IDENTIFICATION OF AND RECOMMENDATIONS FOR FAMILY FINANCIAL MANAGEMENT COUNSELLING IN WINNIPEG, MANITOBA

BY

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ABSTRACT

Although studies have documented the state of consumer indebtedness in terms of family characteristics, socio-economic status, and income debt ratios, few researchers have probed the role of financial institutions and social agencies in disseminating family financial management principles. A mailed Hiring Practices questionnaire and a Family Financial Services interview schedule were developed by the researcher to obtain data on a total of 16 research questions. These research questions examined the type, extent, and differences in family financial management counselling available to families in Winnipeg; financial institutions' and social agencies' perceptions of the acceptability of person(s) trained in family financial management counselling; and recommendations for improving family financial management counselling in Winnipeg.

Nine major findings were identified. First, involvement in family financial management counselling was acknowledged by 91.8 percent of the interviewees and denied by 67.7 percent of the mailed questionnaire respondents. Second, financial management group education was offered by 81.8 percent of the social agencies and 16.1 percent of the financial institutions. Third, credit was granted by 94.3 percent of financial institutions contrasted with 9.1 percent of social agencies. Fourth, managers and representatives were the common job titles mentioned by every type of financial institution when asked who counsels. Social agencies used less standardized, more diverse job titles. Fifth, case studies were perceived in a biased manner according to the image that particular degrees connote. Organizations rarely advertised for employees by specifying degree requirements; work related experience was considered very important yet lacking in most job applicants.

Sixth, the preventive, crisis and progressive oriented framework of family financial management counselling varied significantly by organizational type. Seventh, clients were dependent upon staff for financial advice in 66.3 percent of the organizations surveyed. Eighth, the family financial management counselling system in Winnipeg was considered to be inadequate by 45.9 percent of respondents. Suggestions for improvement recommended that financial courses be implemented in educational institutions, from junior high through to universities and community colleges. Finally, a total of 94.7 percent of the respondents identified educational institutions as the most appropriate auspice for a new non-profit family financial management counselling service.

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Chapter 1

INTRODUCTION

Family financial management skills are an essential key to successful living within a capital market. Cash flows, supplemented by credit availability, are directed towards retail consumption and investment. The fact that this process has become big business is evidenced by the proliferation of diverse financial institutions. Canadians can choose from forty plus installment finance companies, over eighty registered money lenders and small loan companies, eight chartered banks, two Quebec Savings Banks as well as numerous life insurance companies, department stores, credit unions and Caisses Populaires. These parent institutions also operate thousands of agencies and branches (Ziegel and Olley, 1966:5).

"Almost all Canadians" utilize at least one service offered by a financial institution (CROP Inc., 1978:10). True savings accounts are used by 62 percent of Canadians while chequing/savings accounts are used by 54 percent and chequing accounts are used by 53 percent of Canadians.

The development of a complex medium of financial institutions within Canada can be regarded as achieving economic efficiency in the process of transferring money from savers to borrowers (Ziegel and Olley, 1966:5). This transferring function places financial institutions in a profitable intermediary role. Because of the importance of this role and the numbers of diverse companies meeting this need, it seems that financial institutions could logically provide potential for disseminating sound financial management information to the public. Questions can be raised as to whether such potential is actually offered and utilized to enhance family financial management practices.

Another group which might be offering family financial management counselling is social agencies. The Manual of Social Services in Manitoba, 1978/79 lists 553 social agencies operating within the province (pp. xxi-xxv). This marks a decline of 21 agencies in two years (Sale, 1976:1-12). These agencies staff facilities and develop working relationships with people to enhance their quality of life. This humanitarian goal tends to place social agencies in a non-profit intermediary role. Financial difficulties, for clients and agencies alike, complicate this process. Because of the non-profit orientation, funding is often restricted with co-operative community support and governments being the main providers of financial aid. Lack of sufficient funds can affect the nature and quality of services offered. For example, agencies frequently attempt to specialize. People's problems and needs, however, remain multifaceted and family financial concerns can aggravate a given situation. The intermediary nature of social agency intervention provides potential to disseminate sound financial management information to the clients served.

Statistical data reveal steady growth in total personal disposable income in Canada from 59,943 million dollars in 1971 to 155,651 million dollars in 1978. This is an increase of 159.7 percent. During this same time period, total personal savings as a ratio of total personal disposable income climbed from 5.9 to 10.9 percent. This is an increase of 84.7 percent (Statistics Canada, 1979a:40-43). Outstanding consumer credit as a proportion of total personal disposable income has remained quite constant, ebbing slightly in 1971 at 21.1 percent and peaking somewhat in 1977 at 22.3 percent (Statistics Canada, 1979c:14,15). Meanwhile the Canadian consumer price index has mounted 75.2 percent over the 1971 figure.

The comparable figure for Winnipeg is recorded as 76.5 percent (Statistics Canada, 1979b:63). The Honourable Donald S. Macdonald noted that:

> It [inflation] leaves people without reliable, understandable guideposts by which to arrange their economic affairs. It injects grave uncertainty into decisions on family budgets, housing, savings and provisions for old age. It provokes deep frustrations, social tension and mistrust of public and private institutions (1975:2).

To effectively mediate these complex economic factors and to wisely utilize personal disposable incomes, families clearly need financial management skills. Yet a rising number of families are unable to manage. Some become overindebted, insolvent and involved in a traumatic experience called bankruptcy. Background papers for the Bankruptcy and Insolvency Act Bill (1978) reveal that the incidence of personal bankruptcy has risen 131.9 percent from 4,671 cases in 1973-74 to an estimated 10,830 in 1977-78 (p.7). The 1978 incidence of personal bankruptcy under the Manitoba Small Debtor's Program has increased 30 cases over 168 the previous year (Winnipeg Free Press, 1978). Since most of these are nominal or no asset cases, bankruptcy proceedings are of little practical value as a means of collection (Bankruptcy and Insolvency, 1970:89; Hira, 1979:33). Financial institutions end up losing money. To counteract this loss, family financial management counselling could offer an alternative. The basic purpose of this study was to analyze the family financial management counselling offered by financial institutions and social agencies. Financial institutions have extensive facilities, profit making goals and well established contacts with families in mediating savings and borrowing transactions. Social agencies staff numerous facilities, have humanitarian goals and well established intermediary roles with the public. Information derived from this study will be useful to personnel of financial institutions, home economists, social workers, ministers and others working with families in need of financial management skills.

Statement of the Problem

Numerous studies have examined the state of consumer indebtedness. Family characteristics, socio-economic status and income debt ratios have been documented (Olson, 1968; Caplovitz, 1974; Houghton, 1975; Schiller, 1975; Puckett, 1976 and Lawyer, 1977). But few researchers (The Canadian Council of Social Development, 1971 and Puckett, 1976) have probed the role of financial institutions and social agencies in disseminating family financial management principles. This lack of information leaves a large gap in the family economist's understanding of family behaviour during routine financial dealings, financial crisis, or futuristic financial planning. It also leaves a serious void when those people working with families see a need for financial management counselling, feel inadequate to offer guidance in this area, and wish to refer the family elsewhere.

Purpose. There were three intended purposes in the present study:

I. To determine the type, extent, and differences in family financial management counselling available to families in Winnipeg,

II. To determine financial institutions' and social agencies' perceptions of the acceptability of person(s) trained in family financial management counselling, and

III. To identify recommendations for improving family financial management counselling in Winnipeg.

Assumptions. The purposes stated above are based upon three assumptions fundamental to this entire study.

I. Family financial management can be taught.

II. The counselling process is dependent upon communication between a counsellor and a person being counselled.

III. Financial institutions' and social agencies' perceptions of and involvement in family financial management counselling are the same.

Research questions. As an exploratory study, the following research questions were posed:

I. Which financial institutions and social agencies are offering family financial management counselling?

   A. Who is doing the family financial management counselling?

   B. What content is being covered?

   C. What procedures are being utilized?

   D. Is the family financial management counselling preventive, crisis, or progressive oriented?

   E. What are the perceived consequences?

   F. What is the target group for family financial management counselling?

   G. Who actually receives the family financial management counselling?

   H. Will there be a reciprocal awareness of family financial management counselling within and among financial institutions and social agencies?

   I. Are there differences in the family financial management counselling offered within and among financial institutions and social agencies?

II. What are the perceptions of financial institutions and social agencies concerning the acceptability of person(s) trained in family financial management counselling?

A. Are there differences in perceptions of the acceptability of person(s) trained in family financial management counselling within and among financial institutions and social agencies?

III. Is the family financial management counselling available to families in Winnipeg perceived by financial institutions and social agencies as being adequate?

A. What recommendations can be identified for improving family financial management counselling?

B. What is the future role and potential of family fiancial management counselling?

C. Under what auspices would financial institutions and social agencies support the establishment of a new non-profit family financial management counselling service?

Definitions

Agreement concerning the usage of terms is paramount in research. To enhance clarity of understanding, the following words and phrases have been defined. These terms will be utilized repeatedly throughout the remainder of this study.

Financial institutions. Financial institutions are grouped as chartered banks, credit unions, department stores, finance companies, investment companies, life insurance companies, and trust companies located within the Winnipeg perimeter.

Social agencies. Social agencies are organizations listed in the 1976-77 Manual of Social Services in Manitoba and located within the Winnipeg perimeter.

Family. For this study, the definition of family developed by the American Home Economics Association (1974-75) will be used. Family is a "unit of intimate transacting and interdependent persons who share some values and goals, responsibility for decisions and resources and have commitment to one another over time".

Family financial management. Family management is the deliberate creation, allocation, and control of resources to mediate values and attain specific family goals. This process becomes family financial management when economic resources are foremost. Human and environmental resources become considerations as they impinge upon the management of economic resources (adapted from Paolucci, Hall and Axinn, 1977:128 and Nickell, Rice and Tucker, 1976:273-274). For a thorough discussion of the theoretical framework underlying this study, see that section of the literature review subtitled Family Financial Management.

Family financial management counselling. Family financial management counselling is a face-to-face communication process whereby financial management principles are diffused to families. Any personal interviews or group sessions providing "educational and informational investments" in the financial management capabilities of families will be considered (Uhl and Armstrong, 1971:591).

Three types of family financial management counselling can be distinguished: preventive, crisis, and progressive. A preventive orientation attempts to facilitate familial dealings in a capital market and to avoid difficulties in family financial management such as over extension of credit. It can take the form of general financial information dissemination via pamphlets or group education sessions. This is to remain a separate concept from advertising which makes public announcement of goods and/or services to induce families to buy or invest at a particular institution (Barnhart and Stein, 1962:19).

A crisis orientation concentrates efforts on dealing with families currently experiencing financial management difficulties. It relieves immediate debt pressures by providing a repayment method and educates families in ways to prevent future overindebtedness (Harris and Simmons, 1976:3-4).

A progressive orientation handles families with no financial management problems. These families can already set and reach desired goals by adequately managing their finances (Harris and Simmons, 1976:3). Information sought and given is intended to guide in the selection and purchase of complex financial services such as insurance and investments.

Training in family financial management. Formal courses and practicum experiences in family behaviour and management, credit, creditor policies, and counselling techniques from an educational institution are necessary preparation for counselling in family financial management (Harris and Simmons, 1976:3).

The above terms provide a foundation for constructing a research project. Before developing the procedures, however, it is important to analyze previous writings on the topic to be investigated.

Chapter 2

LITERATURE REVIEW

A search of the literature revealed only two studies specifically analysing family financial management counselling offered by financial institutions and social agencies. Because of this deficiency, attention was turned toward other relevant research and professional writings. Readings concerning family financial behaviour and money management offered a basis in defining a holistic concept of family financial management. Material on savings, investment, outstanding consumer credit, overindebtedness and personal bankruptcy pointed to a need for financial management. Sources concentrating on counselling explained a distinctive process applicable to disseminating financial management principles. A review of material concerning financial institutions and social agencies provided an essential context for this study. This review is divided under the following headings: related studies, family financial management, need for family financial management counselling, the counselling process, and organizations offering family financial management counselling.

Related Studies

As mentioned previously, only two studies directly support the thesis of this study. One was done in 1971 by the Canadian Welfare Council, now called The Canadian Council on Social Development. T. C. Puckett organized a second study in 1976. Findings from each of these will be described in more detail.

The Canadian Council on Social Development coordinated a two pronged research project. In the first phase, 235 lower income families residing in Hamilton, Ontario were interviewed about their financial management practices. A supplemental questionnaire asked 190 of these same families about consumer credit experiences. Results revealed that 43.6 percent of the 130 families with debts totalling $500 plus, reported difficulty in meeting monthly payments. Of these families, 35 percent knew that debt counselling existed in Hamilton; yet only 23 percent could actually name a specific agency. The most frequently mentioned debt counselling agency was Family Service Bureau. Responding to questions concerning appropriate auspices for debt counselling services, families preferred government agencies. Credit unions were the second choice.

Phase II of this research involved mailed questionnaires to 65 agencies known to provide debt counselling services in 29 Canadian cities. Over 50 percent of these agencies identified by local social planning councils fulfilled family service or children's aid responsibilities. Only 25 percent of the 65 agencies completed questionnaires and data was too meager to support reliable conclusions. Consequently, field interviews were arranged in each city. Social agencies, credit grantors (or financial institutions), credit bureaus, provincial consumer protection officials and interest groups were invited to discuss problems with overindebtedness, existing counselling resources as well as feasible recommendations. The major result from phase II was the acknowledged inability of 33 agencies to answer specific questions concerning their counselling work. Other findings revealed a few well developed counselling services in Ontario, Alberta and Quebec. Numerous other agencies reported some credit counselling activity as part of overall family therapy. Credit grantors, with the exception of credit unions, had not offered much counselling. Field interviews resulted in different definitions of what constituted an overindebtedness problem, ranging from one to 60 percent of those using credit depending upon the definition used.

The 1976 study conducted by Puckett surveyed 58 organizations identified by financial institutions and social agencies as offering financial counselling in a total of 12 Canadian cities. Thirty-seven organizations responded, 12 of which were not involved with any such counselling. Of the remaining 25, four government and five family service agencies were located on the Prairies; four social agencies and one credit bureau were in Ontario; two government agencies, two family service agencies and one credit bureau were scattered throughout the Maritimes; three government and one credit union sponsored counselling services operated along the Pacific coast; and one government and one social agency were in Quebec. All 25 were non-profit organizations, with governments providing the majority of the funding. Almost half of the 37 responding organizations had advisory committees interested in the counselling role of the agency. These committees were comprised mainly of employees from financial institutions (20 percent), lawyers (16 percent), and business people (16 percent). Clergy, social workers, and civil servants were involved to a lesser extent. Most agencies offered budget counselling, intermediary assistance when contacting creditors, prorating and advice on legal options such as bankruptcy. Credit re-education aimed at changing credit knowledge and use was offered to a lesser extent. The least frequent provision was for counselling other family problems that often accompany overindebtedness. Community group programs were supported by more than four-fifths of the respondent agencies. Many expressed the need for more intensive public education to prevent "credit illiterates" (Puckett, 1976:11). Unfortunately, staff and funds were too limited and the crisis need too great for agencies to devote much to preventive community programs. Only in Montreal did agencies see the debt counselling need being met. Others stated that need was expanding faster than resources. Several agencies initiated waiting lists to cope with the demand.

Family Financial Management

> Using money may be an activity which brings satisfaction or it may be a source of conflict and distress bringing dissatisfaction. The amount of money is not the only determining factor of the outcome. The ability to master its use can be developed. (Fitzsimmons and Williams, 1974:441)

Not every family manages their finances. Some do not even cope well as unrestrained buying behaviour leads to overindebtedness, insolvency and bankruptcy. This section emphasizes that families can, and in fact should, learn to manage their finances rather than allow finances to control family life.

The combination of knowledge and skills held by family members precedes the managerial process (Fitzsimmons and Williams, 1974:12). Management itself may also be viewed as a subsystem of the family (Deacon and Firebaugh, 1975:47). Management can be succinctly defined as utilizing resources to achieve goals. What is available is turned into what is wanted (Schlater, 1967:94).

> The family organization concerns itself with the management or informed control of life. The family organizes resources to mediate values and attain specific family goals. It gives attention to the conscious recognition of diverse and common goals of family members and the deliberate allocation, creation, and use of resources. This managerial activity includes making plans based on value clarification, goal setting, standard setting, and resource allocation, as well as implementing plans through facilitating, checking, and adjusting actions generated to carry out specific activities (Paolucci, Hall, and Axinn, 1977:128).

A theoretical framework has been adapted from a variety of sources to more specifically define the term family financial management for this study. Discussion will be supplemented primarily by Fitzsimmons and Williams (1974), Nickell, Rice and Tucker (1976), and Paolucci, Hall and Axinn (1977).

Figure 1 begins by emphasizing the source of income. The primary source of income for most families is a job. Gainful employment may involve full or part time labour of one or more family members. Any family member may also hold more than one job. Occupational choices affect the present level, regularity, stability and future range of income. Predictions of annual and life-time earnings can be projected for realistic planning. However, numerous other sources of income must also be considered. Various government levels provide income during periods of unemployment, illness or retirement. Private monetary investments produce capital gains income. Family and friends frequently give gifts or substitute their time and energies. Community resources also act as a source of income. Fitzsimmons and Williams (1974:216) state that there is a direct relation between improved family economics and the use of community resources. Universal facilities and services include things like roads and serviced land while limited target group resources include day-care.

Income, as already has been implied, can be viewed from various perspectives. Real income consists of wealth, services and goods provided in kind. It is defined in a macro sense as "the flow of economic goods derived from productive processes over a period of time" (Fitzsimmons and Williams, 1974:251). The use of real income over time produces satisfactions and dissatisfactions referred to as psychic income. Purchasing power, expressed in national currency, is commonly referred to as money income. Put another way, money defines value comparisons of commodities and

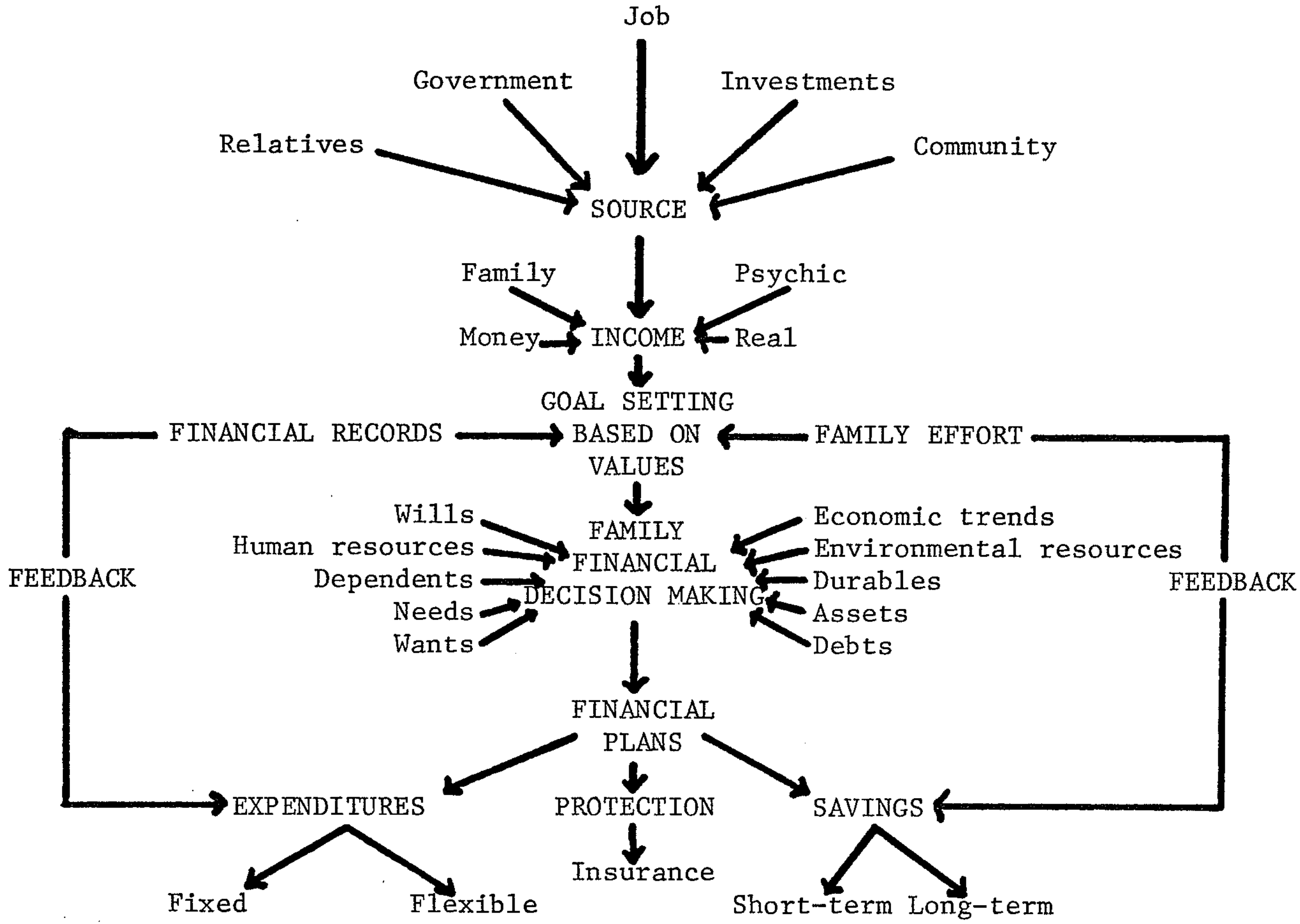

Figure 1. Family Financial Management Process

resources. Family income more specifically identifies the money or purchasing power received and used by family members over time (Fitzsimmons and Williams, 1974:251-253). This income is received in the form of wages and salaries, rent, interest, credit, profits, dividends, royalty, transfer payments, and fortuitous gifts or inheritances (Fitzsimmons and Williams, 1974:252-261).

In most families, wants exceed income. The family must priorize their concerns within monetary constraints and choose which goods and services will be purchased. Choice becomes increasingly difficult as the quantity of surplus income diminishes (Reid, 1934:223-225). Sensing a freedom of choice depends partially upon: the amount of real income, purchasing power, psychic income, family size, level of living, values and goals.

The goal setting step is experienced to a lesser or greater extent by all families. In some cases though, families seem to skip right to decision-making. Troelstrup (1970:45) states that families often experience debt and family discord over finances precisely because goal setting either has not been overtly accomplished or has been forgotten. Other families seem to spend much time consciously deliberating over basic life style/satisfaction questions. Nickell, Rice and Tucker (1976:279) think these basic values and goals must be determined prior to choosing a career and earning an income. "Without a value system at their core, goals could be aimless and confused" (Paolucci, Hall and Axinn, 1977:131). Values provide the sense of importance, the criteria, the steadying influence, the "reasons for motivating goal-oriented behaviour in terms of benefits and costs" (Paolucci, Hall and Axinn, 1977:129). Consequently, family members must encourage the clarification of and conscious commitment to individual and collective values. Goal setting also involves the identification of specific objectives to be measured by agreed-upon standards of quantity, quality, performance, or achievement. This dynamic activity is future oriented and continuously balances means and ends (Paolucci, Hall and Axinn, 1977:132-133). All individual and group goals should be listed. If each family member is recognized at this stage, continued effort and co-operation will likely result.

Family financial decision making is a complex process that integrates "values, goals, standards, and resources in such a fashion that action results" (Paolucci, Hall and Axinn, 1977:129). Nickell, Rice and Tucker (1976:279-300) describe it in three steps. The first requires an objective, unemotional and mature outlook to priorize objectives within a realistic time frame. Goals are to be classified as immediate, intermediate and long-range. Immediate objectives are those to be accomplished within one year. Intermediate ones require a two to five year span. Long-range items take more than five years to be realized. As Fitzsimmons and Williams (1974:442-443) point out, this subjective process does involve emotions and can be very difficult. Values of individual family members sometimes clash. Goals, priorities, needs and wants vary over time. Unexpected situations and costs can arise.

In step two, Nickell, Rice and Tucker (1976:297-300) introduce the concept of costs. The family is to attach a price to each goal, using current department store prices, newspapers, catalogues, and previous expenditure experience as references. This list is to be dated and filed with other financial management materials for future use. Human costs such as knowledge, abilities, skills, time, energy, and resourcefulness must also be considered. Reasonable alternatives to attaining goals may be expanded when the interdependence and interchangeability of scarce human and material resources are studied (Paolucci, Hall and Axinn, 1977:136-137). The final step requires a complete analysis of financial resources. All current as well as potential income, credit, fringe benefits and net worth are to be calculated. Income is to be evaluated as to quantity, certainty/uncertainty, source and lifetime flow pattern. Then a specific income figure is to be predicted.

