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PERCEPTIONS OF FINANCIAL COUNSELLING IN WESTERN AUSTRALIA

By

Natalie Dall B.App. Sc. Consumer Science (Hons)

**A Thesis Submitted in Fulfilment of the Requirements for the Award of
Master of Science (Consumer Science)**

at the Faculty of Science, Technology and Engineering

Edith Cowan University

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ABSTRACT

The development of financial counselling in Australia during the past decade has been complex and fragmented. Financial counselling and rural counselling services within Western Australia are funded from a range of government, non-government and church based groups. This has contributed to problems in the identification of basic definitions of the need for services, the role of the financial counsellor and service models or functions. The failure to define the role of the financial counsellor and the needs to be addressed by financial counselling services, "appears to be the most important historic weakness in the field." (Wyse et al., 1990, p.2).

A consequence of the initial failure to define the role of the financial counsellor has meant that definitions have evolved retrospectively rather than in a planned fashion in response to need. This conflict and confusion over the role of financial counsellors has created a situation where financial counsellors may not have a shared philosophy of their profession.

Central to the debate has been the lack of clarification of the role of financial counsellors and the relative priorities of casework, community education and policy action. Casework and advocacy on behalf of clients have typically been regarded by funding bodies as the most important responsibilities, since casework statistics provide quantitative accountability for public funds. (Wyse et al., 1990, p.2).

A study conducted by Ryan (1990) suggested that different ideological beliefs among financial counsellors would have a significant effect on their casework practice. Different ideologies may result in counsellors assessing cases differently and recommending different courses of action to clients. Other implications of counsellors having different ideologies are that they may have different perceptions of client problems and the role they adopt in assisting clients. (Ryan, 1990, p.31).

It was thought that financial counsellors would have different views of the purpose of their work and the outcomes they hope to achieve as a consequence of being recruited from a wide range of different educational and experiential backgrounds. Other factors such as the diverse range of prior experiences, lack of uniform training, different work locations and available resources were suggested as being likely to influence the perceptions that financial counsellors have of their work. Individual counsellors may be working from very different paradigms making it difficult to identify a clear philosophy for financial counselling as a profession.

The study was designed to investigate the perceptions of financial counselling in Western Australia by conducting in-depth interviews with financial counsellors and their clients. The interviews were analysed and interpreted to draw conclusions about the relationships between the perceptions of financial counsellors and their clients regarding the intended and actual functions of financial counsellors in meeting client needs.

The responses from both financial counsellors and clients indicate that perceptions of the role of the financial counsellor, outcomes and strategies used to achieve outcomes are consistent. The results of this study indicate that financial counsellors are in fact working toward similar goals and have similar views of their work. The findings do not support the literature and anecdotal evidence which suggests that financial counsellors may not share the same philosophy of their profession. It is anticipated that the results of this study will assist in the development of future policies, practices and training programs for financial counsellors in Western Australia.

DECLARATION

"I certify that this thesis does not incorporate without acknowledgment any material previously submitted for a degree or diploma in any institution of higher education; and that to the best of my knowledge and belief it does not contain any material previously published or written by another person except where due reference is made in the text."

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TABLE OF CONTENTS

Abstract	2
Declaration	4
Acknowledgments	5
List of Tables	9
List of Figures	10
Chapter	
1 INTRODUCTION	
1.1 Background	11
1.2 Significance of the Study	15
1.3 Purpose of the Study	16
1.4 Research Questions	17
1.4.1 General Aims	17
1.4.2 Specific Aims	17
Chapter	
2 REVIEW OF LITERATURE	
2.1 History and Development of Financial Counselling in Australia	18
2.1.1 Origins of Financial Counselling in Western Australia	21
2.2 Importance of Financial Counselling	23
2.3 Finance Industry Perspective	27
2.4 Role of Financial Counsellors	30
2.5 Models of Service Delivery	35
2.5.1 Ideal Model of Service Delivery	38
2.5.2 Current Models of Service Delivery	38
2.5.3 Future Models of Service Delivery	40
2.6 Occupational Ideology of Financial Counsellors	41
2.7 Measuring Outcomes of Financial Counselling	45
2.8 Previous Research	47
2.9 Conclusion	51
Chapter	
3 RESEARCH DESIGN	
Part A: Financial Counsellor Interviews	52
3.1(a) Sample	52
3.2(a) Instruments	54
3.3(a) Procedure	55
3.4(a) Data Analysis	58
Part B: Client Interviews	60
3.1(b) Sample	60
3.2(b) Instruments	61
3.3(b) Procedure	62
3.4(b) Data Analysis	64

TABLE OF CONTENTS continued

Chapter

4 RESULTS

Part A:	Interviews With Financial Counsellors	65
4.1	Demographics	65
4.2	Financial Counsellors' Training Background	67
4.3	Financial Counsellors' Employment Background	68
4.4	Agency Description	69
4.5	Description of Financial Counselling	70
4.6	Typical Client	72
	4.6.1 Clients Most in Need of Assistance	73
	4.6.2 Clients Who Benefit Most From Financial Counselling	74
	4.6.3 Clients Who Benefit Least From Financial Counselling	75
4.7	Client Outcomes	76
	4.7.1 Factors Influencing Client Outcomes	77
	4.7.2 Level of Success of Outcomes	77
4.8	Strategies Used to Assist Clients	80
4.9	Outcomes of Financial Counselling For the Community	83
	4.9.1 Level of Success of Outcomes	85
4.10	Models of Service Delivery	86
	4.10.1 Most Important Aspects of Financial Counselling	88
4.11	Description of an Ideal Agency	89
	4.11.1 Changes Needed to Achieve Ideal Service	90
4.12	Interaction With Other Community Service Groups	91
	4.12.1 Perceptions of Financial Counselling as Part of Community Services Network	92
4.13	Future Directions of Financial Counselling	94
Part B:	Interviews With Clients	95
4.14	The Sample	95
4.15	Clients Introduction to Financial Counselling	97
	4.15.1 Contact With Other Agencies	98
4.16	Client Expectations of Financial Counselling	99
4.17	Contact With the Financial Counsellor	100
	4.17.1 Resolution of Client Problems	102
	4.17.2 Factors Involved in Resolving Client Problems	102
4.18	Client Reflections of Contact With the Financial Counsellor	104

TABLE OF CONTENTS continued

Chapter			
5	DISCUSSION AND CONCLUSIONS		
5.1	Perceptions of the Role of Financial Counsellors		108
5.2	Client Outcomes		109
5.3	Strategies Used to Achieve Outcomes		111
5.4	Conclusions		113
	5.4.1 Perceptions of the Role of Financial Counselling		113
	5.4.2 Consistencies in the Findings		113
	5.4.3 Summary		114
Chapter			
6	LIMITATIONS OF THE STUDY		117
Chapter			
7	RECOMMENDATIONS		
7.1	Increase Awareness of Financial Counselling		119
7.2	Clarify the Role of Financial Counsellors		120
7.3	Career Development for Financial Counsellors		120
7.4	Future Research into Financial Counselling		121
	7.4.1 Studies of Clients		121
	7.4.2 Studies of Financial Counselling		121
Chapter			
8	REFERENCES		123
Chapter			
9	APPENDICES		
9.1	1. Financial Counsellor Interview Questions		126
9.2	2. Client Interview Questions		133
9.3	3. Employment Background of Financial Counsellors		135
9.4	4. Informed Consent Form - Financial Counsellors		136
9.5	5. Informed Consent Form - Clients		138

LIST OF TABLES

Table	Name	Page
1	Description of Financial Counsellors in WA	66

LIST OF FIGURES

Figure	Name	Page
1	Diagrammatic Representation of Ideal Model of Service Delivery	38
2	Illustration of Community Services Network	92
3	Alternative Illustration of Community Services Network	93

CHAPTER 1. INTRODUCTION

1.1 BACKGROUND

As at July 1995 there were approximately 78 financial counsellors in Western Australia with more than half working in rural and remote areas. While the provision of assistance for consumers in financial difficulty dates back to the early settlement of the state, funded Financial Counselling Services have been in operation for approximately 10 years in Western Australia. The profession is currently experiencing a period of rapid growth and development in both the numbers of paid workers and public recognition of their work.

