EVALUATION REPORT

IMPACT STUDY OF COMMUNITY DEVELOPMENT BLOCK GRANT

FINANCIAL MANAGEMENT EDUCATION PROGRAM

Minnesota Extension Service, Ramsey County

Marilyn J. Kennedy

Research Assistant and Evaluator

Center for Urban and Regional Affairs

Hubert H. Humphrey Institute of Public Affairs

University of Minnesota

TABLE OF CONTENTS

INTRODUCTION

A two-year program (1990-92) in financial management education, which was specifically adapted for individuals and families with limited incomes by the Minnesota Extension Service in Ramsey County, is the subject of this evaluation report. The project was funded by a community development block grant through Ramsey County Community and Economic Development, acting as agents of the federal Housing and Urban Development Agency (HUD).

During its 25-month tenure this pilot program reached a total of 1843 individuals and families, providing them with varying levels of education, counseling, and consultation in the area of financial management. Included in this larger group were 290 families, hereafter referred to as the Direct Benefit Client Group, who received more extensive service than the others; that is, they received the full financial education program as originally designed. It is the latter group which became the focus of this evaluation.

The following report presents the results of an outcome study undertaken to determine the effectiveness of the intervention and the subsequent impact, if any, on the lives of program participants. Included in this report is a statement regarding the origin of the project and rationale for its development, a brief description of the program, the design and findings of the outcome study, and recommendations for further work in this area.

ORIGIN AND RATIONALE FOR THE PROJECT

The sponsoring agency, Ramsey County Extension Service, has for some years considered financial management education to be a "priority issue" and has conducted a program to train volunteers to deliver such education to community members, primarily in the area of credit card mismanagement. The recipients of such services are, for the most part, middle income persons who have developed a pattern of overextended credit.

In 1990, key persons in the agency noted that they were receiving numerous inquiries from community service agencies, as well as requests for financial counseling from persons in the community who did not fit the middle class model above. These individuals had marginal incomes and were undergoing severe difficulties in providing basic family necessities. Such difficulties often resulted in financial crises which disrupted families' lives. The agency also speculated that many such individuals/families had experienced recent economic change due to conditions beyond their control (e.g., sudden job loss, reduced work hours, divorce, death of spouse) and thus were often operating in a crisis mode. Further, they hypothesized that providing limited income families with financial management education could enhance personal power and control and thereby decrease or eliminate a crisis orientation, as well as reduce the actual occurrence of major financial crises.

The mission of the Minnesota Extension Service is to "provide informal, non-credit, research-based information to people where they live and work."[1] Community outreach is a mandate, and adult education in the community is a primary means of fulfilling that mandate. Therefore, the Ramsey County Extension Service concluded that it was within the realm of both their expertise and their mission statement to develop and deliver an additional financial management program to a different target population with paid staff which would be specifically recruited and trained to work with the needs and value systems of limited income individuals and families. A primary challenge in designing such a program was to be flexible enough in its delivery to adapt to a population in

---

[1] Taken from "Proposal: Ramsey County Community Development Block Grant, Fiscal Year 1990-91," Attachment A, Project Description.

crisis, yet empower them to minimize the occurrence of future crises when possible. A further challenge on the part of staff was to remain nonjudgmental regarding divergent personal values, while at the same time enabling participants to clarify their value systems.

PROGRAM DESCRIPTION

The target population for this project was low and moderate income persons and families living in Ramsey County and experiencing difficulties in financial management with limited income, including culturally diverse persons and senior citizens. In addition, it was proposed to target those individuals and families who had undergone recent, sudden economic change.[2]

Within the above target population a smaller group evolved, and they were termed Direct Benefit Clients. The Direct Benefit Client Group (DBCG) was composed of those individuals and families who met the following criteria established by the agency: (1) participants must have completed a minimum of one and one-half hours in at least one individual session with a Program Assistant; and (2) participants must have provided evidence to verify their income. In addition, all participants must have requested financial counseling from Ramsey County Extension Service.

In designing a program for this target group, the agency built on theory drawn largely from consumer education and home economics. The underlying philosophy was one of personal empowerment, and its theme was to create awareness of the locus of financial control among program participants and to enable those participants to be in charge of their personal and financial lives. Specific goals for the project were to educate program participants to:

---

[2] This description of the target population is a composite statement drawn from several agency documents. It reflects the agency's thinking regarding the audience which they perceived as benefiting from a new financial management program.

(1) increase knowledge and skills in financial management and basic budgets, and (2) more effectively manage both cash and noncash resources, including debt reduction and use of credit.

Curriculum for the program was adapted from materials originally developed by the Minnesota Extension Service in conjunction with the University of Minnesota Family Social Science Department. This didactic curriculum contained three modules, each consisting of a one and one-half hour session. Focus of the first module was values clarification and the locus of control; the second emphasized effective use of resources, and the third dealt with planning, goal-setting, basic budgeting, and individual concerns. The curriculum also included visual presentations as well as numerous handouts.

The program was staffed by two trained Program Assistants, a Program Secretary, and a Project Director. The program assistants worked solely on this project (75% time) and had primary responsibility for delivering the intervention to the target population. Each program assistant was carefully selected for the job with an eye towards personal characteristics (e.g., ability to do outreach work) as well as prior work experience. Also, it was specified in the funding proposal that staff hired to work directly with participants would themselves be limited income and/or ethnic minority persons. Each program assistant received six weeks of training from the project director prior to actual contacts with prospective participants, in addition to liberal amounts of ongoing consultation with that director throughout the two years of the program's existence.

Program assistants had multiple roles in that they recruited participants through public relations activities in the community, taught the curriculum both in group sessions (e.g., classes) and in individual sessions, provided one-to-one counseling when requested by participants, served as advocates and intermediaries between participants and creditors (e.g., utility companies, housing agencies, credit card companies), engaged in short term telephone consultation, and collected data and maintained records on project participants. In addition, the Program Secretary provided clerical support and served as the primary intake person by screening all telephone calls, scheduling appointments, and selectively assigning the prospective participants to one of the two program assistants. Individuals who did not seem appropriate for the DBCG[3] were dealt with briefly via telephone by the program secretary or were assigned for brief consultations by one of the two program assistants.

The Project Director, a Home Economics County Extension Agent, provided an additional block of time to obtain funding, develop and revise the curriculum and other program materials used, recruit and interview prospective staff, train and supervise the two program assistants, insure that the program was being delivered appropriately, participate in critical decisions throughout all phases of the program, and report both verbally and in writing to the director of the agency as well as to the funding source. The County Extension Director (i.e., director of the agency) provided time during the course of the project mainly in an administrative and overseeing capacity, as well as in a liaison capacity with the Minnesota Extension Service.

Referral sources for reaching prospective program participants were multiple. Some participants were referred by voluntary community agencies (e.g., Family Service, First Call for Help), some by community agencies of a more mandatory nature (e.g., utility company, housing authorities, District Court), and some were self-referred. Public relations materials had been widely distributed throughout the community, and flyers were available in such diverse places as libraries, community centers, laundromats, and law offices. In addition, a large part of the program assistants' job description included community outreach, which in this

[3] Examples of such individuals are: those who desired only telephone consultation, those who were either unable or unwilling to verify their income, or those who had income in excess of the program guidelines and whose major presenting problem was massive credit card debt.

case meant that they actively sought out client referrals by making themselves available for consultation at local food shelves, giving presentations to high school classes, and talking to local citizens groups.

Delivery of the program was accomplished by a variety of means. Both individual and group sessions were used, sometimes alone and often in combination with one another. Occasionally a participant would complete the entire program individually. Frequently the third module was conducted in a one-to-one session due to the element of individual concerns. In addition to the option of having the curriculum delivered on an individual basis, program participants could request individual counseling sessions to address their particular financial needs. Many took advantage of this service. Usually a maximum of three individual counseling/consultation sessions was observed.

Program delivery sites were numerous. They varied from food shelves to high school classrooms to agency meeting rooms to participants' homes, depending upon the numbers of people requesting service and the availability of facilities at any given moment. Part of this program's unique character was its ability to be almost instantly adaptable to the needs of its participants; thus, it was not "standardized" in the traditional manner of program delivery. However, the basic elements of the written curriculum appeared to remain constant throughout, allowing for some variation in relative emphasis of the three modules. Such variation was based on the judgment of the program assistant as to relative needs of each participant.

DESIGN OF OUTCOME STUDY

A simple before-and-after design was used with a random sample drawn from the DBCG. There was no comparison or control group. Both quantitative and qualitative data were employed through telephone interviews conducted with former participants using a semi-structured questionnaire. The questionnaire was designed to be consistent with the format used in the original intake interview and contained both structured and open-ended questions. (See Appendix, Item 1.) Outcome measures were specifically constructed to assess participant impact in three areas: (1) financial management skills, (2) financial goal-setting behavior, and (3) personal power.[4] Within these areas, seven specific endpoints or indicators to ascertain participant knowledge and behavior change were established. These measures are presented in the section entitled Findings (page 11). Precise definitions of the foregoing concepts, as well as other terms used in this evaluation, are contained in the Appendix, Item 2.

Sample

A random sample of 36 DBCG participants was drawn from the third quarter of the program (November 16, 1991, through June 30, 1992), as this segment proved to be the most consistent with characteristics of all DBCG participants during the course of the two-year project. Assiduous efforts were made to contact and obtain a response from each of the participants in the sample drawn. Despite high mobility of the target population, as well as other factors which militated against locating participants, nearly a two-thirds response rate (64%) was achieved.

In analyzing the findings of this impact study, data from the above respondents were utilized. Characteristics of the responding group are consistent with those of the sample from which they were drawn--and thus with the entire 290 DBCG-- on all variables except family type and income source. That is, representation of female-headed families is somewhat less in the responding group (particularly those females deriving their income from Aid to Families with Dependent

[4] These outcome measures were extrapolated from the chain of events constructed specifically for this evaluation. (See Figure 7.)