Decisions about values, goals, standards, and resources must be consciously interwoven into a mental or written plan that sets forth "what is to be done, why, how, when, by whom and using which resources" (Paolucci, Hall and Axinn, 1977:144). The term financial plan is intended to imply a broad concept with perhaps a more positive connotation than does the more commonly used word, budget. There are various purposes of financial plans: to realize greater psychic income; to create a challenge; to control resources; to define current economic status; to allocate funds among wants; to reduce decision-making time concerning affordability; to provide a sound basis for expenditures; to resist sales, impulse buying and pressures; to plan for irregular expenses; and to provide for future needs (Fitzsimmons and Williams, 1974:442). Financial plans formulated on yearly and life cycle bases are intended as flexible, workable tools that enable the family to allocate its resources to maximum advantage. They reflect the unique combination of goals, values and standards the family has mutually decided upon. Plans must realistically identify the degree of control that family members can exercise over resources. Human capabilities are to be examined in light of current business conditions, price levels, environmental resources and general economic trends (Fitzsimmons and Williams, 1974:12). Nickell, Rice and Tucker (1976:289) encourage families to draft a life cycle plan to provide a context for annual plans. The entire family needs to be constantly reminded of their larger, more encompassing plans.

Although financial planning is theoretically desirable, Fitzsimmons and Williams (1974:443) state that families will remain uninvolved until a need is perceived. Persuasive needs might include: the establishment of a new household; unexpected expenses; fluctuation or sharp decline in family income; needs or wants are not satisfiable with present income; excess debt is assumed; family members argue about finances; and a social or geographic move is pending or completed.

Financial plans attempt to allocate resources into expenditure, protection and savings categories in advance of the actual disposal of money and in association with pay periods. The expenditure category includes both fixed and flexible sub-groupings. Fixed expenditures are those payments such as for housing, taxes or tuition fees. These are predetermined payments of a fixed amount. Beyond the initial decision of where to live or attend school, the family has minimal control over the amount paid. Flexible expenditures, on the other hand, allow the family to exert more control depending upon their personal preferences. Examples include expenditures for clothing, food, and entertainment. The protection category deals with family insurance needs. The family must decide what or who should be protected, how and to what extent. Life, supplementary health, household and automobile insurance are the most common types considered by families. The savings category meets a wide range of short and long term purposes. Short-term savings provide a cushion for emergencies. Money for vacations, specific durable goods and other immediate goals can be accumulated in savings accounts or term deposits. More distant goals such as retirement or children's university education will more likely be accomplished by investing money. Estate building is also seen as a life long savings project.

Family effort is essential throughout the financial management process. Various family members organize, implement, evaluate, and adjust a plan(s) unique to their individual and collective needs, wants, values and goals. The family is the manager, providing continuous positive and negative feedback during the entire management process. This process includes children. In order to learn about money matters, "it is desirable for children to participate as early and as fully as their understanding and maturity permit" (Fitzsimmons and Williams, 1974:444). Involvement, according to parental discretion tends to promote understanding and acceptance of financial plans by children.

Financial records provide invaluable feedback. They can indicate: monies on hand and those set aside for future goals; progress regarding debt repayment; increase in consumer durables and investments; net worth status; information for income tax, credit references or proof of claims; spending and living patterns; and errors in expenditure estimates. Numerous types of records must be maintained to provide such a breadth of information. A daily record can be kept of expenses and income. Funds in current use can be organized in chequing accounts resulting in cancelled cheques and monthly statements. Designated savings can be recorded in savings account pass books. Consumer durable goods can be itemized by make or brand, size, and purchase date, place and price. Repairs can also be listed. Records of credit use and long term financial commitments are also important (Fitzsimmons and Williams, 1974:450-458). These records should be reviewed regularly to ensure that the most efficient use of resources is taking place and that only amounts decided upon in advance (those in the financial plans) are actually being spent. Thus a controlling mechanism is built into the managerial process.

Nickell, Rice and Tucker (1976:314-315) suggest that a financial management center be established in a family's home to increase the efficiency and usefulness of financial records. Warranties are to be filed, installment payments recorded, tax records kept together, and all other materials organized in a system suitable to the entire family. Records are also to include a copy of any wills, a household inventory, and appropriate data concerning all major appliances. Lists should be made of all licenses, registrations and serial numbers as well as credit card, savings account and investment numbers with maturity dates. Names and addresses of all savings and investment companies the family deals with should be accessible. Contents of safety deposit boxes are also to be recorded. Each family member should know the location of all this material and who to consult in emergencies.

The entire family financial management process should be reevaluated annually or as goals are attained. Adjustments may be necessary in spending plans as impinging familial, environmental and economic factors change. However, one input must remain constant--family effort. Family financial management is a family activity from beginning to end. Success or failure depends upon participation from all.

Need for Family Financial Management Counselling

The ability to manage finances intelligently is not an innate behaviour; it must be learned. Yet that acquired ability has an all pervasive influence in family living. Troelstrup states that

> Marriage, parenthood, and all relationships within the family are affected by the inescapable psycho-socioeconomic demands of

> the money world. ... [Money] affects our standard of living, our goals and our emotions. It takes considerable experience to establish sound money values (1970:70).

Money was the number one subject of arguments in families surveyed by Yankelovich, Skelly and White, Inc. (1975:25). Fifty-four percent of the families argued a great deal about finances; the frequency of arguing families rose to 64 percent for households experiencing pressing monetary problems. Adults in half of these families acknowledged difficulty discussing financial management with other family members. The frequency of arguments increased in households where only one family member, usually the husband, was responsible for monetary decisions. Conversely, joint financial decision-making resulted in less argumentation (p. 26). Arguments centered around money in general 59 percent of the time, the need to economize (47 percent), wastage of money (42 percent), unpaid bills (38 percent), and record keeping (33 percent). Forty-five percent of the arguers earned less than $10,000 annually, 66 percent were under the age of 45 and had children under the age of 18 years, 62 percent thought their financial future was insecure, and 45 percent experienced a decline in their level of living (pp. 44-45). Worsening levels of living over the previous year entailed loss of investment/savings value due to inflation, unmet financial expectations, fear of unemployment, an inability to make ends meet, utilization of savings for current expenditures, and overindebtedness (p. 51).

Statistics Canada (1974) surveyed the financial position of families in 1964 and 1970. In all categories (incomes, assets, debts, and net worth) the proportions of families in low monetary groups have decreased while those in high monetary groups have increased. Canadian families have consistently chosen to incur debt rather than assets in monetary groups below $5,000. In 1970, an interesting shift occurred in the $5,000-9,999 monetary group. Just over two percent fewer families attained assets, yet 11.4 percent more families incurred debts. In the three largest monetary groups for debts and the four largest monetary groups for income, assets and net worth, positive changes in percentage distributions occurred. Total incomes over $6,999 were earned by 31.9 percent more families. Total assets over $9,999 were gained by 21.6 percent more families. Debts totalling over $1,999 were incurred by 32.2 percent more families. Net worth (total assets minus total debts over $9,999) was attained by 16.7 percent more families. These statistics indicate that some families were gaining income and obtaining more debt while losing net worth.

CROP Inc. (1978:14) found that "many Canadians" did not use chequing and savings accounts profitably. Chequing/savings accounts were used when chequing and/or true savings accounts would have been more economical. Low income people, francophones and credit union members relied on chequing/ savings accounts more frequently than did other groups.

Fifty percent of the families studied by Yankelovich, Skelly and White, Inc. (1975:23) budgeted in some manner. Only 12 percent actually drafted a formal or structured budget. Income levels and saving/spending orientation did not affect budgeting figures. Families without children were somewhat more likely not to have budgets. Thirty-seven percent of the nonbudgeters stated that budgets do not work in emergencies, 37 percent thought a budget would not be helpful, 34 percent regarded it as more trouble than it was worth, and 20 percent admitted having insufficient willpower to maintain a budget. Budgeters responded that budgeting helped (42 percent), kept track of money (53 percent), prevented overspending

(45 percent), and promoted saving (36 percent). All respondents indicated that living on a budget was becoming increasingly more difficult (p. 71). Almost 91 percent of all adult family members perceived their financial management as being average or better than that of other people in the same income bracket. This figure dropped four percentage points for families reporting a lower standard of living (p. 62). Hira found that families only became aware of their poor financial management after having experienced personal bankruptcy (1979:2). At this point, the need to improve knowledge and skills was recognized.

Further need for family financial management counselling is indicated by statistics concerning the frequency of overindebtedness, delinquent accounts and bankruptcies. The extent of these problems is difficult to compute due to disagreement over definitions. Field interviews conducted by The Canadian Council on Social Development (1971:108-110) revealed that financial institutions defined the problem of overindebtedness as the one to two percent default rate. These defaults were associated with mismanagement of income or unexpected tragedies in middle income families. Manitoba Consumers' Bureau reported that 25 percent of all Canadian borrowers have a minimum of one payment in arrears while only two percent of consumers are in a serious debt situation. It was also reported that 32 percent of consumer loans were used to consolidate current debts (Winnipeg Free Press, 1978). Credit bureaus estimated that overextension affects 10 to 20 percent of credit users. This definition includes families frequently in arrears. Social agencies stated that 50 to 60 percent of those using credit were frequently in arrears or had to forego essentials in order to maintain payment schedules. Low income is seen by these agencies as being the major factor leading to an overindebtedness problem

(The Canadian Council on Social Development, 1971:105-110). When responses from all financial institutions, social agencies and other credit interest groups were evaluated by The Canadian Council on Social Development, no particular causes of overindebtedness predominated. All of the following were mentioned:

> Ignorance and mismanagement on the part of consumers, irresponsible and unscrupulous debtors, domestic problems and budget shattering contingencies such as loss of job or hospitalization, lack of co-operation among credit grantors, inadequate income and a society whose value system encourages acquisitiveness and whose economy depends on persuading people to want more than they have (1971:110).

Some of these causal factors force families into bankruptcy. A total of 15,883 personal bankruptcies were filed in Canada during 1978. This included 577 claims by Manitobans (Gibson, 1979). The fact that future growth in bankruptcy statistics is expected, suggests a need for family financial management counselling (Winnipeg Free Press, 1978).

The Counselling Process

The phrase "counselling process" is a dynamic one involving a counsellor approaching and communicating some sort of content in various ways. This section will delve into such a process in relation to financial management. Related financial counselling programs currently in existence will also be reviewed.

Rogers and Shoemaker (1971:1-40) developed a "communication of innovations" framework to describe the process of social change. Figure 2 outlines the three sequential stages as being recognition of the need for change and actual innovation, diffusion or communication of the innovation, and consequences of the innovation. The need for social change can be recognized internally by members of a social system or externally by a change agent. Consequently, the innovation can occur due to immanent

Figure 2. Communication of Innovations Framework[a]

RECOGNITION OF
NEED FOR CHANGE

ORIGIN OF INNOVATION

Internal
External

Internal
immanent change
induced immanent change

External
selective contact change
directed contact change

DIFFUSION

Source: internal
external

Message: relative advantage
compatibility
complexity
trialability
observability

Channel: interpersonal
mass media

Receiver: decision process -knowledge
persuasion
decision
confirmation

decision type -optional
collective
authority
contingent

T
I
M
E

CONSEQUENCES

Functional/Dysfunctional

Direct/Indirect

Manifest/Latent

[a]Adapted from Rogers, E.M. and Shoemaker, F.F. <u>Communication of innovations: a cross-cultural approach</u>, 2nd edition. Toronto: Collier-Macmillan Canada Ltd., 1971:6-28.

change (members develop and spread the innovation totally on their own), selective contact change (members accidentally are exposed to external ideas and then adopt them), induced immanent change (change agents draw members' attention to the need for change but refrain from involvement in further developments), or directed contact change (change planned and directed by external agents to meet specific goals). Most change is of the latter type.

The process of diffusion or communication is initiated either internally or externally. Members of social systems react differently to friends versus strangers and highly respected versus virtually unknown people. The content of the innovation, or its message, is perceived in terms of certain characteristics. It must seem to be a better idea than the one it supersedes. Consistency with existing values, past experiences, and current needs of the social system will enhance the chance of adoption. Innovations that are easily understood and adaptable by the majority will gain quicker acceptance as will those that can be experimented with in a limited manner for a limited time. Readily observable results also encourage members of a social system to adopt the innovation. Effective persuasion occurs when face-to-face communication channels are utilized. Mass media has the advantage of being swift and efficient. Either way, the receiver must be moved along the decision process from a position of vague awareness to reinforced acceptance. The receiver might make an optional decision without concern for those made by other members in the social system. Members might reach consensus and develop a collective decision. Authority decisions are forced upon members by people with power. Contingent decisions contain a confirmation of adoption or rejection after the initial choice has been made. The resulting consequences can prove to be desirable or undesirable, immediate and related or slow and undefinable, or obvious and intended or obscure and unintended. Time is a predominant element throughout the process of social change.

The above theoretical framework is readily adaptable for the purposes of this study. The innovation or desired change can be seen as good financial management. Communication or diffusion is the counselling process. Financial institutions and social agencies act as external change agents. Members of the social system affected by the innovation are families. Thus, financial management is diffused by financial institutions and social agencies to families via a counselling process. The innovative message, financial management, is to be compatible with the family's needs. Practical applications are to be adapted from the innovation and communicated in means relevant to the family. This involves raising an awareness of need in the family plus diffusing a general knowledge of financial management. Use of mass media might be effective. Other interpersonal communication channels are persuasive attitudinal change modes. However the most effective transfer occurs in face-to-face situations when both the change agent and the family are similar. Financial management can be easily divided into segments by financial institution or social agencies and offered to the family on a trial basis. This should lead to more rapid adoption as elements of dissonance in the family can be eliminated. Successful diffusion of financial management results in overt behavioural adjustment, not simply in knowledge or attitudinal change. Thus consequences effected by innovation are extremely important. Change agents, financial institutions and social agencies, should recognize their responsibility and should predict with considerable accuracy various advantages as well as disadvantages of any consequences resulting from the introduction of financial management. This requires complete familiarity with families as a social system.

Kelman (1968:13-15) emphasizes that change may meet momentary needs of the client, yet long-range consequences for the family and other units of the social system must also be considered. The counselling process contains an implicit manipulative potential, which produces a dilemma. Any manipulation of behaviour inherently violates the fundamental value of freedom of choice; but no formula exists for structuring an effective change situation in which manipulation is totally absent. Thus in the degree and type of manipulation utilized in counselling, the change agent should consider this universal need to choose, being tempered with other components such as love, creativity and mastery over the environment. The change agent should devise a counselling process with resistance to manipulation and should stress the goal of freedom of choice when counselling.

Feeley (1968) lists some practical steps, adapting the above mentioned theoretical underpinnings to family financial management counselling. The change agent should set up a personal encounter with the family. Questions should be directed toward what the family hopes to obtain from their income. This enables a listing of specific goals the family wants to work toward. Facts must be drawn concerning the family's current financial situation. Realistic consideration must also be given to the family life cycle as financial management alternatives are drafted.

Goldberg (1968) states that personal interviews are important, but that group discussion meetings can readily accommodate more than one family. Counselling should involve theoretical aspects as well as the practise of financial management. Both husband and wife must show willingness to accept such counselling and to live on the budget designed for their situation.

Because the financial situation, needs, goals and values differ among families, different types of financial management counselling are required. Rasmussen (1977) has labelled three distinct types: productive, preventive and remedial. Productive financial management counselling handles families with no financial management problems. These families can already set and reach desired goals by adequately managing their finances (Harris and Simmons, 1976:3). Information is intended to guide in the selection and purchase of complex financial services such as insurance and investments (Rasmussen, 1977). Harris and Simmons referred to this type of counselling as progressive (1976:3). Teague (1973) found that productive/progressive programs were being offered by 80 companies located in the United States as an employee benefit. Successful programs restricted counselling to the families of executives earning a minimum of $60,000 annually. Only one counsellor, either an independent consultant or a bank representative, was involved. Counselling emphasized estate planning and investment strategy as well as offering income tax return preparation. All of this was fully subsidized by the company.

Preventive financial management counselling centers on general financial information disseminated via pamphlets or group education sessions (Rasmussen, 1977). Brown and Dimsdale (1973:60) refer to this as consumer education, stating that families require, want or will accept differing levels of assistance in the marketplace over a lifetime of consumer decisioning. The problem with preventive financial management counselling seems to be in knowing what information is needed and how to communicate it to families. An adequate feedback system indicating success and failure is also lacking. Feeley (1968) sees preventive family financial management counselling as being more specific, determining answers to questions like who should handle the income and how can that income be better distributed.

Remedial financial management counselling has received the most attention by researchers and most programs seem to be so oriented. It has a target group of urban young family heads experiencing inflationary pressures. They are overindebted for automobile purchases and maintenance as well as expensive consolidation loans and high utility bills. Impulsive buying of unnecessary items worsens the problem (Rasmussen, 1977). Houghton (1975) adds that such people are sometimes profoundly ignorant of financial systems and their civil rights. Most have temporary troubles such as unemployment or illness. Hira (1978:1) found that some are also experiencing marital problems. Overindebted families feel personal dismay at and fear of their situation. Consequently, an unwillingness to confront the difficulty results in unopened letters from creditors, collection agencies or courts as well as bitter family arguments which further diminish the quality of family life (Houghton, 1975). Harris and Simmons (1976:3-4) referred to the counselling necessary in these situation as having a crisis orientation. Immediate debt pressures are relieved by establishing a repayment schedule. Family financial counselling with a remedial/crisis orientation is called debt counselling in England (Houghton, 1975). It requires a combination of technical and social work skills. The first difficult step involves conquering family fear to gather information about the cause of financial difficulties. Then an assessment is made of the need for social work or therapeutic help. A detailed summary of the financial situation is drafted, along with possible strategies for repayment. All sources are pursued to ensure the debtor is receiving the maximum available income. Finally, negotiations are undertaken with creditors and a monitoring process is devised to supervise complete repayment.

Growing need for and success of remedial/crisis family financial management programs in the United States led to the establishment of the National Foundation for Consumer Credit (NFCC). As of April 1976, over 170 "consumer credit counselling services" were operating under the auspice of NFCC (Harris and Simmons, 1976). Financial institutions help support these groups monetarily as well as with referrals of delinquent clients. Finance companies are the largest monetary contributors. Retailers, banks and credit unions follow in that order (Family Service Association of America, 1967). Finance companies, banks and department stores would likely be the largest contributors to such a program if one existed in Winnipeg because they tend to lose the most money when Manitoba residents claim personal bankruptcy (Hira, 1978:1). Some 15 to 50 percent of the applicants in the States are rejected from remedial counselling because of low income in relation to debt, lack of income, or reluctance to adhere to a repayment plan. In order to standardize the quality of counselling offered under the NFCC, a "competency based consumer credit counselling certification program" has been developed (Harris and Simmons, 1976). A list of 87 tasks depicts the ideal counsellor as:

> spending much time with a client. He collects needed information, keeps adequate and accurate records, identifies alternative actions from which the client may choose, assists the client in making out a budget, makes proper contact with creditors, empathizes and makes appropriate referrals. He does his work in a business like manner to provide maximum assistance to his clients. He subscribes to high ethical standards and studies to improve his service. He seeks ways to evaluate the service he offers and implements suggestions for improvements (1976:4).

Counselling under the NFCC involves three sessions: the initial interview, a problem-solving interview, and a follow up interview. About 10 percent of the clients receive only one interview aimed solely at budget counselling. Seventy to 90 percent of staff time is devoted to budget counselling that includes debt repayment under a payment adjustment plan. Often follow up work or group educational sessions are neglected due to lack of time (Family Service Association of America, 1967).

The Family Financial Crisis Clinic established and operated by Dr. William Buckner also offers a three stage counselling program (Rader, 1973). Diagnosis typically involves a pair of volunteer home economics students completing a questionnaire for the client--usually the husband/ wage earner. Students consult with Dr. Buckner to explore all potential solutions. A discussion then follows as Dr. Buckner and the students present remedial alternatives to the husband and wife. A budget is drafted and proper spending habits for all family members are stressed. The final preventive stage involves another counselling session about three months later to check and perhaps modify the budget.

Organizations Offering Family Financial Management Counselling

Financial institutions and social agencies have become numerous and diverse within Canada. This section will look at banks, credit unions, department stores, finance companies, investment companies, life insurance companies, trust companies and social agencies to provide a context for the present study.

Banks. The Canadian banking system parallels the British pattern which is built upon a branch or pyramid concept. An unrestricted number of branch offices can be affiliated with one of the chartered head offices (Freudeman, 1972:55-56). At the close of 1977, a total of 7,324 branches were operating under the auspices of 11 chartered banks

(Statistics Canada, 1979e:xiv). These major chartered banks are in turn responsible to one central bank, the Bank of Canada, which was established by the Bank Act in 1934 (Freudeman, 1972:55-56). The Bank Act and the Quebec Savings Bank Act govern the organizational structure, services, investments, and capitalization of all banks (Statistics Canada, 1979e: xiii).

Statistics Canada (1979e:viii) states that two roles, savings and banking functions, have traditionally been fulfilled by Canadian banks. The savings function entails accepting personal, business and government savings and making these available for consumer loans or mortgages and capital projects. Recorded levels of personal savings in chartered banks averaged $45,168,105,000 during each quarter of 1978. Personal chequable, non-chequable and fixed term savings in Manitoba alone equalled $2,427,000,000 as of September 30, 1978. The banking function creates deposit facilities, transfers deposit monies, and provides commercial credit services (Statistics Canada, 1979e:4-5, 10-11).

Banks were the last financial institution to enter the general consumer credit field (Morse, 1968). Changes in the Bank Act of 1967, which removed the six percent interest ceiling, made consumer credit a safer and more profitable business. This encouraged bank involvement. The pendulum continued to swing from vendor to lendor credit. In 1948, 154 million dollars of unsecured personal chartered bank loans were outstanding in Canada. By December 1978, this figure had jumped 99.3 percent with banks accounting for 21,621 of the 35,762 million dollars outstanding (Statistics Canada, 1979b:6-7, 14-15). Bank credit cards have been issued to 38 percent of all Canadian adults. "Master Charge is somewhat less common than is Chargex" (CROP Inc., 1978:9). This means that chartered banks represent the single most important institutional type regarding consumer credit.

Expansion of the bank credit market has done little for low income families. The typical bank borrower is from the middle income bracket, is credit-worthy despite a lack of collateral, and is borrowing for worthwhile home and family related reasons (Campbell, no date). The bank manager or loans officer determines these characteristics by relying on the four C's of credit: character, capacity, collateral and conditions (Freudeman, 1972:68). Character is perhaps the most important factor, determining the applicant's sense of responsibility to repay even during dire circumstances. Job and residency stability as well as community accomplishments are used as guideposts. Capacity indicates the ease of repayment ability, and is measured by present and potential earning power. If these two conditions are met, the loan will likely be granted. Collateral provides the bank with additional security that the loan will be repaid and ensures that the borrower has a commitment to the transaction. Conditions encompass all economic conditions at the time of the loan request.

Preliminary findings by CROP Inc. (1978:7) indicate that banks are perceived to be the "most accessible sources of credit". A sample of Canadian adults, representing all ten provinces excluding the Yukon and North West Territories, thought banks permit longer repayment periods than consumer finance companies, credit unions, life insurance companies, mortgage/trust companies, or retail stores. Banks and credit unions were said to charge lower interest rates. Next to credit unions, banks were thought to be honest.

Credit unions. Credit unions are democratic service organizations, owned and operated by their members (Freudeman, 1972:87). Membership is open to all persons within some residential, occupational or associational field as defined by the provincial charter. Legislation concerning "investment, interest rates, deposit insurance, statutory reserves, auditing and technical supervision" may differ among provinces. Consequently, "there are almost as many varieties of credit unions as there are charters" (Statistics Canada, 1979c:7). There is a nominal entrance fee to join a credit union. Each member must purchase a minimum of one share, entitling them to a maximum of one vote (Binhammer, 1972:173). Freudeman (1972:90) reported that local credit unions contain a supervisory committee to inspect the books and operating procedures; a credit committee to approve loan applications; and an education committee to inform members of available services. Chapters may also be formed to provide helpful programs within the vicinity. In sharp contrast to banks and trust companies, most credit unions are highly localized geographically; few ever establish branch operations. Loose affiliation is usually given to a provincial "'Central', 'Federation', 'League', or 'Regional'", which may be members of a federal union governed by the Cooperative Credit Association Act of 1953 (Binhammer, 1972:174). The National Association of Canadian Credit Unions (NACCU) and the Canadian Cooperative Credit Society (CCCS) merged in 1976 to provide comprehensive financial, liaison and education services (Statistics Canada, 1979c:11). Local credit unions can also be linked with the World Council of Credit Unions (WOCCU) organized in Madison, Wisconsin during 1971 (Statistics Canada, 1979c:12).