Since the beginning of early settlement in Western Australia the welfare service sector has "provided financial assistance and goods like food and furniture to people in financial crisis..." (Birchall, 1994, p.55). This assistance has largely been provided by church groups as well as government and non-government agencies according to Birchall (1994, p.55). In 1986 the State Government introduced the Poverty Program to "extend the scope of this work and make grants available to non-government organisations with the aim of helping families in financial difficulties to resolve or prevent problems through financial counselling" (Birchall, 1994, p.55). This commitment to financial counselling was expanded in July 1993 with the introduction of the Family Crisis Program by the State Government. The program allocated an additional \$1 million to the Poverty Program to fund new financial counselling positions and to provide training for counsellors. (Birchall, 1994, p.55).

The Family Crisis Program administered by Family and Children's Services (formerly the Department for Community Development) relies on the referral of clients to financial counsellors. The program aims to assist people on low incomes to resolve financial problems and develop management skills to regain control of their financial situation.

As a condition of providing additional funding to Financial Counselling Services, the Minister for Family and Children's Services, Mr Roger Nicholls, required that the Financial Counsellors' Association of Western Australia develop a training course that was able to be accredited. The Minister also required that training was standardised and that providers of training were accredited. The Financial Counsellors Association of Western Australia was also concerned that there was a difficulty in identifying bona fide, trained financial counsellors, from those who simply referred to themselves as financial counsellors.

While financial counselling has a traditional welfare background, the increasing complexity in the marketplace has seen the development of a more critical approach to the delivery of services. Financial counselling has developed on the principles of social justice, using an integrated approach to solving consumer problems according to Neville (1992, p.29). In order to achieve social justice, financial counsellors "work towards changing attitudes, laws and practices in the marketplace so that individuals achieve equal rights and powers". (Neville, 1992, p.29).

While client case work has traditionally been viewed by many financial counsellors as the most important component of their work, community education, social action and reform have become increasingly important according to Neville (1992, p.29). Roberts (1987) and Neville (1992) assert that the role of financial counselling is moving towards an advocacy and client empowerment model. Many financial counsellors now see their role "in para-legal terms rather than in welfare terms". (Neville, 1992, p.29).

It is likely that financial counsellors have different views of the purpose of their work and the outcomes they hope to achieve as a consequence of being recruited from a wide range of different educational and experiential backgrounds. Other factors such as the diverse range of prior experiences, lack of uniform training, different work locations and available resources are likely to influence the perceptions that financial counsellors have of their work. Individual counsellors may be working from very different paradigms making it difficult to identify a clear philosophy for financial counselling as a profession.

It is anticipated that financial counsellors are more likely to have a positive impact on their clients and the community as a whole if they have a consistent view of their role and the appropriate strategies needed to achieve desired outcomes. The development of a consistent perception of the role of financial counselling and set of work practices is likely to give the profession greater strength and unity.

Research in the field of financial counselling is extremely limited. A small number of studies have been conducted in the United Kingdom and the United States of America, with very few studies undertaken in Australia or Western Australia. Recently several states including Victoria, New South Wales and Western Australia, have begun to develop training and research initiatives independently of each other.

This study aimed to analyse the perceptions of approximately twenty financial counsellors and a small number of clients by conducting in-depth interviews. The results of the study were expected to identify the range of strategies used by financial counsellors to assist clients and gain an indication of the outcomes of these strategies in achieving long term results for clients. The results of this study may be used to assist in the development of policies and practices for financial counselling in Western Australia as well as to provide information for the development of training in the future.

1.2 SIGNIFICANCE

Financial counselling has recently undergone a period of rapid growth and expansion as it moves toward greater levels of professionalism and accreditation. It has been an opportune time to collect information to identify the direction in which the profession is currently heading and to assist in the planning of its future direction.

Western Australia appears to be leading Australia in the development of studies of the training and accreditation. This has been initiated by the Training Broker Project of the Financial Counsellors Association of Western Australia, which aims to identify the training needs of financial counsellors and to conduct an analysis of the job of financial counsellors. The political imperative from the Minister for Family and Children's Services, Mr Roger Nicholls, means that training and accreditation of courses for financial counselling will occur in the near future. It was essential that empirical data was collected to provide a basis for the development of such training and accreditation.

Results of this study provide an insight to the range of perceptions financial counsellors and clients have of the emerging profession. The information gained from this study provides valuable information which is able to be used in the development of future policies and practices of financial counselling in Western Australia.

1.3 PURPOSE

The purpose of this study was to look closely at the perceptions held by both counsellors and clients of the work being performed by financial counsellors and to identify any relationships between perceptions. The study focuses on the outcomes that financial counsellors aim to achieve in their work and the perceived success in achieving those outcomes. This information was used to identify inconsistencies between the perceptions of counsellors and clients that may be of concern in the future and any consistencies that can be built upon for the benefit of the profession as it develops.

1.4 RESEARCH QUESTIONS

General Aims

1.4.1 To examine the role of Financial Counselling as perceived by both Financial Counsellors and their clients.

1.4.2 To identify the level of consistency between the perceptions of the role of Financial Counsellors and their clients.

1.4.3 Specific Aims

- i. To identify the outcomes Financial Counsellors are endeavouring to achieve in their work.**
- ii. To identify the strategies Financial Counsellors report using to achieve their desired outcomes.**
- iii. To examine individual Financial Counsellor's perceptions of their level of success in achieving desired outcomes.**
- iv. To identify the outcomes clients expect to gain from their contact with a Financial Counsellor.**
- v. To examine the client perceptions of the strategies used by Financial Counsellors to assist them.**
- vi. To identify the outcomes of the contact with a Financial Counsellor from the client's perspective.**
- vii. To examine the relationship(s) between the perceptions of the level of success of the strategies used to achieve desired outcomes of Financial Counsellors and their clients.**
- viii. To make recommendations based on the relationships identified in this study.**

CHAPTER 2. REVIEW OF LITERATURE

2.1 HISTORY AND DEVELOPMENT OF FINANCIAL COUNSELLING IN AUSTRALIA

Since the beginning of colonisation in Australia, the community services sector has provided assistance to individuals and families experiencing financial hardship. This assistance has traditionally been provided in the form of money, food and furniture by both government and non-government agencies. (Birchall, 1994, p.55). The ideology of workers in community service groups at the time of colonisation was largely based on the premise that individuals were responsible for the way they chose to manage, or not to manage, their money and if the way they chose to handle their money resulted in a financial crisis, then they alone were responsible for that situation. (Neville, 1992, p.28). This treatment of the poorer members of society was a reflection of the class structure of the time that was a direct replication of the English system imposed during colonisation according to Sargent (1987, p.155).

