Financial Education Toolkit
2009

Asset Formation for Homelessness Prevention/Intervention Project
MA Department of Housing and Community Development
Financial Education Toolkit

1. Talking with Clients about Money Values, Attitudes & Emotions
   • Helping clients understand and improve their money attitudes, values, and behaviors
   • Understanding a psycho-social model of money
   • Developing a commitment to a collaboration of professional development

2. Budgeting & Setting Financial Goals
   • Overview of basic budgeting
   • Strategies for controlling and reducing spending: needs vs. wants
   • Setting financial goals and visualizing financial dreams

3. Improving Credit Scores & Reports; Handling Debt & Bankruptcy
   • Analyzing and improving credit reports
   • Paying off debt
   • Basics of bankruptcy

4. Accessing & Using Financial Products & Services
   • Mainstream and alternative financial institutions
   • Basic Banking in Massachusetts
   • Understanding and avoiding predatory lending

5. Accessing & Using Public Benefits
   • Overview of the public benefits in Massachusetts
   • Connecting clients to appropriate benefits

6. Teaching Young Children Basic Money Concepts
   • Review of the research on what young children can learn about money and numbers
   • Materials for teaching young children about money through reading and math

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This toolkit was developed as a collaborative project among DHCD, Institute on Assets and Social Policy (IASP), Massachusetts Association for Community Action (MASSCAP) and three of its member agencies – Community Teamwork, Inc. (CTI), Quincy Community Action Programs, Inc. (QCAP), and South Middlesex Opportunity Council, Inc. (SMOC).

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Most of the materials in this toolkit are adapted from other sources. This allowed us to avoid reinventing the wheel! We appreciate the following organizations who gave us permission to reproduce and/or adapt their materials:

**Center for Financial Social Work**, www.financialsocialwork.com

**Community Action! of the Franklin, Hampshire, and North Quabbin Regions**
www.communityaction.us

**Federal Trade Commission, Bureau of Consumer Protection**
www.ftc.gov/bcp/consumer.shtm

**HarborCov**, www.harborcov.org

**National Consumer Law Center**, www.consumerlaw.org

**National Endowment for Financial Education, CFED, and Fannie Mae Foundation**
www.cfed.org/think.m?id=112&pubid=178

**Redevelopment Opportunities for Women**, www.row-stl.org

**University of Illinois Extension**, www.ace.uiuc.edu/cfe/mymoney/

**Utah State University Extension**, extension.usu.edu/htm/finance

**Women’s Institute for Housing and Economic Development**
www.wihed.org/cep/
The Institute on Assets and Social Policy is a research institute at the Heller School for Social Policy and Management at Brandeis University. IASP is dedicated to promoting a better understanding of how assets and asset-building opportunities improve the well-being and financial stability of individuals and families left out of the economic mainstream. IASP pursues its mission through original research, policy analysis, program evaluation, technical assistance, community engagement, organizational capacity building, and leadership development.

http://iasp.brandeis.edu

The Massachusetts Association for Community Action is the statewide association of the 24 Community Action Agencies (CAAs) in Massachusetts. CAAs were created 40 years ago under a federal mandate to combat poverty. Since their inception, they have evolved into multi-service agencies that assist tens of thousands of individuals and families each year. MASSCAP's mission is to enhance the abilities of CAAs to assist low-income and working poor families and individuals across Massachusetts to gain needed services and to attain economic self-sufficiency. http://www.masscap.org/

For questions or more information about the toolkit, please contact Jonas Parker at 781-736-8680, jonas@brandeis.edu or Patricia Pelletier at 978-465-0732, PPell3453@aol.com
How to use this toolkit

- Although this toolkit includes materials that can be used for group activities, it is not a financial education curriculum. Please see the Resources section in Module 1 for a Listing of Financial Education Curricula.

- This toolkit was developed to provide resources and guidance on working with your clients on specific financial issues and problems.

- Each module in the toolkit was developed based on conversations with both staff and clients at three pilot agencies. The modules provide practical information and resources, as well as some questions and ideas for you to consider regarding your role in helping your clients manage their money.