Although the credit union movement began as Caisses populaires in 1900 at Levis, Quebec, substantial growth did not occur until the 1940's and 1950's (Statistics Canada, 1979c:8). Over 5000 organizations had been established by 1965. Since then, however, the trend has been to fewer and larger credit unions. During 1977, a total of 3,926 credit unions with over eight million members were operating in Canada with assets approximating 20 billion dollars. This marks a net loss of 113 credit unions. Sixty-three of the remaining institutions, or 15.7 percent, grew in size and amassed assets exceeding $5,000,000. Total assets in all credit unions jumped 25.5 percent, rising for the third consecutive year. In Manitoba, 15 credit unions ceased operations leaving 177 to experience an increment of 22.1 percent to almost 956 million dollars in assets. Manitoba membership swelled over four and one-half percentage points to 332,433. The growth across Canada equalled more than seven percent. Each credit union in Canada grew by an average of 10.5 percent to 2,119 members. In comparative terms, two credit unions existed for every three chartered bank branches; five credit unions existed for each trust company branch (Statistics Canada, 1979c:12-14, 33).

To contrast with other financial institutions, credit unions are generally small and personable, accessible to the membership, dependent upon volunteer work and concerned with having only a little initial capital. Their characteristics may provide an atmosphere of participation. This can be especially important to low income families whose limited financial resources and substantial economic insecurity make them ineligible for credit at chartered banks. Credit unions provide these low income families with credit at reasonable rates, thus minimizing dependence upon high risk credit grantors (Cargill, 1973). The cooperative approach of credit unions also appeals to French Canadians (CROP Inc., 1978:10).

Credit union services are similar to those offered by banks with two exceptions. First, usage is restricted to members. Second, if membership is based on occupational criteria, a unique payroll deduction service is available. No other financial institution offers this (Statistics Canada, 1979a:7).

A study initiated by CROP Inc. (1978:10) concluded that "francophones are relatively more likely to deal with credit unions while anglophones are relatively more likely to deal with banks". Segregation rather than discrimination was found to exist. That is, financial service networks are "separate but equal" for French and English speaking Canadians. Francophones "simply feel more at ease with caisses populaires" rather than banks (CROP Inc., 1978:10).

Croteau (1956) found that the economic characteristics of and reasons for saving in credit unions did not differ from banks. The chief purposes for saving were emergencies, old age and future purchases. Choosing the financial institution with which to save hinged upon safety and convenience. Habit entered somewhat into the decision at this point, but rate of earnings definitely appeared to be a secondary consideration.

Statistics Canada (1979e:xxxi) reveals that the rate of personal savings deposited in local credit unions has mounted almost 100 percent since 1966 to over 20 billion dollars in 1978. Credit unions' outstanding consumer credit balances averaged $5,126 million or 15.1 percent in 1978. Total outstanding credit union loans in Manitoba alone were $380,620,000 during 1977 (Statistics Canada, 1979c:7, 61-62).

Credit unions are noted for instilling the "habit of thrift" in their members and for offering various financial management services and education programs based on the Rochdale cooperative or self-help principles (Cargill, 1973; Statistics Canada, 1979c:7). A study done by The Canadian Council on Social Development (1971:102-107) found that credit unions were more involved in credit counselling than any other financial institution. Next to government sponsored public agencies, credit unions were the most favoured and least opposed auspice under which debt counselling could be provided.

Department stores. Statistics Canada (1979d:7-8) defines department stores according to the type of merchandise sold. Of the outlet's total sales, at least 20 percent must be derived from the family clothing and apparel group, a minimum of 10 percent from furniture, appliances and home furnishings, and at least 10 percent from all other or miscellaneous groups. No commodity line within the latter group may represent more than 50 percent of the total store sales. Only sales at the actual location are computed. Such activities as mail order and catalogue sales are not considered to be part of department store data. Despite the apparent restrictiveness of such a definition, 677 department stores were operating in Canada during February 1979. These stores were responsible for slightly under nine percent of the total retail trade (1979d:12, 15).

In order to make buying easier and to stimulate total sales, department stores offer credit through revolving charge accounts or "open-ended" credit via credit cards (The Canadian Council on Social Development, 1971). As of December 1978, department stores' consumer credit balances outstanding amounted to an average of 1,278 million dollars or about four percent of the total consumer credit (Statistics Canada, 1979a:7).

Finance companies. Finance companies can be categorized as having a consumer loan or sales finance orientation. The former deal almost exclusively with families, making cash loans on a promissory note security. Clients tend to be of high risk due to low income or high current debt income ratios. All loans granted by finance companies of $1,500 or less are governed by the federal Small Loans Act first passed in 1939 (Binhammer, 1972:185). Consumer loan companies are often exclusively associated with or are subsiduaries of large retailing institutions. Statistics Canada (1979f:3) refers to these as acceptance companies. Their activity is regarded as being an extension of the merchandising function. Consequently their statistics are excluded from sales financing. Sales finance companies do not usually deal directly with families. Their main function is to provide credit for the financing of automobiles and other durable goods through the retailer of those goods. Conditional sales contracts (paper) are purchased (discounted) by these sales finance companies. Thus the rights to the product and collection of payments are taken over by them. Stiff competition in recent years from chartered banks has forced sales finance companies into financing machinery and equipment as well as interim real estate and construction (Binhammer, 1972:186-187).

Due to the considerable extent of common ownership and overlap of function, Statistics Canada (1979b:6-7) has treated sales finance and consumer loan companies as one group called financial corporations. Together, their outstanding installment financing amounted to over three percent of the total 1978 outstanding consumer credit balances. Small personal loans granted by these financial corporations accounted for one half of one percent of the total consumer credit outstanding. Loans over $1,500 resulted in four percent of the total outstanding consumer credit. Total consumer credit outstanding from sales finance and consumer loan companies averaged 2,635 million dollars or almost eight percent in 1978. Consequently this group handles the third largest volume of consumer credit being surpassed only by banks and credit unions.

Investment companies. Investment companies can either be closed-ended or open-ended. The former originated in Europe during the 1860's and became popular in North America during the 1920's as a vehicle for amassing money to buy controlling shares in other companies (Neufeld, 1972:355). Gain rather than safety was emphasized for people purchasing shares in closed-end investment companies (Binhammer, 1972:188-189). Many of these companies experienced bankruptcy during the 1929 stock market crash which marred the reputation of all investment companies. Open-end or mutual fund investment companies recovered and have since predominated (Neufeld, 1972:358). These companies were first established in Canada during the 1930's but developed slowly until the mid 1950's (Binhammer, 1972:189). Stock is issued, purchased and cashed in to meet investor demand. Shares can be sold directly through sales agents or indirectly through stock brokers (Statistics Canada, 1979e:xxiii). Acquisition fees are added to the unit cost when shares are purchased. The money so obtained is then utilized to buy mainly common stocks in other well established companies. Preferred stocks and bonds are also secured, depending upon investment company policies and provisions in the Income Tax Act. The resulting diversified portfolios, refund policies, and commission fees are monitored by individual companies, the provincial securities commission, and the Canadian Mutual Funds Association (Binhammer, 1972:188, 190).

Statistics Canada (1979e:xxxi, 84-85) figures reveal that three billion dollars of personal savings were tied up in investment funds in 1978. During this same year, a total of $356,065,000's worth of equity shares were sold. Sales of income shares totalled $156,664,000. Management fees levied against equity investments were $18,750,000. Fees charged to income investments were $2,923,000.

Life insurance companies. Life insurance companies must be registered under the Canadian and British Insurance Companies Act or the Foreign Insurance Companies Act and licenced by provincial authorities to act as an intermediary between policyholders, annuitants or investors and borrowers (Statistics Canada, 1979e:xxvi). Companies can either have a stock/shareholder or a mutual/policyholder orientation. In the former, shareholders supply the company with capital while assuming the risks of ownership and management. Shareholders receive the profits gained on non-participating policies. Life insurance companies frequently begin as stock companies and eventually become mutual companies. These institutions are owned and managed by a board of directors elected by policyholders (Scott, 1977:67, 79).

Canadian legislation protects policyholders by limiting the way money can be invested and by providing strict government supervision. Under various acts, life insurance companies are able to offer a range of mortgage and real estate services as well as the more well known services of financial protection and the accumulation of long term savings. Life insurance contracts are sold to protect the insured's beneficiaries from financial difficulties due to premature death of the insured (Statistics Canada, 1979e:xxvi). These contracts can be term, whole life or endowment types. Term insurance provides protection only. Whole life insurance is also mainly for protection, however payments made in excess of mortality expectations accumulate as savings. Endowment contracts emphasize long-term savings while giving immediate protection (Binhammer, 1972:181-183). Annuity contracts are a savings tool sold to protect the policyholder from the hardship caused by outliving personal financial reserves. Most life insurance companies offer all of the above contracts on either a participating or a non-participating basis. Only the former receive company profits in the form of cash dividends or increased insurance benefits (Statistics Canada, 1979e:xxvi).

Statistics Canada (1979e:104-105) documented that life insurance premiums totalled 3,143 million dollars. Annuities amounted to 1,616 million dollars. Commissions earned on contract sales were slightly less than 358 million dollars. Dividends payable to policyholders equalled almost 537 million dollars. Outstanding consumer credit balances obtained against the cash value of contracts averaged 1,202 million dollars or 3.5 percent of the total outstanding consumer credit (Statistics Canada 1979b:7-8).

Trust companies. Trust companies receive charters under the Trust Companies Act and "corresponding provincial legislation". Activities pertaining to property and civil rights are governed provincially under the British North American Act. The Canada Deposit Insurance Corporation (CDIC) or the Quebec Deposit Insurance Board (QDIB) require deposit insurance from companies transacting inter-provincial financial dealings. The CDIC also inspects the operations of these companies (Statistics Canada, 1979e:xiv).

CROP Inc. (1978:10) notes that trust company marketing strategy has not encouraged branch development in low income areas. Residents in these areas tend not to use trust company services. The proposed explanation emphasizes the importance placed upon proximity as "being a major factor" for consumers choosing financial services.

Trust companies fulfill two functions: banking and fiduciary activities. Banking, or acting as a financial intermediary, involves accepting deposits and investing these funds. Guaranteed funds, as they are called, parallel the savings role of chartered banks. Fiduciary or trustee activities remain a unique feature of trust companies. In this function, trust companies exert varying degrees of authority in the administration of estates, trusts or agencies. Such a role might involve management of stocks, bonds, real estate, or personal services. Employees' group pension plans have become the main source of funds to be administered by trust companies (Statistics Canada, 1979e:xiv-xv).

Statistics Canada (1979e:14-16, 20-21) tallied the value of selected investments held for estates, trusts and agencies as averaging $45,539 million during 1978. Fees and commissions on these investments averaged $48 million. Other management fees equalled an additional $548,750. Total chequable, non-chequable and term deposits in Canada were $25,271 million in 1978. In Manitoba the figure was $958 million. Personal secured and unsecured loans obtained by Manitobans accounted for less than two percent of the Canadian total of $610 million.

Social agencies. Approximately 553 social agencies operate within Manitoba and fulfill roles requiring 45 separate subject index headings in the Manual of Social Services in Manitoba, 1979/80. About 40 of these agencies have been vaguely described as offering family financial management counselling incidental to treatment of other family problems. This concurred with findings from the survey coordinated by The Canadian Council on Social Development (1971:107-108) where organizations exclusively devoted to financial counselling had recently begun operations. Results also revealed that little was known about the qualitative or quantitative need for credit counselling. Agencies providing marginal credit counselling kept inadequate records concerning the number of families served, the type and extent of the situations handled, and the costs of their service.

Staff employed by these agencies lacked training in budget and credit counselling matters. Agency training programs were similarly undeveloped. The researchers concluded that no well defined system of credit counselling existed in Canada. Puckett (1976:8) stated, "But given its [credit counselling services] importance, it is a bit surprising to find there is almost no systematic information about such programs". The Canadian Council on Social Development (1971:5, 104) recognized the necessity of simultaneously increasing the quantity, quality, accessibility and public awareness of credit counselling services. A systematic approach to funding and training of counsellors was recommended.

Puckett (1976) and the Canadian Council on Social Development (1971) were the only ones to investigate counselling services offered by financial institutions and social agencies across Canada. Literature in related areas documented the need for family financial management counselling and the proliferation of diverse financial institutions profiting from well established contacts with families. Family financial management and the counselling process were examined broadly to provide theoretical frameworks that could be applied to financial institutions and social agencies.

Chapter 3

RESEARCH DESIGN AND PROCEDURES

Five sections are contained in this chapter. These are: selection of samples, description of samples, development of instruments, collection of data, and analysis of data.

Selection of Samples

The choosing of specific organizations to form a sample required close scrutiny of the population available. Financial institutions and social agencies located within the Winnipeg perimeter were first identified. Those listed in the Yellow Pages of the 1977 Winnipeg Telephone Directory were then categorized into seven strata as follows:

194 banks (11 main offices and 183 branches)

62 credit unions (46 main offices and 16 branches)

26 department stores (8 main offices and 18 branches)

58 finance companies (34 main offices and 24 branches)

17 investment companies (17 main offices)

84 life insurance companies (69 main offices and 15 branches)

30 trust companies (21 main offices and 9 branches).

Because these institutions have well established financial contacts with families, it was assumed that these institutions are involved to some degree in family financial management counselling. Social agencies were chosen from the subject index in the 1976-77 Manual of Social Services in Manitoba under these headings: Consumer Protection and Services (16 agencies), Family Services-Counselling and Support Services (30 agencies), Financial Assistance (21 agencies), Housing (13 agencies), as well as Legal Services and Human Rights (21 agencies).

From this population, two distinct samples were selected. One sample received the mailed Hiring Practices Questionnaire. The other sample participated in the Family Financial Services interviews.

The Hiring Practices sample consisted of all bank, department store, investment company, and trust company main offices in the population. A stratified random sample was proportionately drawn from the remaining three strata of credit unions, finance companies, and life insurance companies. The resulting sample of financial institutions consisted of:

11 banks

12 credit unions

8 department stores

12 finance companies

17 investment companies

19 life insurance companies

21 trust companies.

The Family Financial Services sample of financial institutions consisted of a stratified random sample. Since it was decided that bank branches would respond similarily to the interview schedule, sample size was not determined proportionately by population strata. Instead, the following groups were selected:

20 branch banks

16 credit unions

8 department stores

16 finance companies

8 investment companies

22 life insurance companies

10 trust companies.

Whenever any institution proved impossible to contact personally during the designated interview period (due to holiday schedules, telephone changes, company duplications, or companies going out of business), an alternate institution was substituted.

Part of the Hiring Practices sample consisted of social agencies selected using the following procedure. Because some social agencies were listed more than once under the five subject headings in the 1976-77 Manual of Social Services in Manitoba, duplications were first eliminated. Descriptions of each remaining social agency were then reviewed. All 39 agencies described as offering financial or counselling services became part of the Hiring Practices sample as outlined below:

3 agencies from Consumer Protection and Services

20 agencies from Family Services - Counselling and Support Services

6 agencies from Financial Assistance

5 agencies from Housing

5 agencies from Legal Services and Human Rights.

All of the above agencies that responded positively to the mailed Hiring Practices Questionnaire then became part of the Family Financial Services sample.

Description of Samples

For the Hiring Practices sample, a total of 139 questionnaires were mailed to personnel directors from 100 financial institutions and 39 social agencies. The mailing revealed that one investment company operated under two names and one finance company had gone out of business, resulting in a sample size of 137. Table 1 indicates a total response rate of 70.1 percent with banks having the highest organizational response rate at 90.9 percent and finance companies having the lowest with 36.4 percent responding.

Table 1

Response Rate for Hiring Practices Questionnaire by Organizational Type

Organizational Type	Sample Size	Response Rate n	Response Rate %
Banks	11	10	90.9
Social Agencies	39	35	89.7
Investment companies	16	13	81.3
Department stores	8	6	75.0
Life insurance companies	19	14	73.7
Trust companies	21	9	42.9
Credit unions	12	5	41.7
Finance companies	11	4	36.4
TOTAL	137	96	70.1

Job titles were specified by 30 of the 31 respondents (96.8 percent) who affirmed organizational involvement in family financial management services. Twenty-two of these respondents (73.3 percent) were geographic or level managers, that is, district/regional or branch/assistant managers. Three of the remaining respondents were sales agents, two were secretaries and one was a teller. The length of time that respondents had held these positions ranged from two months to 20 years.

The Family Financial Services interview totals are summarized in Table 2. A target sample of 100 financial institutions and 39 social agencies had been established. Interviews were conducted with 87 financial institutions and 11 social agencies. Actual interviews equalled intended interviews in the following strata: credit unions, finance companies, investment companies and trust companies. Banks and department stores tended to refer to central policy offices, making separate interviews impossible. Other reasons for refusals included managers on holidays for the duration of the study, companies going out of business, and lack of time and interest on the part of the organization. If organizations offered no family financial services or dealt primarily with commercial accounts, they were ineligible to participate in this study.

Table 2

Contacts Made for Family Financial Services Interviews by Organizational Type

Organizational Type	Sample Size	Number of Interviews	Number of Refusals	Number Ineligible
Banks	20	11	12	-
Credit unions	16	16	3	1
Department stores	8	4	1	-
Finance companies	16	16	12	4
Investment companies	8	8	2	-
Life insurance companies	22	22	6	1
Trust companies	10	10	3	-
Social agencies	35	11	2	22
TOTAL[a]	135	98	41	28

[a]Rows will not sum across because additional organizations were drawn until the desired sample size was reached.

Interviews were conducted with a variety of employees. Geographic and level managers predominated in 71 cases or 81.6 percent of the financial institutions surveyed. Other job titles were mentioned much less frequently with supervisors and directors responding five times each; sales representatives being interviewed four times; stenographers answering in three situations; coordinators, social workers, accountants, and financial counsellors participating twice each; a teller and a broker responding once each. Length of time in the above positions varied from one day for the executive director of a social agency to 25 years for a life insurance agent. A total of 27 respondents had been in their present jobs for less than one year. Thirty-one had spent between one to three years, and 25 reported four to nine years in their current capacity. Fifteen employees had experienced over 10 years in their present roles.

Development of Instruments

Two distinct questionnaires were developed by the researcher to meet the specific purposes of this study. Content ideas were identified from the review of literature and from discussions with people in the financial management field. Much trial and error as well as talks with a statistican were necessary before finalizing both instruments.

The Hiring Practices Questionnaire (Appendix A) was developed to be mailed and self-administered. It was critically appraised by a professor of personnel management in the Faculty of Administrative Studies, University of Manitoba and then pretested in a life insurance company. Numerous changes were incorporated, resulting in a five page questionnaire reproduced on white paper with three case studies on bright yellow paper. A green half sheet of paper was attached for participants who were interested in receiving results of this section.

The Family Financial Services Questionnaire (Appendix B) was developed for use as an interview schedule. It was pretested at five institutions, namely a bank, a credit union, a trust company, and two investment companies. After changes were made, the final copy was typed and reproduced on pale orange paper. Participants were able to receive results from this section of the study by filling in the blue half sheet of paper accompanying the questionnaire.

Collection of Data

Hiring Practices Questionnaires were mailed to all qualifying financial institutions and social agencies. A cover letter introducing the survey and soliciting cooperation was included with each questionnaire (Appendix C). Completed questionnaires were to be returned in an enclosed self-addressed, stamped envelope to the Consumers' Association of Canada, Manitoba Branch office. Completed questionnaires were dated according to the date received. Non-responding financial institutions and social agencies received a second mailing of the questionnaire within four to five weeks. Social agencies failing to return the second questionnaire were contacted by telephone to determine an answer to the first question, "Is your organization involved in family financial services as defined for this study?" Verbal answers to this question were recorded. Those agencies responding in the affirmative were encouraged to complete the remainder of the questionnaire and return it by mail. A third questionnaire was mailed to some agencies to facilitate compliance with this request.

All organizations in the family financial services sample were contacted by telephone to introduce the project, to request cooperation, and to make an appointment for personal interviews. Appointments were usually confirmed by letter unless the organization requested confirmation by telephone (Appendix D). When appointments were established on rather short notice, confirmation letters were taken to the interview.

Interviews were conducted from August 4th to October 19th, 1977 during regular working hours in respondents' business offices by the researcher or one of two trained interviewers. The purpose and confidentiality of the study were explained. The respondent was given a blank copy of the questionnaire to follow during the interview period. Specific responses were recorded as accurately as possible, with emphasis placed on verbatim answers.

Interviews averaged approximately 45 minutes in length, ranging from 20 minutes to one and one half hours. Upon conclusion of each interview, participants were given the option to request a copy of the survey results.

After completed copies of either questionnaires had been received from financial institutions and social agencies, thank you letters were mailed (Appendix E). This form letter contained brief descriptions of both the Consumers' Association of Canada as well as the Family Economics and Management Major, Department of Family Studies. Business cards from both organizations were also enclosed.

Analysis of Data

Data from the Hiring Practices and Family Financial Services questionnaires were coded, key punched and verified on computer cards according to the Statistical Package for the Social Sciences Primer (Klecka, Nie, and Hull, 1975). Frequency distributions, cross tabulations, chi-square analyses, and multiple comparisons were calculated as deemed necessary.

All research questions required descriptive analysis. This information was derived from relative frequency and cross tabulation tables drafted for each variable on the mailed questionnaire and interview schedule, showing scores for each stratum of financial institutions and social agencies.

The chi-square statistic intended for use with nominal or ordinal level data was calculated for Tables 18 and 19 involving research question I.D. which asks "Is the family financial management counselling preventive, crisis, or progressive oriented?" Small cell sizes and non-mutually exclusive categories prohibited more extensive use of the chi-square statistic.

Post hoc multiple comparisons were computed for research question I.D. where the hypothesis of equal proportions was rejected at the $\alpha = .05$ level. All possible two-way comparisons were performed to determine which treatments were statistically different from one another. Particular attention was given to minimizing Type 1 errors by controlling the alpha level at 0.006 (Marascuilo and McSweeney, 1977:127-134).

To summarize, the research design for this study involved the selection of two distinct samples of organizations within eight strata. Personnel directors in one sample received a mailed Hiring Practices Questionnaire consisting of five pages and three case studies. A total of 98 organizations (70.1 percent) completed and returned this questionnaire. Company representatives in the other sample were interviewed for approximately 45 minutes in their offices during business hours. Trained interviewers recorded responses from 98 individuals on the 14 page Family Financial Services Questionnaires. Data analysis involving frequency distributions and cross tabulations primarily provided descriptive explanations. The chi-square statistic and multiple comparisons were applied to research question I.D. Further details about the results are reported in the next chapter.

Chapter 4

RESULTS

The three purposes of this exploratory study were: to determine the type, extent, and differences in family financial management counselling available to families in Winnipeg; to determine financial institutions' and social agencies' perceptions of the acceptability of person(s) trained in family financial management counselling; and to identify recommendations for improving family financial management counselling in Winnipeg. Data for these research objectives will be discussed in three sections, one for each stated purpose. Specific research questions will be answered within the appropriate sections.

The Type, Extent and Differences in Family Financial Management Counselling Available to Families in Winnipeg

The data collected to assess the type, extent and differences in family financial management counselling available to families in Winnipeg during the summer of 1977 is reported for 10 specific research questions. The findings for each question will be dealt with in order.

Which financial institutions and social agencies are offering family financial management counselling? A preliminary screening question was asked to determine which financial institutions and social agencies in the Hiring Practices sample were offering family financial management counselling. Answers to the question, "Is your organization involved with either groups or individuals to help them spend, save or invest their money more effectively?" are reported in Table 3. A total of 31 organizations (32.3 percent) replied affirmatively while 65 (67.7 percent) answered negatively. Over 77 percent of the social agencies, compared with 62.3 percent or 38 financial institutions, answered negatively. One hundred percent of the department stores, 90 percent of the banks, 77.1 percent of the social agencies, 69.2 percent of the investment companies, and 66.7 percent of the trust companies did not perceive their services as family financial management counselling. Positive responses came from 80 percent of the credit unions, 75 percent of the finance companies, and 57.1 percent of the life insurance companies. Less than 50 percent of the remaining organizational types perceived their services as family financial management counselling.