Dramatic changes to the labour force and social fabric of Australian society occurred after the Second World War such that the civil and political rights movements in the 1960s and 1970s gained widespread support. (Birchall, 1994, p.2). The move away from service provision within the government sector changed the way services were provided in the 1970s and 1980s. Government support was directed towards "preventative, rehabilitative and support services." (Birchall, 1994, p.2).

The number of non-government community based services has increased rapidly in the past 20 years largely as a result of specific government policies. (Birchall, 1994, p.2). Decentralised decision making provided greater autonomy to the states of Australia and regions within the states. As a result, specialist services have tended to develop in response to the specific needs of the community rather than in a systematic and planned fashion across the states. (Birchall, 1994, p.2).

Interest in the area of financial counselling first developed in Australia during the late 1960s according to Jones (1982, p.4). Developments in the field are noted as beginning in the same decade in the United Kingdom.

Financial counselling, referred to as the provision of "money advice" in the United Kingdom, is reported to have developed for a number of reasons. (Hinton and Berthoud, 1988, p.5). It is generally thought that the most important factor influencing the establishment of financial counselling services was the rapid increase in the use of credit during the 1950s and 1960s. Greater numbers of people began using credit as a convenient method of payment for goods and services. With the increase in the use of credit came an increase in the number of consumers defaulting on credit repayments. Welfare agencies experienced an increase in the number of people seeking assistance for credit related problems. (Jones, 1982, p.4). A gradual shift in society's perceptions of debtors and a growing interest in legislative reform were viewed as being other important factors contributing to the establishment of financial counselling services in the United Kingdom. (Hinton and Berthoud, 1988, p.5). These two factors, combined with the rise in the consumer movement at the time, are reported to have led to a general expansion of advice and support services for consumers. (Hinton and Berthoud, 1988, p.5).

The first specialist financial counselling service in Australia was established in 1965 in Brisbane. (Jones, 1982, p.4). The Consumer Credit Counselling Service provided by Lifeline is reported to have been modelled on similar services operating in the United States of America. (Jones, 1982, p.4). The Elizabeth Counselling Centre in South Australia was another of the pioneering agencies. This general welfare agency identified credit issues as a major problem for consumers and had set up a specialist financial counselling service by the early 1970s to address the problem. (Jones, 1982, p.4).

During the period between 1973 and 1975 a range of organisations established financial counselling services or proposed various financial counselling programs, according to Jones (1982, p.4). Several pilot and experimental programs were developed in the government and non-government sector. The establishment of a Budget Advice Service within the South Australian Department for Community Welfare in 1976 set a "precedent for consideration by welfare service departments in other states." (Jones, 1982, p.4).

The late 1970s represented a period of reflection in the history of financial counselling services in Australia. This reflection was followed by a more systematic and planned approach to the development of financial counselling services during the 1980s. Several reports during the late 1970s and early 1980s recommended the establishment of new financial counselling services and the extension of existing services according to Jones (1982, p.4). Various issues associated with the development of a new network of financial counselling services were discussed during this period including: agencies, funding, staffing, training, research and evaluation. (Jones, 1982, p.4). These discussions and reports had a significant influence on the development of financial counselling services in the 1980s according to Jones (1982, p.4).

2.1.1 Origins of Financial Counselling in Western Australia

The first financial counselling services in Western Australia were established in 1983/84. Five services were funded by the Department of Community Services (now Family and Children's Services) to provide budget advice. The first funded services included the Salvation Army in Balga, Creditcare, Gosnells District Information Centre, Anglicare South West and Perth Red Cross according to S. Newman an experienced financial counsellor. (personal communication, October 27,1995). The Financial Counsellor's Association was formed at this time.

During 1986 the Federal Department of Primary Industry and Energy provided funding for Rural Financial Counselling Services in Western Australia. According to Newman (personal communication, October 27,1995) the number of state funded Financial Counselling Services increased each year so that in 1987 there were approximately nine services. The Federal Government also provided funding for the Consumer Credit Legal Service in 1988. (S. Newman, personal communication, October 27,1995).

Towards the end of the 1980s the State Government also allocated an amount of funding for Financial Counselling Services to increase the part time positions to full time. (S. Newman, personal communication, October 27, 1995). Additional funding was also provided at this time for training of financial counsellors in the State.

By 1990 there were approximately 35 financial counsellors in Western Australia. In 1991 the Federal Government committed further funding to Financial Counselling Services in Western Australia. This funding enabled services to be established in Derby in the North West of the state and Midland on the outskirts of Perth. The Financial Counsellor's Resource Project was also set up with this funding. This Federal Government funding was initially provided to Financial Counselling Services in Fremantle and Wanneroo. These two services were later converted to State Government funding. (S. Newman, personal communication, October 27, 1995).

In 1994 the State Government increased their contribution of funding to Financial Counselling Services by \$1 million. By 1995 the number of financial counsellors in Western Australia had increased to 78 according to J. Wigham from the Financial Counsellor's Resource Project. (personal communication, October 27, 1995).

2.2 THE IMPORTANCE OF FINANCIAL COUNSELLING

Support for the work performed by financial counselling services is well documented in Australian and international literature. Financial counselling is effective in helping people to manage their financial situation and to learn new skills to avoid problems in the future as it provides a practical approach to dealing with the underlying causes of financial problems. (Fallon Horgan, 1987, p.3).

A report by the Organisation for Economic Co-Operation and Development (OECD) (1992) supports the need for consumers experiencing financial difficulty to have access to accurate and independent information. The report indicates that community organisations providing budgeting, credit and legal advice to consumers with repayment difficulties is an option being used by many member countries. There is evidence to suggest that in some countries the demand for debt counselling exceeds supply. (OECD, 1992, p.25).

The important contributions of financial counselling services in assisting consumers in financial difficulty was recognised by the OECD (1992, p.25). However, concern was expressed over the lack of information available to consumers about financial counselling services particularly in the United Kingdom. (OECD, 1992, p.25).

In the late 1980s and into the early 1990s the Western Australian State Government and the Commonwealth Government indicated support for financial counselling programs. In 1986 the State Labor Government established the 'Poverty Program' which made funds available to non-government agencies with the aim of assisting families experiencing financial difficulties to "resolve or prevent problems through financial counselling." (Birchall, 1994, p.55).

The Western Australian State Government's support of financial counselling services has continued despite a change in the political direction in 1993. The Poverty Program, implemented by the Labor Government in 1986 was expanded in July 1993 in the form of the Family Crisis Program. Under this program an additional \$1million was added to the existing Poverty Program to fund more financial counselling positions and to provide training to counsellors throughout the state. (Birchall, 1994, p.55).

The Commonwealth Government's initial commitment to funding financial counselling services formed part of an overall social justice policy during the late 1980s. The following comment from Wyse et al. (1990) summarises the political agenda of the time regarding financial counselling:

It is from the perspectives of social justice, via principles of equity, access and participation, fairness in the market place, the rights to basic standards of living and to resources...that the government's recognition and acceptance of the need and consequently financial counselling services, can be justified. (p.11)

In 1988 the Commonwealth Government initiated an improvement in the effectiveness of existing programs by providing services within this social justice policy framework. (Wyse et al., 1990). The objectives of financial counselling programs funded by the Commonwealth Government throughout Australia are intended to fit within the social justice policy. The objectives of the Commonwealth Financial Counselling program are defined as, ensuring that "families or individuals experiencing or likely to experience financial distress or financial exploitation, have access to supportive services." (Wyse et al., 1990, p.32).