- Please use the modules in a way that is appropriate to the context and specifics of your clients’ situations.
Financial Education Toolkit

Module 1

Talking with Clients about Money Values, Attitudes & Emotions
## Contents

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>The causes of homelessness and poverty</td>
<td>1</td>
</tr>
<tr>
<td>Your Role</td>
<td>2</td>
</tr>
<tr>
<td>Money Attitudes, Values, and Emotions</td>
<td>3</td>
</tr>
<tr>
<td>Financial Social Work</td>
<td>4</td>
</tr>
<tr>
<td>Principles</td>
<td>5</td>
</tr>
<tr>
<td>Avoid Being Overly Judgmental</td>
<td>6</td>
</tr>
<tr>
<td>The Psycho-Social Connections</td>
<td>7</td>
</tr>
<tr>
<td>The Emotional Connections</td>
<td>8</td>
</tr>
<tr>
<td>Losing and regaining control</td>
<td>9</td>
</tr>
<tr>
<td>Stages of Change Model</td>
<td>10</td>
</tr>
</tbody>
</table>

**RESOURCES:**
- Choosing & Using Financial Education Curricula
- Financial Literacy & Education Resources in Massachusetts
- Worksheets for Feelings and Values about Money
The causes of homelessness and poverty

Consider the following questions:

Why are your clients homeless? Why are they in poverty?

How would you answer?

A. Because of their destructive money attitudes, values, and behaviors
B. Because of societal forces outside of their control
C. Both A and B
Your Role

What is your role in helping your clients address and change the financial problems that affect their lives?

What is your role in helping your clients build on the financial strengths and resources in their lives?

How can you help your clients recognize and change destructive money attitudes, values, and behaviors...and build on the positive ones?

This toolkit is designed to help you think through these questions, develop your skills, and provide tools in the following areas:

- Talking with your clients about money
- Tracking income and expenses
- Making and sticking to a budget or spending plan
- Controlling and reducing spending
- Anticipating and handling money problems and emergencies
- Pulling, understanding, and improving credit reports and scores
- Handling debt and bankruptcy
- Accessing and Using Financial Products and Services
- Accessing and Using Public Benefits
Money Attitudes, Values, and Emotions

Why is it important to talk about money attitudes, values, and emotions?

Conversation starters:
• When you were growing up, what lessons did you learn about money? Did you learn different lessons from friends vs. family?
• How do those lessons you learned as a child affect how you handle money today?
• Do you have a financial role model? Why is that person a role model for you?

Remember:
• Most people rarely explore their attitudes and values around money, and often experience strong feelings when they do. Be prepared for this to be an emotional conversation.
• Any conversation about money is a conversation about money attitudes and values. However, those attitudes and values usually remain hidden beneath the surface. They are rarely talked about directly.
Financial Social Work

Financial Social Work* provides tools and techniques for you to help your clients increase their personal responsibility and financial awareness.

Financial Social Work aims to identify, understand, and transform the values, feelings, and attitudes that drive financial behaviors.

* The concept and principles of Financial Social Work are used with permission from Reeta Wolfsohn, Center for Financial Social Work. To find out more about this field, please visit http://financialsocialwork.com/ or call 1.800.707.1002.

The use of the term ‘social work’ in this toolkit refers to the general field that seeks to study and improve the lives of people and positively change society’s response to chronic problems.

While this toolkit provides resources for mental health and human services workers in general, it acknowledges the education and training required to be a licensed and professional social worker. For more information, please contact the National Association of Social Workers, Massachusetts Chapter (http://www.naswma.org, 1.888.294.6279)
Principles

- Financial behaviors are driven by financial attitudes, emotions, and values.

- Your relationship is probably your most important resource in helping your clients handle their financial problems.

- Knowledge is power.

- Talking about and handling money issues is very personal, and can bring up very strong stories and emotions.

- Try hard to avoid being judgmental or telling your clients what to do with their money. It is generally counterproductive.

- All of us, regardless of our income, social status, education, etc. can benefit from more financial information and making better financial decisions.

- Adults learn best through their own experiences, and “turn off” when their experiences are not honored or believed.
Avoid Being Overly Judgmental

One of our goals is to help clients recognize and change negative and destructive financial attitudes, values, and behaviors. However, it is important to clarify what these labels mean.

