



Preparing Social Workers to Improve People's Finances

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Address given as part of Localization of Financial Social Work Education: Goals, Textbook, and Strategies, a panel discussion at Theory and Practice for Financial Social Work: Promoting Common Prosperity, the first national Forum of the Financial Social Work Commission, Beijing, China, January 8, 2022

It is my great pleasure to join you for the very first annual Forum of the Financial Social Work Commission, sponsored by the Central University of Finance and Economics, Shanghai Business School, the China Association of Social Work Education, and the Center for Social Development at Washington University in St. Louis. Along with our entire team, I am very excited about your work on financial capability and asset building (FCAB).

I want to thank Prof. FANG Shu, Prof. HU Yang, and Prof. YIN of Central University of Economics and Finance, and Prof. LI Guohe at Guizhou University of Economics and Finance, for joining me today on this panel on “Localization of financial social work education: Goals, textbook, and strategies.” I am sorry that I cannot attend the meeting in person—but I hope we will have an opportunity to meet and discuss this important topic soon.

Today, I will discuss four issues: First, I will talk about the importance of finance in people's lives. Second, I will comment on the lack of training for social workers on financial social work (FSW). Third, I will discuss our textbook on working with financially vulnerable families. And I will conclude with some thoughts about international innovations in financial social work.

Social Workers Help Families With Financial Problems

Money is very practical but little discussed. It is at the top of everyone's mind, yet it is often a taboo topic in family and community life (and sometimes even in social work practice).

Research and experience tell us that families are getting into big financial trouble. For example, low- and moderate-income people get involved in person-to-person (P2P) lending

products. Older parents' retirement assets are affected by children's gambling problems. College students overspend through consumption loans. And older adults are targeted by financial scams.

Research finds that financial troubles are a top source of psychological stress in people's lives, with negative implications for physical and mental health. But people often do not seek help, especially from professionals. They may worry about the cost, they may think it is a private topic, or they may feel a sense of shame for getting into financial trouble.

Social Workers Receive Almost No Training for Helping Families Talk About and Solve Their Financial Troubles

When I began teaching several decades ago, students talked about the many profound financial challenges of their clients and communities (and sometimes their own families), but it was clear that they had few “tools” to solve them. For example, they received very little instruction on how to start “money conversations” with their clients, so they often bypassed those matters, except for helping them enroll in public assistance programs. They received very little instruction on including finances in psychosocial assessments, and they were unaware of financial products and policies that could help their clients (and themselves!).

Even today, several decades later—and as our daily life has become much more financialized—*social workers still receive little training to help people with their finances*. We no longer live in a cash economy. Social work clients must use a range of often-complex products and services to buy food or a train





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ticket, insure against loss, borrow money, save for the future, send money to a relative, or buy a home. Those who lack sufficient income or who cannot access financial services with beneficial terms often suffer as a result.

Therefore, professional social work education should include content on financial capability, asset building, and financial social work. I suggest four educational goals for bachelors- and masters-level FSW courses: (1) Understand household finances and their importance; (2) understand basic FSW theory and concepts; (3) learn basic financial knowledge, skills, and products; and (4) learn basic FSW practice approaches.

The Textbook

With my colleagues, Julie Birkenmaier, a social work professor at Saint Louis University, and J. Michael Collins, an economist and professor of public affairs at the University of Wisconsin, I wrote a textbook, *Financial Capability and Asset Building in Vulnerable Households*. The book prepares social work students to address clients' financial and economic challenges. This is the first FSW textbook that we are aware of. We want to thank Prof. Fang and his team for translating the book into Chinese, which will be released in the fall of this year.

When the social work profession emerged over 100 years ago, during the Progressive Era in America, household economics was a central concern for social work, but this practical focus diminished over the last century. Today, however, with the rise of financialization and growing inequality, finances have once again taken center stage.

Part I of the textbook covers theory and concepts of FSW, history, and a portrait of financial well-being in American families. FSW theory and concepts are likely to be applicable to different cultures. When the book is used in a different context, the content on history and financial well-being in the United States can provide examples for students to understand their own society's circumstances.

Part II focuses on ways in which social workers can help clients with key areas of their financial lives. Here are a few examples:

» **Social workers can help clients weigh the advantages and disadvantages of various financial products/services.**

Financial products and services are constantly changing. Social workers have to keep up with developments. This is true for digital financial services, or financial technology (fintech), which offers many potential benefits—and challenges—for low-income families.