The Commonwealth Government's support for financial counselling grows out of a concern about the direct and indirect costs of adverse social, health and welfare problems experienced by people in financial difficulty. Government support of, and intervention in, financial counselling programs benefits those in direct need of assistance as well as the wider community. The cost to the economy and to business of consumer overcommitment is significantly "amplified" by the inclusion of the social costs of family breakdown, health deterioration, increased court operating costs and increased demand for social security support. (Wyse et al., 1990, p.29; Renouf, 1988, p.5).

Wyse et al. (1990) suggested, in a report on Commonwealth funded financial counselling services, that the need for financial counselling was well documented. However, during the early 1990s funding levels were reported to be inadequate, resulting in a lack of resources and therefore a hindering of service provision. Further, the lack of security of funding in the field of financial counselling was identified as a problem especially for services in Queensland and the Northern Territory.

The Commonwealth Department for Primary Industry and Energy began funding a Rural Counselling Program in 1986 in response to the down-turn in the rural economy at the time. The program aimed to "sharpen significantly the focus of its economic and welfare policies in relation to people who live in rural and provincial areas." (Patch, 1989, p.9).

The underlying philosophy of the program is to provide a financial incentive to rural communities to help themselves. The Rural Counselling Program was set up as a relatively low cost program with 50 percent of the funding being provided by the communities that benefit from the service. (Patch, 1989, p.9).

In contrast to the Commonwealth Financial Counselling Program, the Rural Counselling Program seems to have maintained security of funding, higher levels of funding and clear guidelines about the role and activities of the financial counsellors.

2.3 FINANCE INDUSTRY PERSPECTIVE

The finance industry's support of financial counselling is not well documented. In many cases the industry view of financial counselling may be measured by evidence of their support, or lack of support, for the community services industry of which financial counselling services are an important component.

The past 20 years have seen the emergence of a wide range of community information organisations. These include: Citizen's Advice Bureaus, Community Legal Centres, Legal Aid Commissions, Welfare Rights Centres and Financial Counselling Services. Twenty years is a relatively short time in the evolution of a whole community service industry and according to Smith (1990, p.75), it is not surprising that the business sector has not developed strong links with these community service organisations.

Smith (1990) suggests that "today's senior management commenced their careers before these community groups were fully established and thus have little direct knowledge" of their role or function.(p.75). The business sector's lack of understanding of community organisations is unfortunate since these organisations play an important role in the distribution of information about products and services provided by the finance and business industry. (Smith, 1990, p.75).

The finance and business industry would benefit from strengthening links with consumer organisations such as financial counselling services according to Smith (1990, p.75). The distribution of posters and brochures, combined with workshops and seminars for financial counsellors are suggested by Smith (1990) as being an effective method of breaking down the "reservations and suspicion that may exist about community groups..." (p.75).

The 1990s has seen a growing recognition of the contribution of the activities of financial institutions to the problems of consumers according to Bingham and Weule (1991, p. 115). The lending practices of many financial institutions came under intense scrutiny in the late 1980s and early 1990s as a result of large numbers of consumers becoming overcommitted. Concern over the high levels of overcommitment in Australia in the late 1980s prompted the organisation of a National Forum on Consumer Credit in 1988 to discuss issues related to credit and overcommitment. Since the time of the National Forum the finance industry has taken steps to remedy some of the problems in lending practices such as increased staff training and consultation with financial counsellors according to Bingham and Weule (1991, p.115).

Strengthening the links between the finance industry and financial counsellors is supported by Bingham and Weule (1991). The authors suggest that there is a need to "increase consultation by financial institutions with financial counsellors to help them determine the effects of their policies and decisions on their customers." (Bingham & Weule, 1991, p.116). While this consultation process has improved in recent times, Bingham and Weule (1991) indicate that at times the consultations are still "regarded with suspicion rather than seeing financial counsellors as having a real and useful role in providing independent and professional feedback." (p. 116).

With the obvious benefits of increasing the amount of consultation between financial institutions and financial counsellors, it is imperative that financial counsellors maintain high professional standards and portray the service to the finance industry in the best possible light. Comments by the OECD (1992) indicate that:

although some (financial counselling services) offer a very professional standard of service, allegations have been made against some that they lack technical and commercial knowledge, recommend courses of action not always in the consumer's long term interest and place excessive reliance on the law. (p. 25).

In summary it appears that the finance and banking industry has not developed strong links with financial counselling services. The development of a more positive industry perception of financial counselling requires greater levels of communication and information between the two groups.

2.4 ROLE OF FINANCIAL COUNSELLORS

The definition of the role of the financial counsellor as described by the Australian Financial Counselling and Credit Reform Association (AFCCRA) has been widely adopted by many Financial Counselling Services in Western Australia. The AFCCRA definition describes the role of a financial counsellor as follows:

The Financial Counsellor provides information, options, support and advocacy for individuals, families and groups of consumers and can explore, develop and implement strategies for redressing credit issues. (AFCCRA)

An alternative definition proposed by the Financial Counsellor's Association of Western Australia describes financial counselling as:

Financial Counsellors provide information, options support and advocacy to enable clients to develop the skills, knowledge and confidence to take control of their own financial situation. (FCAWA).

In a survey of all financial counsellors conducted by Hosie (1994) approximately 60 percent supported the AFCCRA definition of financial counselling.

In order to understand the role of financial counsellors and the perception they have of their role it is necessary to look at models of service delivery. Many financial counselling services have evolved from a welfare model with a strong emphasis on one to one counselling to solve short or long term crisis situations. The support for this casework emphasis model can be found in European, American and Australian literature. (OECD, 1992; Hinton & Berthoud, 1988; Neville, 1992).

While the origins of financial counselling have strong links with welfare models, the increasing complexity of the marketplace has encouraged new approaches to service delivery. According to Neville (1992, p.29) "financial counselling has developed a broad range of approaches and functions to achieve its objectives." There appears to have been a move away from a debt management/ behaviour modification model towards an advocacy model. Many financial counselling services now operate from an assumption that the financial problems of an individual may result from a number of complex social and economic factors. Financial counsellors concentrate on attempting to identify and change unjust practices used by the finance and business industry by working towards changing attitudes, laws and practices in the consumer marketplace for the benefit of many clients rather than try to change individual clients. (Neville, 1992, p.29).

The field of financial counselling is rapidly growing in terms of expertise and public recognition. The public profile of financial counselling has increased in the past five years, such that it is now recognised as providing an essential support service primarily to individuals and families on low incomes. (Neville, 1992, p.29). The increasing complexity of the financial marketplace, changing debt recovery procedures of private business and government utilities, combined with the complexities of the social security system, has meant that financial counsellors must be skilled in dealing with a vast range of social and economic issues.

The development of financial counselling in Australia during the past decade has been complex and fragmented. Financial counselling services in Western Australia are funded from various sources including: the State Department for Community Development (now Family and Children's Services), Commonwealth Attorney General's Department, Legal Aid Commission, the Department for Primary Industry and Energy as well as various local government and church based groups. The lack of uniform development of services combined with differences in funding sources has made it difficult to apply concepts of uniformity, standardisation and planning. (Wyse et al., 1990, p.2).