- Think critically about what you consider ‘negative’ or ‘destructive’, and why you think this way.
- There are very few absolutes. Something may appear purely negative or destructive, but the reality is almost always more complicated. Many times, your clients may be acting as rational actors in an irrational system.
The Psycho-Social Connections

Becoming homeless is often compounded by:

- Depression and other psychological problems or disorders
- Domestic Abuse and Violence
- Drug/Alcohol Abuse and Addiction
- Divorce
- Gambling

*What other issues would you add to the list?*
The Emotional Connections

Becoming homeless often creates feelings of:

- Embarrassment
- Helplessness
- Hopelessness
- Despair
- Shame
- Anger
- Guilt

*What other feelings would you add to this list?*
Losing and Regaining Control

Being homeless often makes people feel out of control of their money and their lives.

Feeling out of control leads to hopelessness and helplessness.

Regaining control leads to the belief that change is possible.
The Stages of Change Model

The Stages of Change* model is considered a revolution in the science of behavior change. The model has shown through over 20 years of research that behavior change is a psychological process, not an event.

The model is used to help people quit smoking, lose weight, stop drug abuse, reduce sun exposure, and many other behaviors.

The model is beginning to be used in financial education by helping people change harmful or destructive financial behaviors.

The model asserts that people progress through five distinct stages when they make a behavior change:

1. Precontemplation: do not recognize that there is a problem
2. Contemplation: recognize that there is a problem; thinking generally about taking action or changing, but not ready to do so
3. Preparation: ready to make a commitment to change
4. Action: making the behavior change
5. Maintenance: sticking with the behavior change, not reverting back to old patterns

* Stages of Change was developed by James O. Prochaska at University of Rhode Island. For more information, please visit http://www.uri.edu/research/cprc/transtheoretical.htm
The Stages of Change Model:
Moving Clients to the Next Stage

There are evidence-based techniques for moving people to the next stage of change.

Pre-Contemplation  ➔  Contemplation

Techniques: Consciousness Raising, Dramatic Relief, and Social Re-evaluation:

What this means:
- Being exposed to and learning new information that supports behavior change
- Experiencing the negative emotions associated with the problem behaviors
- Acknowledging the impact that your positive and negative behaviors have on your family and children

Examples
- Thinking about the financial future of your family and children
- Seeing where your money actually goes
- Acknowledging destructive spending and credit behavior
- Learning about the consequences of a bad credit report and score
- Learning about compound interest: how debt grows over time
- Learning about compound interest: how savings grows over time

Note that this technique involves a balance of positive and negative emotions
The Stages of Change Model: Moving Clients to the Next Stage

Contemplation  Preparation

Technique: Self re-evaluation

What this means:
- Rethinking yourself and your problem behavior
- Imaging yourself overcoming the problem behavior

Examples
- Deciding that you’re no longer happy wasting money, not having any savings for the future, living paycheck to paycheck, etc.
- Asking yourself “Do I really want to be like this?”
- Visualizing yourself as someone who is smart with money, has savings for the future, can reach financial goals, has a good credit report, etc.
The Stages of Change Model: Moving Clients to the Next Stage

Preparation — Action

Technique: Self-liberation

What this means:
- Belief that change is possible
- Belief in your ability to change
- Making a firm commitment to change in a supportive, group setting
- Setting a specific, measurable financial goal

Examples
- “I will open a savings account and start putting $10 per week into it”
- “I will stop wasting money on [fill in the blank]”
- “I will start keeping track of all my bills”
- “I will start using a budget to plan my spending”
- “I will go see a debt counselor to come up with a plan to start paying off my debt”
The Stages of Change Model:  
Moving Clients to the Next Stage

Action  

Maintenance

Techniques: Counter-conditioning, Stimulus control, Reinforcement, Helping relationships

What this means:
- replacing healthy behaviors for the problem behaviors ("do something else")
- removing cues associated with the problem behavior
- increasing the rewards for positive behavior
- seeking and using social support for the healthy behavior change
- reducing or eliminating unhealthy relationships

Examples
- Choose to exercise, read, or another hobby, activity, etc. instead of shopping
- Don’t go to the mall as a social activity with “shopping buddies”
- Public praise and acknowledgement for meeting goals
- Developing helping relationships with people who can provide friendship, support and serve as role models (savers club, positive friendships, role models, case managers)
RESOURCES: Choosing & Using Financial Education Curricula

A common question that many practitioners ask is “what is the best curriculum to use?”