Children) than the actual percentage of female-headed families participating in the program. All other variables--including ethnicity, geographic location, income level, household size, age of household head(s), and referral source--were shown to be proportionately represented in the respondents.

Characteristics of Respondents

Ethnic composition of the responding group was 83% Caucasian and 17% Black. This ethnic distribution is similar to the total DBCG in terms of the two major ethnic categories (78% Caucasian; 16% Black); however, the DBCG did include 6% "other" ethnic cultures (i.e., Native American, Hispanic, Asian). No other ethnic groups were among the respondents in this evaluation, although two Hispanic families and one Asian family were in the random sample.

Geographic location of responding households was primarily urban, with 79% living in the city and 21% in suburbia at the time of their initial contact with the agency. Corresponding figures for the total DBCG were 75% and 25%. While there was a very high mobility rate within the target population, nonetheless all responding city dwellers who moved did stay within the city limits. In contrast, all responding suburbanites remained in their original homes. There were, of course, additional nonrespondents in the sample who could not be reached due to the mobility factor.

Gross income level ranged from $456 to $2678 per month in the respondents and from 0 to $5000 in the DBCG as a whole. While the range of income in the sample was narrower, nevertheless the median respondent income was generally consistent with the larger group. Median gross monthly income was calculated at $950 for respondents and $900 for all DBCG participants. (Distribution of household income for respondents is depicted in Figure I.) Number of individuals living in each household varied from 1 to 7 persons in the

Figure 1. Household Income

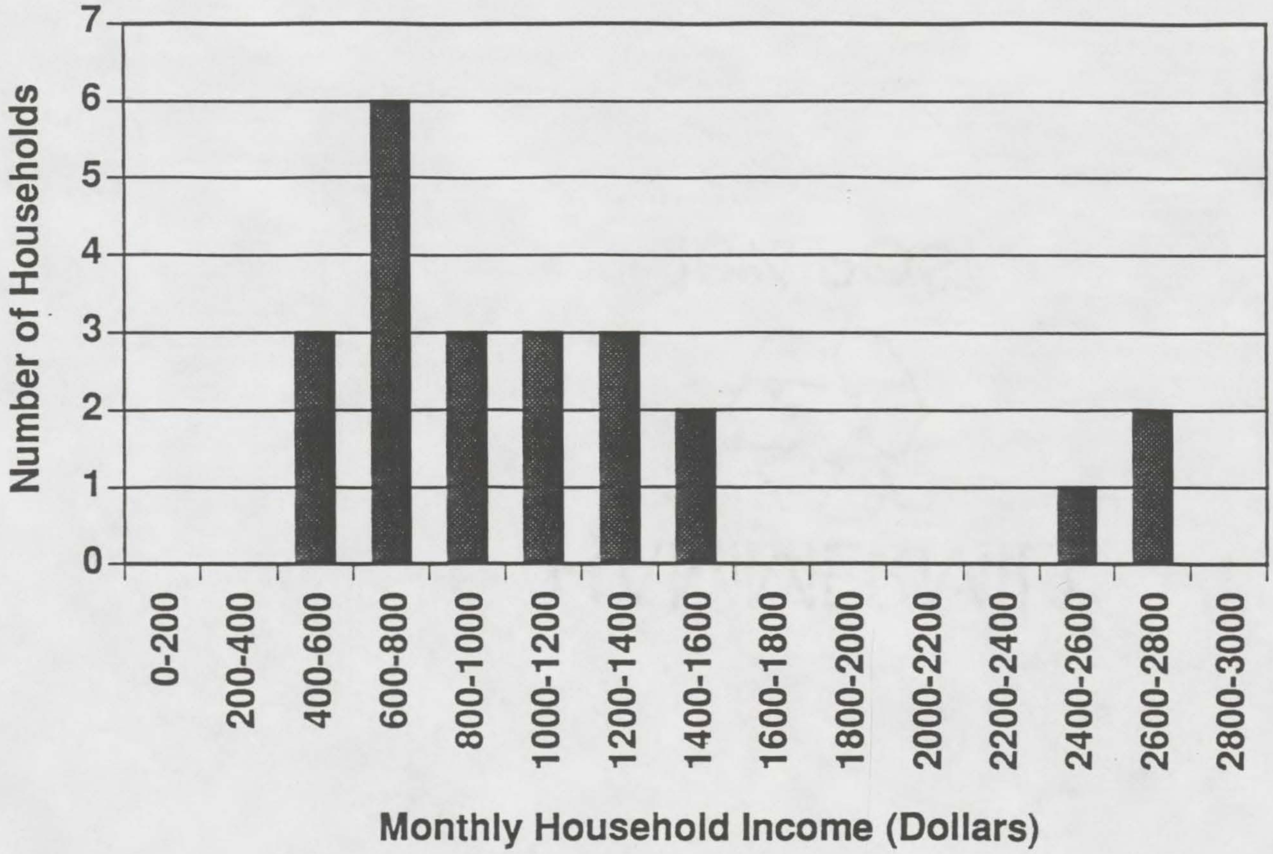
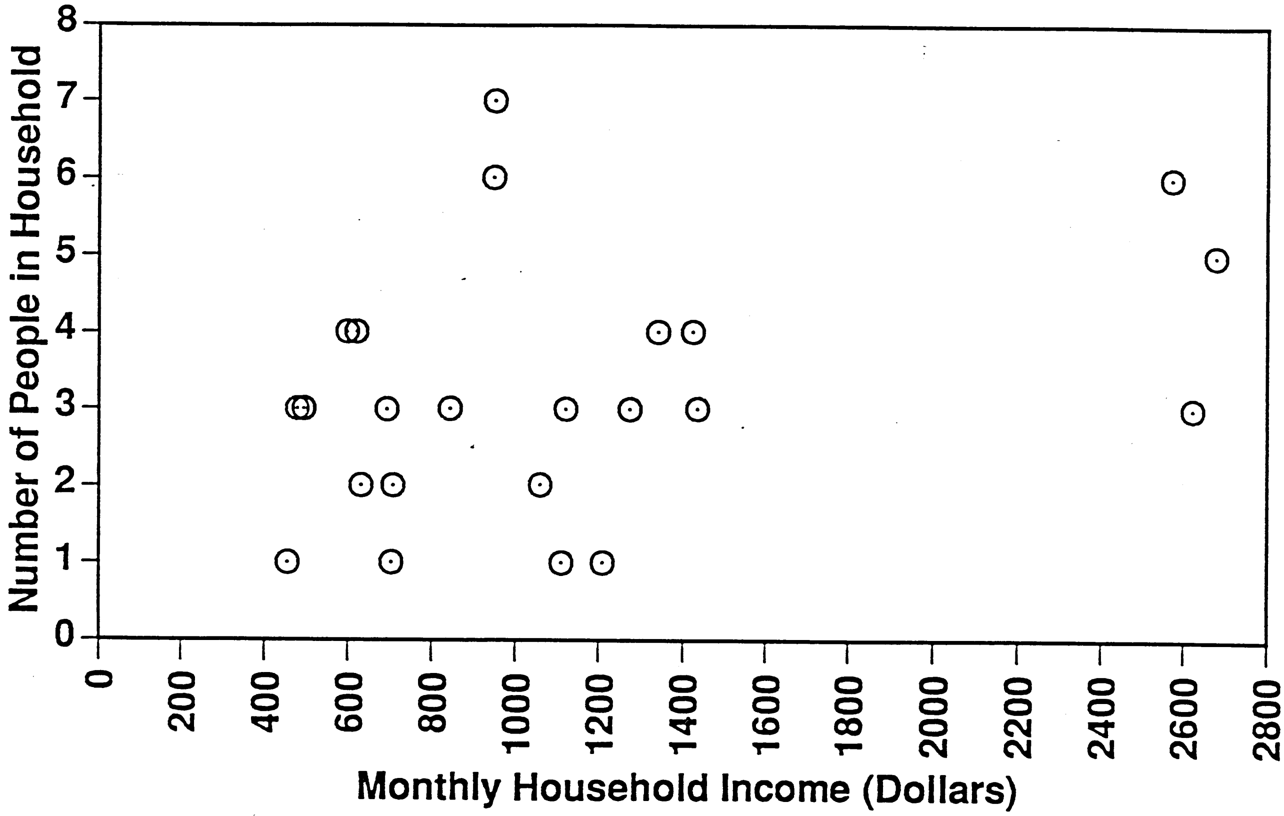


Figure 2. Respondent Household Size

Figure 3. Household Income by Number of People in Household



responding group and 1 to 9 persons in the total group, with the median being 3 persons per household in both groups. (See vertical bar graph, Figure 2.) For a more comprehensive view of family financial obligations, level of household income is paired with household size in Figure 3.

Source of income was predominantly from employment of the participants. More than two-thirds (69.5%) of respondents were employed in the private sector, while only 13% derived the bulk of their income from public assistance. The latter were recipients of Aid to Families with Dependent Children (AFDC). In contrast, 58.3% of the sample were privately employed, and 25% relied upon public assistance as their major source of income. Additional government support in the form of medical assistance, general assistance, food stamps, and Supplemental Security Insurance (SSI) supplemented the income of many participants. Further, a small percentage of respondents obtained financial support, in part or in total, from such sources as unemployment compensation, social security, child support, and rental income.

Family type was stratified by this evaluator along two dimensions: (1) gender and (2) number of household heads per unit. This layering resulted in five household or family types: single female-headed families, single male-headed families, double female-headed families, double male-headed families, and double male/female-headed families. Each of these family types has differing implications for income production and outgo, sharing of workload, decision-making strategies, goal setting and planning, and resource use. These issues will not be treated in depth here, as they deserve separate and more complete consideration in future papers.

There were no double male-headed families in the sample or in the project. As anticipated, single female-headed families and double male/female-headed families comprised the largest proportion of households. Among the respondents 39% of all households were headed by single females, and 43% were headed by a male/female pair. In the sample, 50% of households had single female heads, and 36% had double male/female heads, which is more consistent with the proportion seen in the 290 DBCG. However, by combining the double female category (9% of responding families) with the single female category, the proportion of female-headed families is increased to 48% in the responding group, as compared with 58% in the sample and 63% in the total DBCG. These numbers are somewhat closer to the larger groups from which respondents were drawn but still fall short of accurate representation. Possible explanations for this discrepancy in the responding group will be addressed later.