Table 3

Hiring Practices Sample Responses to Who Does Family Financial Management Counselling by Organizational Type

Organizational Type	Number Returned	Positive Responses		Negative Responses	
		n	%	n	%
Social Agencies	35	8	22.9	27	77.1
Life Insurance Companies	14	8	57.1	6	42.9
Investment Companies	13	4	30.8	9	69.2
Banks	10	1	10.0	9	90.0
Trust Companies	9	3	33.3	6	66.7
Department Stores	6	0	00.0	6	100.0
Credit Unions	5	4	80.0	1	20.0
Finance Companies	4	3	75.0	1	25.0
TOTAL	96	31	32.3	65	67.7

The Family Financial Services sample responded to questions determining which organizations offered family financial management counselling. To avoid confusion concerning terminology, respondents for each organization were asked five specific questions about their personal counselling, referrals, follow up, credit granting, and financial management group education programs. These responses are summarized in Table 4. Ninety of the 98 participating organizations perceived their family financial services as being counselling services. All 22 life insurance companies reported that counselling services were offered. Only two of the four department stores reported the existence of such services. One company from each of the remaining categories did not perceive their services as family financial management counselling.

Table 4

Family Financial Management Services Offered by Organizational Type

		Family Financial Management Services							
Organizational Type	N	Counselling		Referrals		Follow up		Extend Credit	
		n	%	n	%	n	%	n	%
Banks	11	10	90.9	11	100.0	11	100.0	11	100.0
Credit Unions	16	15	93.8	11	68.8	14	87.5	16	100.0
Department Stores	4	2	50.0	2	50.0	3	75.0	4	100.0
Finance Companies	16	15	93.8	14	87.5	15	93.8	16	100.0
Investment Companies	8	7	87.5	7	87.5	7	87.5	4	50.0
Life Insurance Co.	22	22	100.0	21	95.5	21	95.5	22	100.0
Trust Companies	10	9	90.0	10	100.0	10	100.0	9	90.0
Social Agencies	11	10	90.9	11	100.0	11	100.0	1	9.1
TOTAL	98	90	91.8	87	88.8	86	87.8	83	84.7

All of the banks, trust companies, and social agencies made referrals to alternative organizations when clients requested services not offered by them. Except for department stores, over two-thirds (66.7 percent) of the remaining organizations made referrals.

All of the banks, trust companies and social agencies reported using letters, personal interviews or telephone calls to follow up clients' financial situations. Of the remaining organizations, 75 percent or more maintained contact with clientele in a similar manner.

Credit was extended by 100 percent of the banks, credit unions, department stores, finance companies and life insurance companies surveyed. Ninety percent of the trust companies and 50 percent of the investment companies also granted credit. Thus 94.3 percent of all the financial institutions surveyed offered credit as a family financial service. This is in sharp contrast to the 90.9 percent of social agencies not fulfilling a credit granting function.

Financial management group education programs were offered by only 23 organizations (23.5 percent) of the 98 participating in the Family Financial Services interviews. This total included 81.8 percent or nine of the social agencies and 16.1 percent or 14 of the financial institutions. Topics for group education programs sponsored by social agencies included: marriage preparation, separation and divorce, single parenting, aging and retirement, and money management. Educational programs involving financial institutions dealt with financial planning, investments, credit rating, home equity and insurance.

Who is doing the family financial management counselling? Data in Table 5 summarize responses by organizational type when queried as to the job titles of employees involved in financial counselling. Managers (91 respondents) were reported to be involved more than twice as often as the next most frequently mentioned job title. Every organizational type--including 100 percent of the banks, credit unions, department stores, finance companies, and trust companies--mentioned the involvement of their managers. Representatives were the second most frequently mentioned job titles, receiving 28 of the 39 responses from finance and life insurance companies.

Table 5

Job Titles of Employees Involved in Family Financial Management Counselling by Organizational Type

Job Titles[a]	Total N=98	Banks n=10	Credit Unions n=15	Dept. Stores n=2	Finance Co. n=15	Investment Co. n=7	Life Ins. Co. n=22	Trust Co. n=9	Social Agencies n=10
Managers	91	18	18	2	21	1	14	15	2
Representatives	39	4	1	1	10	4	18	1	-
Consultants	16	-	-	-	-	2	5	5	4
Clerks	14	8	1	1	-	-	-	4	-
Officers	12	4	2	-	2	-	-	3	1
Professionals	10	1	-	-	-	1	3	1	4
Supervisors	9	3	-	3	-	-	1	1	1

[a]A detailed explanation of these job title categories is available in Appendix F. Multiple responses were possible.

Consultants were reported 16 times by investment, life insurance and trust companies, and social agencies. Banks, trust companies, and one credit union specified clerks (14 responses). Officers were involved in 12 organizations, including banks, credit unions, finance companies, and one social agency. Social agencies, life insurance companies, as well as one bank, one investment and one trust company mentioned involvement by professionals. Supervisors were involved in financial counselling at nine organizations. Five organizations indicated that all of their employees counselled. Three social agencies referred to their personnel as workers. One organization each mentioned service assistants, stenographers, trainees, and volunteers.

Job titles of employees working in group education programs are reported in Table 6. Again, managers (19 responses) were involved more than twice as often as the next most frequently mentioned job title. Trust companies were responsible for nine of these responses; however, every other organizational type made reference to their managers.

Table 6

Job Titles of Employees Involved in Group Education Programs
(N = 19)

ob Titles	Total
anagers[a]	19
rofessionals	9
onsultants	6
fficers	2
epresentatives	2

[a]A detailed explanation of these job title categories is available in ppendix G.

Professionals were mentioned nine times by four social agencies, two investment companies, two department stores, and one life insurance company. Consultants received six responses while officers and representatives each received two.

What content is being covered? Specific information concerning the topics discussed during personal interviews was determined by asking the following question of the Family Financial Services sample. "A variety of financial topics can be discussed during personal interviews. How frequently are each of the following discussed with clients of your organization?" The results are summarized in Table 7. Totals reveal that 28 of the 29 topics listed were discussed by over 50 percent of all the organizations surveyed. The least frequently discussed topic was job choice at 41.5 percent. Seven of the 13 credit unions (53.8 percent) and eight of the 10 social agencies (80 percent) discussed job choice with clients. Assets, financial plans, and needs and wants were reportedly discussed by 90.2 percent and debts were discussed by 89 percent of all participating organizations. Over 75 percent of these organizations listed loans, housing, credit use, expenses, annual income patterns, savings, and goals and priorities as frequent issues talked about with clients.

Details of the family financial management component of group education programs were obtained by presenting a similar list of topics to the 17 organizations involved in group sessions. One topic, financial plans, was inadvertently omitted from the interview schedule. Organizational responses are presented in Table 8. The number of organizations discussing specific topics ranged from a high of 15 (88.2 percent) to a low of four (23.5 percent). Six topics: annual income patterns, consumption patterns, extending income, human skills, transportation, and job choice were discussed by fewer than 48 percent of these organizations.

Table 7

Financial Topics Discussed During Personal Interviews by Organizational Type

Financial Topics	Total N=92	%	Banks n=11	Credit Unions n=13	Dept. Stores n=3	Finance Co. n=15	Investment Co. n=3	Life Ins. Co. n=17	Trust Co. n=10	Social Agencies n=10
Assets	74	90.2	10	11	2	14	3	17	9	8
Financial plans	74	90.2	10	11	2	14	3	17	9	8
Needs and wants	74	90.2	9	12	2	15	3	17	7	9
Debts	73	89.0	10	12	3	15	2	14	7	9
Loans	72	87.8	10	13	3	15	2	14	8	7
Housing	71	86.6	10	13	2	12	2	14	8	10
Credit use	67	81.7	10	11	3	15	2	12	7	7
Expenses	65	79.3	8	11	3	14	1	16	4	8
Annual income patterns	64	78.0	9	11	2	12	2	16	8	6
Savings	63	76.8	10	13	3	6	3	15	10	3
Goals and priorities	63	76.8	7	9	2	9	3	17	8	8
Retirement	61	74.4	10	12	2	4	3	17	10	3
Inflation	60	73.2	9	10	1	7	3	17	8	5
Family involvement	60	73.2	8	9	2	10	3	15	6	7
Financial record keeping	59	72.0	10	9	2	10	1	15	5	7
Dividends and interest	57	69.5	9	13	2	5	3	14	9	2
Values	56	68.3	8	8	2	7	3	14	6	8
Insurance	53	64.6	8	7	2	9	2	17	6	2
Life-style	53	64.6	8	7	2	11	1	14	3	7
Life-time income	51	62.3	7	4	1	9	2	16	7	5
Consumers' rights	47	57.3	6	7	1	11	0	12	5	5
Comparative shopping	46	56.1	5	7	2	8	1	10	6	7
Human skills	45	54.9	6	6	3	7	0	11	4	8
Consumption patterns	42	51.2	7	6	1	10	1	10	2	5
Extending income	42	51.2	5	3	1	7	1	11	5	9
Wills	42	51.2	5	6	1	0	2	17	8	3
Fringe benefits	41	50.0	6	4	2	2	2	16	6	4
Transportation	41	50.0	9	7	1	9	1	3	1	3
Job choice	34	41.5	3	7	2	5	0	7	2	8

Social agencies were more concerned about the last five issues than were any financial institution. Five organizational types admitted they did not discuss job choice. Four did not converse with clients about extending income or transportation, while two omitted wills, consumers' rights, and annual income patterns. Finance companies did not mention fringe benefits; investment companies did not mention comparative shopping. Values, needs and wants, and life-style were not discussed by trust companies.

Table 8

Financial Topics Discussed During Group Education Programs Dealing with Family Financial Management

Topics	Total N	Total %
Credit use	15	88.2
Goals and priorities	15	88.2
Retirement	15	88.2
Savings	15	88.2
Assets	14	82.4
Debts	14	82.4
Housing	14	82.4
Dividends and interest	13	76.5
Expenses	13	76.5
Family involvement	13	76.5
Financial record keeping	13	76.5
Values	13	76.5
Comparative shopping	12	70.6
Inflation	12	70.6
Loans	12	70.6
Needs and wants	12	70.6
Wills	12	70.6
Life-style	11	64.7
Life-time income	11	64.7
Consumers' rights	10	58.8
Fringe benefits	10	58.8
Insurance	10	58.8
Annual income patterns	8	47.1
Consumption patterns	8	47.1
Extending income	8	47.1
Human skills	8	47.1
Transportation	7	41.2
Job choice	4	23.5

A full explanation of credit denial was offered to applicants by 98.2 percent of the organizations surveyed. Life insurance companies could not deny loans against policies and only 9.1 percent of the social agencies extended credit to clients. Suggestions for improving credit risk were given by 88.7 percent of the organizations. All banks explained credit denials and suggested credit improvement.

Fifteen alternatives were listed as potential solutions that organizations might suggest to help clients in financial difficulty. Total responses shown in Table 9 indicate that five solutions were mentioned by at least 50 percent of all participants. These solutions included: decreasing daily expenditures, consolidating debts, obtaining loans, contacting creditors, and converting real estate. Extending payment periods, moonlighting, and garnisheeing wages were only mentioned by 34.6, 21 and 19.8 percent of the organizations respectively. Declaring bankruptcy was the least frequently mentioned solution, receiving five of its seven responses (71.4 percent) from social agencies.

What procedures are being utilized? The Family Financial Services Questionnaire contained questions to discover the procedures utilized by various organizations. How is initial contact made? Who initiates personal interviews? How long do clients wait for interviews? How many meetings do staff have with the same client? Who broaches the financial discussion? How do staff guide financial discussions? How often are clients given suggestions for improving their credit risk? What method of follow up is used to keep track of clients' financial situations? How is a dependent client handled? Each of these issues will be discussed in the following paragraphs.

Responses to the question, "How frequently do people contact your

Table 9

Solutions Suggested to Clients in Financial Difficulty by Organizational Type

Solutions Suggested	Total N=81	%	Banks n=11	Credit Unions n=16	Dept. Stores n=3	Finance Co. n=16	Investment Co. n=3	Life Ins. Co. n=16	Trust Co. n=8	Social Agencies n=8
Decreasing daily expenses	65	80.2	10	14	2	15	0	12	5	7
Consolidating debts	64	79.0	11	14	2	16	2	7	6	6
Obtaining loans	61	75.3	11	14	2	11	2	9	7	5
Contacting creditors	57	70.4	9	11	1	16	0	8	5	7
Converting real estate	41	50.6	7	5	0	11	3	7	5	3
Employing family members	40	49.4	10	9	1	8	0	3	3	6
Using credit	39	48.1	10	5	1	8	3	6	4	2
Using O.P.D.	37	46.7	3	3	1	6	0	11	5	8
Converting personal property	34	42.0	8	5	0	11	1	3	4	2
Borrowing from friends	30	37.0	8	3	1	9	0	2	2	4
Extending payment periods	28	34.6	1	6	1	7	0	5	3	5
Moonlighting	17	21.0	2	1	0	7	0	2	3	2
Garnisheeing wages	16	19.8	3	0	1	9	0	1	0	2
Declaring bankruptcy	7	8.6	0	0	0	1	0	1	0	5
Seeking paycheque advances	4	5.1	2	0	0	1	0	0	1	0

organization by letter, personal interview, and telephone?", are summarized in Table 10. Totals show that telephone calls (87 responses) and personal interviews (84 responses) were utilized more frequently than were letters (54 responses). This trend was also true for banks, credit unions, finance, investment, and life insurance companies as well as social agencies.

Table 10

Methods Clients Use to Make Initial Contact with Organizations

Organizational Type	N	Telephone		Interview		Letter	
		n	%	n	%	n	%
Banks	11	11	100.0	10	90.9	8	72.7
Credit Unions	16	15	93.8	15	93.8	8	50.0
Department Stores	4	2	50.0	3	75.0	2	50.0
Finance Companies	16	15	93.8	14	87.5	6	37.5
Investment Companies	8	8	100.0	6	75.0	4	50.0
Life Insurance Companies	22	16	72.7	16	72.7	10	45.5
Trust Companies	10	9	90.0	10	100.0	10	100.0
Social Agencies	11	11	100.0	10	90.9	6	54.5
TOTAL	98	87	88.8	84	85.7	54	55.1

Approximately the same number of organizations reported that clients and staff initiated personal interviews (Table 11). Banks, credit unions and trust companies reported that clients requested interviews somewhat more frequently than staff members. Department stores, finance companies and life insurance companies, however, stated the opposite. Investment companies and social agencies reported that contacts were equally initiated by clients and staff.

Table 11

Client and Staff Requests for Initial Personal Interviews by Organizational Type

Organizational Type	N	Client n	Client %	Staff n	Staff %
Banks	11	10	90.9	6	54.5
Credit Unions	16	14	87.5	12	75.0
Department Stores	4	2	50.0	3	75.0
Finance Companies	16	14	87.5	15	93.8
Investment Companies	8	5	62.5	5	62.5
Life Insurance Companies	22	13	59.1	16	72.7
Trust Companies	10	10	100.0	9	90.0
Social Agencies	11	9	81.8	9	81.8
TOTAL	98	77	78.6	75	76.5

For most organizations, it was possible to establish a mutually agreeable meeting time for a personal interview the same day people contacted the organization (Table 12). This was especially true for banks and credit unions. Eleven organizations reported meeting with clients

Table 12

Length of Time Clients Wait for Personal Interviews by Organizational Type

Organizational Type	N	Same Day	Next Day	Two or More Days	No Answer
Banks	11	10	0	0	1
Credit Unions	16	12	3	0	1
Department Stores	4	1	0	0	3
Finance Companies	16	14	1	0	1
Investment Companies	8	4	2	0	2
Life Insurance Companies	22	6	2	8	6
Trust Companies	10	5	2	2	1
Social Agencies	11	2	1	5	3
TOTAL	98	54	11	15	18

the day after initial contact. Life insurance companies, trust companies, and social agencies set up appointments over a longer range of time, anywhere from the day of initial contact to more than a week later.

Data in Table 13 summarize the number of meetings staff members hold with the same client. Every organizational type (26 responses) met with clients as many times as were appropriate to meet a specific need. Another 26 responses from every organizational type except department stores, held regular yearly meetings with clients. Only six financial institutions reported one meeting with the same client. Two or three meetings were scheduled by 16 and 11 financial institutions respectively. Five of the 13 organizations meeting four or more times with clients were social agencies. Two organizations indicated meeting with the same client over ten times.

Table 13

Number of Meetings[a] that Staff Hold with the Same Client by Organizational Type

Organizational Type	N	As Needed	Yearly	One	Two	Three	Four or More
Banks	11	5	3	0	3	0	0
Credit Unions	16	3	4	1	5	2	2
Department Stores	4	1	0	1	1	1	0
Finance Companies	16	4	3	0	4	2	2
Investment Companies	8	3	2	1	1	0	0
Life Insurance Companies	22	3	11	2	1	5	2
Trust Companies	10	2	2	1	1	1	2
Social Agencies	11	5	1	0	0	0	5
TOTAL	98	26	26	6	16	11	13

[a]Multiple answers occurred due to purpose and stage of counselling.

Staff members of credit unions, department stores, finance companies and social agencies reported broaching the topic of family finances more frequently than clients during personal interviews (Table 14). No organizations indicated that clients raised the financial issue more frequently than staff. Banks, investment, life insurance, and trust companies did, however, report equal frequencies of client/staff leadership in financial discussions.

Table 14

Staff and Client Broaching the Topic of Family Financial Management During Personal Interviews by Organizational Type

Organizational Type	N	Staff		Client	
		n	%	n	%
Banks	11	9	81.8	9	81.8
Credit Unions	16	10	62.5	9	56.3
Department Stores	4	3	75.0	2	50.0
Finance Companies	16	14	87.5	11	68.8
Investment Companies	8	3	37.5	3	37.5
Life Insurance Companies	22	15	68.2	15	68.2
Trust Companies	10	10	100.0	10	100.0
Social Agencies	11	9	81.8	8	72.7
TOTAL	98	73	74.5	67	68.4

Once financial discussions had begun, staff members guided the conversation in various ways. Totals in Table 15 reveal that staff most frequently provided financial information or explained alternatives and consequences in 79.6 percent of the organizations. Clients were assisted in making their own financial decisions by 75.5 percent of the organizations. Staff and clients mutually agreed about financial plans in 73.5 percent of the organizations. Staff least frequently suggested financial plans to clients. Responses by organizational type varied from all trust companies providing financial information to a consistent low of 37.5 percent of the investment companies taking any identified action during personal interviews.

Table 15

Types of Actions Taken by Staff During Personal Interviews by Organizational Type

Organizational Type	N	Financial Info.	Alternatives/ Consequences	Clients Decisions	Mutually Agree	Fin'l Plans
Banks	11	10	10	9	9	8
Credit Unions	16	13	13	13	13	12
Department Stores	4	2	2	2	2	2
Finance Companies	16	15	15	15	13	15
Investment Companies	8	3	3	3	3	2
Life Insurance Companies	22	17	17	17	17	15
Trust Companies	10	10	9	8	9	8
Social Agencies	11	8	9	7	6	6
TOTAL	98	78	78	74	72	68
Percentage of Total	100	79.6	79.6	75.5	73.5	69.4

After meeting with clients and discussing financial situations, an organization could make further contacts by letter, telephone or personal interview (Table 16). Follow up letters were sent by 60.2 percent of the organizations. Interviews and telephone calls were used by 42.9 and 30.6 percent of the organizations respectively. Variation by organizational type indicates that banks definitely prefer letters; trust companies interview and telephone rather than write letters.

Table 16

Methods Used to Follow up Clients' Financial Situations by Organizational Type

Organizational Type	N	Letter		Interview		Telephone	
		n	%	n	%	n	%
Banks	11	6	54.5	1	9.1	2	18.2
Credit Unions	16	12	75.0	7	43.8	7	43.8
Department Stores	4	1	25.0	2	50.0	1	25.0
Finance Companies	16	11	68.8	10	62.5	3	18.8
Investment Companies	8	5	62.5	4	50.0	1	12.5
Life Insurance Companies	22	13	59.1	7	31.8	7	31.8
Trust Companies	10	4	40.0	7	70.0	7	70.0
Social Agencies	11	7	63.6	4	36.4	2	18.2
TOTAL	98	59	60.2	42	42.9	30	30.6

Clients became dependent upon staff for financial advice in 65 organizations or 66.3 percent of the sample. When asked how these situations were handled, 12 procedures were mentioned and are recorded in Table 17. There did not seem to be a high level of commonality concerning this issue as the most frequently mentioned response, advice giving, involved only about one third of the organizations. Sixty percent of the banks and 50 percent of the investment companies gave advice; 50 percent of the finance companies discussed the situation. All other procedures, both by organizational type and totals, received responses by less than one third of the respondents. Client dependency was viewed as part of the business relationship by eight financial institutions. For some respondents, such dependency was considered to be an unfortunate occurrence; to some, it seemed a mere fact of life; to others, it was viewed with enthusiasm. One department store actively encouraged client dependency, "We compensate staff for this".

Table 17

Procedures Used for Handling Dependent Clients
(N = 81)

Procedures	Total	
		%
Give advice	21	32.3
Discuss the situation	13	20.0
Interview personally	13	20.0
Increase clients' knowledge	9	13.8
Let clients make final decisions	9	13.8
Make referrals	9	13.8
Present alternatives	5	7.7
Explain and/or use the company	5	7.7
services	5	7.7
Encourage self-sufficiency	4	6.2
Provide the help clients want	3	4.6
Involve another employee	2	3.1

Is the family financial management counselling preventive, crisis, or progressive oriented? In Table 18, respondents' perceptions of reasons for discussing finances during personal interviews are categorized as requiring preventive, crisis, or progressive oriented counselling. Preventive reasons included: need general advice, make better use of money, need to decrease expenses, need advice about wills, and who should handle the money. Crisis counselling focused on clients being in debt, needing money, losing track of money, misusing money, not making payments, and arguing about money. Progressive counselling involved: want more savings, want investment advice, need insurance, talk about estate building, and need gift tax advice.

Two preventive reasons, need general advice (91.4 percent)[1] and need to make better use of money (84 percent), were the first and third most frequently mentioned reasons for discussing finances during personal interviews. Five crisis reasons numbered among the top seven most frequently mentioned reasons. These included: clients are in debt (86.4 percent), clients need money (84 percent), clients lose track of their money (76.5 percent), clients misuse money (75.3 percent), and clients cannot meet payments (71.6 percent). Wanting more savings or wanting investment advice required progressive counselling in 70.4 and 67.9 percent of the organizations respectively. Less than one third of the finance companies and social agencies perceived savings and investment advice as reasons for financial discussions. Needing to decrease expenses and needing advice about wills required preventive counselling in 65.4 and

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[1]Mentioned by 91.4 percent of organizations surveyed.

Table 18

Perceptions by Organizational Type of Reasons for Discussing Family Financial Management During Personal Interviews

$(N = 81 = \Sigma_i n_i)$

Reason	Type[a]	Total N	Total %	Banks $n_1=10$	Credit Unions $n_2=13$	Dept. Stores $n_3=3$	Finance Co. $n_4=15$	Invest-ment Co. $n_5=3$	Life Ins. Co. $n_6=17$	Trust Co. $n_7=10$	Social Agencies $n_8=10$
Need general advice	Prev.	74	91.4	10	13	2	13	1	17	9	9
Are in debt	Crisis	70	86.4	9	13	3	15	1	14	6	9
Need money	Crisis	68	84.0	10	13	1	15	2	10	8	9
Make better use of money	Prev.	68	84.0	9	12	2	11	3	17	7	7
Lose track of money	Crisis	62	76.5	10	13	3	13	1	8	8	6
Misuse money	Crisis	61	75.3	8	12	3	15	1	8	7	7
Cannot meet payments	Crisis	58	71.6	8	10	2	15	0	10	5	8
Want more savings	Prog.	57	70.4	9	10	1	5	3	17	10	2
Want investment advice	Prog.	55	67.9	10	13	1	2	3	15	10	1
Need to decrease expenses	Prev.	53	65.4	8	10	2	13	0	7	5	8
Need advice about wills	Prev.	44	54.3	4	9	1	0	0	17	9	4
Need insurance	Prog.	38	46.9	3	4	1	10	0	17	3	0
Talk about estate building	Prog.	37	45.7	6	2	1	1	3	16	8	0
Argue about money	Crisis	33	40.7	2	5	0	6	0	8	3	9
Need gift tax advice	Prog.	26	32.1	2	1	1	0	2	11	9	0
Who should handle the money	Prev.	12	14.8	0	1	0	5	0	1	2	3

[a]Type refers to the type of counselling orientation: preventive, crisis or remedial, or progressive.