These factors have contributed to problems in identifying the need for financial counselling services, in defining the role of financial counsellors and in describing appropriate service models or functions. The discussion has been "contentious and without agreement" according to Wyse et al. (1990, p.2). The failure to define the role of the financial counsellor and the needs to be addressed by financial counselling services, "appears to be the most important historic weakness in the field and as a result have meant that debates about appropriate targets, programmatic components and service inter-relationships have been un-focussed from a financial counselling perspective." (Wyse et al., 1990, p. 12).

A consequence of the failure to define the role of the financial counsellor and financial counselling services has meant that definitions of financial counselling have evolved retrospectively rather than in a planned fashion in response to need. As a result there has been a tendency for financial counselling services to become involved in disputes "within programs..., between funding programs and within agencies where competing concepts of the need and roles have caused staff conflict." (Wyse et al., 1990, p. 12). This conflict and confusion over the role of financial counsellors has created a situation where financial counsellors may not share a clear philosophy of their profession. The great diversity in the perceptions new financial counsellors have of their role, particularly in New South Wales and Victoria, was noted by Niven, Co-ordinator and Solicitor at the Consumer Credit Legal Service in Melbourne. (personal communication, July 1, 1994).

Central to the debate has been the lack of clarification of the role of financial counsellors and the relative priorities of casework on one hand and on the other hand initiating policy action aimed at informing and warning consumers to ensure justice for the general public. Casework and advocacy have typically been regarded by funding bodies as the most important since casework statistics provide quantitative accountability for public funds. (Wyse et al., 1990, p.2). The Minister for Family and Children's Services, Mr Roger Nicholls, who provides funding for financial counselling services under the Poverty Program, indicated his support for a casework based model of service delivery in his address at the 1994 Annual Financial Counsellor's Conference.

Many financial counsellors see their role as an advocate for their clients rather than as a mediator between clients and creditors. This emphasis on advocacy has resulted in many financial counsellors seeing their work in para-legal terms rather than in welfare terms. (Neville, 1992, p.29). The role of financial counsellors as para-legals was also discussed by Niven (personal communication, July 1, 1994). In his view it has "never been determined whether financial counsellors are meant to be defacto lawyers...or whether they are merely meant to assist people in budgeting and planning". (Niven, personal communication, July 1, 1994).

The perception of the role of financial counselling is moving away from complete casework towards a model that includes casework, community education and social policy action. This combined model of service delivery is recognised by Neville (1992) and Wyse et al. (1990). It is the mix of functions that allows financial counsellors to achieve the "most beneficial outcomes, both at the individual service level and at the regional, state and national levels." (Neville, 1990, p.29).

2.5 MODELS OF SERVICE DELIVERY

Discussions about the various models of service delivery for financial counselling services are generally based on three components including: casework, information dissemination or community education and social policy action.

Casework- Casework refers to the one to one remedial assistance provided to individuals or families who are experiencing financial problems. The range of financial problems includes personal debts, business debts, public utilities debts, loans from financial institutions, problems with housing authorities, social security, taxation, insurance and superannuation.

Casework is generally problem related and often involves intervening in times of crisis. The counsellor works with clients to seek options available to improve the financial position of the client.

In addition, the counsellor adopts appropriate strategies such as negotiation with creditors, counselling, advocacy or referral to other services to assist clients to achieve a satisfactory outcome. The strategies used differ from client to client and depend on the nature and extent of the problem.

Community Education - Beyond providing information and education to individual clients, financial counsellors collect and disseminate information to colleagues, government and non-government agencies and the general public. Financial counsellors may be involved in activities such as: research, preparation of handouts, press releases, videos, posters, kits and newsletters. Conducting workshops and seminars to relevant audiences including: school groups, the general public and government, community and business sector organisations are also considered part of the role of a financial counsellor.

Social Policy Action- This function includes all activities aimed at changing legislation, commercial practices or government policies with the intention of benefiting all consumers. These activities may include: written comment, policy papers, legislative proposals and media campaigns. Community development activities that encourage and support local community participation as well as broader state and national campaigns provide an important focus for social action.

Legal action and class or group representations are able to achieve remedies or changes for one or more clients of financial counselling services and have the ability to impact well beyond the individuals involved.

The findings of a study of financial counselling conducted by Wyse et al. (1990, p.41) suggest that each financial counselling service should ideally have as a part of its ethos and of the role of workers, the capacity to perform a range of functions. The degree to which these functions are prioritised and the actual tasks performed will depend on a number of factors including:

- the existence of other similar programs in the community,
- skills, training and support available to the agency,
- community needs and acceptance of the service,
- the role of state / national associations, or the role of specialist resource or legal services,
- service priorities of the agency, and
- decisions regarding the most appropriate use of existing resources. (Wyse et al., 1990, p.41).

Following this survey Wyse et al. (1990, p.43) proposed a generic model of service delivery that has the capacity to be adapted depending on the circumstances of each service. This model has also been described by Neville (1992) and Baker (1990) with minor variations.

2.5.1 Ideal Model of Service Delivery

The core functions presented diagrammatically below would form part of a totally integrated financial counselling service according to Neville (1992, p.29) and Wyse et al. (1990, p. 41).

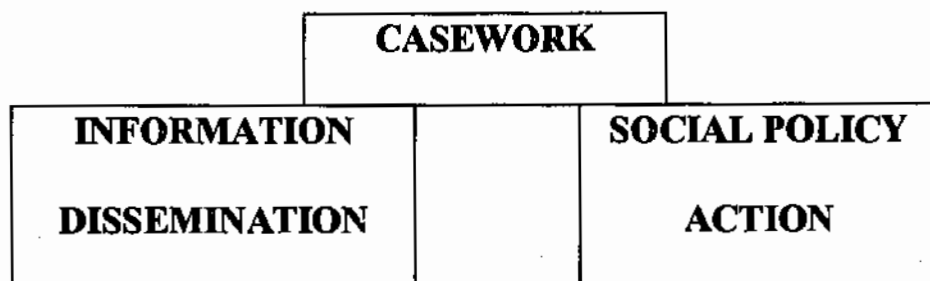


Figure 1. Diagrammatic representation of ideal model of service delivery.

While the model discussed above is suggested by Wyse et al.(1990) and Neville (1992) as being ideal, it is clear that there are several different models of service delivery currently in place. There appears to be a wide range of divergence between individual workers, employers and funding bodies on the degree of emphasis that financial counsellors should place on client casework, information dissemination, education and social policy action.

2.5.2 Current Models of Service Delivery

The study of Commonwealth Financial Counselling services conducted by Wyse et al. (1990) had as part of its terms of reference the identification of the models of service delivery currently being used and hence, the role of the financial counsellor in providing these services. The study found three models of service delivery being used in agencies throughout Australia.

Wyse et al. (1990, p.45) found that many financial counselling agencies attempt to provide a service based on the ideal model of service delivery. Wyse et al. (1990, p.45) suggest that "to date the conventional wisdom has inferred that financial counsellors should be everything to everyone and perform all three functions with equal capacity and skill." Several financial counselling services seem to operate from the assumption that financial counsellors are able to perform all of these functions well and many job descriptions reflected this assumption. In instances where counsellors work in isolated or rural locations this 'everything to everyone' model is widely used.