Further, the issue of families with dependent members[5] is treated separately in this evaluation, as such families are substantially different from households composed entirely of independent members. Responding households with dependent family members are, again, largely headed by either a single female (33%) or a male/female pair (50%). The relatively small proportion of single female heads of dependent families is atypical of the prevalence of this type of family in both the sample and the total DBCG, as well as in the general population. Inability to locate and/or access single mothers--particularly those on AFDC--is largely responsible for this phenomenon. Pie charts visually depict all of the foregoing family types and their relative proportion in the total schema. (See Figures 4 and 5.)

Age of the head(s) of households varied from 23 to 59 in the responding group and from 23 to the mid-70s in the sample. (See Figure 6 for age distribution.) Three-fourths of household heads fell in the age range between 35-55 years in

[5] For purposes of this evaluation, dependent members are considered to be all household members not actively engaged in income production. Common conditions include age--too young or too old--ill health, and physical or mental handicaps. Such family members may, however, qualify for government financial assistance by virtue of their dependent status.

Figure 4. Family Type of Respondents With Dependents

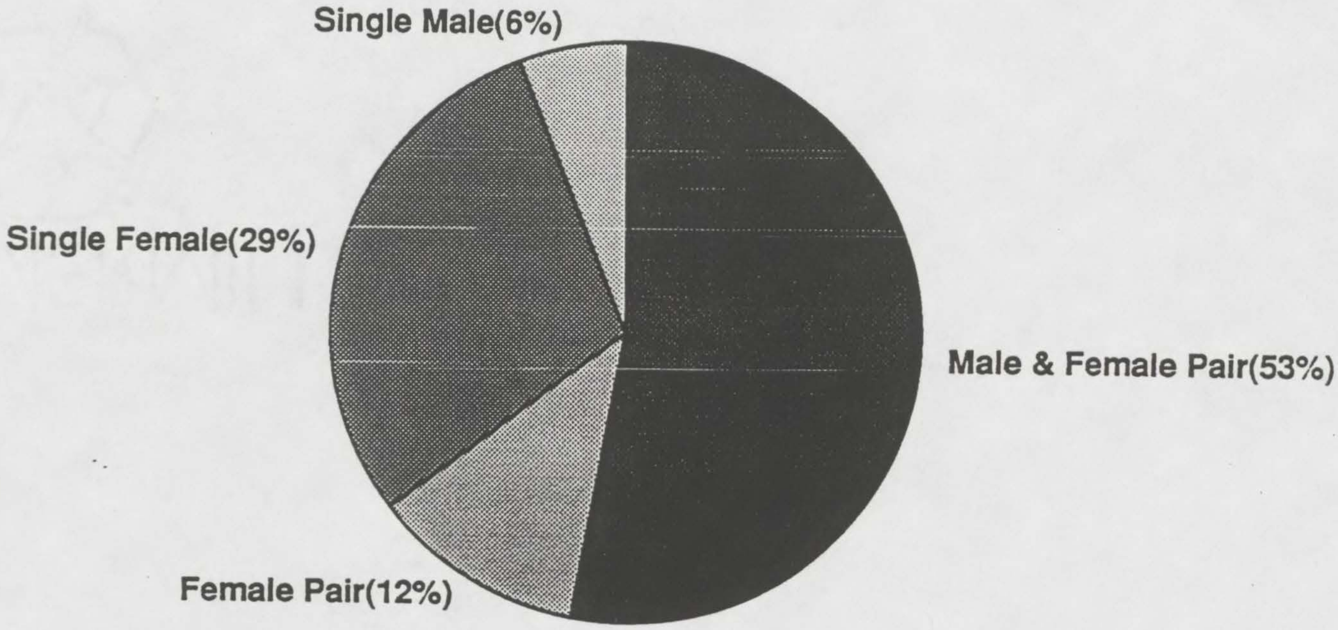


Figure 5. Family Type of All Respondents

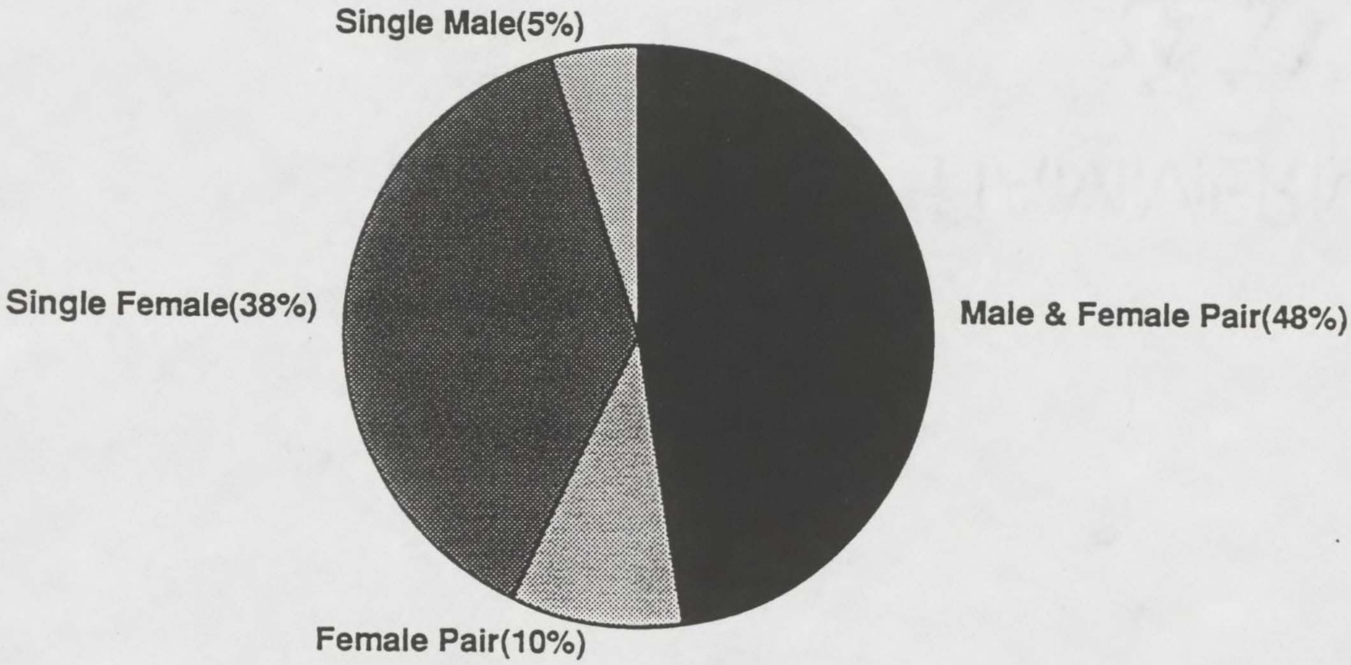
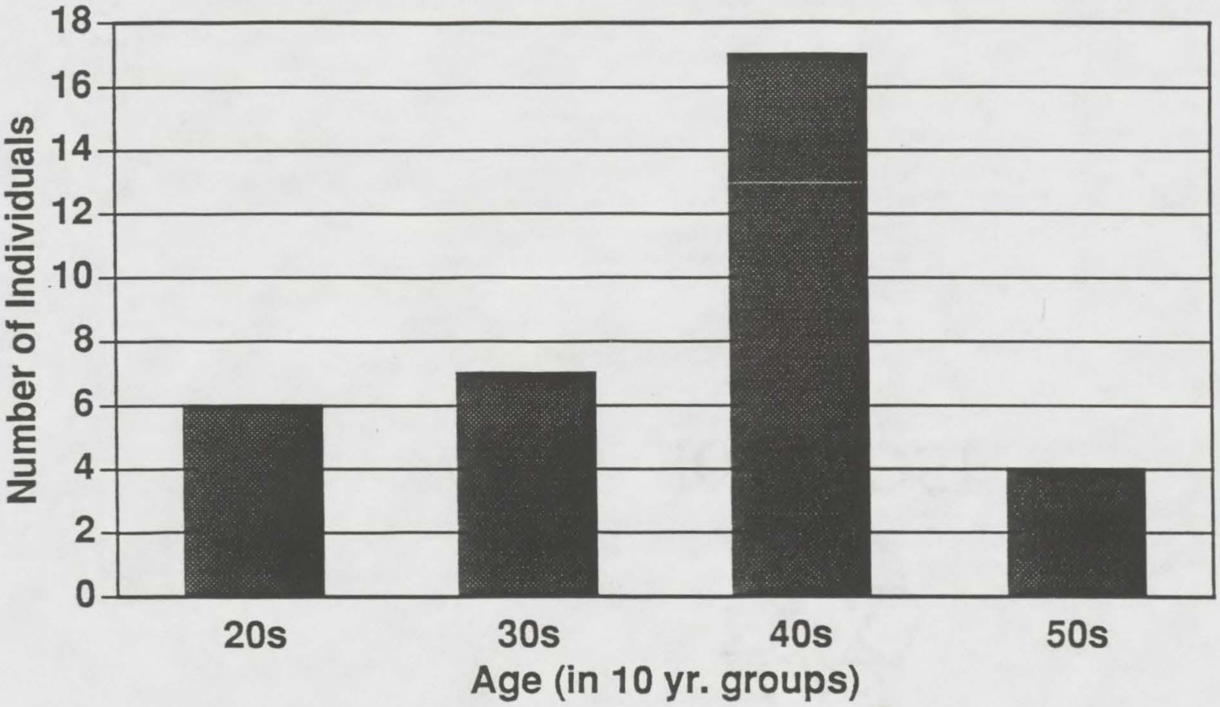


Figure 6. Age of Respondents



both groups. The age decade of the forties had the greatest frequency of participants and respondents by far. Median age of all respondents was 42. Age was quite evenly spread out across family types and did not appear to correlate with any of the other variables. The possible exception is that the vast majority (80%) of responding household heads in their twenties were female. Although the actual numbers of participants in their twenties was somewhat small (25% of respondents) and thus not likely to be of major consequence without further substantiation, nevertheless this trend bears watching when accumulating future data.