54.3 percent of the organizations respectively. The former reason was mentioned by less than half of the life insurance and investment companies; the latter reasons by the majority of credit unions, life insurance companies and trust companies. The remaining five reasons, including three progressive, one crisis and one preventive reason, were acknowledged by less than 50 percent of the organizations. Four organizational types, however, contradicted this general trend. All of the life insurance companies and 62.5 percent of the finance companies mentioned that people need insurance. Estate building was recognized as a reason in 94.1 percent of the life insurance companies, 80 percent of the trust companies, and 60 percent of the banks. Ninety percent of the trust companies and 64.7 percent of the life insurance companies acknowledged gift tax advice as being a reason for discussing finances during personal interviews.

Reasons for discussing finances during personal interviews are grouped into crisis, preventive and progressive categories by organizational type in Table 19. The summation of organizations responding positively to reasons grouped by orientation and the maximum possible number of responses are recorded under the sub-headings labeled yes and maximum. For example, the frequency of bank responses to crisis reasons were: nine for are in debt, 10 each for need money and lose track of money, eight each for misuse money and cannot meet payments, and two for argue about money. These totaled to 47 responses. The maximum possible number of responses of banks involved in a crisis orientation was obtained by multiplying the number of banks by the number of crisis reasons, 10 X 6 = 60.

A total of 72.4 percent of the crisis reasons were acknowledged by respondents; 62 percent of the preventive reasons were mentioned; 52.6 percent of the progressive reasons were reported. With $\alpha \leq 0.05$, the hypotheses of equal probabilities or proportions of crisis and progressive reasons across the eight strata were rejected, using the chi square statistic. The hypothesis of equal probabilities was not rejected for counselling with a preventive orientation.

Table 19

Preventive, Crisis and Progressive Oriented Reasons for Discussing Family Financial Management During Personal Interviews by Organizational Type

Organizational Type	N	Crisis[a] (6 reasons)		Preventive[b] (5 reasons)		Progressive[c] (5 reasons)	
		Yes	Max.	Yes	Max.	Yes	Max.
Banks	10	47	60	31	50	30	50
Credit Unions	13	66	78	45	65	30	65
Department Stores	3	12	18	7	15	5	15
Finance Companies	15	79	90	42	75	18	75
Investment Companies	3	5	18	4	15	11	15
Life Insurance Companies	17	58	102	59	85	76	85
Trust Companies	10	37	60	32	50	40	50
Social Agencies	10	48	60	31	50	3	50
TOTAL	81	352	486	251	405	213	405
Percentage of Total		72.4		62		52.6	

[a] $X^2 = 53.34$ is significant at $\alpha = 0.005$.

[b] $X^2 = 14.05$ is not significant at $\alpha = 0.005$.

[c] $X^2 = 136.43$ is significant at $\alpha = 0.005$.

Questions were asked to determine the type of intermediary action taken by organizations on behalf of clients. A total of 65 organizations or 69.9 percent extended credit, which is classified in Table 20 as helping a client in crisis. A total of 52.7 percent of all organizations contacted government services and thereby acted in a preventive capacity.

Table 20

Intermediary Action Taken by Organizational Type

$(N = 93 = \Sigma_i n_i)$

Intermediary Action	Type[a]	Total		Banks	Credit Unions	Dept. Stores	Finance Co.	Invest-ment Co.	Life Ins. Co.	Trust Co.	Social Agencies
		N	%	$n_1=11$	$n_2=16$	$n_3=3$	$n_4=16$	$n_5=8$	$n_6=20$	$n_7=10$	$n_8=9$
Extending credit or loans	Crisis	65	69.9	10	13	1	14	5	12	8	2
Contacting government services	Prev.	49	52.7	6	9	2	5	2	12	4	9
Negotiating with creditors	Crisis	41	44.1	4	10	1	15	1	2	2	6
Holding money in trust	Prog.	40	43.0	4	11	0	1	6	10	8	0
Managing an investment portfoilo	Prog.	38	40.9	5	4	0	1	8	13	7	0
Contacting collection agencies	Crisis	29	31.2	5	6	1	8	1	2	3	3
Executing a will	Prev.	21	22.6	1	1	0	0	2	9	7	1

[a]Type refers to the type of counselling orientation: preventive, crisis or remedial, or progressive.

The remaining courses of action received response rates totalling less than 50 percent. There were distinct non-uniformities between various types of organizations. For example, finance companies acted as crisis interventionists with 15 (93.8 percent of the finance companies) negotiating with creditors. Money was held in trust by 80 percent of the trust companies, 75 percent of the investment companies, and 50 percent of the life insurance companies. Every investment company, 70 percent of the trust companies, 65 percent of the life insurance companies, and 50 percent of the banks progressively managed investment portfolios. Collection agencies were contacted in crisis situations by 68.8 percent of the credit unions and 50 percent each of the banks and finance companies. Seventy percent of the trust companies acted in a preventive capacity by executing wills.

Intermediary actions taken by organizations on behalf of clients are grouped into crisis, progressive and preventive categories by organizational type in Table 21. The summation of organizations responding positively to actions grouped by orientation and the maximum possible number of responses are recorded under the sub-headings labeled yes and maximum. For example, the frequency of credit union responses to progressive actions were: holding money in trust (11) and managing an investment portfolio (4). This totalled 15 progressive actions taken from a possible maximum of 32 (16 credit unions multiplied by two actions).

Totals of less than 50 percent were reported by respondents for crisis, progressive and preventive oriented intermediary action. However, computing the chi square statistic resulted in the rejection of equal probability hypotheses at the 0.05 level of significance.

Table 21

Preventive, Crisis and Progressive Oriented Intermediary Action Taken by Organizational Type

Organizational Type	N	Crisis[a] (3 actions) Yes	Max.	Progressive[b] (2 actions) Yes	Max.	Preventive[c] (2 actions) Yes	Max.
Banks	11	19	33	9	22	7	22
Credit Unions	16	29	48	15	32	10	32
Department Stores	3	3	9	0	6	2	6
Finance Companies	16	37	48	2	32	5	32
Investment Companies	8	7	24	14	16	4	16
Life Insurance Companies	20	16	60	23	40	21	40
Trust Companies	10	13	30	15	20	11	20
Social Agencies	9	11	27	0	18	10	18
TOTAL	93	135	279	78	186	70	186
Percentage of Total		48.4		41.9		37.6	

a X^2 = 36.31 is significant at $\alpha = 0.005$.

b X^2 = 60.86 is significant at $\alpha = 0.005$.

c X^2 = 17.43 is significant at $\alpha = 0.05$.

<u>What are the perceived consequences?</u> The costs, benefits and effects of financial counselling services and group education programs dealing with family financial management were assessed by organizational representatives who responded to the Family Financial Services Questionnaire. Each of these consequences will be discussed.

Costs associated with financial counselling were handled as overhead expenditures by 92.1 percent of the organizations responding. Costs were separated from operational expenses and specific dollar costs ranging from less than $5,000.00 to $1,000,000.00 were recorded for 13 financial institutions. Two organizations paid out less than $5,000.00 annually.

Sums of $13,000.00 to $50,000.00 were reported by five institutions. Three more financial institutions used between $100,000.00 and $300,000.00. Bills of between $700,000.00 and $1,000,000.00 were paid by three organizations.

Six of the eight responding organizations (75 percent) indicated that group educational program expenses were viewed as overhead costs. Three financial institutions estimated such costs to be less than $5,000.00 yearly. Two institutions specified expenditures of $12,000.00.

Considering labour costs, 44 organizations (62.9 percent) reported the employment and payment of five or less individuals to be involved in financial counselling services (Table 22). This included 16 organizations hiring one person, 12 hiring two, 9 hiring three, and seven hiring four or five people.

Data recorded in Table 23 show that 55 organizations stated the percentage of time each employee was involved in financial counselling services. Workers devoted 25 percent or less of their work hours to family financial management counselling in 22 organizations (40 percent). This included 69.2 percent of the finance companies, 62.5 percent of the credit unions and 50 percent of the social agencies. In sharp contrast, 50 percent of the investment companies employed people solely to work with financial counselling services. Personnel counselled an average of 26 to 50 percent of each day in 14 financial institutions (25.5 percent). More than half but not all of an employee's time was given to counselling in seven or 12.7 percent of the organizations.

Nine organizations reported employing and paying 34 employees for group education programs dealing with family financial management. A range of one to ten people were hired per organization. The percentage

Table 22

Employees Involved in Family Financial Management Counselling by Organizational Type

Organizational Type	N	5 or less		6 - 10		11 - 25		over 25	
		n	%	n	%	n	%	n	%
Banks	8	5	62.5	1	12.5	1	12.5	1	12.5
Credit unions	12	11	91.7	0	0	1	8.3	0	0
Department stores	2	0	0	1	50.0	0	0	1	50.0
Finance companies	13	11	84.6	2	15.4	0	0	0	0
Investment companies	6	5	83.3	1	16.7	0	0	0	0
Life insurance companies	15	6	40.0	2	13.3	6	40.0	1	6.7
Trust companies	4	3	75.0	1	25.0	0	0	0	0
Social agencies	10	3	30.0	2	20.0	1	10.0	4	40.0
TOTAL	70	44	62.9	10	14.3	9	12.9	7	10.0

Table 23

Percentage of Time Spent by Employees Involved in Family Financial Management Counselling by Organizational Type

$(N = 55 = \Sigma_i n_i)$

Time %	Total N	Total %	Banks $n_1=2$	Credit Unions $n_2=2$	Finance Co. $n_3=13$	Investment Co. $n_4=6$	Life Ins. Co. $n_5=12$	Trust Co. $n_6=6$	Social Agencies $n_7=8$
1-25	22	40.0	0	5	9	0	2	2	4
26-50	14	25.5	1	2	2	1	5	3	0
51-99	7	12.7	0	0	0	2	2	1	2
100	12	21.8	1	1	2	3	3	0	2

of time devoted to group education varied from four to 100 percent. Social agency personnel directed significantly more of their time to group education programs than did workers from financial institutions.

All 90 organizations listing their services as having a counselling component were able to verbalize perceived benefits. Responses were categorized and reported in Table 24. The most frequently mentioned benefit was that of gaining business. This reason incorporated several elements: selling services, gaining referrals, earning income, obtaining profits, and maintaining funding. Credit unions, finance companies, and social agencies stressed client satisfaction as a benefit almost equalling that of business gained. Minimizing defaults or delinquent accounts were suggested more frequently by banks and finance companies. Public relations were emphasized by life insurance companies. Two financial institutions mentioned client feedback as beneficial. It was thought that business operations could be improved by utilizing suggestions made by people using the services.

Benefits from offering group education programs dealing with family financial management were identified by 17 organizations. Gaining business was the most frequently stated benefit (seven organizations), followed closely by promoting public relations (six organizations) and satisfying clients (five organizations). Two social agencies thought group education programs were a successful fulfillment of their mandate.

The response, clients benefit, was the most frequently mentioned effect of financial counselling services according to totals in Table 25. Life insurance companies and social agencies accounted for the majority (52.2 percent) of these 46 responses. Twenty-two organizations or 24.4 percent each stated that clients gained knowledge and that their welfare

Table 24

Benefits Received by Organizational Type in Return for Offering Family Financial Management Counselling

$(N = 90 = \Sigma_i n_i)$

Benefits	Total N	Total %	Banks $n_1=10$	Credit Unions $n_2=15$	Dept. Stores $n_3=2$	Finance Co. $n_4=15$	Investment Co. $n_5=7$	Life Ins. Co. $n_6=22$	Trust Co. $n_7=9$	Social Agencies $n_8=10$
Business gained	62	68.9	6	9	2	7	7	19	8	4
Client satisfied	27	30.0	3	7	1	7	1	3	1	4
Minimal defaults	14	15.6	3	2	0	6	0	1	1	1
Public relations	14	15.6	1	1	0	3	0	6	1	2
Client feedback	2	2.2	1	0	0	0	0	0	0	0

was improved. Seventy percent of the banks mentioned the former while 50 percent of the social agencies mentioned the latter. Fifteen financial institutions (16.7 percent) indicated that services were used. Fourteen organizations (15.6 percent) including eight life insurance companies, stated that clients developed better financial plans. Ten organizations (11.1 percent) including five finance companies, thought that credit problems were avoided. One financial insitution (1.1 percent) indicated that attempts at individual financial counselling provoked indignity.

Table 25

Effects of Family Financial Management Counselling on Clients' Behaviour and Welfare

(N = 90)

Effect	Response Rate N	Response Rate %
Clients benefit	46	51.1
Knowledge gained	22	24.4
Welfare improved	22	24.4
Services used	15	16.7
Better financial plan	14	15.6
Credit problems avoided	10	11.1
Indignity provoked	1	1.1

A total of 15 organizations identified effects of group education programs on clients' behaviour and welfare. Seven organizations, including three social agencies, stated that clients gained knowledge. Improved welfare was mentioned four times, money was used more wisely in three cases, family functioning improved according to two organizations, some clients benefited in two financial institutions, and services were used in one organization.

To detail the perceived effects of financial counselling services on the community at large, responses by 76 organizations have been categorized in Table 26. Opinions varied as to the quality and quantity of effects. Seventeen organizations (including six life insurance companies) thought the effects were good; 17 (including five finance companies) said effects were minimal; and six (including three credit unions) stated that no effects were noticeable. Stimulation of the economy was suggested 14 times. The importance of providing community services was mentioned by 13 financial institutions, including a total of 8 finance and investment companies. Money seemed to be used more wisely and clients seemed to become more responsible citizens in 11 cases each. Ten organizations, including a total of eight life insurance companies and social agencies, mentioned increased community security and stability. Eight organizations indicated that counselling served to educate the community. Another seven noted good public relations.

Table 26

Effects on Family Financial Management Counselling
on the Community at Large

(N = 76)

Effects	Response Rate n	%
Positive effects	17	22.4
Minimal effects	17	22.4
Economy stimulated	14	18.4
Service availability	13	17.1
Money used more wisely	11	14.5
Better citizens	11	14.5
Community security	10	13.2
Community education	8	10.5
Public relations	7	9.2
No effects	6	7.9

Perceptions of 14 organizations concerning the effects of group education programs on the community at large were categorized in Table 27. Effects were said to be positive by six organizations and minimal by three financial institutions. Gaining knowledge was cited four times. Three organizations reported that people became involved in the services offered as a result of group programs. One social agency pointed to a drop in crime rates resulting from the financial assistance provided.

Table 27

Effects of Group Education Programs Dealing With Family Financial Management on the Community at Large

(N = 14)

Effects	Response Rate n	%
Positive effects	6	42.9
Knowledge gained	4	28.6
Minimal effects	3	21.2
Services used	3	21.2
Crime decreased	1	7.1

What is the target group for family financial management counselling? Data in Table 28 reveal that husbands and wives (77.6 percent), adults (76.5 percent), and major wage earners (74.5 percent) were the groups most frequently mentioned. About two-thirds of the following groups were considered: lower middle income, upper middle income, and males and females. High income and retired people were each planned for by 50 percent of the organizations. Low income people, students, and parents and children together were considered by less than 43 percent of the organizations surveyed. Upper middle and high income people were considered less frequently by social agencies. Low income people, on the other hand, were considered

Table 28

Categories of People that Organizations Plan to Involve in Family Financial Management Counselling

Organizational Type	N	Categories of People[a]											
		Family Members			Sex		Age			Income Levels			
		Major Wage Earners %	Husbands/ Wives %	Parents Children %	Mainly Females %	Mainly Males %	Students %	Adults %	Retired People %	Low %	Lower Middle %	Upper Middle %	High %
Banks	11	63.6	63.6	18.2	36.4	36.4	36.4	54.5	54.5	36.4	36.4	36.4	36.4
Credit unions	16	68.8	75	37.5	62.5	62.5	50	75	62.5	50	68.8	62.5	31.3
Dept. stores	4	25	25	0	25	25	0	25	0	0	25	25	25
Finance co.	16	81.3	87.5	37.5	75	75	25	87.5	25	56.3	81.3	81.3	37.5
Investment co.	8	87.5	75	25	62.5	75	12.5	87.5	87.5	12.5	50	75	87.5
Life ins. co.	22	77.3	81.8	27.3	63.6	68.2	45.5	77.3	40.9	31.8	77.3	81.8	72.7
Trust co.	10	80	90	20	80	80	50	90	90	40	80	90	80
Social agencies	11	81.8	81.8	54.5	72.7	63.6	27.3	81.8	36.4	81.8	72.7	27.3	18.2
TOTAL	98	74.5	77.6	30.6	63.3	64.3	35.7	76.5	50	42.9	67.3	65.3	50

[a]These categories are not mutually exclusive; multiple responses are possible.

more frequently by social agencies.

Financial institutions and social agencies were also asked about their plans to accommodate different categories of people in their group education programs. In Table 29, the majority of the 16 organizations answering this question planned to involve: adults, husbands and wives, males or females, major wage earners, lower middle and upper middle income people, students, and low income people. Only seven organizations or 43.8 percent of the respondents mentioned plans to involve retired people, however, these figures may be misleading because this category was inadvertently omitted from five questionnaires. Organizational trends tended to follow the aggregate pattern. Parents and children were not considered in group plans undertaken by department stores, finance companies, or trust companies. Forty percent of the social agencies planned for these family members. High income people were completely ignored by credit unions and finance companies in group education programs.

Table 29

Categories of People That Organizations Plan to Involve in Group Education Programs Dealing with Family Financial Management

(N = 16)

Categories of People	Response Rate	
	n	%
Adults	16	100.0
Husbands and wives	15	93.8
Mainly males	15	93.8
Mainly females	14	87.5
Major wage earners	12	75.0
Lower middle income	12	75.0
Upper middle income	11	68.8
Students	11	68.8
Low income	10	62.5
High income	7	43.8
Retired people	7	43.8
Parents and children	6	37.5

Who actually receives the family financial management counselling? Response totals in Table 30 indicate that only 26.5 and 34.7 percent of the organizations perceived that parents and children and students actually participated in counselling services. Between 53.1 and 56.1 percent acknowledged attendance by retired, low income, and high income people. Upper middle income people participated in 76.5 percent of the organizations. A minimum of 81.6 percent and a maximum of 90.8 percent of the organizations thought lower middle income people, females, husbands and wives, males, major wage earners, and adults were involved in family financial counselling services. Banks more frequently mentioned involvement by students, retired, and low income people. Only 37.5 percent of the credit unions received participation from high income people. Figures recorded for finance companies are lower for retired people (18.8 percent) and high income people (37.5 percent) and higher for low income people (81.3 percent). No investment companies indicated involvement by low income people; students (12.5 percent) and lower middle income (50 percent) participated less frequently than in aggregate totals while high income people (75 percent) participated more frequently. High income people were mentioned by 86.4 percent of the life insurance companies and 80 percent of the trust companies. Fewer trust companies (30 percent) recognized low income people's involvement in counselling services. Significantly more social agencies perceived involvement by parents and children (63.6 percent) and low income people (81.8 percent) while significantly fewer acknowledged upper middle (27.3 percent) and high income people (18.2 percent).

Actual involvement in group education programs dealing with family financial management is summarized in Table 31. Major wage earning adults,

Table 30

Categories of People that Organizations Perceived as Actually Receiving Family Financial Management Counselling

Organizational Type	N	Categories of People[a]: Family Members: Major/ Wage Earners %	Family Members: Husbands/ Wives %	Family Members: Parents/ Children %	Sex: Mainly Females %	Sex: Mainly Males %	Age: Students %	Age: Adults %	Age: Retired People %	Income Levels: Low %	Income Levels: Lower Middle %	Income Levels: Upper Middle %	Income Levels: High %
Banks	11	90.0	90.9	27.3	81.8	90.9	54.5	90.9	90.9	81.8	81.8	81.8	54.5
Credit unions	16	87.5	87.5	25	75	81.3	37.5	93.8	56.3	56.3	93.8	81.3	37.5
Dept. stores	4	50	25	25	50	50	0	50	25	50	50	25	25
Finance co.	16	87.5	93.8	25	93.8	93.8	25	93.8	18.8	81.3	93.8	81.3	37.5
Investment co.	8	87.5	50	25	75	87.5	12.5	87.5	75	0	50	87.6	75
Life ins. co.	22	90.9	90.9	18.2	86.4	86.4	50	95.5	45.5	45.5	81.8	90.9	86.4
Trust co.	10	90	90	10	90	90	30	90	70	30	80	90	80
Social agencies	11	90.9	90.9	63.6	81.8	81.8	27.3	90.9	54.5	81.8	81.8	27.3	18.2
TOTAL	98	87.8	84.7	26.5	82.7	85.7	34.7	90.8	53.1	56.1	81.6	76.5	56.1

[a]These categories are not mutually exclusive; multiple responses are possible.

whether male or female, and their spouses participated most frequently with response rates varying from 88.2 to 82.4 percent. Less than 50 percent of the 17 responding organizations perceived the following categories of people as being involved in group education: parents and children, high income people, retired people, and students. Low, upper middle, and lower middle income people formed a group of moderate attenders at 52.9, 64.7, and 70.5 percent respectively. Of all organizational types, more social agencies (75 percent) recognized attendance by low income people; fewer social agencies acknowledged participation by lower middle (50 percent), upper middle (33 percent), and high income people (16.7 percent) as well as retired people (16.7 percent), and students (16.7 percent).

Table 31

Categories of People that Organizations Perceived as Actually Attending Group Education Programs Dealing with Family Financial Management

(N = 17)

Category	Response Rate n	%
Adults	15	88.2
Major wage earners	15	88.2
Husbands and wives	14	82.4
Mainly females	14	82.4
Mainly males	14	82.4
Lower middle income people	12	70.6
Upper middle income people	11	64.7
Low income people	9	52.9
Students	8	47.1
Retired people	7	41.2
High income people	6	35.3
Parents and children	5	29.4

<u>Will there be a reciprocal awareness of family financial management counselling within and among financial institutions and social agencies?</u> Organizations were asked what listings or directories were used when referring clients to other organizations. Seventy-four respondents or 75.5 percent used no listing (Table 32). Lists of personal contacts were used by 14 organizations. <u>The Winnipeg Telephone Directory</u> and <u>The Manual of Social Services in Manitoba</u> were used by nine organizations each. Four or less organizations used each of the following sources of referrals: internal company lists, lists from other companies, association lists, publication lists, Henderson Directory, housing lists, and legal directories.

Table 32

Use of Listings by Organizational Type When Referring Clients

Organizational Type	N	No Listing	Personal Listings	Winnipeg Telephone Directory	Manual of Social Services in Manitoba
Banks	10	8	2	3	2
Credit Unions	16	11	1	2	0
Department Stores	4	4	-	-	0
Finance Companies	17	13	2	1	0
Investment Companies	8	8	-	-	0
Life Insurance Companies	22	15	4	2	0
Trust Companies	10	7	2	-	0
Social Agencies	11	8	3	1	7
TOTAL	98	74	14	9	9
Percentage of Total		75.5	14.3	9.2	9.2

Responses to two questions are summarized in Table 33, namely, "How frequently are clients referred to your organization by other organizations?" and "If clients seek services not offered by your organization, how frequently are referrals made to other organizations?" All of the banks, trust companies and social agencies both received and made referrals. A minimum of 62.5 percent of the remaining organizational types, except department stores, both received and made referrals. Credit unions, finance, investment, and life insurance companies reported suggesting referrals slightly more frequently than receiving referrals.

Table 33

Perception by Organizational Type of How Frequently Referrals are Made and Received

Organizational Type	N	Referrals Made		Referrals Received	
		n	%	n	%
Banks	11	11	100	11	100
Credit Unions	16	11	68.8	10	62.5
Department Stores	4	2	50	1	25
Finance Companies	16	14	87.5	12	75
Investment Companies	8	7	87.5	6	75
Life Insurance Companies	22	21	95.5	19	86.4
Trust Companies	10	10	100	10	100
Social Agencies	11	11	100	11	100
TOTAL	98	87	88.8	80	81.6

Respondents were asked to be more specific about referrals given to other organizations. Data in Table 34 reveals that banks and government agencies were mentioned by 55.7 and 50.5 percent of the organizations respectively. Credit unions and trust companies received slightly less than 50 percent support. Referrals were made to life insurance and investment companies by 42.3 and 41.2 percent of the organizations respectively. Educational institutions were mentioned 34 times (35.1 percent). Medical facilities were sent referrals by 33 organizations (34 percent)

Table 34

Perceptions of How Frequently Referrals are Made to Specific Organizational Types

(N = 97)

Referrals	Response Rate n	%
Banks	54	55.7
Government agencies	49	50.5
Credit unions	48	49.5
Trust companies	48	49.5
Life insurance companies	41	42.3
Investment companies	40	41.2
Educational institutions	34	35.1
Medical facilities	33	34.0
Non-governmental agencies	22	22.7
Clergy	17	17.5
Lawyers	17	17.5
Department stores	15	15.5
Chartered accountants	9	9.3
Mortgage brokers	3	3.1
Credit bureaus	2	2.1
Real estate agents	2	2.1

including 57.1 percent of the life insurance companies. All remaining categories received referrals by less than 25 percent of the sample in this study.

