hospitals, schools, juvenile delinquency criminal justice systems, and mental health agencies.

Like family economics, the attention social work academics have given to poverty has mainly been from a macro viewpoint. Noted one participant, "We tend to talk about it in terms of large scale socioeconomic political change. We talk a little bit about it at an intervention level, but it's more like a community or legislative intervention." Also symptomatic of this perceived inattention to the impact of poverty is that social work may be doing a poor job of helping families tap into funding streams that maximize financial resources. In fact, more than one attendee argued that this neglect of financial education may represent a serious counseling void, not only within the social work profession but among other service providers who touch the lives of these families.

From a research and academic standpoint, social work has focused primarily on describing and explaining the problems of welfare rather than focusing on intervention strategies. If there is a poverty issue at the family level, is that a social worker's realm of responsibility? Does that really belong in the school of social work? Most of the research is demographic and research analysis. What is needed is more "best practice" research, said some participants, because there is a "disconnect" between the research and the clinician's tool box, or how they apply things to their direct practice.

### *Mutual Challenges and Commonalities*

With a background established as to where the disciplines' paths cross and diverge, their strengths and weaknesses in addressing issues of poverty and promoting family financial security, their disparities and similarities, the participants then set out to identify what each discipline could offer the other, and what collaborative efforts they should or could realistically accomplish.

It was suggested that despite social work's admitted lack of focus on poverty, it is nevertheless more grounded in the multiple realities of the poor than family economics. One of its strengths lies in its expertise in the intervention of the many psychosocial issues that often accompany poverty. Although these psychosocial issues exist among people who are not poor, there is no doubt an interaction between poverty and the psychosocial problems magnifies the effect. From a collaborative standpoint, social work also provides a clearer understanding of the social context of families—their neighbors, their environment.

On the other hand, a participant from the social work field observed that one of the strengths of family economics was its very empiricism, that it is more focused than the social work research agenda and has thus developed a more systematic body of economic knowledge that is useful.

The academic questions are going to be fundamental as to how social workers and family economists think about going forward, both from knowledge building and action. Social work could be instructive, it was suggested, by showing how family economists can adapt this empirical approach and apply it to clinical or other interventionist settings. However, this effort must be done carefully. Successful family economic educational programs, such as teaching personal finance in high schools, traditionally do not "sell well" among students or academicians. Such programs are not seen as ways to advance in the profession, as a source of publication. Students want to advise six-figure clients, not the poor.

### *Collaborate or Go Separate Ways?*

Part of the discussion about potential collaboration between the family economics and social work disciplines revolved around two fundamental questions: should each profession incorporate the best from the other and then do all things in a similar manner, or should there be a distinct division of focus that is appropriate for each discipline?

There was no consensus on either perspective, but a number of possibilities were raised. One strongly advocated proposal was that family economics and social work—as well as other professions that touch the lives of poor families—develop a non-negotiable common core of professional competencies and practices. This would include a series of "well-mapped, shared competencies, shared theoretical frames, and shared rationales for why financial education needs to be seen as both central to functioning in an economic determinist way and addressed, then, as a tool for improving functioning."

These core competencies and practices would extend beyond economic issues, however, to embrace all psychosocial aspects encountered by any profession that performs a gate-keeping function with families. For example, all who touch a family might ask, "Are drugs a problem in your family? Abuse? Poverty?" The rationale behind this concept of an interdisciplinary core competency and core practices is that segregated approaches to such families ultimately do not work well. Unique roles would still extend to each discipline, but there would be a commonly shared value set that would provide minimal competency for practitioners.

It was noted, for example, that Cooperative Extension educators are perhaps the closest to low-income families, yet the framework for Extension is not one of counseling. On the other hand, social workers are able to better personalize their services to their clientele in a way that is different from Extension agents. Thus, it was advanced that by using a set of core competencies, family economists working with people in poverty could provide more of a vision, "a whole new world experience," and social workers could become better equipped with financial management skills, which could have a tremendous impact on their clientele.