The report conducted by Wyse et al. (1990, p.41) suggests that many financial counselling agencies aim to provide a model of service delivery similar to the ideal model. However, the results of the survey conducted by Wyse et al. (1990, p.41) revealed that 65 percent to 70 percent of the focus of services is currently being directed toward client casework functions.

The third model of service delivery currently being used is identified by Wyse et al., (1990) as a situation where functions are divided and performed by one or more specialists. This model is more likely to be carried out in larger financial counselling agencies or multi-service agencies. Staff are employed to perform a specific role or function such as casework, community education, community development or social policy action.

2.5.3 Future Models of Service Delivery

Anecdotal evidence gained from informal discussions with experienced financial counsellors suggests that the current models of service delivery have had various degrees of success. Many factors are likely to influence the success of the service including, the priorities and perceptions of the individual counsellors, employers, funding bodies and current government policies. An overall support for greater emphasis to be placed on public education and policy action was indicated by new and experienced financial counsellors at the 1994 Financial Counsellors' Association of WA Annual Conference (personal communication, July 28, 1994).

In contrast, the Minister for Family and Children's Services, Mr Roger Nicholls, a known supporter of financial counselling, indicated that his priorities were for financial counselling services to maintain a casework emphasis. The Minister indicated that community education and social policy action were important aspects of the work of financial counsellors but should not take precedence over casework. (FCAWA Annual Conference, July 28, 1994).

2.6 OCCUPATIONAL IDEOLOGY OF FINANCIAL COUNSELLORS

An early study into financial counselling conducted by Ryan (1991) in 1984 sought to investigate the occupational ideologies of a group of financial counsellors and determine how these influenced their work with clients. Ryan (1990, p.29) proposed that financial counsellors would adhere to one of three occupational ideologies being: a debt repayment ideology; a social work (or welfare) ideology or a developmental ideology. The three categories are summarised below.

Debt Repayment Ideology - An emphasis on the repayment of debt. Debt repayment is regarded as most important in comparison to other problems the client may have. Bankruptcy is regarded as an absolute last resort and thought of as a failure of the service.

Budgeting concentrates on the reduction of unnecessary or luxury expenses. Tendency to blame clients for their irresponsibility in incurring debts and emphasis on making regular payments to creditors.

This approach encouraged the financial counselling agency to act as a facilitator of payments to creditors. This may involve clients entering an agreement not to incur further debt and to pay an agreed amount for debt repayment.

Social Work (Welfare) Ideology - This ideology views financial counselling as part of general welfare services where workers assess the 'needs' of the clients. Financial problems are often regarded as part of the client's underlying social problems.

Emphasis is on assisting and advocating for the client rather than specifically repaying debt. Support for the client including counselling on emotional issues and rehabilitation are seen as appropriate intervention strategies.

Developmental Ideology - Represents a shift in emphasis away from the client to the wider social system with the aim of changing systems rather than the client. Priority is focussed beyond the client's immediate financial problem by changing the systems that influence these problems. Examples of the developmental ideology may include: pursuing law reform, identifying irresponsible lending practices, class actions or policy action.

Low priority is attached to debt repayment and may even advocate non payment of outstanding debt in order to achieve results.

Ryan (1990, p.29) suggested that the different ideological beliefs among financial counsellors would have a significant effect on their casework practice. Different ideological beliefs may result in counsellors assessing cases differently and recommending different courses of action to clients. (Ryan, 1990, p.31). Other implications of counsellors having different ideological beliefs are that they may have

different perceptions of the client's problem and the role they adopt in assisting the client. (Ryan, 1990, p.31).

Other factors contributing to the occupational ideologies of financial counsellors include: the educational and experiential background of counsellors, location and isolation of the workplace, perceived need for services and available resources. (Ryan, 1990, p.9) and (Wyse et al., 1990, p.41). According to Ryan (1991, p.9) the perceptions that financial counsellors have of their work would also be determined by their personal priorities and those of their place of employment

The study by Ryan (1990, p.29), of 36 financial counsellors, concluded that there were actually five occupational ideologies rather than the suggested three forms. The other forms identified were combinations of debt repayment/social work and a combination of social work/developmental ideologies. Over half of the financial counsellors involved in the survey were categorised as adhering to a social work ideology with the next most common group being the combined debt repayment/social work ideology.

The results of the survey also revealed that most of the financial counsellors involved in the study use 'practice theory' in their work rather than an occupational ideology or model of service delivery. Practice theory, according to Ryan (1991, p.9), refers to the "common sense and home-made theories" that financial counsellors "carry around in their heads and which are implicit in their day-to-day activities." (Ryan 1991, p.9).

In conclusion, Ryan (1990, p.31) indicated that the reliance on occupational ideology is likely to be diminishing with the increase in the training for financial counsellors. Counsellors who have completed several training courses are able to apply technical knowledge rather than relying on the ideological beliefs or practical wisdom in order to assist clients. (Ryan, 1990, p.31)

The occupational ideologies referred to by Ryan (1990) are similar to the ideal model of service delivery that includes components of casework, information dissemination and social policy action, described by Neville (1992), Wyse et al. (1990) and Baker (1990) in section 2.4 above.

2.7 MEASURING THE OUTCOMES OF FINANCIAL COUNSELLING

The perceived success of the outcomes of financial counselling has traditionally been difficult to measure in cost/benefit terms. In a similar way to the lack of clarification and identification of models, the measurement of the perceived success of financial counselling has been insufficiently collated or documented. (Wyse et al., 1990, p.36).

The ability to measure outcomes is crucial according to Wyse et al. (1990). "Measured outcomes can verify that short or long term service objectives and program objectives have been met." (Wyse et al., 1990, p.36). The authors (Wyse et al. 1990, p.36) also suggest that it is possible to develop a set of common service objectives for all financial counselling services in Australia regardless of their funding source. The objectives or performance indicators would act as a measurement tool to enable quantification and documentation of outcomes or benefits of financial counselling. The collection of such uniform data would assist individual services in lobbying for increased resources to financial counselling services to base their arguments on cost/benefit terms.

The report prepared for Australian Financial Counselling and Credit Reform Association by Wyse et al. (1990) acknowledged that the outcomes of financial counselling services are difficult to measure accurately, particularly when referring to individual client issues such as reduced stress or anxiety that tend to be subjective. The measurement of performance outcomes would ideally include data that could be used to monitor the effectiveness and standard of services. The performance indicators used as a measurement tool would need to vary due to factors such as the location of services and the objectives of individual agencies. According to Wyse et al., (1990, p.36) the data collected would ideally include information about the outcomes of non-casework activities.

While the measurement of outcomes of casework activities is relatively simple, the measurement of the long term outcomes of community education and social action is more difficult. The findings of the Wyse et al. (1990, p.38) also indicated that there was a need to have client input in the measurement of the success of financial counselling services.

The need to demonstrate outcomes of financial counselling services was highlighted in the announcement of the State Liberal Government's injection of funds to financial counselling services in 1993 through Family and Children's Services. There appears to be a strong emphasis on demonstrating outcomes of the new program. (FCAWA Annual Conference, July 28, 1994).

2.8 PREVIOUS RESEARCH

The earliest known research in the field of financial counselling began almost a decade after the establishment of the first financial counselling service with a survey of financial counselling programs in capital cities of Australia conducted by Puckett in January 1980. This study concentrated on the organisational structure and funding of financial counselling programs as well as the qualifications of financial counsellors and the adequacy of resources in meeting the needs of clients.