Banks received referrals from all of the trust companies surveyed, 85.7 percent of the life insurance companies, 75 percent of the investment companies, 55.5 percent of the banks, and 50 percent of the department stores. Government agencies received referrals from all of the social agencies, 72.7 percent of the banks, 60 percent of the trust companies, 52.4 percent of the life insurance companies, and 50 percent of the department stores. Concerning educational institutions, 23 specific references were made to Red River Community College, 20 commented on universities, seven referred to the Adult Education Centre, two mentioned community education sessions, while one organization each made reference to courses offered through the Young Men's Christian Association (YMCA), the Canadian Securities Institute, and Employment and Immigration Canada (Manpower). Nineteen organizations directed clients to their own physicians, 15 referred to hospitals or clinics, five to company physicians, and four companies made medical referrals to specialists.

Are there differences in the family financial management counselling offered within and among financial institutions and social agencies? Data reported previously indicate that differences do exist by organizational type. Major differences deal with research questions I., I.B., and I.D. concerning which organizations counsel, the content covered, and the orientation of counselling. These major differences will first be described and then minor differences will be highlighted.

Personnel directors and management personnel among organizational types revealed contradictory perceptions about their organizations' involvement in family financial management counselling. In response to the mailed Hiring Practices Questionnaire, 77.1 percent of the social agencies and 62.3 percent of the financial institutions indicated non-involvement in counselling. During personal interviews, 90.9 percent of the social agencies and 92 percent of the financial institutions stated the opposite.

Marked differences in the content of family financial management counselling occurred in two instances. First, credit was granted by 94.3 percent of the financial institutions compared with 9.1 percent of the social agencies. This difference would have been larger had the former figure not been negatively affected by the fact that only 50 percent of the investment companies extended credit. Second, financial management group education programs were offered by 81.8 percent of the social agencies and 16.1 percent of the financial institutions. Social agency course titles stressed the familial component while financial institutions' titles stressed the economy.

The preventive, crisis or progressive orientation of family financial management counselling was analyzed according to the reasons for discussing finances during personal interviews and intermediary actions taken by organizations on behalf of clients. No significant difference was found to exist for preventive reasons as perceived by organizational type. Crisis and progressive reasons as well as preventive, crisis and progressive types of intermediary action were found to be significant. Multiple comparisons were computed on these to determine which organizational types were similar and which were significantly different at $\alpha = 0.006$[2]. For clarity of explanation, the results will be diagrammed with similar organizations being joined with a line. Organizations forming a group on the right hand side of the page were involved in counselling significantly more often than organizations forming a group on the left hand side.

Responses to preventive intermediary action divided organizations into two distinct groups (see Figure 3). Significantly more caution on behalf of clients is reported by social agencies, trust companies and life insurance companies.

Figure 3. Organizational Types Grouped by Relative Involvement in Preventive Oriented Intermediary Action Taken on Behalf of Clients.

Finance Co.	Investment Co.	Credit Unions	Banks	Dept. Stores	Life Ins. Co.	Trust Co.	Social Agencies
		least				most	

When considering crisis oriented counselling, reasons for discussing finances separated organizations into four groups while intermediary action taken on behalf of clients separated organizations into three groups (see Figure 4). Life insurance companies are the least frequently involved in both types of crisis oriented family financial management counselling. Financial institutions with the largest amounts of outstanding consumer credit (finance companies, credit unions and banks) are

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[2] The critical region for multiple comparisons is:

$$\text{C.R.} \; |\hat{P} - \hat{P}| > Z_{\frac{\alpha}{2}} \sqrt{\hat{P}\,\hat{Q}\left(\frac{1}{n_1} + \frac{1}{n_2}\right)}$$

the most frequently involved in crisis oriented counselling.

Figure 4. Organizational Types Grouped by Relative Involvement in Crisis Oriented Family Financial Management Counselling.

Crisis reasons:

Investment Co.	Life Ins. Co.	Trust Co.	Dept. Stores	Banks	Social Agencies	Credit Unions	Finance Co.
least						most	

Crisis intermediary action.

Life Ins. Co.	Investment Co.	Dept. Stores	Social Agencies	Trust Co.	Banks	Credit Unions	Finance Co.
least						most	

Analysis of progressive oriented counselling separated organizational types into three distinct groups when discussing reasons and two groups when taking intermediary action (see Figure 5). In both cases, social agencies and finance companies were involved significantly less frequently than were other financial institutions.

Figure 5. Organizational Types Grouped by Relative Involvement in Progressive Oriented Family Financial Management Counselling.

Progressive reasons:

Social Agencies	Finance Co.	Dept. Stores	Credit Unions	Banks	Investment Co.	Trust Co.	Life Ins. Co.
least					most		

Progressive intermediary action:

Social Agencies	Dept. Stores	Finance Co.	Banks	Credit Unions	Life Ins. Co.	Trust Co.	Investment Co.
	least				most		

Minor differences occurred when organizations were asked to identify the job titles of employees involved in family financial management counselling. Managers counselled clients in the majority of banks, credit unions, department stores, finance companies and trust companies. Representatives were identified as counsellors in finance, investment and life insurance companies. Consultants and professionals were involved in counselling offered by social agencies.

When counselling, the majority of each organizational type discussed 28 of the 29 topics listed. Job choice was discussed by 80 percent of the social agencies, 53.8 percent of the credit unions and 32.2 percent of the remaining organizational types. Decreasing daily expenses, consolidating debts, obtaining loans and contacting creditors were solutions suggested by over 50 percent of all organizations. Declaring bankruptcy, on the other hand, was mentioned by 62.5 percent of the social agencies and only 2.7 percent of the financial institutions. Garnisheeing wages was most frequently suggested by finance companies.

Data on procedural matters revealed that clients equally used telephone calls, personal interviews and letters to make initial contact with trust companies. All other organizational types stated that letters were less frequently utilized. These methods of contact were reversed when used for follow up purposes. Letters were mailed by the majority of each organizational type except trust companies which relied on interviews and telephone calls.

Banks more frequently reported that clients rather than staff requested personal interviews. Approximately the same number of all other organizational types stated that clients and staff initiated interviews.

Personal interviews were arranged at least two days in advance by life insurance companies and social agencies. Other financial institutions held meetings the same day the client contacted the company.

Banks and social agencies reported meeting with the same client as often as was necessary. Life insurance companies met clients on a yearly basis. No distinguishable pattern emerged for the remaining organizational types.

When client dependency occurred, 60 percent of the banks and 50 percent of the investment companies responded by giving advice. Finance companies discussed the situation with the client. The remaining organizational types seemed to be unclear of their role on these occasions.

The perceived consequences (costs and benefits) of family financial management counselling were poorly expressed by all organizational types. A maximum of five employees were said to be involved in the counselling services of the majority of banks, credit unions, finance companies and investment companies. Credit unions, finance companies and social agencies reported that employees devoted up to 25 percent of their time to counselling. Half of the investment companies indicated that employees worked solely with financial counselling services. The most frequently mentioned benefit of offering these services was that business was gained by financial institutions. Seventy percent of the banks mentioned that clients gained knowledge; 50 percent of the social agencies stated that clients' welfare improved.

Family financial management counselling was planned to accommodate husbands and wives, adults, major wage earners, and lower middle and upper middle income people. High income people were considered by investment, life insurance and trust companies. Low income people were considered by the majority of credit unions, finance companies and social agencies. Social agencies also planned to include parents with children.

The majority of all organizational types perceived that husbands and wives, adults, major wage earners, and lower middle and upper middle income people actually participated in family financial management counselling. High income people were not perceived to be involved by credit unions, finance companies and social agencies; low income people were not perceived by investment, life insurance and trust companies; retired people were not perceived by finance or life insurance companies. Banks and life insurance companies thought that students were participating in counselling services. Parents with children were acknowledged by 63.6 percent of the social agencies.

Data on reciprocal awareness reveal that the majority of social agencies relied upon the Manual of Social Services in Manitoba when making referrals; financial institutions seemed unfamiliar with this manual. All of the banks, trust companies and social agencies both made and received referrals. Credit unions, finance, investment, and life insurance companies reported suggesting referrals slightly more frequently than receiving referrals. Department stores and investment companies tended not to refer clients to other department stores and investment companies respectively. All other organizations did make referrals to competitors within their own organizational type.

What are the Perceptions of Financial Institutions and Social Agencies Concerning the Acceptability of Person(s) Trained in Family Financial Management Counselling?

The Hiring Practices Questionnaire was designed to gather information concerning organizational perceptions of people trained in family financial management counselling. Formal educational status of current employees was determined to assess actual hiring practices. Information about the training of recent job applicants was gathered. Personnel directors were asked to rate the appropriateness of specific educational courses. Case studies were presented to assess the desirability of three university programs. Data collected from these questions will be discussed under separate sub-headings in the following paragraphs.

Current employees. Information on formal educational level was obtained for 426 employees working for 30 organizations (see Table 35). A total of 71.3 percent or 304 of these workers had taken at least some post-secondary course work. University or community college degrees had been completed by 224 employees or 52.6 percent. Of the 202 university degrees, 175 (86.6 percent) were bachelors degrees, and 27 (13.4 percent) were masters degrees. Social agencies were the main contributors to such high university figures, accounting for 139 bachelors and 17 masters level degrees in either social work, arts, or home economics. Social agencies also employed the largest number of high school dropouts. Eighty percent of these people were hired as paraprofessionals to accomplish field work in rural Manitoba. High school diplomas had been obtained by the majority of trust company employees (61.5 percent). Individuals working for life insurance companies had either completed grade 12 (32.5 percent) or some degree program (30 percent). Twenty people hold bachelors degrees and four hold masters degrees in arts, commerce, education, law, or science.

Table 35

Formal Educational Level of Employees Currently Working in Family Financial Management Counselling Offered by Organizational Type

$(N = 30 = \Sigma_i n_i)$

Educational Level	Total N	Total %	Credit Unions $n_1=4$	Finance Co. $n_2=3$	Investment Co. $n_3=4$	Life Ins. Co. $n_4=8$	Trust Co. $n_5=3$	Social Agencies $n_6=8$
Less than grade 12	54	12.7	0	1	2	11	0	40
High school diploma	68	16.0	11	3	3	26	24	1
Some university	47	11.0	11	5	4	12	11	4
Some community college	33	7.7	12	3	0	3	0	15
Community college degree	22	5.2	7	0	0	4	0	11
University degree	202	47.4	4	0	14	24	4	156
TOTAL	426[a]	100.0	45	12	23	80[a]	39	227

[a]Five more employees were recorded as currently working with family financial services, but no educational levels were given.

Fourteen investment company employees or 60.9 percent obtained university diplomas in agriculture, arts, commerce, or engineering. Eight were bachelors and six were masters degrees. Finance companies, on the other hand, hired 8 people (66.7 percent) with some post-secondary education. Credit unions hired 34 employees (75.5 percent) with a minimum of a partial degree. Four of these post-secondary degree employees (36.4 percent) completed bachelors degrees in arts, commerce, or science.

Personnel directors were also asked to specify the number of current employees having similar educational backgrounds to the case studies. Six financial institutions employed 10 arts graduates; seven financial institutions employed 15 commerce graduates; three organizations (financial institutions and social agencies) employed 35 home economics graduates. One organization hired 88.6 percent of these home economists.

Job applicants. Concerning advertisements for employees, four organizations each had advertised for arts and commerce graduates. Two social agencies had advertised for home economics graduates.

When asked about actual applicants for jobs in 1977, half of the 24 respondents thought that applicants were appropriately trained; half perceived inadequate training. The levels of formal education perceived to be appropriate varied from one organization receiving 80 percent of their applications from graduates with masters degrees and 20 percent from graduates with bachelors degrees to another organization receiving 85 percent of their applications from high school graduates, 10 percent from community college or university drop outs, and five percent from university graduates at the bachelors level. Inadequate training was mentioned by one organization receiving applications solely from university graduates, 75 percent held bachelors and 25 percent held masters degrees.

Another organization indicated a lack of training when 60 percent of the applicants were high school drop outs, 10 percent had high school diplomas, 20 percent experienced some post-secondary education and 10 percent obtained university degrees. Lack of job related experience was mentioned for both appropriately and inadequately trained applicants.

Formal areas of study desired of job applicants. Personnel directors were asked to rate the appropriateness of specific areas of study in preparing individuals to work with family financial services. A total of 28 organizations rated each course of study as being needed, helpful or not helpful. These answers were weighted by placing a value of five for each "needed" answer, three for each "helpful", and one for each "not helpful" response. This produced a series of numbers for each area of study which were added and then placed in descending order in Table 36. These numbers in rank order range from a possible maximum of 240 to a possible minimum of 28.

The four formal areas of study ranked as most important to personnel in family financial services are: communication skills at 128, family finance at 119, consumer economics at 104, and counselling at 99. The descent in weighted values is very gradual from "taxation" through to "housing". Public speaking and family law are ranked about midway on the list; business law and social problems tied at 74 each. The last four formal areas of study, personnel management, other languages, French and advertising, again reveal larger differences between weighted values.

Table 36

Formal Areas of Study Desired of Personnel to Work with Family Financial Management Counselling

(N = 28)

Formal Area of Study	Weighted Values[a]
Communication skills	128
Family finance	119
Consumer economics	104
Counselling	99
Taxation	92
Financial institutions	90
Financial accounting	89
Economics	88
Business organization	87
Public relations	87
Marketing	85
Public speaking	83
Family law	82
Corporation finance	77
Family relations	76
Business law	74
Social problems	74
Housing	71
Personnel management	63
Other languages	60
French	53
Advertising	45

[a]Raw data is reported in Appendix H.

Once personnel were hired for positions in family financial services, 22 organizations or 71 percent provided training programs. This included two credit unions, three finance companies, four investment companies, five life insurance companies, two trust companies, and six social agencies surveyed.

Case studies. Personnel directors were presented with three case studies. Case I was an arts graduate who majored in economics. Case II was a commerce student who majored in general business. Case III was a home economics graduate who majored in family economics and management. Questions were posed to determine the acceptability and desirability of each.

A total of 16 of the 25 responding organizations, 64 percent, would have considered hiring the commerce graduate; 15 respondents (60 percent) would have considered the home economics graduate; 13 organizations (52 percent) would have considered the arts graduate. One manager wrote, "Case I [arts graduate] would be the least likely to succeed, Case III [home economics] graduate the most likely". All three case studies would have been considered by 11 personnel directors (44 percent). Five organizations or 20 percent refused to consider hiring any of these case studies because they were perceived to be overly educated and difficult to motivate, to have insufficient practical experience, or to lack courses in a specific area. One organization would only consider hiring social work graduates.

In response to an open-ended question, 22 organizations specified the type of positions each case study could fill within the respective company (Appendix I). Commerce graduates could fill a total of 18 positions in 15 organizations; home economists could fill 15 positions in 13 organizations; arts graduates could fill 14 positions in 13 organizations. Management and sales jobs were mentioned most frequently at 16 responses each.

When hiring specifically for family financial management counselling positions, 15 of 22 respondents (68.2 percent) would consider commerce graduates; 13 organizations or 59.1 percent would consider home economics graduates; 10 respondents or 45.5 percent would consider arts graduates. All three case studies would have been considered by eight organizations or 36.4 percent. Four personnel directors would not consider any of these case studies; no reasons were stated.

A total of 21 organizations identified weaknesses in the formal education of each case study (Table 37). Lack of practical experience was mentioned 16 times. Individual personality and aptitude were considered to be very important in 14 cases. In 13 instances, formal education was considered to be inappropriate in orientation. The arts graduate was criticized for being too social work oriented. Both the arts and commerce graduates were not sufficiently family or market oriented. The home economics graduate was criticized for being too family oriented and not sufficiently market oriented. Specific courses such as methods of financing and financial services were lacking in eight cases. Six respondents expressed concern that motivation and job satisfaction might be limited due to high expectations on the part of graduates.

Table 37

Weaknesses Perceived in Formal Education of Case Studies

(N = 21)

Weaknesses	Total	Case I Arts	Case II Commerce	Case III Home Economics
Lack of practical experience	16	6	5	5
Personality/aptitude	14	5	5	4
Inappropriate orientation	13	5	4	4
Lack courses	8	3	2	3
High expectations	6	2	2	2

Are there differences in perceptions of the acceptability of person(s) trained in family financial management counselling within and among financial institutions and social agencies? Results do suggest differences in perception by organizational type. However, this data must be interpreted cautiously because cell sizes are small.

Banks and department stores did not perceive their services as family financial management counselling and therefore did not perceive the need to hire personnel with training specific to this area. Social agencies reported hiring the largest number of employees at both extremes of the educational continuum. A total of 74.6 percent of the degree personnel and 74.1 percent of the high school drop outs worked for social agencies. Social agencies hired 88.6 percent of the home economists while financial institutions hired arts and commerce graduates. The majority of investment company employees held university degrees with 42.9 percent being at the master's level. A partial university education characterized most of the finance company personnel. Life insurance and credit union employees had either completed some post-secondary course work or graduated from grade 12. Trust company employees tended to be high school graduates.

Very few financial institutions or social agencies advertised for employees by requesting a specific degree. Perceptions regarding the appropriateness of the formal education obtained by 1977 job applicants varied, but not by organizational type. Half of the respondents thought applicants were appropriately trained; half perceived inadequate training. All organizational types criticized both appropriately and inadequately trained applicants for their lack of job related experience. On-the-job training programs were offered by 71 percent of the organizations.

The majority of social agencies reported that half of the 22 formal areas of study were desired of job applicants. Financial institutions thought that a range of 16 to 20 courses were either needed or helpful. Both financial institutions and social agencies desired the following: communication skills, consumer economics, counselling, economics, family finances and financial institutions. Family law was considered useful by all organizational types except trust companies. Life insurance companies were the only organizational type to desire French. The following courses were thought to be needed or helpful by financial institutions and not helpful by social agencies: business law, business organization, corporation finance, financial accounting, marketing, personnel management, public relations, public speaking and taxation. Housing and other languages were reported as helpful by the majority of credit unions, life insurance companies and social agencies. Social problems were identified by the majority of credit unions, finance companies and social agencies.

Over 50 percent of all organizational types would consider hiring the arts, commerce and home economics graduates. Management and sales positions would have been offered by the majority of financial institutions. When hiring specifically for family financial management counselling positions, less than 50 percent of the organizational types would have considered arts graduates.

All organizational types mentioned that each case study lacked practical experience. Several financial institutions thought that motivation and job satisfaction might be limited due to high expectations on the part of graduates. Life insurance and trust companies indicated that individual personality and aptitude were more important than previous experience or university degrees.

Is the Family Financial Management Counselling Available to Families in Winnipeg Perceived by Financial Institutions and Social Agencies as being Adequate?

Of the representatives from the 98 organizations surveyed, 45 thought that the system was inadequate; 31 thought it to be adequate; 20 did not know; two would not comment (Table 38). Twice as many banks rated the Winnipeg system as adequate rather than inadequate. Credit unions were evenly split on the issue. All other organizational types tended to sense inadequacy.

Table 38

Perception by Organizational Type of the Adequacy of Family Financial Management Counselling Available to Individuals and Groups in Winnipeg

Organizational Type	N	Inadequate		Adequate		Did Not Know	
		n	%	n	%	n	%
Banks	11	3	27.3	6	54.6	2	18.2
Credit Unions	16	5	31.3	5	31.3	6	37.5
Department Stores	4	2	75	1	25	0	0
Finance Companies	16	10	62.5	4	25	2	12.5
Investment Companies	8	3	37.5	2	25	3	37.5
Life Insurance Companies	22	8	36.4	7	31.8	5	22.7
Trust Companies	10	7	70	2	20	2	20.0
Social Agencies	11	7	63.6	4	36.4	0	0
TOTAL	98	45	45.9	31	31.6	20	20.4

What recommendations can be identified for improving family financial management counselling? Organizational responses to an open-ended question were categorized and summarized in Table 39. The implementation of family financial management education was suggested by 39 organizations or 68.4 percent. This included courses in: high schools (19 responses), universities (eight responses), junior high schools, (seven responses), adult education (three responses), and continuing education, and community college (two responses each). Courses sponsored by financial institutions, ethnic groups, pre-marital groups, pre-admission immigrant programs, the church, and the YWCA/YMCA were mentioned by 28 organizations. A new financial counselling service was suggested by 11 organizations, including five finance companies. Ten organizations mentioned using advertisements to better publicize existing services.

Table 39

Recommendations to Improve Family Financial Management Counselling in Winnipeg

(N = 57)

Recommendations	Response Rate n	%
Courses in educational institutions	39	68.4
Organizations sponsoring courses	28	49.3
New financial counselling service	11	19.3
Advertisements to publicize services	10	17.5
Bankruptcy Act changes	2	3.5
Government service accessibility and expansion	2	3.5

What is the future role and potential of family financial management counselling? Responses by 59 organizations to an open-ended question have been categorized and are presented in Table 40. Potential was considered to be very good by 57.6 percent of the organizations. This included five (71.5 percent) of the investment companies and seven (70 percent) of the social agencies. No change in potential was anticipated by 18.6 percent of the respondents. People need counselling, according to 32.2 percent of the organizations. Public schools and financial institutions were thought to be responsible for family financial management

Table 40

Opinions by Organizational Type Concerning the Future Role and Potential of Family Financial Management Counselling

($N = 59 = \Sigma_i n_i$)

Opinions	Total N	Total %	Banks $n_1=9$	Credit Unions $n_2=14$	Dept. Stores $n_3=3$	Finance Co. $n_4=14$	Invest-ment Co. $n_5=7$	Life Ins. Co. $n_6=16$	Trust Co. $n_7=9$	Social Agencies $n_8=10$
Potential: very good	34	57.6	2	6	3	6	5	4	1	7
People need counselling	19	32.2	3	4	1	3	1	5	2	0
Role of public schools	14	23.7	2	2	1	1	1	4	2	1
Potential: no change	11	18.6	1	0	0	3	0	4	3	0
Role of financial institutions	11	18.6	2	2	1	0	2	3	1	0
Role: to increase family involvement	10	16.9	1	2	0	3	0	1	2	1
Role: to teach people to live within their means	10	16.9	0	4	0	2	0	2	0	2

counselling by 23.7 and 18.6 percent of the respondents respectively. The importance of increasing family involvement and instruction to live within one's means were each stressed by 16.9 percent of the organizations.

Under what auspices would financial institutions and social agencies support the establishment of a new non-profit family financial management counselling service? Educational institutions were mentioned 132 times by 89 organizations or 94.7 percent of the respondents (Table 41). This included: high schools (39 responses), universities (34 responses), community and business colleges (25 responses), junior high/ senior high schools (21 responses), and elementary schools (13 responses). Banks were the second most frequently supported organization, receiving 78 responses or 83 percent. Legal resources, such as individual lawyers, Legal Aid and the Manitoba Bar Association, received 76 responses or 80.9 percent. Non-government agencies were supported 73 times (77.7 percent); three specifically mentioned the Salvation Army, three said Family Service Bureau, another two referred more generally to family/marriage counselling, two named the United Way, two the YMCA, one the Main Street Project, one Gamblers' Anonymous, one Alcoholics' Anonymous, one mentioned housing assistance for the elderly, and one financial institution commented "CAC is ideal". An advisory service established under credit union auspices was supported by 72 organizations or 76.6 percent. Government agencies[1] were supported by 71 respondents (75.5 percent). The agencies named one or more times included: Orderly Payment of Debts, Bankruptcy Courts, Home Economics Directorate, Consumers' Bureau, Welfare and Unemployment, the Rentalsman, Central Mortgage and Housing

[1]Names of governmental departments and social agencies are reported as of data collection.

