



Financial Capability and Asset Building in Social Work Practice

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I am honored to speak with you today on the potential of financial capability and asset building (FCAB) in social work practice in China.¹

We are grateful to the China Central University of Finance and Economics in Beijing, the Shanghai Business School, and the China Association of Social Work Education for their leadership in organizing this conference. The Center for Social Development at Washington University in St. Louis is very pleased to join in this partnership.²

Financial Social Work in China

Financial social work is an emerging area of social work practice, still in its infancy. It is like a newborn colt, bright-eyed and eager but still wet and wobbly.

But financial social work has potential to become a galloping stallion. Financial social work can be a large new vision for social work practice, and China understands this potential.

To be specific, China is today in a position to demonstrate that financial social work can play a strong role in social work practice—and perhaps become the core area of social work practice.

The goal is to strengthen families and build common prosperity. If successful, the result will be a stronger society and a more vibrant economy.

Social work has a long history in addressing structural inequality and promoting inclusion and equity in finance. In U.S. history, which I am most familiar with, this has included social work leadership in (1) policy support for low-income families, (2) practice in finance, (3) consumer protections, (4) social security in retirement, and more recently, (5) asset building that includes

everyone. As specific examples, two common concepts of family finances—*minimum living wage* and *family budget*—were invented by social workers in the early-20th century, and the policy concept of *universal and lifelong asset building* is led by social workers in the 21st century.

Financial social work practice is also part of social work development in China. For example, social workers collaborated with the financial sector on *financial poverty alleviation* through policy and product innovations in the *Battle Against Poverty*, and these efforts continue in the agenda of *Rural Revitalization*. But these distinctive Chinese practices have not as yet been transformed into the common knowledge base for social work education.

No country has yet defined financial social work as the core of social work practice, but this may now be happening in China. Financial social work is a primary vision of multiple universities that have worked together to establish the first Financial Social Work Commission (in the world) and lead in development of financial social work in China. This includes the leadership of this conference, China Central University of Finance and Economics, Shanghai Business School, and China Association of Social Work Education, along with many university partners, including Peking University, Tsinghua University, and Southwestern University of Finance and Economics.

We are delighted that many social work leaders support this vision and initiative in China, including Prof. PENG Huaming (Nanjing University), Prof. QIAN Ning (Yunnan University), Prof. ZOU Xueyin (China Academy of Social Work), and Prof. LI GUOWU (China Central University of Finance and Economics).

Congratulations to all of these organizations and leaders, and to all the participants at this conference, for their planning and development of a financial capability and asset building





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(FCAB) curriculum, which can become the basis of financial social work training in China: degree programs, curricula and courses, a textbook, practicum training, and professional development following graduation.

This vision for financial social work today has support from the Chinese government, as well as philanthropic and private sectors. Following a large-scale financial social work training project in Shenzhen in 2020, the next phase of this initiative will be training 30,000 financial social work practitioners serving 1,000 local communities. China’s size and leadership matter. This will be the largest financial social work initiative on the planet.

Similar financial social work initiatives are sprouting in other countries, especially in Singapore and the United States. Also, we can be encouraged that a new FCAB Africa initiative was launched at the 2021 conference of the International Consortium for Social Development, held at the University of Johannesburg. FCAB Africa has a continent-wide vision but will be starting with six countries.

Thus, there is growing international interest and activity to define and build financial social work. This can become a global project. China is now in a position to develop financial social work so that other countries are able to learn from her example.

As noted, the purpose of financial social work is potentially transformative—to reduce economic inequality and build common prosperity. This purpose is an excellent fit with the United Nations 2030 Sustainable Development Agenda, including Goal 8 (decent work and economic growth) and Goal 10 (reduced inequality). The Sustainable Development Agenda can be a framework for advancing global progress in FCAB and financial social work.

The key will be to deliver effective FCAB education and training so that they are embedded in social work practice. As this conference will emphasize, social workers are already in the community, practicing “among the people” (as Jane Addams said a century ago). With effective training, Chinese social workers can become the workforce that delivers financial capability and asset building to families and communities across China.

A New Understanding of the Role of Social Policy

As the Chinese people may understand, *social relationships and social functioning are fundamental in building the foundation of society. The perspective is that, when we invest*

for a strong society, this lays the groundwork for economic growth. (Note that his viewpoint is different from—is really the opposite of—reasoning for most social policy in the West, where the perspective is that, when we have economic growth, we can use the surplus for social support.)