Example: Students can learn about the basic financial products/services that are essential for Chinese households.

Example: Students can learn about the most common financial scams affecting older adults and how to help clients avoid such schemes.

» **Social workers can help clients deal with credit and debt.**

Social workers can help clients understand the benefits and dangers of credit, how to deal with—and avoid—problem debt, and how to build a positive credit history.

Example: Students can learn how to help clients decide which debts to pay first, which can wait, and how to negotiate with creditors.

Example: Students also can learn how to assist clients in understanding social credit reports, and how they affect daily living.

» **Social workers can help clients understand their household finances and identify their short- and long-term financial goals.** This requires understanding household income, expenses, assets, and liabilities.

Example: Students can learn how to help clients clarify their aspirations and set their financial goals.

Example: Students can learn how to help clients make ends meet, set money aside for emergencies, and build long-term savings.

Other chapters cover the benefits and costs of higher education, buying and owning a flat, choosing insurance, protecting against identify theft, filing for bankruptcy, preparing for old age, and estate planning.

In each chapter, we provide an overview of the topic, offer tools for working with clients, identify relevant organizations, and discuss policy reforms.

Each chapter also features a case study of a family that illustrates the topic and demonstrates how a social worker could provide guidance. The clients include a single mother with a child, a multigenerational family, and racially and ethnically diverse families. Educators using the textbook may wish to create several culturally sensitive cases for teaching purposes or focus on social work tools with the greatest potential for working with different cultures and circumstances.

Part III, the last part of the book, includes four chapters on social work practice:

One chapter considers how we think about building financial capability in the social environment. What kinds of financial

opportunities and financial abilities do people need as they journey from childhood across the life span and into older adulthood? How do family, gender, race/ethnicity, culture, social networks, communities, and history shape clients' opportunities and challenges? And what can social workers do to expand opportunities?

A second chapter discusses micro social work practice. How can social workers intervene with individuals and families, using direct practice approaches such as financial education, coaching, counseling, and therapy?

A third chapter considers the implications of FCAB for macro social work. How can social workers integrate FCAB services within organizations, communities, and policies? We emphasize here that many families cannot solve their money problems by themselves. Even clients who receive competent financial counseling and coaching have problems; such troubles often result from inferior financial products/services and inadequate and sometimes unfair social policies. Social workers have critically important "on the ground" knowledge about families and communities that can improve policies and services.

The final chapter of the book contemplates what the future of a financial social worker would look like. This chapter also offers a good opportunity to motivate students to think about the future of financial social work in their own society.

International Applications of FCAB

Of course, approaches to FCAB practice and research vary by nation and region. For example, social work colleagues at the National University of Singapore (NUS) have gone through a multi-year process to adapt the FCAB curriculum to the Singaporean context. In 2021, their curriculum was rolled out by the NUS as a nationwide training program for social workers.

Researchers can take similar steps wherever they are designing and implementing an FCAB curriculum. An FCAB curriculum is likely to be most effective when it is updated regularly and when integrated across the social work degree program.

The Financial Social Work Commission of the China Association of Social Work Education could begin a process of involving various stakeholders to determine the most effective approaches.

Conclusion

What is most encouraging is that faculty, students, and clients are excited about FCAB content. I realized this during the first class on FCAB that I taught in 2004. At the end of the semester, students circulated a petition requesting that this course be a requirement for a social work degree. They said it would help them work with clients, and it also would help them to manage their own finances.

In the United States, surveys and opinion polls find that people rank finances high on the list of top stressors. They want help

with finances. And our research indicates that social work faculty and students believe FCAB is important for social work practice. We look forward to collaborating with you on your important efforts to integrate financial social work in China.

Thank you and best wishes for a successful forum.

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Acknowledgment

This presentation was funded in part by a grant from the United States Department of State. The opinions, findings, and conclusions stated herein are those of the authors and do not necessarily reflect those of the United States Department of State.

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Suggested Citation

Sherraden, M. S. (2022, January). *Preparing social workers to improve people’s finances* (CSD Perspective No. 22-02). Washington University, Center for Social Development. <https://doi.org/10.7936/w45g-2b72>



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