Finally, the referral sources of program participants fell into three broad categories: mandatory or semi-mandatory agency referral, voluntary agency referral, and self-referral. A large number of referrals in both the sample (47%) and the respondents (43%) came from one agency, Northern States Power Company (NSP), which for purposes of this evaluation is being categorized as a semi-mandatory agency referral.[6] A second important source of semi-mandatory referrals was public housing with 17% of the referrals in both the sample and the responding group. Self-referrals accounted for 13% of respondents and 8% of the sample. It should be remembered that regardless of the terms "mandatory" and "voluntary," all referrals were in a sense "self" referrals, as it was a requirement of the program that all participants must request the service themselves in order to be part of the DBCG.

[6] In order to be eligible for special rates and payment plan considerations, individuals who are significantly delinquent in payment of their utility bills to NSP must participate in a minimum of one and one-half hours of financial counseling through an approved agency. While this requirement produces a powerful incentive to take part, it cannot be considered truly mandatory in the sense that Court-ordered participation is, for example--thus, the semi-mandatory designation.

FINDINGS

Findings from this impact study are reported according to the outcome measures proposed on page 6 (Design of Outcome Study) and diagrammed in Figure 7. The first measure, financial management skills, is assessed on the basis of the two indicators outlined below.

Financial Management Skills

Financial management skills are seen as a series of learned techniques and behaviors which promote being in control of one's finances. Such methods may include values clarification, basic budgeting procedures, financial goal-setting behaviors, and effective resource use. While all of these topics were addressed during the project, only two--financial goal-setting and effective resource use--will be used to assess the financial management skills of participants before and after their participation in the project. The first measure, financial goal-setting behavior, will be elaborated upon in the following subsection. The second measure, effective resource use, will be dealt with here.

Extent and type of resource use is a complex issue, for in a real sense, almost everything one uses in everyday life can be considered a "resource." The definition of resources used in this evaluation is "assets that can be used to meet demands."[7] Demands are defined by this evaluator as needs, obligations, desires, or events which require action. Such assets can be roughly divided into two main categories: cash and noncash. Cash resources are those which add dollars to an individual's or family's income, usually without restriction as to where or how those dollars are spent. Noncash resources are basically all assets which do not fall into the cash category (e.g., materials, goods, services,

---

[7] Taken from Wollan, B.J. & Bauer, J.W. "Correlates of Financial Counseling Outcomes: Implications for Practitioners." In Families In Society: The Journal of Contemporary Human Services, 1990, p. 148.

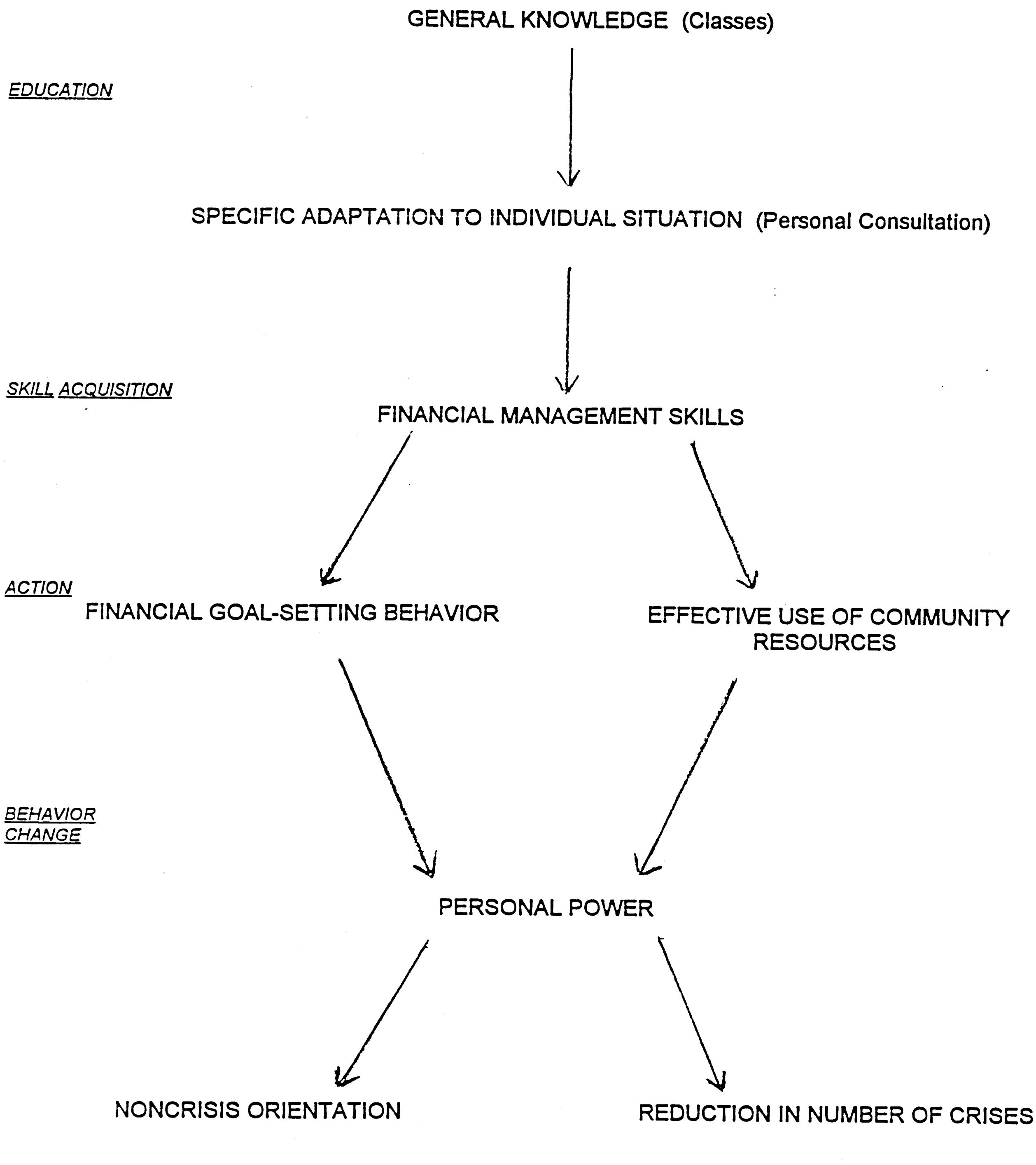


Fig. 7. Model of Chain of Events for Outcome Measures in Financial Management Education

programs, individuals). The project, and consequently this evaluation, utilized both categories of resources. However, emphasis in the project centered on the effective use of noncash resources, as that appeared to be the area in which participants had the least knowledge and the most likely prospect for gain.

A further delineation of resources became apparent during the course of this evaluation--one which separates resources which require qualification by the participants from those which do not have such a requirement. The former are basically public or governmental in nature and require a "means" test in order for participants to gain access to them. They are generally associated with poverty or low income and frequently have stigma attached to them. They are both cash and noncash in nature. Examples are: public assistance, medical assistance, emergency assistance, food stamps, food shelves, and subsidized housing. The second class of resources are those which are available to the entire population without qualification. Usually the latter resources fall into the noncash category.

More than three-fourths (82%) of all respondents indicated use of varying types and numbers of community resources.[8] Within this group there were no individuals or families who used solely cash resources, either before or after the program. This outcome appears reasonable, for cash resources are usually of the means test type, and individuals who qualify for them would likely qualify for noncash governmental resources at the same time. After completing the program, the proportion of individuals and families who used only noncash resources and those who used both cash and noncash were evenly divided (50% each). Statistics show only a slight increase (9%) in the number of persons who used noncash resources alone, with a higher proportion (18%) increasing their usage of both types together after completing the program. The latter increase is the more consequential, as it appears to indicate a trend

---

[8] It is quite likely that the actual proportion of respondents is substantially higher than 82%, as individuals often forget common resources which they use frequently, or fail to properly classify them as "community resources."

towards combining cash and noncash to maximize one's assets, a strategy which is especially effective in limited financial circumstances. Within this project most of the increase in noncash resource use was due to the addition of new resources by project participants, a likely reflection of knowledge gained in the program.

An even more noteworthy factor was not simply the increase in the actual numbers of resources used by project participants but rather the shift from using "means test" resources to "nonmeans test" resources--those of a less governmental and more independent nature. An increase of 23% was seen in those using only nonmeans test resources, with a corresponding decrease (22%) in usage of means-test-only resources. An additional increase of 9% was seen in those using *both* means and nonmeans test resources.

The foregoing percentages should be interpreted as conservative estimates of the actual change which took place, for many families and individuals who were already using nonmeans test resources--either alone or in combination with means test resources--increased their repertoire considerably after completing the program; those increases are not reflected in the percentages above. For example, many participants were introduced to community programs which they had formerly been unaware of, or were encouraged to think creatively about resources in their own lives which they may have bypassed previously. Thus, they developed for themselves additional ways of stretching their income which did not involve obtaining more cash or qualifying for a program but which did indeed increase their functional income.

Perhaps the most telling example of this transfer to using nonmeans test resources by program participants is the move away from reliance on food shelves. Fully 86% of the respondents indicated that they no longer rely on food shelves to get them through the month, whereas initially only 59% reported not using food shelves. As the actual cash assets of most program participants did not improve substantially in this intervening period, one might tentatively conclude that they learned techniques in the program that enabled them to extend their resources to cover all but the most extreme emergencies. This change also dovetails with the measure delineated in a subsequent subsection--personal power--for nonreliance on food shelves could be viewed as a departure from operating within a crisis modality, thus demonstrating the empowerment necessary to be in charge of one's own financial and personal life.