The answer is that there is no one best curriculum, but you want to use materials that are tailored to and appropriate for your clients. Further, it doesn’t matter how good a curriculum is if the teacher quality is low. The opposite is true: a great teacher can transform a mediocre curriculum into an excellent learning experience.

A few suggestions:

➤ Use the curriculum as a guide, not a cookbook: you don’t have to follow it exactly. Many practitioners mix and match from different curricula to tailor them to their specific program. On the other hand, it is important to maintain consistency by having a common base.

➤ Focus on learning activities that have immediate relevance to clients’ lives

➤ Minimize lecturing elements and maximize discussions and activities

➤ Utilize the Internet to complement your materials (refer to the websites at the end of this document)

The following curricula are tailored to low-income audiences:

All My Money
Your Money and Your Life
Information at http://www.ace.uiuc.edu/cfe/mymoney/
Teacher’s guide at: http://web.extension.uiuc.edu/money/teachersguide.cfm

Realizing Your Economic Action Plan: An Economic Education Curriculum for Women Experiencing Domestic Violence
Information at: http://www.row-stl.org/Content/RP_EEC.aspx

The Women’s Institute’s Economic Empowerment (EEP) Curriculum
http://www.wihed.org/EEP/
Financial Literacy & Education Resources in Massachusetts

• Financial Education Community Toolkit

A website by United Way of Massachusetts Bay and Merrimack Valley, in partnership with Bank of America, that provides a range of tools for the development and implementation of quality financial education programs. The site has extensive links on: key resources, best practices, instructor training, impact evaluation, and consumer information.

http://www.financialedtoolkit.org/

• Citizens' Housing and Planning Association (CHAPA)

CHAPA is a non-profit umbrella organization for affordable housing and community development activities throughout Massachusetts. CHAPA provides a number of useful resources and directories, including: a list of homeownership programs, homebuyer counseling agencies, programs, and housing lotteries

http://www.chapa.org/

• MassSaves

MassSaves aims to improve and expand financial education in Massachusetts and provide people in Massachusetts the best opportunities to build skills and wealth by accessing online and local community resources. The site was developed by the Midas Collaborative, a statewide group of community-based non-profit organizations committed to assisting low-income residents to build assets and achieve greater economic stability.

http://www.massassets.org/masssaves/home.php

• FDIC’s Money Smart Alliance

This an alliance of organizations that significantly promotes and/or enhances the implementation of the FDIC’s Money Smart curriculum


• FDIC Boston and Worcester Alliance for Economic Inclusion

These are regional coalitions has formed to identify barriers and opportunities, and develop products and marketing strategies to reach underserved populations. The coalitions consist of: financial institutions, community-based organizations, researchers, employers, faith-based organizations, state and local governmental agencies, federal bank regulators, and bank trade associations.

http://www.fdic.gov/consumers/community/AEI/regional/Boston.html
• **State Treasurer Timothy Cahill’s Financial Education Website**

The Treasurer promotes a range of financial education projects.
http://www.mass.gov/?pageID=tretopic&1=2&L0=Home&L1=Financial+Education&sid=CTre

• **Massachusetts JumpStart Coalition**

The JumpStart Coalition for Personal Financial Literacy is a national coalition of organizations dedicated to improving the financial literacy of kindergarten through college-age youth by providing advocacy, research, standards and educational resources. JumpStart strives to prepare youth for lifelong successful financial decision-making. They promote a number of programs and sponsor a Massachusetts coalition.
http://www.jumpstart.org/index.cfm
http://www.majumpstart.org/

• **National Endowment for Financial Education (NEFE)**

NEFE is one of the most important organizations in the country focused on financial education. They focus on a range of areas, including: a High School Program, Research and Strategy, Grantmaking, Evaluation, Facilitator Development, Strategic Programs and Alliances, and Public Policy
http://nefe.org/

• **MyMoney.gov**

MyMoney.gov is the U.S. government’s website dedicated to teaching all Americans the basics about financial education. The site has a range of tools and resources.
http://mymoney.gov/