Summed up one advocate of core competencies, "Historically, we (family economists) have been encouraged to get into boxes and fortify, to make it a pretty box different from everybody else's, and to keep those divisions. What we are hearing now is a more multi-disciplinary, interdisciplinary approach—that families' problems are not contained in those boxes, that we need to have a much more integrative approach in order to truly help families. We're increasingly aware that we have a limited bag of tricks to draw from that address some of the family issues, but not all of them. We might focus on just a budget or increasing income and reducing expenses, because that's our training; that's all that we can do for the family because we're family economists.

That kind of approach is becoming outmoded. What we really need are workers who can draw from a much broader base of knowledge in order to help families."

Discussions over the efficacy of collaborative core competencies sparked a deeper question as to what extent poverty is the cause or consequence of other psychosocial problems. The social work profession has wrestled with the issue of how economic functioning shapes the rest of one's psychological, social, and health behaviors, and whether economic supports may actually serve as clinical antidotes, if not the treatment, that would otherwise be seen as interpersonal and interpsychic interventions. It was argued that this neglect of the impact of poverty within the social work profession has led to a myopic therapeutic view that stresses psychological process, often reframing poverty as a psychosocial issue when poverty may, in fact, be a root issue. What sometimes needs to be done, in other words, is to get some money to pay the rent in order to relieve the stress on some of the presenting problem such as abuse.

From a family economist's perspective, the common prescription of the profession when financial counselors, financial planners, and people in Cooperative Extension programs encounter the presence of such "toxic" issues as drugs or abuse while working on family financial issues is to "not deal with the family, because we do not have the training to deal with these issues." Family economists typically refer the family to other professionals in order for the family to first deal with the toxic issues before talking about financial empowerment. Yet it was argued that the question of whether financial problems are the symptom or the disease is an open one, a question deserving more research.

While it was argued that core competencies may offer major benefits, one of the downsides to extensive cross-content training and practice, argued others, is that it is easy to say, we should do this, we should train for that, but trying to train for everything becomes counterproductive in the long run.

The question was also raised as to whether there would be a job market for this more well-rounded practitioner who is capable of addressing both economic and social dysfunction issues of lower-income families. Would this be a focus practice within each discipline, or a new broad-based practitioner? Who would be interested in having this happen? Who would pay for these workers? Responses to the funding question included financial

institutions concerned about people defaulting on loans or filing for personal bankruptcy, foundations, and at the local level, comprehensive community initiatives, multi-service centers, and family service agencies. It also was argued that if this more well-rounded approach was demonstrated to be effective, then larger public policies would support it financially in a variety of ways, or that it would develop its own market within current funding streams.

#### *Collaborative Efforts*

Working from the premise that collaboration would provide genuine value to both disciplines and families in need, the participants identified several specific potential opportunities for collaborations. These included:

*Joint literature reviews.* Because neither discipline cites the other in its papers, participants thought it would be extremely beneficial for researchers from each discipline to collaborate by combining literature reviews in a paper that could be published within each discipline. This would set an example for future researchers to include the literature from both disciplines when they prepare papers. Creating databases with all the literature together would also be beneficial.

*Joint research projects.* Joint research offers a strong potential for collaboration. Participants cited examples in which current research projects within their respective disciplines are tracking the impact of welfare reform on resource-limited families; however, despite the clear mutual interest of these studies, none of the research projects includes researchers from the other discipline. One suggestion was to establish a pilot program in which social workers, working with family economists, would be involved in direct intervention in which they would address the financial management issues of households. It was felt that such a pilot program could be launched in the near future, and could eventually be replicated across the country. Participants acknowledged that a significant barrier to joint research projects is that each profession has its own reward structures, its own journals, and so on, but that the barrier could be overcome if there is a conscious effort to invite members from both professions to join research projects.

*Shared curricula and practicums.* A strong theme throughout the day's dialogue was the need for a cross-fertilization of curricula and practicums. The best thinking in social work and the best thinking in family economics would be shared at a national level. Each discipline could then take the best practices and best

thinking—real courses and real materials—and incorporate these into their own curricula in an effort to change not only the skills but the attitudes and knowledge of their students. This shared approach at the academic level also could be extended to practicums. While some participants thought the development of shared core competencies may be too ambitious at this stage, it was felt that in the interim the disciplines could share content fairly easily through such avenues as guest speakers or special seminars presented at the course work level. Technology such as voice streaming makes this approach much easier to do than in the past.