Financial Goal-Setting Behavior

Financial goal-setting is defined as the process of clarifying one's values, selecting desired financial endpoints or "goals," and establishing a plan to achieve those desired endpoints. The financial goal-setting behavior of program participants is evaluated by means of the following indicators: (1) extent of unpaid bills, (2) extent of total indebtedness, and (3) existence of savings. All of these indicators were evaluated by self-report of the participants; they will be used as a composite measure when evaluating the level of participant financial management skills.

At the outset of their participation in the program, 48% of respondents indicated that *less* than one-half of their bills were being paid on time. Within this group was one participant who reported that *no* bills were paid on time. Another 43% of respondents reported that *more* than one-half of their bills were currently being paid on time; among this group were only two participants who stated that *all* of their bills were paid on time. Nine percent of respondents gave no response to this question initially.

At the time of this evaluation (approximately one and one-half to two years later), most respondents reported a considerable decrease in the number of overdue bills. More than one-half of the respondents (52%) reported that *all* of their bills were currently paid up-to-date. For many participants, this achievement represented a substantial improvement in both their financial and personal lives. That is, 42% of the paid-up group had moved from having *less* than one-half of their bills paid on time to having *all* of their bills currently paid. Of those who were still having difficulty paying bills on time, 60% cited outstanding utility bills, especially NSP. A few participants mentioned being behind on bills such as taxes, school loans, and child support payments. Only two persons stated that they had *more* unpaid bills now than before, and another two individuals reported little or no change in their bill payment status since beginning the program. In the first instance, divorce proceedings were directly responsible for the increase in unpaid bills. For the individuals who reported "no change," that status referred to the total number of bills; however, there was a definite change in the nature of those bills. Both persons had returned to school and were dealing with high college tuition.

The second outcome indicator, extent of total indebtedness, is closely related to the previous one; however, it addresses the broader financial picture, and as such, it provides a slightly different dimension than the paid/unpaid status of monthly bills. Within the responding group, 35% of participants said their overall indebtedness was *less* than before the start of the program, and 30% reported that their total debts were greater now. A slightly smaller percentage (21%) felt that their debtload was about the same as previously. The remainder (13%) did not respond to this question. (However, all of those who failed to answer had indicated in response to the previous question that their bills were either all paid up or currently being paid on time.) Among the 35% who reported a lower debt load, three persons emphasized that it was "<u>much</u> lower now." In addition, three persons found it necessary to file bankruptcy, thus effectively reducing their debt load--although not necessarily indicating desirable goal-setting behavior. Most of those who reported a *higher* level of indebtedness qualified this statement by adding comments such as: "higher but manageable," "had to refinance the house," or "divorce in progress." Three had returned to school and had high tuition bills, including one outstanding student loan of $12,000.

Further, one respondent specifically stated that *both* her debts and her income were higher now. Pursuing this theme further, it was noted that among responding households considerably more than one-half (65%) reported a higher income level when compared with their income at the beginning of the program. Seventeen percent (17%) reported that their income had gone down, and another 17% reported their income to be about the same. Most of those who reported higher incomes had remained with the same employer and had received only a moderate salary increase. A few had taken a second job in order to increase their household income, and one or two reported supplementary income sources not available to them earlier, such as overtime work hours or child support. Those participants who reported lower incomes noted specific reasons for the decrease such as: unexpected layoff, illness which disrupted work schedule, divorce, decrease in number of household dependents (thus lower AFDC). While the thrust of this financial management education program was *not* to increase household income *per se* but rather to increase management skills, nevertheless most household incomes did increase somewhat. For many individuals, this was not a functional increase, as the cost of living escalated also. Thus, for the majority of respondents in this project, it appears that their lower debtload correlates with their ability to better use what they have rather than with increased income.

Existence of savings, no matter how small, was the final indicator of financial goal-setting behavior among program participants. At the beginning of the program, the vast majority of respondents (83%) stated that they did not have savings. Only 17% reported the existence of a savings account as such. However, in the followup evaluation, the wording of the question was changed slightly to ask: "Have you been able to save anything, no matter how small the amount?" More than double the original number (35%) now reported savings. Perhaps this was due to the change in emphasis (i.e., a formal savings account was no longer necessary); however, it may also have been due to a change in financial goal-setting behavior. When viewed along with the other two indicators, the likelihood of the latter hypothesis gains credibility.

It is somewhat ironic that among the few respondents who did report the existence of a savings account initially, only one person was still able to set aside savings two years later. The others had to abandon their savings due to severe financial reversal (e.g., divorce, bankruptcy). The majority of those who reported during the evaluation that they were able to set aside some money as "savings" had reported *no* savings account initially. Subsequent to the program they reported using strategies such as having savings automatically deducted from their paycheck, saving through credit unions, or having money "tucked away in a sock." This phenomenon of taking action to establish a savings "plan," of whatever sort, appears to represent movement towards financial planning and goal-setting on the part of some participants. Also, it appears that the *positive* valence of the change (i.e., the numbers of participants who now report "putting away" some money) may indeed be indicative of an actual behavior change rather than a situational change, as in the participants who reported cessation of savings (i.e., negative directionality) due to divorce and/or bankruptcy.

Personal Power

Two indicators will be used to assess the degree of personal power of program participants in regard to their financial lives: (1) self-perception of the locus of control, and (2) self-perception of "hope." These measures are critical, as a major goal of the project was to reduce the amount of crisis-oriented behavior on the part of participants. The supposition is that if one is feeling empowered and "in control," then one is more likely to respond to demands in a well-thought-out manner, rather than responding in an impromptu fashion or, worse yet, simply abandoning the situation and allowing it to be resolved by fate or by someone else. Either of the latter two options usually results in a crisis and elicits crisis-oriented behavior on the part of the participant. (For definition of "crisis orientation," see Definition of Terms, Item 2 in Appendix.)

At the time of their entrance into the DBCG, and again at the time of this evaluation, all participants were asked to rate themselves on the degree to which they believed they were in control of their financial lives. There were five points on the Likert-type scale: Out of control, Sometimes out of control, Moderately in control, Almost in control, and In control. (Expanded description of these categories can be found on page 2 of the questionnaire in Appendix, Item 1.) As compared with baseline data obtained at the beginning of the program, 48% of the respondents improved their financial control by one or more units/categories. Thirty-nine percent (39%) reported no change; however, one-third of the latter group already perceived themselves to be "in control" so were unable to move any higher. One of the respondents in the latter group reported that she "looks at emergencies differently now. If I can't handle it myself, I can usually find a resource to handle it." Only one person reported being *more* out of control. (Two individuals did not respond to this question.)

Nearly half of the responding participants (11 out of 23) perceived themselves to be either "in control" or "almost in control" at the time of the evaluation, whereas only 27% saw themselves in this manner at the beginning of the program. While it is true that perceiving oneself as being in control of one's finances does not necessarily make it so, it is equally true that *not* believing oneself to be in control almost always precludes it from happening. Therefore, self-perception of locus of control as residing within oneself is, at the very least, a precursor to the objective reality of such.

"Hope," while slightly more elusive than "control", is nonetheless a crucial underlying factor in human motivation to achieve behavioral change. For purposes of this evaluation, hope is defined as the feeling or belief that what is wanted can actually happen. There is no baseline data for this measure, as it was requested of participants only during the evaluation phase. Nevertheless, 65% of the respondents reported feeling more hopeful at the time of the evaluation than at the beginning of the project, many emphatically so. This question drew more intensity of response than any other on the questionnaire. Some comments made by "hopeful" participants are: "beginning to see the light at the end of the tunnel," "am learning to feel good about myself," "getting close to career goals," "less fearful now," "much more hopeful."

Seventeen percent (17%) of respondents said they feel less hopeful now. Almost all of the latter group related this feeling to a specific, recent crisis in their life (e.g., divorce, unanticipated layoff, bankruptcy, critical and/or chronic health condition of self or spouse, housing eviction). It would be desirable if this feeling were transient and situational, as it is virtually a truism that a hopeless person is a powerless person; however, it is unclear whether this relative lack of hope, and the crises which may have led to it, could have been avoided in these individuals. In addition, thirteen percent (13%) of respondents reported no change. All individuals and families in the latter group were basically doing well. The balance (5%) gave other answers or declined to respond to this question.

DISCUSSION OF FINDINGS

As noted previously, the high mobility of the target population was a major obstacle in designing and implementing this evaluation. On initial attempt, less than 40% of the sample was reachable by telephone, due to geographic moves, disconnected telephones, and a general unwillingness to be located. Many factors contribute to the mobile nature of this population, including evictions for unpaid rent, avoidance of creditors, and escape from abusive relationships. The latter was particularly evident in the case of single-parent, female-headed households. These same conditions also resulted in unlisted telephone numbers and a pervasive sense of caution on the part of friends and relatives who might have been helpful in providing information on former program participants' whereabouts. Once located, however, most former participants were not only willing but actually eager to participate in the evaluation and to "tell their story."

Characteristics of Participants and Respondents

In terms of ethnic composition, Caucasians were represented among the respondents roughly as anticipated and almost identical to their proportion in the community (Ramsey County), while the numbers of Blacks were greater than their actual presence in the community. Hispanics appeared in the sample in approximately the same proportion as in the community; however, they did not respond to evaluation attempts and thus are not accurately represented among the respondents. Native Americans were not present in either the sample or the responding group. One Southeast Asian family appeared in the sample; however, the numbers of Asians in this county would suggest a considerably larger representation. The Southeast Asian population (e.g., Hmong, Vietnamese, Cambodian) is the fastest growing ethnic subgroup in Ramsey County, particularly within the inner city.