Table 41

Support of Organizations Establishing a New, Non-Profit Family Financial Management Counselling Service

$(N = 94 = \Sigma_i n_i)$

Organizations	Total N	Total %	Banks $n_1=9$	Credit Unions $n_2=16$	Dept. Stores $n_3=4$	Finance Co. $n_4=16$	Investment Co. $n_5=7$	Life Ins. Co. $n_6=21$	Trust Co. $n_7=10$	Social Agencies $n_8=11$
Educational institutions	89	94.7	8	16	4	16	7	19	9	10
Banks	78	83.0	8	14	3	12	6	18	10	7
Legal resources	76	80.9	8	13	4	13	5	17	10	7
Non-government agencies	73	77.7	7	14	3	14	4	17	6	8
Credit unions	72	76.6	7	15	3	11	4	15	10	7
Government agencies	71	75.5	6	14	3	14	5	16	6	9
Investment companies	65	69.1	7	14	2	14	5	14	8	4
Trust companies	65	69.1	8	11	2	12	6	11	9	6
Life insurance companies	63	67.0	6	11	2	11	3	18	9	5
Finance companies	58	61.7	5	9	3	9	3	12	9	5
Department stores	54	57.4	6	10	4	8	3	13	8	4
Clergy	50	53.2	5	11	1	11	2	11	5	5

Corporation, Revenue Canada, the Department of Education, the Chamber of Commerce, and Town Council. Investment and trust companies were supported by 65 organizations each or 69.1 percent. Life insurance companies trailed by two (67 percent). Finance companies received 58 responses, (61.7 percent), department stores received 54 (57.4 percent) and the clergy received 50 (53.2 percent).

The majority of banks, credit unions, finance companies, and life insurance companies verbally supported all the organizations listed. Between 70 and 75 percent of the department stores, investment companies, and trust companies opposed the clergy entering the financial counselling field. Social agencies were the most discriminating organizational type, denying majority support for investment, life insurance, and finance companies, department stores, and clergy.

This concludes the reporting of results obtained from the Hiring Practices and Family Financial Services questionnaires. Specific research questions were answered within the context of three more encompassing purposes. These were: to determine the type, extent, and differences in family financial management counselling available to families in Winnipeg; to determine financial institutions' and social agencies' perceptions of the acceptability of person(s) trained in family financial management counselling; and to identify recommendations for improving family financial management counselling in Winnipeg. Some of the reasons for and implications of these findings will be discussed in the next chapter.

Chapter 5

DISCUSSION

The contents of this chapter will be divided into four sections. Major findings will first be discussed. Limitations of the present study and methodological issues will follow. The third section will emphasize recommendations for future research. A summary concludes the chapter.

Major Findings

A total of nine major findings resulted from the present study. These concern which organizations and personnel counsel, the content and orientation of counselling, client dependency, and recommendations for improving family financial management counselling in Winnipeg.

First, a contradictory perception exists within organizational types as to their involvement in family financial management counselling. Involvement was acknowledged by 91.8 percent of the Family Financial Services interviewees and denied by 67.7 percent of the mailed Hiring Practices respondents. Numerous factors might have contributed to this apparent contradiction. Interviews were preceded by telephone calls to explain the study and/or set up appointments. This allowed time for respondents to think about their services. Respondents declared their commitment to the research by scheduling an appointment. Such commitment coupled with the face-to-face assistance by the interviewer might have encouraged positive, explanatory answers. Since only one page of a 14 page interview schedule would have been skipped by respondents answering negatively, the incentive to do so was minimized. Financial services were identified individually before the question of counselling arose. This process perhaps provided an easy transition from factual to interpretive answers, which resulted in positive responses. The Hiring Practices Questionnaire, on the other hand, was unsolicited mail that unexpectedly arrived on personnel directors' desks. Responsiveness depended solely upon individual initiative. The length of the questionnaire, eight pages plus a cover letter, might have been a negative influence. The first question immediately required respondents to apply a specific term, as defined in the introduction, to their services. Misunderstanding of this term could have contributed to negative responses. Also, responding negatively to the first question terminated the need for further responses yet fulfilled the request for cooperation in the study. All factors being considered, participants in the Family Financial Services interviews were more predisposed to affirm the counselling question while recipients of the Hiring Practices Questionnaire were more predisposed to negate it.

The above predisposition did little to influence two organizational types. Credit unions and finance companies were relatively consistent in their responses to mailed and interview questions about involvement in family financial management counselling. There are two possible reasons for the occurrence of this result. The first explanation is the researcher's assumption that all financial institutions are implicitly involved in counselling is false. But if this were the case, why did 91.8 percent of the interviewers acknowledge involvement? The second possible explanation is the research design problem, outlined above, that people responded more favourably to interviews than mailed questionnaires. But if this were the case, why did credit unions and finance companies respond similarly in both situations? Perhaps these two organizational types did in fact consistently recognize their involvement in family financial management counselling. The other organizational types might not be as convinced of their involvement and were therefore influenced by the research approach. Perhaps personnel directors in the latter organizational types have different perceptions of involvement in family financial management counselling than do employees who counsel.

A second major finding indicates that financial management group education sessions were offered by 81.8 percent of the social agencies and 16.1 percent of the financial institutions, for a total of 23 organizations. In response to this question, an undocumented number of organizations voluntarily expressed willingness to sponsor group programs by providing speakers, written materials, and/or meeting facilities if a sizable audience could be assured. Lack of attendance was mentioned as being a problem in the past. Titles of courses offered by social agencies seemed to stress family finances while those for financial institutions stressed finances in relation to the economy.

A third major finding marks differences in the credit granting and group education components of family financial management counselling. Credit was granted by 94.3 percent of the financial institutions contrasted with 9.1 percent of the social agencies. These results strongly suggest that credit granting is a business venture rather than a task for governmental or non-governmental social agencies.

In the fourth major finding, job titles and role responsibility of people involved in family financial management counselling were found to be consistent across financial institutional types, but inconsistent for social agencies. Managers, at various levels, were identified as having financial counselling responsibilities in all financial institutions except investment companies. Representatives were identified by finance, investment and life insurance companies. Perhaps social agencies provide diverse services that prevent the establishment of commonly used job titles.

Responses to portions of the mailed questionnaire resulted in a fifth major finding. When asked about hiring practices, over 50 percent of all organizational types would consider hiring the arts, commerce and home economics graduates for management and sales positions. Commerce graduates were more likely to be hired for family financial management counselling positions. The arts case study was criticized for being too social work oriented even though it contained the same number of socially oriented courses as did the commerce case study.

Organizations rarely advertised for employees by specifying degree requirements. Work related experience was considered very important. Lack of job experience was the most frequently mentioned criticism of job applicants and the three case studies presented. Consequently, it seems advisable for students to seek relevant work experience while enrolled in a degree program. Faculties of Arts, Administrative Studies and Home Economics could coordinate more field work or practicum experiences during the school term. Students and faculties alike should sell the content of course work and practicums as substitutes for requested experience.

A sixth major finding indicates that the orientation of family financial management counselling varies significantly by organizational type. Preventive intermediary action was undertaken significantly more often by life insurance companies, trust companies and social agencies. This is consistent with the fact that most social agencies offered financial management group education programs which Rasmussen (1977) defined as preventive oriented. Trust companies fulfill a fiduciary role which is preventive in nature. Life insurance companies provide services which plan for future eventualities which, by nature, are preventive in orientation.

Crisis oriented counselling was undertaken significantly less often by life insurance companies. Although life insurance policies are by nature preventive in orientation, the fact that human death activates a claim also points to crisis intervention. Yet this does not seem to be recognized. Application by clients for loans against the cash value of policies does not seem to be considered a crisis activity either.

Progressive oriented counselling was acknowledged the least frequently by social agencies, finance companies and department stores. This is understandable because these organizational types do not market complex financial services such as investments or life insurance which, by nature, are progressive.

Variance in the orientation of family financial management counselling by organizational type tends to shift the burden of seeking assistance onto the family. Instead of receiving holistic analysis and guidance on financial matters, families obtain help in bits and pieces from various organizations. Family members must, presumably, be confident, know where to go for a particular kind of advice, and ask the appropriate questions to elicit the required information. This is a matter of concern both for families and people working with families in need of financial management skills. Non-holistic counselling is perhaps more manipulative by encouraging families to use particular services without understanding the families' needs, wants or income limitations.

In the seventh major finding, client dependency was acknowledged by 66.3 percent of the organizations surveyed. An undocumented number of respondents spontaneously vocalized surprise at the inclusion of this issue; most had difficulty articulating a response. Answers were general and seemed to reinforce the client's dependency. These included: give advice, discuss the situation, interview personally, present alternatives, and provide the help clients want. Dependency might be linked to the fact that clients and staff rarely met only once. Yearly meetings or interviews based on need perhaps unwittingly encouraged dependency. Varying philosophical approaches concerning the desirability of dependency might also be a factor.

Eighth, the family financial management counselling system in Winnipeg was considered to be inadequate by 45.9 percent of the 97 respondents and adequate by 31.6 percent; 20.4 percent did not know; and two percent refused to comment. The latter two figures seem to indicate the insular position of employees. That is, a particular role is being fulfilled in an organization without the broader knowledge of how that role or organization fits into the overall scheme of services.

Educational institutions, in the ninth major finding, received verbal support by 94.7 percent of the 89 organizations identifying auspices for a new non-profit family financial management counselling services. Every level from elementary school to university was specifically mentioned. Such a high response rate may indicate interviewer bias. Respondents might have been predisposed to support educational institutions because the interviewers were university students and the study was sponsored by a department on the University of Manitoba campus. However, these results are consistent with recommendations to an open-ended question about improving the family financial management counselling system in Winnipeg.

A total of 68.4 percent of the 57 respondents suggested that educational institutions, from junior high schools through to universities and community colleges, offer specific courses. This result does not substantiate data from the Canadian Council on Social Development study in 1971. Government agencies followed by credit unions were found to be the most favoured and least opposed auspices for debt counselling. This seems to suggest that family financial management counselling was interpreted more broadly in the present study, as was intended, than the term debt counselling may have been interpreted in 1971.

A range of 53.2 to 83 percent of respondents inthe present study verbally supported all of the remaining organizational types as auspices for a new non-profit family financial management counselling service. The clergy were supported the least frequently. An undocumented number of negative reservations were specifically directed towards clergy involved in family financial management counselling. It seems that the clergy are perceived as not having sufficient training in the financial management area.

Limitations and Methodology

The major limitation of the present study is the number of small cell sizes and non-mutually exclusive categories which prohibited more extensive use of analytical statistics. Consequently, analysis of the data was limited to descriptions.

A number of methodological peculiarities arose during the course of the present research. Some were the result of planned procedural differences that contrasted previous studies; others were unexpected problems. Each of these issues will be discussed in turn.

The Canadian Council on Social Development (1971) and Puckett (1976) completed nation-wide surveys of a limited number of organizations specifically identified as offering debt/credit counselling. The present study concentrated its efforts in one city, Winnipeg, Manitoba, with data being obtained from a comprehensive sample of social agencies and financial institutions. It was assumed that all financial institutions, by virtue of their intermediary role, would be involved in financial management counselling. Like the Canadian Council on Social Development, the present researcher developed a two phase project involving both personal interviews and mailed questionnaires.

Interviewing banks proved to be difficult because individual branch managers were approached prior to obtaining permission from head offices. Banking policy places public relations and formal bank comments under the jurisdiction of regional management. Consequently, three regional managers consented to interviews rather than permit individual contact with a total of 12 branch managers. Official permission from regional management was successfully obtained by eight branch managers before participating in interviews.

The total response rate from the Hiring Practices Questionnaire was 70.1 percent. This included 89.7 percent of the social agencies and 64.3 percent of the financial institutions sampled. Response rates of 50 percent and 63.8 percent were obtained by The Canadian Council on Social Development (1971:106) and Puckett (1975:9) respectively. Higher response rates in the present study might be due to early summer mailings (after the peak business season, yet before staff vacations) and the possibility for interested respondents to receive the results.

Having insufficient records to complete the Hiring Practices Questionnaire was reported by only one percent of the financial institutions compared with 25 percent in The Canadian Council on Social Development study (1971:106). This comparison is interesting because both instruments were mailed questionnaires sent to similar types of organizations. The reason for the difference in results may be due to the content of each questionnaire. The Canadian Council on Social Development sought to determine information concerning the clientele served, the problems handled and the services offered (1975:108). The Hiring Practices Questionnaire asked about current employees, job applicants and job training.

Recommendations for Future Research

Due to the exploratory nature of the present descriptive study, there are a number of ideas for future research. These will be outlined in the hope that others will be encouraged to undertake investigations in family financial management counselling.

Numerous methodological suggestions for future research arise from this study. A screening mechanism could be developed to identify rather than assume financial institutions' involvement in family financial management counselling. Instrument development and use could be analyzed to determine the effect of interviewing versus mailed questionnaires on the quality of responses.

The researcher's assumption that perceptions of and involvement in family financial management counselling are the same should be empirically tested. Respondents might have a tendency to overstate the situation in an attempt to present a good image. Perceptions and activities of various employees within an organization could be compared to determine continuity of company policy and consistency of the services offered. Clients' subjective attitudes and objective behavioural changes resulting from counselling services could also be explored. The impact of specific services, such as family financial management group education programs, requires more thorough analysis before increased efforts can be recommended. Biased perceptions of case studies as too "social work", "family" or "business" oriented suggest the need for future investigations of the image that particular degrees connote.

Job titles of people involved in family financial management counselling provide little indication of how effectively these employees communicate financial management principles. Rogers and Shoemaker (1971) state that the most effective transfer of desired change occurs in face-to-face situations when both the change agent and the family are similar. Further research is required to identify the degree of similarity between counsellor and client and its relation to the diffusion of financial management principles.

Numerous questions on the Family Financial Services interview schedule require rewording to narrow the meaning and clarify the intent. It remains unclear whether the researcher's use of terminology differed from that of organizational types or whether interpretation varied among respondents. More extensive use of forced-choice rather than open-ended questions might prove beneficial. Some questions requiring future research include: preventive reasons for discussing finances; financial topics discussed during personal interviews and group sessions; the degree of influence staff exert on clients' financial decision-making; the desirability of client dependency; perceived consequences of counselling; and the reciprocal awareness of family financial management counselling.

Further research is desirable to refine the usefulness of the preventive/crisis/progressive orientation of family financial management counselling. This framework is substantiated in the present study, however, clarification of items and replication to ensure reliability are necessary. The effect of non-holistic financial management counselling on families also deserves further attention. This framework identified two dichotomous situations. First, social agencies seem to recognize the family component of family financial management counselling while financial institutions recognize the financial component. Houghton (1975) states that a combination of technical and social work skills are necessary to effectively counsel. Further research is necessary to determine the reason for and the extent of skill dichotomizing by organizational type. A second dichotomy finds financial institution representatives, on the one hand, expecting clients to be personally responsible and publicly accountable for repaying debts on schedule rather than declaring bankruptcy; yet on the other hand, stating that family conflict over finances is a private matter that is not discussed during interviews. This implies that the line between public and private concerns might be drawn too late. Families need active assistance on a more preventive basis long before the threat of delinquency and bankruptcy. Future investigations are required to more fully explore this paradox and recommend solutions that balance manipulation and freedom of choice (Kelman, 1968). Further research should also be conducted to determine the educational system's perceptions of and involvement in offering family financial management counselling courses.

<u>Summary</u>

The present study identified nine major findings. They concern the organizations and personnel who counsel, the content and orientation of counselling, client dependency, and recommendations for improving family financial management counselling in Winnipeg.

Small cell sizes and non-mutually exclusive categories proved to be limiting factors that require future research. Other suggestions for future research include: rewording items to improve understanding by organizations, evaluating the effectiveness of family financial management counselling, comparing subjective perceptions with objective measures of organizations' involvement in counselling, refining the preventive/crisis/progressive framework, and controlling the image of case studies presented to personnel directors. Continued research efforts in these areas will enhance understanding of and involvement in family financial management counselling.

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APPENDICES

APPENDIX A

Hiring Practices Questionnaire

FAMILY FINANCIAL SERVICES SURVEY

21-1373 PORTAGE AVENUE
WINNIPEG, MANITOBA
R3G 0V8

I am interested in receiving results of this study.

Please send to: ______________________________

____

____

____

____

HIRING PRACTICES QUESTIONNAIRE

The purpose of this study is to identify the broad spectrum of family financial services available in Winnipeg. Questions have been developed to be generally understood by a variety of people. For this reason, some words may not be words commonly used by your organization. One such term may be family financial services. Family financial services include any contacts with either groups or individuals to help them spend, save or invest their money more effectively.

Is your organization involved in family financial services as defined for this study?

_____ Yes Please continue to answer the following questions to the best of your ability. Answers will be interpreted as your perceptions of activities of the company that you represent.

_____ No Thank you for your time. There is no need for you to complete the remainder of this questionnaire. Please RETURN THIS QUESTIONNAIRE in the stamped, self-addressed envelope.

A. STAFF

1. How many employees are currently working with the family financial services offered by this organization? ______________ (number)

a. For each of these employees, please indicate the type of formal education they have.

Total No.

_____ have less than grade 12

_____ have a high school diploma

_____ have some university (no degree)

_____ have some business or community college (no degree)

_____ have a business or community college degree

_____ have a university degree

From what faculties have these university degree(s) generally been granted? ______________________________

____

How many of these degrees are:

_____ bachelors?

_____ masters?

_____ other? Specify: ______________________________

2. Of the job applicants in 1977 for family financial services, please estimate the PERCENTAGE with the following education:

_____ not applicable -- no applicants

_____ have less than grade 12

_____ have a high school diploma

_____ have some university (no degree)

_____ have some business or community college (no degree)

_____ have a business or community college degree

_____ have a university degree

100%

_____ bachelors?

_____ masters?

_____ other?

100%

3. What is your perception of people applying for jobs with this organization? Are they over trained, appropriately trained or under trained?

_____ over trained

_____ appropriately trained

_____ under trained

Please explain. ____

____

____

4. People working in family financial services may have various areas of formal study. In selecting personnel to work in family financial services, which of the following areas of formal study would be needed, helpful but not needed or not helpful? CIRCLE THE APPROPRIATE WORD

Formal Area of Study			
Advertising ____________	Needed	Helpful	Not Helpful
Business law ____________	Needed	Helpful	Not Helpful
Business organization ____________	Needed	Helpful	Not Helpful
Communication skills ____________	Needed	Helpful	Not Helpful
Consumer economics ____________	Needed	Helpful	Not Helpful
Corporation finance ____________	Needed	Helpful	Not Helpful

(list continues on the next page)

Counselling ______________	Needed	Helpful	Not Helpful
Economics ______________	Needed	Helpful	Not Helpful
Family finance ______________	Needed	Helpful	Not Helpful
Family law ______________	Needed	Helpful	Not Helpful
Family relations ______________	Needed	Helpful	Not Helpful
Financial accounting ______________	Needed	Helpful	Not Helpful
Financial institutions ______________	Needed	Helpful	Not Helpful
French ______________	Needed	Helpful	Not Helpful
Housing ______________	Needed	Helpful	Not Helpful
Other language(s) ______________	Needed	Helpful	Not Helpful
Marketing ______________	Needed	Helpful	Not Helpful
Personnel management ______________	Needed	Helpful	Not Helpful
Public relations ______________	Needed	Helpful	Not Helpful
Public speaking ______________	Needed	Helpful	Not Helpful
Social problems ______________	Needed	Helpful	Not Helpful
Taxation ______________	Needed	Helpful	Not Helpful

Others (specify) ____

____

5. Does this organization have a training program for employees involved with family financial services?

_____ Yes

_____ No

B. CASE STUDIES

The following coloured pages contain 3 case studies written to describe different people with varying education, work experience and interests. Please consider each case study individually as you would a job applicant. Read Case Study I and complete the following questions for this case. Handle Case Studies II and III in a similar manner.

1. Does this case study describe a person that this organization would consider hiring? CHECK YES OR NO

YES Case I _____ Case II _____ Case III _____

NO I _____ II _____ III _____

Please explain why not. (then skip to question 2) ____________

____

____

a. What types of positions could such a person fill with this organization?

Case I _______________________________________

____

II _______________________________________

____

III _______________________________________

____

b. Does this case study describe a person that this organization would consider hiring for a family financial services position, if such a position was open?

YES Case I _____ Case II _____ Case III _____

NO I _____ II _____ III _____

c. How many employees currently working with this organization have a similar background?

Similar to Case I __________ (number) Similar to Case II __________ (number)

Similar to Case III __________ (number)

Unable to answer this question _____ Why? ______________

____

____

____

d. Has this organization ever advertised for employees by requesting this university degree? CHECK YES OR NO

YES	Case I ____	Case II ____	Case III ____
NO	I ____	II ____	III ____

2. Considering the employment needs of this organization, what are the weaknesses in such a person's training?

Case I ______________________________

____

____

II ______________________________

____

____

III ______________________________

____

____

C. GENERAL

1. What is your present job title? ____________________

2. How long have you held this position? ____________________

THANK YOU FOR YOUR COOPERATION

CASE STUDY I

Education: Degree: Bachelor of Arts (Honors)

Major: Economics

Courses in Major: Social Welfare and Human Resources
Public Finance
Industrial Relations
Natural Resources Economics
Labour Economics
Modern Value Theory
Mathematics for Economists
National Income
Intermediate Economic Analysis
Principles of Economics

Other Courses: Introduction to Research Methods
Interpersonal Communication
Families in Societal Crisis
An Introduction to Land Resource Management
The Canadian Policy Process

Experience: Work: Employee at summer resort; bookkeeping, cabin cleaning, general store clerking, and short order cooking

Handled product knowledge for a consumers' group

Volunteer: Vice president for a church young people' group
Parks and recreation attendent

Interests: Swimming, pottery, reading, and camping

CASE STUDY II

Education: Degree: Bachelor of Commerce (Honors)

Major: General Business

Courses in Major: Organizational Behaviour and Systems Analysis
Corporation and Public Finance
Managerial Development and Economics
Personnel Management, Selection and Placement
Financial Management Theory and Behaviour
Administrative Theory and Policy
Government and Enterprise I & II and Commercial Law
Financial Accounting, Cost Accounting and Taxation
Investment and Financial Statement Analysis
Business Math

Other Courses: Introduction to Statistical Analysis
Real Estate: Topics and Investment Analysis
Consumer Behaviour
Families in Societal Crisis
Interpersonal Communications and Communications in Marketing

Experience: Work: Developed arts and crafts programs for young children and senior citizens; funded by STEP

Volunteer: Lifeguard and counsellor at church youth camp
Member of a singing group and choir

Interests: Curling, gourmet cooking, reading and hiking

CASE STUDY III

Education: Degree: Bachelor of Home Economics (Honors)

Major: Family Economics and Management

Courses in Major: Research Methods I & II
- Communication Principles and Techniques
- Family Development
- Advanced Study in Home Management
- Consumer Problems, Influences and Behaviour
- Housing and Environment
- Household Activity Analysis
- Family Resource Mangement: Environmental and Financial
- Family Financial Counselling

Other Courses: Principles of Economics
- Public Finance
- Labour Relations
- Business Math
- Administrative Theory and Policy

Experience: Work: Dispatcher for clothing manufacturer, also did some general accounting duties

In home and store demonstrations, media as well as public relations for a major appliance company

Volunteer: Supervisor for a church children's group

Student representative on faculty council

Interests: Skiing, golfing, reading and cycling

APPENDIX B

Family Financial Services Questionnaire

FAMILY FINANCIAL SERVICES SURVEY

21-1373 PORTAGE AVENUE
WINNIPEG, MANITOBA
R3G 0V8

I am interested in receiving results of this study.

Please send to: ____________________

____

____

____

____

FAMILY FINANCIAL SERVICES QUESTIONNAIRE

Since the purpose of this study is to identify the broad spectrum of family financial services available in Winnipeg, I would like to ask you some questions about the family financial services offered by this organization. The information you give will be strictly confidential. No individuals or organizations will be identified by name when information is analysed. Your questionnaire will be identified by a code number only to keep the types of organizations separate.

If you are interested in learning about the results of this study, please complete this form. The form is being handled separately to prevent the association of names with questionnaires.

A. COUNSELLING SERVICES

1. What family financial services are offered by your organization?

____

____

____

____

____

2. Does your organization see any of these as counselling services?

_____ Yes Which ones? ______________________________

____

____

_____ No --SKIP TO PART B, p. 3--

a. What are the job titles of employees involved in these counselling services? ______________________________

____

b. Counselling services can be PLANNED to accommodate various types of people. How frequently does your organization PLAN to involve each of the following family members?