Finance, even though it is about money, is a highly social process with social outcomes. Financial capability is necessary to give meaning and purpose to individuals and families, which builds capacity and stability, which are in turn the foundation for a strong society and economy.

What is the challenge? In order to achieve financial capability and asset building, social work education in China will develop, teach, and implement effective financial social work practice with families and communities. This will occur via the FCAB curriculum for training social workers, who will in turn work with families via financial counseling or financial coaching.

In addition, financial social work practice will include attention to inclusive financial access with the goal of achieving universal FCAB national policies.

In the information age, widespread connections to quality fintech services will be essential. China is already in the lead globally in the percentage of the population using fintech instead of cash transactions. This is a sturdy platform for extending quality fintech for everyone. Because social workers are “among the people”—especially people who have daily challenges—they are in an ideal position to lead.

The overall goal is to use both the relationships of financial social workers and fintech innovations to strengthen families, promote economic equality, and achieve common prosperity.

In the Asia region, Singapore offers policy strategies that have proven to be effective.³ To summarize briefly, Singapore explicitly *promotes financial inclusion and asset building as the core theme in social policy*. Indeed, Singapore may have the least unequal asset holding of any economically advanced nation, which is the result of a very high rate of homeownership and holding asset-building accounts *structured into social policy*. It is also important to note that this policy is not built on unsustainable credit; it is built more soundly on effective financial arrangements and asset building over time. These are the principles of FCAB. Thus, *FCAB can be central to a social policy paradigm to spur social development, stability, and economic growth.*

This new social policy emphasis—focusing on financial capability and asset building—may be particularly important for China in

transforming an economic model that emphasizes credit and real estate speculation to a new economic model that encourages stable finance and household consumption. *Only financially capable individuals and families, with widespread prosperity, can become the social foundation for a consumption-driven economy.*

Thus, financial social work in China has the potential to define a new social policy purpose and model. This new social policy is not solely about social assistance as a residual, but rather about financial development of everyone to achieve social stability and economic development.

In other words, *financial social work practice and policy development can become a key driver or determinant in a renewed economic model in China.* This is a bold yet promising concept. It is not limited to helping people and is more about *developing the nation and economy.*

As conference participants work on the FCAB curriculum and design training in financial social work practice, let us keep this larger vision of social policy in mind.

Collaboration for Social and Economic Development

Financial social work will also have important implications for other areas of social practice. Social issues are always multidimensional, requiring collaborations and partnerships. FCAB content in financial social work has the potential to demonstrate how social workers can lead in collaboration and problem-solving in the information era.

In this regard, China will not be alone. Social workers in other countries are also working across disciplines and professions for effective professional training and to inform financial innovations that address structural economic inequality. We will all learn from each other. Such collaborations also extend to community leaders and local government officials, who play key roles in social organization and development in every country, including China.

In closing, China is in a position to lead in FCAB education and financial social work development. With this bold social vision, the Financial Social Work Commission, its members, and all conference participants can design and promote financial social work education and build a pipeline for financial social workers. China's financial social work initiative will offer lessons for expansion within China and also offer lessons for other countries.

I wish China—and all the conference leaders and Participants—success in this important endeavor.

Notes

¹ I thank my colleagues Jin HUANG, Margaret SHERRADEN, and Li ZOU for helpful contributions to these remarks.

² The Center for Social Development at Washington University in St. Louis has longstanding and productive ties in China

related to this topic, including conferences and speeches on asset-building policy at Shandong University (2004), Peking University (2012, 2018), Tsinghua University (2005), Fudan University (2012), and Sun Yat-sen University (2008); research with the Chinese Academy of Social Sciences on an asset-building policy innovation in Xinjiang (2005–2008); and participation in conferences related to financial social work at the China Universities of Finance and Economics in Beijing (2018) and Chengdu (2019).

³ I have been fortunate to have in-depth working relationships in Singaporean social policy officials and social work education over many years, first as a Fulbright Scholar (1992–1993) studying Singapore's Central Provident Fund and later as the Inaugural S.R. Nathan Professor at the National University of Singapore (2013–2017). Mr. Nathan, Singapore's longest serving president, began his career as a social worker.

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