Referring to the definition of target population set forth earlier (page 3), the subgroup entitled "culturally diverse" persons is difficult to assess with any degree of accuracy or validity, for use of that term has not been clearly defined. This project tends to use "culturally diverse" as though it were synonymous with "ethnic minority;" however, in many instances it has a broader meaning in our society. If we adopt the narrower definition, it may appear on the surface that culturally diverse persons were indeed well served, as 22% of the DBCG were persons of color, a figure which is somewhat greater than their actual representation in the community. In reality, however, the bulk of minority persons served were of African American or Black descent (16%), while a comparatively small number of Hispanics (3%), Native Americans (2%), and Asians (1%) were actually reached by the program. This phenomenon may be due in part to the fact that one of the two program assistants is an African American woman who was purposively selected for this position to serve as a role model and a point of identification for her peers. Her assignments were entirely within the inner city, and many of the communities in which she did outreach work were black neighborhoods. Thus, it may be surmised that hiring a staff member who was endogenous to the Black community did achieve positive results in accessing that population.

Perhaps the greatest failure in terms of impacting ethnic minorities was the inability of the program to effect participation by Asians and Native Americans. Many outreach attempts were made to both of these groups, including regularly scheduled appearances by program assistants at food shelves serving these communities, as well as regularly scheduled consultations at the Indian Center in St. Paul. With Asians (particularly the Hmong), the trust issue, vast cultural differences, recent arrival in this country, and severe language barriers were major obstacles, not unanticipated by project planners. With the Native American community, the trust issue, inability and/or unwillingness to relate to a program assistant not of their own ethnicity, and substantial differences in cultural values surrounding money appeared to be primary issues. In addition, lack of cooperation and occasional hostility on the part of Native American staff at food shelves and at the Indian Center further decreased the credibility and receptivity of the program assistants among prospective clients/participants.

Geographic location was primarily as projected, for it was expected that the greatest need would be in the urban area. Income range was also as anticipated among the respondents but was much wider in the DBCG as a whole. Much of the latter is attributed to the pilot nature of the program and the fact that income guidelines were somewhat flexible, tending to vary throughout the two year period of the project.[9] Family and/or household size was also consistent with expectations. Major income source of respondents was unforeseen in that public assistance recipients did *not* comprise the majority of project participants; they were represented to an even lesser degree among the respondents. The "working poor" accounted for the bulk of participants in both the sample and among respondents; more than two-thirds of respondents were employed in the private sector.

In the responding group, family type was almost evenly divided between female-headed families (48%) and male/female-headed families (43%). However, when one extracts only *single* female-headed families (as opposed to those headed by two or more females), the proportion drops to 39%, and when one considers only single female-headed families with dependents, the proportion is further reduced to 33%. This outcome is not consistent with either the sample or the larger group. In both of the latter, the proportion of single female-headed families was substantially larger (63% in the DBCG). Explanations for the lack of single-parent female household heads among the respondents include: many were AFDC recipients and thus not traceable through customary channels such as employers; many had minimal job skills and thus migrated from job to job; even those who were regularly employed often moved in with other family members, friends, or boyfriends in order to receive help with expenses as well as child care, and thus they were difficult to locate; a few were known to be hiding from

[9] Income guidelines were set at 130% of poverty, as determined by Federal Government standards; this figure fluctuated on a monthly basis, however.

abusive boyfriends or former spouses. Due to their inability to be reached, it is difficult to ascertain whether the program met the needs of this group.

The median age of respondents was somewhat older (42) than anticipated; further, the age range of household heads was narrower than expected or desired (23-59), with no late teens, early twenties, or post sixties represented. Fully three-fourths of household heads fell in the age range between 35-55, an unexpected outcome. Senior citizens,[10] although they were originally singled out in the desired target population, did not achieve adequate representation anywhere in the project. It is not clear whether the existence of a need was incorrectly identified or whether strategies to reach that portion of the proposed target audience were simply ineffective. Likewise, persons in their early emancipation years were not well-represented. Reasons for these omissions are unknown at this time.

The largest single source of referrals, as expected, came from the major energy supplier in Ramsey County, Northern States Power Company. Another important referral source was public housing. Together these two agencies accounted for 60% of all referrals in the responding group. This trend would seem to indicate that the majority of individuals/families were already in serious financial trouble at the time of referral, as power shutoffs and housing evictions were imminent. Private or voluntary agencies provided a relatively small number of referrals. Perhaps the latter is due to inadequate public relations and/or lack of clarity in definition of the program. Somewhat surprisingly, self-referrals accounted for a respectable number of both participants and respondents; some of these referrals could have been initiated by private agency sources.

[10] Defined as persons 64 years and older.

Outcome Measures

As this project is a pilot program, one cannot rely on prior evaluations or previous research evidence to reveal a firmly established chain of events connecting the chosen indicators with the intervention. Therefore, the chain of events constructed for this evaluation (see Figure 7) begins with the educational component (i.e., transmission of knowledge to participants through both a group format and individual consultation), proceeds to the acquisition of specific skills (i.e., financial managements skills), then continues through the action phase to specific behavioral change (i.e., financial goal-setting behavior and effective resource use), and ends with global behavior change in terms of personal empowerment and a decrease in crisis-oriented behavior. A reduction in the number of actual crises would provide a parallel and more objective measure but could be seriously flawed in this outcome study by lack of a sufficient number of measurements over time.

The first outcome measure, financial management skills, shows a clear shift away from the use of "means test" resources towards use of "nonmeans test" resources (see pages 13-14) on the part of responding participants. Such movement has important consequences for development of independent financial behavior and personal control of finances. Despite acknowledged limitations in the design of both the project and the evaluation, this change is most likely the result of the project's intervention, given the specific emphasis in the curriculum on the effective use of resources. Moreover, the move away from reliance on food shelves (pages 14-15) is a prime indicator not only of effective resource use but also of increased financial management skills.

Financial goal-setting behavior, the second outcome measure (and an indicator of financial management skills as well), is composed of three separate indicators--extent of unpaid bills, extent of total indebtedness, and existence of savings. In terms of bill paying, more than half of respondents had *no* overdue bills at the time of the evaluation. Considering that most project participants were people in serious financial trouble who had numerous outstanding bills at the time of their initial contact with the agency/program, this is a compelling statistic. Further the majority of these "paid-up" individuals/families formerly reported having less than half of their bills paid on time.

Total indebtedness presents a slightly different dimension, the implications of which are not as clear as the above. Approximately equal proportions of respondents stated that their indebtedness was less at evaluation time than at the start of the program (35%) when compared with those who reported greater indebtedness (30%). However, these figures are not necessarily reflective of the program's impact, for many participants who reported a higher debtload felt they were managing that debt better and/or had conscientiously acquired it to accomplish specific long term goals (e.g, education), clearly an indication of responsible goal-setting behavior. Further, there was a relatively high percentage (13%) of nonrespondents to this question; all of these individuals were in the "paid up" group on the previous indicator.

Regarding the existence of savings, more than double the number of respondents were putting away some money which they regarded as "savings" (no matter how small) at the time of the evaluation (pages 17-18). This trend represents a definite shift in financial planning behavior. Taken as a composite, these three indicators are quite persuasive in terms of implying actual change in financial goal-setting behavior.

The components of the third outcome measure, personal power, are: (1) locus of control and (2) hope. Personal empowerment is the overriding theme of the entire project. While ties between this endpoint and the two foregoing measures are not ironclad (as they are not supplemented by previous research or evaluations), nevertheless, some inferences could be made if there were significant findings from one or both of the intermediate action endpoints. In this evaluation, however, the validity and reliability of such measurements would be seriously threatened by the design limitations addressed in the following subsection.

In addition to its linkage with the first two outcome measures, personal power retains its own measurement scale. That scale, which assesses the locus of control as perceived by each program participant, has a good range of variability and should prove to be a useful measure. Nearly half of respondents improved their perception of personal financial control by one or more units on the continuum, and nearly half perceived themselves to be either "in control" or "almost in control"--almost double the number from earlier figures (pages 18-19). In interpreting the results of this scale, it must be remembered that it is a self-perception measure. While it is unlikely that one can be in control of one's affairs if one cannot visualize oneself as being in charge, nonetheless the reverse is not necessarily true. That is, simply because one believes that he/she is in control does not always make it so. Nevertheless, it appears that the project *has* achieved its goal in regard to the increase in *self-perception* of control by participants. Regarding "hope," 65% of respondents reported feeling more hopeful (page 20), a hopeful statistic indeed. While this measure is somewhat subjective and "organic," it is at the root of agency philosophy and is closely related to personal empowerment. Without hope, one almost certainly will not be empowered.

Limitations of Evaluation Design and Project Design

The retrospective nature of this evaluation (i.e., the project had already concluded at the time the evaluation was planned and initiated) necessitated an outcome design that contains inherent limitations. The lack of a comparison or control group is perhaps the most obvious drawback. It was originally expected that the larger group of 1843 participants might yield a subgroup which could be matched on basic DBCG characteristics (e.g., age, ethnicity, income level and source, family size and type) and thus function as a comparison group; however, there was insufficient information available in agency records to pursue this alternative. Thus, a basic pre/post design was used with a random sample which was carefully drawn from the DBCG.

Further, there was no completely objective means of verifying the information provided by respondents in the evaluation phase (e.g., current debtload, credit history, outstanding bills) due to the legal ramifications of data privacy, as well as ethical considerations surrounding confidentiality. The heavy reliance on participant self-report, while it was not ideal, nonetheless was not without substantial merit, particularly with the earlier baseline data obtained at intake to use as a comparison. Also, the spontaneity of most respondents added to the credibility of the data which they supplied.

The caseloads of both program assistants--which were distinctively different, both qualitatively (e.g., geographic location, ethnicity, income level) and quantitatively--were dealt with as an aggregate for purposes of analysis. In constructing the sample, however, they were carefully weighted in order that each caseload was proportionately represented. Moreover, successful efforts were made to locate and contact a representative proportion of participants from each caseload so that the responding group is balanced.

There were also several liabilities in the design of the project itself, some of which were due to the scarcity of previous work in this area, as well as the pilot nature of the project. Definition of the target population changed from its inception to its end,[11] and key terms were not clearly defined (e.g., "limited income," "culturally diverse"), thus making coverage issues difficult to address. In addition to the vagueness of the "limited income" designation, the fluctuations of federal poverty guidelines over time (from which low and moderate income

[11] Initially the project proposal specified that participants be residents of *suburban* Ramsey County only. Maximum allowable income for the target population also fluctuated throughout the life of the project.

populations were drawn) created an overly wide income range in the target population (0-$5000 per month).