There was general agreement that the need for financial counselling exceeded the available resources. Puckett (1980, p.239) concluded that there was a need for further research to be undertaken in the field of financial counselling. Many of the findings of this study in 1980 are still relevant such as the lack of clarification of the role of financial counsellors, the need for preventative education and the difficulties experienced by services with limited resources.

A qualitative study of financial counsellors was conducted by Ryan in 1983 with the aim of exploring the practice theory or occupational ideology of Victorian financial counsellors. The study originated out of Ryan's experience of financial counsellors as having strongly different opinions about aspects of their work. Ryan (1990) sought to identify what financial counsellors actually did for their clients, whether their outcomes reflected their ideals, and how they made decisions as to what action they would pursue in their casework. (Ryan, 1990).

The research study undertaken by Ryan (1990, p.28) explored “the actual theory and knowledge that financial counsellors used in their casework practice.” An attempt was also made “to identify the different forms of occupational ideology (the kind of beliefs they had relating to their work) they held and their influence in their work.” (Ryan, 1990, p.28).

Another early study into financial counselling was conducted by Hinton and Berthoud (1986) in the United Kingdom. The researchers interviewed 26 clients of four Money Advice Services for approximately one to three hours. The interviews focussed on the client’s debt problem, seeking assistance from the service, receiving assistance and an evaluation of the help they had received. This early qualitative study sought to identify clients’ experience of financial counselling services.

The results of these early studies of financial counselling conducted by Pluckett (1980), Ryan (1983) and Hinton and Berthoud (1986) serve as useful benchmarks for measuring changes in the field over the past decade. The findings provide important background for future studies.

A more recent study of financial counselling services was conducted by the Wyse, Wannan and Morris Consulting Group in 1990. This consulting group was employed by the Australian Financial Counselling and Credit Reform Association to provide advice on the allocation of federal funding after discussions with financial counselling services, state associations and state government departments.

The survey conducted by Wyse et al. (1990) concentrated on the actual and desired objectives and outcomes of federally funded financial counselling programs and how those objectives were best achieved. The consultants noted the confusion and lack of continuity of funding from both state and federal sources. (Wyse et al. 1990).

The lack of clarification of the role of financial counsellors was also reported by Wyse et al. (1990) with major areas of concern being the relative priorities of preventative activities, casework and social policy action. The need to develop a consistent model of service delivery was identified in the report to AFCCRA. (Wyse et al., 1990).

Howell, Crow and Moroney (1993) conducted a study of clients of financial counselling services in 1991 in the United Kingdom. The researchers in this study interviewed 102 clients of financial counselling services immediately following their appointment with the financial counsellor. The researchers noted problems in establishing a convenient sampling frame and experienced numerous problems in interviewing clients. (Howells et al., 1991, p.20).

The study reported on the demographics of the sample population and provided detailed information about the debt problems of the client group. The report also discussed the factors causing low income consumers to incur debt problems.

A pilot study was commissioned by the Financial Counsellors Association of Western Australia to identify the awareness and knowledge of the general public of financial counselling. Approximately 300 people were briefly interviewed at random in the central city area of Perth. (Watters, 1991) The results of the study show that the sample group had a very poor awareness of the existence of financial counsellors or the type of work they perform. More than half of the sample group had never heard of financial counsellors or knew how to contact them. Over 80 percent of the sample group were not aware that financial counselling services were free of charge.

The most recent large scale survey of financial counsellors in Western Australia was conducted by Hosie (1994) on behalf of the Financial Counsellors Association of Western Australia. The survey required financial counsellors to complete an extensive questionnaire for the purpose of collecting information about their job and training needs. The preliminary analysis of the results of this survey provide background information necessary for the development of a training course that financial counsellors will need to complete in order to gain formal accreditation and registration.

The studies mentioned above represent preliminary research into the field of financial counselling. Attempts have been made to investigate several aspects of financial counselling including: client demographics, scope and nature of client debt problems, funding priorities, program outcomes, public perception and perceived training needs. The findings of these reports were consistent in identifying the need for further research into financial counselling. Wyse et al. (1990) supported the need for qualitative research studies to be conducted in the emerging profession of financial counselling.

2.9 CONCLUSION

Financial counselling is a relatively new profession in Australia, with interest in the area first developing in the late 1960s. (Jones, 1982, p.4). The literature presented in the literature review indicates that financial counselling in Australia has evolved retrospectively rather than in a planned fashion in response to the needs of the community.

The lack of consistency in the development of services and the differences in funding sources has contributed to problems in identifying the need for financial counselling services, in defining the role of financial counsellors and in describing appropriate service models or functions.

Limited research has been conducted in the field of financial counselling on a range of topics including: occupational ideologies, client demographics, client debt problems, funding priorities, program outcomes, public perception and training needs. Previous studies in the area of financial counselling have not attempted to draw conclusions about the relationships between the perceptions of financial counsellors and their clients regarding the intended and actual functions of financial counsellors in meeting client needs.

There is a need to conduct further qualitative research in the area of financial counselling that will extend the information gained from previous studies. Further research in this area is also needed to provide up-to-date information that will assist in the development of policies and work place practices as well as training and accreditation initiatives for financial counselling in Western Australia.

CHAPTER 3. RESEARCH DESIGN

PART A FINANCIAL COUNSELLOR INTERVIEWS

3.1(a) SAMPLE

The selection of participants for interview based data collection was difficult with techniques of random sampling or stratified sampling being inappropriate for qualitative studies. These sampling methods are based on statistical concepts and depend on large numbers of participants. Also interview participants must agree to be interviewed and therefore, there is an element of self selection in interview studies. (Seidman, 1991, p.42).

The most common solution to the problem of selecting participants for interview based research is to use purposeful sampling techniques (Patton cited in Seidman, 1991, p.42). These techniques include: 'typical case'; 'extreme case'; 'critical case'; 'convenience sampling' and 'maximum variation' sampling.

The Financial Counsellors' Association of Western Australia maintains a list of financial counsellors in the state. These records show that in July 1995 there were ninety members including associate, full and organisational members. Seventy eight of the members are individuals currently working as financial counsellors.

Literature and anecdotal evidence has indicated that the perceptions financial counsellors have of their work may be influenced by factors such as: the location of their employment, the type of employment (full-time, part-time, voluntary), resources available, past experience and training.

The maximum variation sampling technique was used to select a sample of eighteen financial counsellors to participate individually in an in-depth interview. The pool of potential participants was analysed to assess the maximum range of: locations of employment; educational backgrounds; experience and training; funding source and years of employment, of the financial counsellors making up the population.

A list of maximum variation categories was identified and given to the Financial Counsellors Resource Project to identify financial counsellors fitting into each of the categories. Information from FCAWA membership details and survey data held by the Financial Counsellors' Association of Western Australia were used to assist in the identification of counsellors in each category.

The final number of interviews was dependent on factors referred to by Seidman (1991, p.45) as sufficiency and saturation. Sufficiency refers to having selected enough participants to reflect the range of locations, employment situations, educational backgrounds and years of experience. Saturation refers to the point where the researcher begins to hear the same thing from interviews and no new information is revealed. (Seidman, 1991, p.45). The number of participants selected to participate in the interviews also depended on practical considerations such as time, funding, available resources and access to potential participants.