Major wage earners only	____________	Rarely	Some-times	Often
Husbands & wives together	____________	Rarely	Some-times	Often
Parents & children together	____________	Rarely	Some-times	Often

c. How frequently does your organization PLAN to involve the following types of people?

Students ______	Rarely	Some-times	Often
Adults in general ______	Rarely	Some-times	Often
Mainly females ______	Rarely	Some-times	Often
Mainly males ______	Rarely	Some-times	Often
Retired people ______	Rarely	Some-times	Often

d. How frequently does your organization PLAN to involve people from the following income levels?

Low income people (under $7000 per year) ______	Rarely	Some-times	Often
Lower middle income people ($7-14,999 per year) ______	Rarely	Some-times	Often
Upper middle income people ($15-30,000 per year) ______	Rarely	Some-times	Often
High income people (over $30,000 per year) ______	Rarely	Some-times	Often

e. What are the costs of these financial counselling services to your organization? (man hours, time, money) ______

______

______

______

f. What benefits does your organization receive in return for offering the counselling services? ______

______

______

g. Various types of people ATTEND counselling services. How frequently are the following family members actually involved in the counselling services offered by your organization?

Major wage earners only ______	Rarely	Some-times	Often
Husbands & wives together ______	Rarely	Some-times	Often
Parents & children together ______	Rarely	Some-times	Often

h. How frequently are the following types of people actually involved in the counselling services offered by your organization?

Students ______	Rarely	Some-times	Often
Adults in general ______	Rarely	Some-times	Often
Mainly females ______	Rarely	Some-times	Often
Mainly males ______	Rarely	Some-times	Often
Retired people ______	Rarely	Some-times	Often

i. How frequently are people from the following income levels actually involved in the counselling services offered by your organization?

Low income people (under $7000 per year) ______	Rarely	Some-times	Often
Lower middle income people ($7-14,999) per year ______	Rarely	Some-times	Often
Upper middle income people ($15-30,000) per year ______	Rarely	Some-times	Often
High income people (over $30,000) per year ______	Rarely	Some-times	Often

j. What effects do you think the counselling services have on clients' behaviour and welfare? ______

______

______

______

k. What effects do you think the counselling services have on the community at large? ______

______

______

______

B. PERSONAL INTERVIEWS

1. How frequently do people contact your organization by:

Letter? ______	Rarely	Some-times	Often
Personal interview? ______	Rarely	Some-times	Often
Telephone? ______	Rarely	Some-times	Often

RARELY --PERSONAL INTERVIEWS: SKIP TO PART C, p.6--

a. How frequently are personal interviews requested by:

Clients?	______	Rarely	Sometimes	Often
Staff?	______	Rarely	Sometimes	Often

b. How long would clients generally wait for a personal interview?

____

c. How many times would staff usually meet with the same client?

______
(number)

d. In personal interviews, how frequently is the subject of individual or family finances raised? ______ Rarely Sometimes Often

RARELY--SKIP TO PART C, p. 6. --

e. How frequently is the subject of individual or family finances raised by:

Clients?	______	Rarely	Sometimes	Often
Staff?	______	Rarely	Sometimes	Often

f. There can be many reasons for discussing finances during personal interviews. How frequently are each of the following seen as reasons by your organization?

Clients need money	______	Rarely	Sometimes	Often
Clients misuse money	______	Rarely	Sometimes	Often
Clients lose track of money	______	Rarely	Sometimes	Often
Clients argue with family about money	______	Rarely	Sometimes	Often
Clients are in debt	______	Rarely	Sometimes	Often
Clients cannot meet payments	______	Rarely	Sometimes	Often
Clients' daily expenses are too high	______	Rarely	Sometimes	Often
Clients need insurance	______	Rarely	Sometimes	Often
Clients need general advice	______	Rarely	Sometimes	Often
Clients ask who in their family should handle their money	______	Rarely	Sometimes	Often
Clients need advice about wills	______	Rarely	Sometimes	Often
Clients want more savings	______	Rarely	Sometimes	Often
Clients want investment advice	______	Rarely	Sometimes	Often

Clients talk about estate building ______ Rarely Sometimes Often

Clients are concerned about gift taxes and succession duties ________________ Rarely Sometimes Often

Clients need to make better use of money_ Rarely Sometimes Often

Any other reasons? ____

____

g. In personal interviews, how frequently do:

Staff provide financial information to clients? ____________________ Rarely Sometimes Often

Staff explain financial alternatives and their consequences to clients? ________ Rarely Sometimes Often

Staff suggest financial plans for clients? ____________________ Rarely Sometimes Often

Staff help clients come to their own financial decisions? ________________ Rarely Sometimes Often

Staff and clients mutually agree on financial plans? __________________ Rarely Sometimes Often

h. A variety of financial topics can be discussed during personal interviews. How frequently are each of the following discussed with clients of your organization?

Financial Topics: Personal Interviews

Annual income patterns ________________Rarely Sometimes Often

Assets ________________________________ Rarely Sometimes Often

Comparative shopping __________________ Rarely Sometimes Often

Consumers' rights _____________________ Rarely Sometimes Often

Consumption patterns __________________ Rarely Sometimes Often

Credit use _____________________________Rarely Sometimes Often

Debts __________________________________ Rarely Sometimes Often

Dividends and interest ________________ Rarely Sometimes Often

Expenses _______________________________ Rarely Sometimes Often

Extending income by using family, community and governmental resources ____________ Rarely Sometimes Often

Financial Topics: Personal Interviews

Family involvement and cooperation in financial decisions ______	Rarely	Sometimes	Often
Financial plans ______	Rarely	Sometimes	Often
Financial record keeping ______	Rarely	Sometimes	Often
Fringe benefits ______	Rarely	Sometimes	Often
Goals and priorities ______	Rarely	Sometimes	Often
Housing ______	Rarely	Sometimes	Often
Human skills ______	Rarely	Sometimes	Often
Inflation ______	Rarely	Sometimes	Often
Insurance ______	Rarely	Sometimes	Often
Job choice ______	Rarely	Sometimes	Often
Life-style ______	Rarely	Sometimes	Often
Life time income patterns ______	Rarely	Sometimes	Often
Loans ______	Rarely	Sometimes	Often
Needs and wants ______	Rarely	Sometimes	Often
Retirement ______	Rarely	Sometimes	Often
Savings ______	Rarely	Sometimes	Often
Transportation ______	Rarely	Sometimes	Often
Values ______	Rarely	Sometimes	Often
Wills ______	Rarely	Sometimes	Often

C. HELPING CLIENTS IN FINANCIAL DIFFICULTY

1. Does your organization extend credit to clients?

_____ Yes

_____ No --SKIP TO #2, p. 7--

a. Applicants can be denied credit for a variety of reasons. How frequently does your organization offer clients a full explanation of why the credit application was denied? __ Rarely Sometimes Often

b. How frequently would clients be given suggestions for improving their credit risk? ______ Rarely Sometimes Often

2. Various alternatives can be proposed when helping clients in financial difficulty. How frequently are each of the following SOLUTIONS SUGGESTED by your organization?

Borrowing from friends or relatives _____	Rarely	Sometimes	Often
Consolidating debts _____	Rarely	Sometimes	Often
Contacting creditors _____	Rarely	Sometimes	Often
Converting personal property into cash _____	Rarely	Sometimes	Often
Converting real estate and investments into cash _____	Rarely	Sometimes	Often
Declaring bankruptcy _____	Rarely	Sometimes	Often
Decreasing daily expenditures _____	Rarely	Sometimes	Often
Extending payment periods without additional interest charges _____	Rarely	Sometimes	Often
Garnisheeing wages _____	Rarely	Sometimes	Often
Increasing employment of other family members _____	Rarely	Sometimes	Often
Moonlighting by major wage earner _____	Rarely	Sometimes	Often
Obtaining loans _____	Rarely	Sometimes	Often
Seeking paycheck advances _____	Rarely	Sometimes	Often
Using credit _____	Rarely	Sometimes	Often
Using Orderly Payment of Debts _____	Rarely	Sometimes	Often

Any other suggestions given (specify) _______________

____

3. How frequently does your organization act as an intermediary for clients by:

Contacting government services needed? _____	Rarely	Sometimes	Often
Extending credit or loans? _____	Rarely	Sometimes	Often
Negotiating with creditors about delinquent accounts? _____	Rarely	Sometimes	Often
Contacting collection agencies? _____	Rarely	Sometimes	Often
Holding money in trust? _____	Rarely	Sometimes	Often
Executing a will? _____	Rarely	Sometimes	Often
Managing an investment portfolio? _____	Rarely	Sometimes	Often

4. Does your organization ever follow up on clients' financial situations?

_____ Yes How frequently does this follow up involve:

Letters?	__________	Rarely	Sometimes	Often
Personal interviews?	__________	Rarely	Sometimes	Often
Telephone calls?	__________	Rarely	Sometimes	Often

_____ No

5. Do clients ever become dependent upon staff for financial advice?

_____ Yes How are these situations handled? __________

____

____

____

_____ No __________

D. REFERRALS

1. How frequently are clients referred to your organization by other organizations? __________ Rarely Sometimes Often

2. If clients seek services not offered by your organization, how frequently are referrals made to other organizations? __________ Rarely Sometimes Often

a. When making referrals, how frequently is the Manual of Social Services in Manitoba used? __________ Rarely Sometimes Often

b. Does your organization use any other listing or directories when referring clients to other organizations?

_____ Yes What are these? __________

_____ No __________

c. How frequently does your organization make referrals to each of the following organizations?

Banks	__________	Rarely	Sometimes	Often
Clergy	__________	Rarely	Sometimes	Often
Credit unions	__________	Rarely	Sometimes	Often
Department stores	__________	Rarely	Sometimes	Often
Educational institutions	__________	Rarely	Sometimes	Often

(specify) __________

MAKE REFERRALS TO:

Government agencies ________________ Rarely Some-times Often

(specify) ________________

Investment companies ________________ Rarely Some-times Often

Life insurance companies ________________ Rarely Some-times Often

Medical facilities ________________ Rarely Some-times Often

(specify) ________________

Non-governmental social agencies ______ Rarely Some-times Often

(specify) ________________

Trust companies ________________ Rarely Some-times Often

Any other agencies? ________________

____

E. GROUP EDUCATION

1. Is your organization involved in group education programs for clients?

_____ Yes

_____ No --SKIP TO PART F, p. 13--

a. Who is eligible to take these group education programs? ________

____

b. For group education programs, how frequently does your organization provide each of the following?

Speakers ________________ Rarely Some-times Often

(specify job titles) ________________

Audio visual material ________________ Rarely Some-times Often

Written material, pamphlets ________ Rarely Some-times Often

Monetary sponsorship ________________ Rarely Some-times Often

Meeting facilities ________________ Rarely Some-times Often

Program coordination ________________ Rarely Some-times Often

c. Is family financial management part of these group education programs? 10

_____ Yes What are these programs? ______________________________

____

____

How many sessions? ______________________________

____

_____ No --SKIP TO PART F, p. 13--

d. A variety of family financial management topics can be covered in group programs. How frequently are each of the following topics covered in the group programs offered by your organization?

Financial Topics: Group Education

Annual income patterns ______	Rarely	Some-times	Often
Assets ______	Rarely	Some-times	Often
Comparative shopping ______	Rarely	Some-times	Often
Consumers' rights ______	Rarely	Some-times	Often
Consumption patterns ______	Rarely	Some-times	Often
Credit use ______	Rarely	Some-times	Often
Debts ______	Rarely	Some-times	Often
Dividends and interest ______	Rarely	Some-times	Often
Expenses ______	Rarely	Some-times	Often
Extending income by using family, community and governmental resources ______	Rarely	Some-times	Often
Family involvement and cooperation in financial decisions ______	Rarely	Some-times	Often
Financial record keeping ______	Rarely	Some-times	Often
Fringe benefits ______	Rarely	Some-times	Often
Goals and priorities ______	Rarely	Some-times	Often
Housing ______	Rarely	Some-times	Often
Human skills ______	Rarely	Some-times	Often
Inflation ______	Rarely	Some-times	Often

Financial Topics: Group Education

Inflation ______	Rarely	Some-times	Often
Insurance ______	Rarely	Some-times	Often
Job choice ______	Rarely	Some-times	Often
Life-style ______	Rarely	Some-times	Often
Life time income patterns ______	Rarely	Some-times	Often
Loans ______	Rarely	Some-times	Often
Needs and wants ______	Rarely	Some-times	Often
Retirement ______	Rarely	Some-times	Often
Savings ______	Rarely	Some-times	Often
Transportation ______	Rarely	Some-times	Often
Values ______	Rarely	Some-times	Often
Wills ______	Rarely	Some-times	Often

e. Group programs dealing with family financial management can be PLANNED to accommodate different types of people. How frequently does your organization PLAN to involve each of the following family members?

Major wage earners only ______	Rarely	Some-times	Often
Husbands and wives together ______	Rarely	Some-times	Often
Parents and children together ______	Rarely	Some-times	Often

f. How frequently does your organization PLAN to involve each of the following types of people in these group education programs?

Students ______	Rarely	Some-times	Often
Adults in general ______	Rarely	Some-times	Often
Mainly females ______	Rarely	Some-times	Often
Mainly males ______	Rarely	Some-times	Often

g. How frequently does your organization PLAN to involve people from each of the following income levels?

Low income people (under $7000 per year) ______	Rarely	Some-times	Often
Lower middle income people ($7-14,999) per year ______	Rarely	Some-times	Often
Upper middle income people ($15-30,000) per year ______	Rarely	Some-times	Often
High income people (over $30,000) per year ______	Rarely	Some-times	Often

h. Sometimes group education programs are planned for a certain type of audience, yet an unexpected variety of people ATTEND. How frequently do the following family members ACTUALLY ATTEND group programs dealing with family financial management?

Major wage earners only ______________	Rarely	Some-times	Often
Husbands and wives together ____________	Rarely	Some-times	Often
Parents and children together __________	Rarely	Some-times	Often

i. How frequently are these group programs ACTUALLY ATTENDED by the following types of people?

Students ______________________________	Rarely	Some-times	Often
Adults in general ______________________	Rarely	Some-times	Often
Mainly females ________________________	Rarely	Some-times	Often
Mainly males __________________________	Rarely	Some-times	Often
Retired people ________________________	Rarely	Some-times	Often

j. How frequently are these group programs ACTUALLY ATTENDED by people from the following income levels?

Low income people (under $7000 per year) _	Rarely	Some-times	Often
Lower middle income people ($7-14,999) per year ___	Rarely	Some-times	Often
Upper middle income people ($15-30,000) per year __	Rarely	Some-times	Often
High income people (over $30,000) per year _______	Rarely	Some-times	Often

k. What are the costs, to your organization, of these group education programs dealing with family financial management? (man hours, time, money) ____

____

l. What benefits does your organization receive in return for offering these group education programs dealing with family financial management? ____

____

m. What effects do group education programs dealing with family financial management have on the behaviour and welfare of those attending the programs? ________________________________

____

n. What effects do these group education programs dealing with family financial management have on the community at large? ____________

____

____

F. WINNIPEG SYSTEM

1. Do you feel there is adequate family financial education available to individuals and groups in Winnipeg?

_____ Yes --SKIP TO #2--

_____ No

a. Do you have any thoughts as to what could be initiated or expanded to make the situation better?

_____ Yes What are these? ______________________

____

____

____

_____ No ______________________________

2. In your opinion, what is the future role and potential of family financial education in Winnipeg?

____

____

____

____

a. Why do you think this? ______________________________

____

____

____

3. If any of the following organizations made efforts to establish a new, non-profit family financial advisory service, which would you support and which would you oppose?

Banks ______________________________ Support Oppose

Clergy ______________________________ Support Oppose

Credit unions ______________________ Support Oppose

Department stores ______________________ Support Oppose

Educational institutions ______________ Support Oppose

(specify) ____

Finance companies ______________________ Support Oppose

Government agencies ____________________ Support Oppose

(specify) ____

Investment companies ___________________ Support Oppose

Legal resources ________________________ Support Oppose

(specify) ____

Life insurance companies _______________ Support Oppose

Non-governmental social agencies ________ Support Oppose

(specify) ____

Any other organization you would support? ____________________

____

G. GENERAL

1. What is your present job title? __________________________
2. How long have you held this position? _____________________
3. Observe: _____ female

   _____ male

APPENDIX C

Cover Letter for the Hiring Practices Questionnaire

FAMILY FINANCIAL SERVICES SURVEY

21-1373 PORTAGE AVENUE
WINNIPEG, MANITOBA
R3G 0V8

Dear Personnel Director:

The Department of Family Studies, University of Manitoba and the Consumers' Association of Canada are co-sponsoring research to identify the broad spectrum of family financial services available in Winnipeg. The enclosed Hiring Practices Questionnaire is intended to identify present staff and future staff needs of your organization for providing family financial services. For this study, family financial services include any contacts with either groups or individuals to help them spend, save or invest their money more effectively.

Your co-operation in completing this questionnaire is very important to give a comprehensive view of services in Winnipeg. Even if the organization you represent offers no family financial services as defined above, please complete the applicable parts of the questionnaire and return in the stamped, self-addressed envelope.

The information you give will be strictly confidential. No individuals or organizations will be identified by name when information is analyzed. Your questionnaire is identified by a code number only to record whether it has been returned and to keep the types of organizations separate. Your answers will be combined with those of other organizational representatives. This questionnaire is being sent to a variety of financial institutions and social agencies including banks, credit unions, department stores, finance, investment, life insurance, and trust companies, governmental and non-governmental agencies in Winnipeg.

If you would be interested in learning about the results of this study, please indicate this on the form attached to the questionnaire. If you have any questions in the meantime, please contact me between 9:00 a.m. and 4:30 p.m. Monday through Friday at 774-9338.

A stamped, self-addressed envelope has been enclosed for your convenience. Please return the COMPLETED questionnaire to the Family Financial Services Survey office as soon as possible.

Sincerely yours,

S. Dawn Wilkinson

S. Dawn Wilkinson,
Research Director.

APPENDIX D

Confirmation Letter for the Family Financial Services Interviews

FAMILY FINANCIAL SERVICES SURVEY

21-1373 PORTAGE AVENUE
WINNIPEG, MANITOBA
R3G 0V8

This is to confirm your appointment:

____

____

____

The Department of Family Studies, University of Manitoba and the Consumers' Association of Canada are co-sponsoring research to identify the broad spectrum of family financial services available in Winnipeg.

We are interested in talking with you as a representative of an organization offering family financial services. Your organization was identified from either the yellow pages of the telephone directory or the Manual of Social Services in Manitoba.

The information you give will be strictly confidential. No individuals or organizations will be identified by name when information is analyzed. Your answers will be combined with those of other organizational representatives including those from banks, credit unions, department stores, finance, investment, life insurance, and trust companies, governmental and non-governmental agencies in Winnipeg.

If you have any questions before the interviewer arrives, please contact me between 9:00 a.m. and 4:30 p.m. Monday through Friday at 774-9338.

Sincerely yours,

S. Dawn Wilkinson

S. Dawn Wilkinson
Research Director.

APPENDIX E

Thank You Letter

FAMILY FINANCIAL SERVICES SURVEY

21-1373 PORTAGE AVENUE
WINNIPEG, MANITOBA
R3G 0V8

We wish to thank you for your cooperation in the family financial services survey. This survey could be conducted only because people like yourself were willing to give of their time and expertise.

This study was part of a research project in the Department of Family Studies, University of Manitoba and also a summer student project of the Consumers' Association of Canada.

The Consumers' Association of Canada will be using the results of this survey when referring people needing financial advice. This is in keeping with their goal to "distribute information on matters of consumer interest". C.A.C. is a voluntary, non-sectarian and non-governmental organization aiming to "bring consumers' views to the attention of governments, producers, trade and industry".

The Department of Family Studies is located in the Faculty of Home Economics. The Family Economics and Management major within the Department will be using the results of this survey to aid in the development of a course entitled Family Financial Counselling. Along with the financial emphasis, Family Economics and Management students study a variety of other topics in relation to the family such as: human resources, consumer problems, home management, housing, household equipment and environmental resources.

Please feel free to contact either the Department of Family Studies or the Consumers' Association of Canada at any time. Both are interested in maintaining contacts with other organizations in Winnipeg.

Sincerely yours,

S. Dawn Wilkinson

S. Dawn Wilkinson
Research Director

APPENDIX F

Job Title Explanations for Employees Involved in Family Financial Management Counselling

a Managers include: Account Manager, Administration Manager, Assistant Branch Manager: Sales, Assistant Manager: Service and Administration, Associate Branch Manager, Business Development Manager, Director, District Manager, Divisional Manager, General Manager, Loans Manager, Manager of Credit, Manager, Mortgage and Loans Manager, Mortgage Manager, Office Manager, Personal Trust Manager, President, Department Manager, Region Manager, Regional Manager, Resident Manager, Sales Manager, and Treasurer Manager.

b Representatives include: Accounts Representative, Agent, Branch Representative, Customer Service Representative, Financial Representative, Independent Agent, Insurance Agent, Member Service Representative, Real Estate Sales Person, Regional Representative, Registered Representative, Representative, Sales Representative, Salesman, and Service Representative.

c Consultants include: Consultant, Counsellor, Estate Planer, Estate Planning Consultant, Family Counsellor, Financial Planer, Financial Service Advisor, Home Advisor, Homemaker/Teacher, Marketing Consultant, Marriage Conciliation Counsellor, Regional Training Consultant, and Unit Financial Counsellor.

d Clerks include: Chief Clerk, Customer Accounts Clerk, Liability Clerk, Tellers, Term Savings Clerk, and Utility Clerk.

e Officers include: Investment Officer, Loans Officer, Mortgage Officer, Registered Plans Officer, Social Work Officer, and Wills Review Officer.

f Professionals include: Accountant, Field Underwriter, Home Economist, Lawyer, Social Worker, Stock Broker, and Underwriter.

g Supervisors include: Collection Supervisor, Customer Accounts Supervisor, Deposit Supervisor, Savings Supervisor, Supervisor, and Unit Head.

APPENDIX G

Job Title Explanation for Employees Involved in Group Education Programs a Managers include: Assistant Manager, Branch Manager, Business Development Manager, Centre Manager, Director, Division Manager, Loans Manager, Mortgage Manager, Personal Trust Department Manager, Savings Manager, and Workshop Coordinator.

b Professionals include: Accountant, Chartered Life Underwriter, Doctor, Home Economist, Lawyer, and Social Worker.

c Consultants include: Estate Planning Consultant, Family Life Educator, Financial Services Advisor, Home Advisor, Homemaker/Teacher, and Regular Training Consultant.

d Officers include: Marriage Conciliation Officer, and Wills Review Officer.

e Representatives include: Agent, and Salesman.

APPENDIX H

Formal Areas of Study Desired of Personnel to Work with Family Financial Management Counselling

Formal Areas of Study Desired of Personnel to Work with
Family Financial Management Counselling

(N = 28)

Formal Area of Study	Needed	Helpful	Not Helpful	No Answer
Communication skills	24	2	2	-
Family finance	15	13	0	-
Consumer economics	12	14	2	-
Counselling	12	12	3	1
Taxation	9	15	2	2
Financial institutions	9	13	6	-
Financial accounting	10	11	6	1
Economics	6	19	1	2
Business organization	8	14	5	1
Public relations	8	14	5	1
Marketing	6	17	4	1
Public speaking	6	16	5	1
Family law	6	15	7	-
Corporation finance	7	11	9	1
Family relations	7	11	8	2
Business law	3	18	5	2
Social problems	8	7	13	-
Housing	6	10	11	1
Personnel management	3	12	12	1
Other languages	2	13	11	2
French	1	11	15	1
Advertising	1	8	16	3

APPENDIX I

Types of Positions that Organizations Would Consider Offering Arts, Commerce and Home Economics Graduates

Types of Positions that Organizations Would Offer Arts, Commerce and Home Economics Graduates

(N = 22)

Positions	TOTAL	II Commerce n=15 n	%	III Home Economics n=13 n	%	I Arts n=13 n	%
Management	16	7	43.8	5	31.3	4	25
Sales position	16	7	43.8	4	25	5	31.5
Officer	4	1	25	1	25	2	50
Teller	3	1	33.3	1	33.3	1	33.3
Financial counsellor	3	1	33.3	1	33.3	1	33.3
Family management	1	-	0	1	100	-	0
Fiel home economist	1	-	0	1	100	-	0
Marketing strategy	1	-	0	-	0	1	100
Actuarial	1	1	100	-	0	-	0
Public relations	1	-	0	1	100	-	0
TOTAL	47	18	38.3	15	31.9	14	27.8