Further, some conditions originally specified were not adhered to. For example, a major thrust of this financial education program was to reach individuals and/or families who had experienced recent economic change. In reality, however, many individuals who sought help and who were served by the program did not meet this condition, nor was it enforced. It is quite possible that specification of economic change as a targeted characteristic may have created a subset of individuals and families which was lacking in demand and need to the extent anticipated. Overall, the target population as originally envisioned (e.g., suburban, recent economic change) does not seem congruent with the project's goal statements; however, the actual population served appears to be a considerably better match.

In many respects, the project became more inclusive of a wider range of participants as it evolved. While this approach had substantial advantages for prospective participants, nevertheless it is impracticable to determine what proportion of the target population was actually reached (i.e., whether the project achieved adequate coverage) when the composition and definition of that population changed significantly over time. In a general sense, one might reasonably state that there appears to have been some coverage bias in terms of ethnic omissions and age-related exclusions (i.e., very young adults and older adults); however, without a clearly defined and consistent client universe, these factors cannot be determined with any degree of specificity or validity.

Further, the written two-part goal statement of the project, while it is relatively clear, does not contain all of the intended goals or encompass the entire scope of the program as expressed verbally by project staff. Moreover, there were no formally stated objectives, thus making it infeasible to operationalize the goal statements and measure whether they were actually attained. As a partial remedy to this situation a revised set of goals and an initial set of written objectives with well-defined concepts was drawn up in consultation with agency staff. (See Appendix, Item 3.) This document should provide a basis for more precise evaluation in any future trials of the program.

Further, selective assignment of each DBCG participant to a specific program assistant had liabilities as well as assets. In terms of assets, project staff wished to achieve the best "fit" of client with program assistant for maximum effectiveness. Therefore, assignment was determined by the difficulty of the presenting problem, ethnic background and geographic residence of the prospective client, and differing personality attributes of the two program assistants. However, because participants were not randomly assigned, it is impossible to evaluate whether they succeeded because of the program content, the method of program delivery, their relationship with a particular staff member, or some other factor. In the same vein, many elements of the program were tailor-made to fit each participant--the type of sessions, the location of sessions, the timing of sessions. From the agency's point of view, one of this project's greatest strengths--its extreme flexibility and adaptability--became its greatest liability from an evaluation perspective, for there were few constant elements. This predicament clearly reflects the philosophy of the agency and the values of the project, which were formulated in part from the presumed needs of the target population. It remains to be seen whether or not this strategy will ultimately serve the target population to the best possible advantage.

Finally, the thrust of this project was basically educational, which is consistent with the mission statement of the agency. However, there is a marked difference between providing people with information and the actual conversion of that information into appropriate action. The difficulty of translating knowledge into behavior is commonly recognized among scholars in both education and psychology. This project attempts to enable participants to do just that, an ambitious undertaking considering the educational format as well as the limited contact time of participants with project staff. Yet, it does appear from participants' self-report that the project did enable some participants to achieve genuine behavior change. Unfortunately, it is impossible to determine exactly how this outcome was accomplished (e.g., content of the curriculum, contact with service providers, method of program delivery) due to the fluid nature of the program.

RECOMMENDATIONS

This evaluator has identified two major areas that would benefit from revision in order to increase the evaluability of this project, should it be reactivated in the future: (1) incorporate planning for the evaluation at the inception of the project; (2) endeavor to strike a balance between flexibility and evaluability of the program.

In regard to the former, a built-in evaluation plan would allow for a smooth transition between project implementation, data gathering, and evaluation. Further, it would address conceptual issues such as definition of target population, goals, and objectives from the perspective of their evaluability. It would also allow for ongoing collection of pertinent data to be used in the evaluation phase. Perhaps even more importantly, it would provide for the establishment of a comparison or control group, thus permitting use of a stronger evaluation design. It is believed that the most feasible comparison group in a project such as this would be a matched group of persons receiving less than the full intervention, for it would be unethical to refuse treatment to qualified individuals or families requesting it simply to create a control group having no treatment at all.

In regard to the second major area, it would be highly desirable to achieve a balance between the flexible nature of this program and its ultimate evaluability.

As noted previously, the agency places a high value on its ability to respond almost instantaneously to the needs of the participants in this project, thus making the program highly flexible. From a human services point of view this approach is understandable and even commendable; however, from the standpoint of critiquing the program (i.e., evaluating which of its components are the strongest and which could use improvement), this lack of standardization renders the project components infeasible to evaluate with a sufficient degree of validity and reliability, except in the most general terms (i.e., trends, gross outcomes, general indicators of program effectiveness). Therefore, it is recommended that the project be scrutinized for ways in which it could be standardized to some degree without totally sacrificing the adaptability which is its hallmark. At the present time the only standard element in program delivery is the written curriculum, which was covered from beginning to end for every individual and family in the DBCG.

Further, it is recommended that the major concepts be tightened up (i.e., target population, goals, objectives). A partial beginning has been made in this direction. (See Appendix, Item 3.) It is acknowledged that the political realities of available funding sources may confound the precise definition of a target population, especially in terms of the inclusion or exclusion of urban/suburban persons, as well as fluctuating income guidelines. Nonetheless, it will never be possible to accurately ascertain whether or not the target population has been reached (i.e., covered) to a sufficient degree if that population is not consistently defined and adhered to. Such issues of parameter need to be addressed and further refined to whatever extent possible in future implementations of this project. Further, strategies need to be developed for achieving fuller coverage of "culturally diverse" persons (e.g., senior citizens, ethnic minorities, other dissimilar individuals) if they continue to be targeted.

Reducing the window of inclusion by narrowing the range of allowable income for program participants is also recommended, if possible within the terms of the funding proposal. A monthly income range of 0-$5000 is too wide to be meaningful, considering the goal statements of this project. This approach may require redefinition of the terms "poverty" and "limited income." For example, in order to attain a more precise focus for the program, it might be necessary to exclude people with "moderate" incomes. If the target population window is compressed, more effort could be expended to reach a larger proportion of individuals falling within that narrower range--especially culturally diverse persons--thereby decreasing the amount of potential coverage bias. In the final analysis, whatever income parameters are decided upon need to be realistic enough to be uniformly applied and adhered to.

In conjunction with the above, it is recommended that the intent and philosophical thrust of the program be clearly communicated to all referring agencies in order to reach the intended audience more effectively. The large discrepancy between the number of persons who originally requested service from the agency (1843) and the number of persons who ultimately became part of the DBCG (290) suggests that the purpose and/or content of the program may have been unclear. Possible explanations for this disparity need to be actively sought. Examination of the data surrounding the huge group of individuals and families who failed to qualify for the full intervention could provide valuable leads to clarifying both the target population and the goal statements, as well as strengthening program operations. Key informants in referring agencies could also be instrumental in answering this question. One conceivable rationale was offered by the program assistants who noted that occasionally prospective participants misunderstood the nature of the program and believed it to consist of financial planning (e.g., investments, estate and asset management) rather than financial management with limited income. The frequency of this occurrence is unknown and needs further exploration. In this situation a narrower income range might have been helpful in reaching the desired audience by eliminating inappropriate individuals/families prior to their request for service. Expanded communication, revised public relations materials, and closer working relationships with voluntary agencies would also be desirable.

Individuals and families need to be offered the option of more contact time with project staff, both during the program and on a followup basis. Many of the respondents expressed the feeling that their contact with the agency had ended too quickly--before they had time to fully implement their new learning. Most felt personally supported and encouraged by the program assistants. In addition, some reported gaining strength and perspective from contact with other project participants in similar circumstances. Several said they would have benefited from the opportunity to check in with project staff at three or six month intervals after they had completed the program. A few asked about the possibility of an ongoing support group. The purpose of such a group, as expressed by respondents who suggested this option, would be twofold: (1) to further refine and put into practice their financial management skills, and (2) to receive encouragement, motivation, and "hope" in times of personal stress.

Curriculum changes which should be considered:

Revise curriculum content to include strategies for increasing one's actual cash income, in addition to effective use of noncash resources. Although much of the underlying philosophy of this project is based on the notion that "financial problems are usually behavior problems rather than money problems,"[12] nevertheless the target population for this project was composed of persons with limited income, many of whom are women. It is especially critical for females to view improvement of their salary base as a worthwhile endeavor, for pay inequity in our society is a reality. Many women have already acquired good coping and financial management skills as a cultural survival tool. Throughout history females have been taught how to save rather than how to earn money, resulting

[12] Poduska, B. E. For Love & Money: A Guide to Finances & Relationships. 1993. Pacific Grove, CA: Brooks/Cole Publishing Co., p. 6.

in many gender-related financial inequalities. Women especially need to learn how to expand rather than contract their financial lives.[13]

A second addition to the curriculum might be to specifically address the two most pervasive concerns expressed by respondents: (1) additional education for adults, and (2) health management. These themes continually reappear in the lives of project participants and respondents. Individuals need reinforcement in their quest to obtain more education, both in terms of achieving lifelong learning goals as well as financially-related career goals. One method of accomplishing this might be to provide linkages with existing community resources such as career planning programs, adult education programs, and sources of financial aid. Further, health concerns and chronic and/or critical illness drain the financial and psychological resources of many limited income families. Future program participants need to receive psychological support as well as didactic curricular material to deal with these two important life issues.

Additional recommendations of a more specific nature:

(1) Consider obtaining release of information forms at intake, along with income verification, so that it will be possible at a later date to supplement self-report data with credit history information, NSP status, and related types of information. This ability to objectify data could enhance the credibility of future evaluations.

(2) The number of bankruptcies, foreclosures, and bill collection issues which surfaced during this evaluation, while not alarmingly high, was sufficient to point towards the need to strengthen and/or expand legal services as an important ancillary component of the project.