*Interdisciplinary conferences.* A relatively easy collaborative step would be for each discipline's conferences to include interdisciplinary sessions where invited members of the other discipline could present papers. A more ambitious step would be to hold a special invitation-only joint conference that would focus on existing state-of-the-field research. As exemplified by several private foundations that have been meeting periodically to work on their shared goals around low-income families, it was felt that joint conferences would present an opportunity to share "fugitive information" from each profession—tools, resources, and practices of mutual interest that may not be known to each other. In turn this information could be incorporated into each discipline's curricula, practicums, and research. An important component of these joint conferences would be the inclusion of discussion sessions on how the research can be connected to each discipline.

#### *Collaborative Initiatives*

The social workers and family economists concluded their dialogue by developing specific initiatives that individual participants—at least one participant from each discipline—committed to jointly carry forward. These initiatives were:

*Publications.* Two interprofessional books or resource guides will be developed. One will be aimed at practitioners, in which the authors would scan the nation and the globe for all the resources, income-generating devices, and strategies that look promising. This would then be put into a practitioner's tool kit, a practical digest of tools that work, and which also could be used in the classroom.

The second book would incorporate more theoretical research, which would serve as a practice principles guide aimed primarily at academicians and, perhaps, graduate-level and even undergraduate students. The

guide would review what is known and what needs to be mapped, theoretically, including breaking news, research findings, and demonstration projects such as IDAs and school-based micro-enterprises.

*Curricula gap identification.* Work also will begin on identifying gaps in respective curricula and conveying the added value of interdisciplinary coordination and collaboration at the curriculum level to deans, faculty executive committees, curriculum committees, and others. It was decided that an effective inaugural action step would be to identify those schools where social work and family economic departments are co-located. The participants who agreed to work on this initiative also plan to informally test some of these ideas at their respective schools, and do a content analysis of family economics curriculum to see what it can offer, both at the macro and micro level, to social work.

*Open conference invitations.* While no special strategy needs to be initiated, participants concurred that they would make a specific effort to invite members of the other profession to their respective conferences.

*Small joint conference.* The idea of hosting a large, open-call guided conference was shelved for the immediate future in favor of a smaller, more focused meeting of 24 to 36 attendees, without commissioned papers. The meeting would bring together colleagues from both disciplines with the goal of expanding the enthusiasm generated by this seminal gathering. It also was thought that the meeting would include practitioners, since it was felt that "practice seems to be light years ahead of research in this area."

*A Summer Institute.* Work will begin on sponsoring an institute that is projected to debut in the summer of 2002. The institute was envisioned as a week-long "boot camp" that would target existing faculty as a way of influencing curricula quickly without necessarily having to influence the entire institutional process of curricula change and development. Graduate students also might participate in the inaugural institute. Most likely the initial institute would focus on the implications of current research on improving curriculum for practice, intervention, and education.

*Electronic mail group.* Two participants agreed to establish an electronic mail group for interested family economists and social workers. The mail group will serve multiple purposes: apprise people of collaborative efforts, inform people about joint conferences, and serve

as a vehicle for inviting papers, among other possible roles.

### Conclusion

In summary, the NEFE-sponsored Family Economics-Social Work Dialogue proved to be a successful first step in promoting future collaborative efforts between family economists and social workers in their respective discipline's efforts to improve the financial security and lives of low-income families. While much work remains to be done, it was clear from the participants' enthusiastic and cooperative efforts, and their concrete action steps, that the professions recognize the need and potential for a collaborative approach to addressing the issues of poverty, that each can draw much from the strengths of the other, and that the resulting efforts will improve the financial and psychosocial well-being of families.

Note: Below is a complete list of the professionals from each discipline who participated in the NEFE-sponsored "Family Economics-Social Work Dialogue."

### Appendix

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- T** Help clients develop new perspectives on the dynamics of money in relation to family, friends, and individual self-esteem.

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