In addition to the foregoing recommendations, there are general suggestions for further work in this area. Much remains to be done in terms of translating

---

[13] For further development of this theory, see Kennedy, M. J. "Sociocultural Factors Surrounding Pay Equity for Women: An Attitudinal Study." Unpublished research paper, University of Minnesota, 1991 (available from this agency upon request).

financial management knowledge into actual behavior change--i.e., how effective is an educational approach in achieving such behavior change? The cyclical pattern of living (e.g., peaks and valleys) which is characteristic of families existing on marginal incomes needs to be explored in terms of the ability of persons to retain and implement learned knowledge during periods of high stress and high demand. Further, the vast issue of money and values, including spiritual values, would benefit from further exploration. Although difficult to attempt, values are at the heart of financial management, a factor which was clearly recognized by the developers of this project. Additional investigation remains to be done in this area, for as one author states: "...any serious search for self-knowledge and self-development requires that we study the meaning that money actually has for us."[14] Finally, from an evaluation perspective, additional research needs to be undertaken to strengthen the connection between the intermediate endpoints and the more distal endpoints (i.e., personal power, crisis orientation) in order to produce valid and reliable outcome measurement.

CONCLUSIONS:

This evaluation began with the stated intent to determine the effectiveness of the financial management education project conducted by the Minnesota Extension Service in Ramsey County in terms of its impact on the lives of program participants. In the judgment of this evaluator, the program did indeed positively impact the lives of most participants. This conclusion was formed with greater reliance on the qualitative rather than the quantitative data gathered. The qualitative data (particularly the unstructured questions used with respondents) yielded overall results that were more instructive--and potentially more valid--than the quantitative data, due to the limitations of the outcome study and the project design cited earlier. The quantitative results, while they are not firmly

[14] Needleman, J. Money and the Meaning of Life. 1991. NY: Doubleday, p. 3.

conclusive nor could they be replicated due to the fluid nature of the program, nevertheless take on greater meaning with the addition of the qualitative and anecdotal material supplied by the respondents.

Further, the agency is to be commended for attempting to blend important concepts which are extremely difficult to measure (e.g., personal power, hope, crisis orientation) with variables which are considerably more quantifiable (e.g., financial management skills). In undertaking such a task, a substantial amount of new ground was broken, and valuable information was gathered. Some defects were bound to occur; such is the nature of a pilot program. Hopefully, however, this pioneering attempt will lay the foundation for further work in this complex area.

In particular, the agency excelled in several areas, including the training given to program assistants and the nonjudgmental attitude projected towards persons with divergent values. Above all was the caring which the project staff communicated to participants and the subsequent hope which that caring helped to create in participants' lives. Qualitative data provided by respondents affirmed that this sequence of events took place on a regular basis, as did personal empowerment. Some respondents described such power in terms of increased self-confidence or self-esteem; some described it as a "can do" attitude. Such results are not quantifiable nor are they attributable solely to the curriculum or the program content but also to the connectedness of program staff with participants.

Further, the quantifiable data which has been presented in this report may in reality be a conservative estimate of the actual learning and behavior change which took place in participants' lives. The cyclical pattern of living which is characteristic of families managing on marginal incomes creates a vulnerability which makes for a fragile balance in the ecology of human life. Because the financial margin is narrow, an excess of concurrent demands can "swamp the system," no matter how resourceful or goal-oriented one learns to be. Therefore, an individual or family may temporarily regress under pressure. For example, the financial and psychological demands inherent in chronic and/or critical illness, as well as in obtaining extensive training and/or education, often trigger financial and personal behavior that gives the appearance of regression, while in fact it may not be so. The findings from this evaluation should be viewed with that perspective in mind; that is, these findings may actually be conservative assessments of the learning and behavior change which took place as a result of this project.

* * * * *

INTERVIEW GUIDE FOR FORMER CDBG PROGRAM PARTICIPANTS

Case No. ________ Referral source ________

contacts ________

1. What has changed in your life since you completed the program?

   a. Number of people in household (Has anyone left? Have new members been added?) pre: ________ post: ________

   b. Job status (New employment? Same employment? Unemployed?)
   pre: ________ post: ________

   c. Cash income (Has it changed?)
   pre: ________ post: ________

   d. Education/training (Has there been any since program?)

   e. Has anything else changed?

2. Which of the following resources do you currently use?

   a. Public Assistance (including Medical Assistance) pre:______ post:______

   b. WIC pre: ______ post: ______

   c. Food stamps ______ ______

   d. Food shelves ______ ______

   e. Fare Share ______ ______

   f. EFNEP ______ ______

   g. Subsidized housing ______ ______

   h. Others pre: ________

   post: ________

Do you find that you are using more and/or different community resources than you were prior to the program? If so, which ones?

3. To what extent do you feel that you are in control of your financial situation?

pre: ____ post: ____ Out of control--not meeting current obligations

pre: ____ post: ____ Sometimes out of control--have trouble meeting some current obligations

pre: ____ post: ____ Moderately in control--currently in control; could not handle an emergency

pre: ____ post: ____ Almost in control--currently OK; think could handle a small emergency

pre: ____ post: ____ In control--currently OK; could handle an emergency

Do you feel more or less "hopeful" than you did before the program? Or is it about the same? (Hope = a feeling that what is wanted can actually happen.)

4. Have you been able to set a few financial goals each month?

   a. Do you find that there is any money left at the end of the month? Is this different than before your contacts with Ramsey Co. Extension Service?

   b. Are you able to "save" anything, no matter how small the amount?

   c. Is your overall indebtedness greater, less than, or about the same as it was ________ year(s) ago before you started the program?

d. Are there current overdue bills which you are having difficulty paying? If so, specify categories or types of overdue bills.

pre:____

post: ____

5. What could the program have done better? (What would have made it more useful for you?)

What was the most helpful thing that you learned from the program?

Other comments?

DEFINITION OF TERMS

Limited income -- a financial state in which total wages and other verifiable financial input of families or individuals does not exceed 130% of poverty level, the latter standard being established and revised regularly by the federal government. All "low and moderate income persons" represented in the evaluation of this program fell within these parameters; therefore, both of these groups (i.e., low and moderate) are considered to have "limited income" for purposes of this evaluation.

Financial management--the act of being in charge or in control of one's finances.

Financial management skills -- a series of learned techniques and behaviors which promote being in control of one's finances. Such techniques may include: values clarification, basic budgeting procedures, financial goal-setting behaviors, and effective resource use. For purposes of this evaluation, financial management skills will be measured by the extent of: (1) financial goal-setting behavior reported, and (2) the extent of community resource use reported.

Financial goal-setting -- the process of clarifying one's values, selecting desired financial endpoints or "goals," and establishing a plan to achieve those desired endpoints. Indicators: (1) existence of "savings," whether formal (e.g., bank accounts) or informal (e.g., small amounts of cash put away at home); (2) total indebtedness and/or current unpaid bills.

Resources -- "assets that can be used to meet demands."[1] Such assets will be divided into two main categories: cash and non-cash. Non-cash resources can be further subdivided into human resources and community resources. Human resources include family, friends, professional and other external human relationships, as well as one's own self. Community resources include social service programs (e.g., public assistance, food stamps, nutrition programs, subsidized housing, shelters), business or commercial enterprises (e.g., thrift stores, co-ops), and other miscellaneous resources (e.g., energy assistance, child care, job training, adult education). Indicator: participant self-report of community resources used.

Demands -- needs, obligations, desires, or events which require action.

---

[1] Taken from Wollan, B.J. & Bauer, J.W. "Correlates of Financial Counseling Outcomes: Implications for Practitioners." In Famillies In Society: The Journal of Contemporary Human Services, 1990, p. 148.

Basic budgeting -- the process of planning to balance inputs and outputs in terms of one's finances. (As stated by Hogan and Bauer: "Continual readjustment of the balance between resources and demands is a basic managerial process.")[2]

Crisis orientation -- a mental framework which propels the individual to respond primarily or exclusively to real or perceived threats of immediate danger rather than to initiate action prior to the time when danger is imminent. For purposes of this evaluation, the following indicators of the existence of a state of financial crisis will be used: threatened or actual housing eviction and/or utility shutoffs; involuntary closure of credit accounts or checking accounts; threatened or actual legal action regarding unpaid bills; threatened or actual mortgage foreclosure; recommended or actual initiation of bankruptcy proceedings.

Personal power -- the ability of an individual to act with strength, influence, and effectiveness. For purposes of this evaluation, the following indicators will be used: (1) self-perception of the locus of control, as reported by program participants; (2) self-perception of "hope."

Hope -- a feeling that what is wanted can actually happen.

---

[2] Hogan, M.J. & Bauer, J.W. "Problems In Family Financial Management." In C. Chilman, F. Cox, & E. Nunnally (eds.), Employment and Economic Problems, Families in Trouble Series, pp. 137-153. Sage: Beverly Hills CA.

APPENDIX -- Item 3.

Ramsey County Extension Service
Financial Management Education Program

Target Population:

Low and moderate income persons and families living in Ramsey County who are experiencing difficulties in financial management with limited income.

Goals:

1. Increase financial management knowledge and skills of the program participants.

2. Effect positive change in the spending patterns and related financial behavior of the program participants.

3. Achieve recognition by program participants of the necessity of active participation in personal financial matters; effect positive change, where appropriate, in participants' perception of the locus of control.

4. Decrease the prevalence of a crisis orientation in the program participants.

Objectives:

1. Increase participants' knowledge of basic budgeting, as well as their achievement of financial goal-setting techniques, by teaching a financial management curriculum specifically adapted for the target audience.

2. Increase participants' knowledge and utilization of community resources related to financial management goals through implementation of the above curriculum as well as through individual consultation with program assistants.

3. Increase participants' perception of personal power and control in financial matters through aforementioned curriculum and consultation.

4. Decrease incidence and prevalence of financial crises of program participants, including overall indebtedness as well as current unpaid bills, by means of curriculum and consultation.