As a practicing financial counsellor, the researcher was excluded from the pool of potential participants.

3.2(a) INSTRUMENTS

In-depth personal interviews were selected as the most appropriate method of gaining detailed information about the perceptions that financial counsellors have of their work. According to Judd, Smith and Kidder (1991, p.218) there are several advantages of using personal interviews to conduct qualitative research studies. "The ability of the interviewer to *notice and correct the respondent's misunderstandings, to probe inadequate or vague responses, and to answer questions and allay concerns* are important in obtaining complete and meaningful data" (Judd et al. 1991, p.218). Other advantages of personal interviews include the ability to control the context of the interview and the order in which the research questions are presented to the respondent. (Judd et al. 1991, p.218).

The most important advantage of personal interviews is the data quality according to Judd et al. (1991, p.218). Personal interviews are most effective in obtaining a high response rate and are especially useful in surveying special populations. This method of data collection also enables the researcher to "*establish rapport and motivate the respondent to answer fully and accurately, again improving the quality of data*". (Judd et al., 1991, p.218).

There are also disadvantages of this method of research such as the possibility of the researcher influencing the respondents. Precautionary measures such as the spending adequate time with the participants and careful structuring of the interview questions may be used to reduce the possibility of the researcher influencing the responses from participants. The primary disadvantage of personal interviews however, is their high

cost, which can be two to three times greater than telephone interviews if the study aims to survey respondents in a large geographical area according to Judd et al. (1991, p.219).

An interview length of ninety minutes was recommended by Seidman (1991, p.13) for in-depth interviews. This time frame was seen to be long enough to generate sufficient information and demonstrate to the participant that they are being taken seriously. Longer than ninety minutes was seen to be too long to actively participate without tiring. (Seidman, 1991, p.13). The interviews with financial counsellors ranged in length from half an hour to two hours.

The interview questions were based on literature, previous studies and anecdotal evidence. A copy of the questions used in the interviews can be found in Appendix 1.

3.3(a) PROCEDURE

Following clearance from the University Ethics Committee, financial counsellors identified as potential participants were contacted by telephone to briefly explain the study and seek their willingness to participate in an interview. During this initial telephone contact the details contained in the informed consent form were explained. Potential participants were able to indicate their willingness to be involved in the study immediately or were given time to consider their participation.

A selection of participants for the interviews was made after analysing the sample group. The sample reflected the maximum variation of employment situations, locations, funding sources and experience of the total population of financial counsellors.

A suitable date, time and location for the interview was arranged by telephone with counsellors who agreed to participate in the study. A letter was sent following this telephone call to confirm the arrangements and explain the study in more detail. An informed consent form was enclosed with the letter. A copy of the informed consent letter can be found in Appendix 4.

The informed consent form:

1. informed the participants of what they are being asked to do, by whom and for what purpose and provided contact details for the researcher and supervisor to enable participants to contact them about the study;
2. informed the participants of their rights in the process, such as the right to review the data collected and the right to withdraw from the study at any time;
3. indicated that the participant's names would not be used in the study and described how confidentiality and anonymity would be maintained;
4. explained how the results of the study would be used;
5. indicated to the participants that their participation in the study was voluntary;
and
6. informed the participants of any sponsorship that may apply throughout the study.

An interview schedule made up of a series of open ended questions was used as a guide for the interviews. The questions were pilot tested on approximately three financial counsellors who are not involved in the study. Modifications were made to the wording and order of the interview questions following the pilot testing.

Each interview was recorded on cassette tape with the permission of the participant as well as notes taken by hand during the interview.

All of the interviews with financial counsellors were conducted before the information was analysed. Keeping the interviews separate from the analysis was recommended by Seidman (1991, p.86) as it minimises the possibility of the findings from data already collected influencing subsequent interviews.

At the completion of the interviews the tape recordings were transcribed into written text. This transcription process was an extremely time consuming task and therefore a secretarial service was used to transcribe the cassettes.

The anonymity and confidentiality of the participants was protected by allocating each a coded identity. The coded identity was used on all cassettes, transcripts, interview notes and in the results of the study.

3.4(a) DATA ANALYSIS

The transcripts of the interviews were interpreted and analysed by the researcher. At this point it was necessary to acknowledge the importance of recognising and documenting the interaction between the interviewer and participant in order to minimise the distortion of the findings. Without this recognition of the role of the interviewer there was a risk of imposing the researcher's own perceptions of the financial counselling rather than eliciting the perceptions of the participants. (Hyman et al. cited in Seidman, 1991, p.30).

In analysing the transcripts, key points in the interview were summarised. The aim of the analysis was to identify the perceptions that financial counsellors have of their work. In particular, the analysis concentrated on identifying the outcomes that financial counsellors endeavour to achieve in their work, the strategies used to achieve these outcomes and the perceived success of their attempts to achieve desired outcomes.

The process of analysis involved identifying groups, themes and categories from the transcripts. The aim of this process was to understand and make meaning of the participant's experience rather than attempt to 'fit' their experience into existing categories. The results of the analysis were collated and compared to the theories and models described in the literature review to identify consistencies with previous findings.

Several practices were built into the interview methodology to ensure validity and reliability of the data analysis. While validity and reliability are generally concepts applied to qualitative research, it is important to ensure that the analysis was credible and undistorted. These practices include: spending adequate time interviewing participants; using open ended questions in a structure that allows participants to make sense to themselves as well as to the researcher; providing interview participants with questions prior to the interview, and listening carefully.

In the process of marking and summarising the transcripts it was inevitable that the judgement and analysis would be influenced by the experience of the researcher in the field. A copy of the interview transcript with a summary of the key points were sent to the participants to check that the identified key points accurately reflected their idea of what sections of the interview were most important. The process of checking with participants was recommended as a method of increasing the credibility and validity of the analysis by Seidman (1991) and Judd et al. (1991).

This checking process can inform the researcher's judgement but cannot substitute for it, according to Lightfoot. (cited in Seidman, 1991, p.90). The judgement used to make sense of the data depends on the researcher's past and general experience as well as the internalising of the research material. The judgement of the researcher may be the most important ingredient the researcher brings to the study. (Marshall, cited in Seidman, 1991, p.90).

PART B CLIENT INTERVIEWS

3.1(b) SAMPLE

A series of categories, themes or clusters in the perceptions of financial counsellors were identified after the completion of analysis of the data obtained in Part A of the study. Two financial counsellors were initially selected from the eighteen counsellors interviewed in Part A to gain access to clients to participate in in-depth interviews. The selection of services or agencies was based on the 'typical case' sampling methods referred to in Part A.

For various reasons the first two selected financial counsellors were unable to assist the researcher to gain access to their clients. A further three counsellors were approached and were also not able to assist. After lengthy delays, two other financial counsellors were willing to allow access to clients.

A sample of ten recent clients of the two selected financial counsellors were selected. The final number of clients interviewed was dependent on concepts of sufficiency and saturation as discussed in Part A of this section.

3.2(b) INSTRUMENTS

It was anticipated that in-depth personal interviews would be used to gain information from clients about their perceptions of their contact with a financial counsellor. However, a great deal of difficulty and lengthy delays were experienced in gaining access to clients making it necessary to use telephone interviews. The interview focused on gaining information about the expectations clients had of the outcomes that might be achieved from their contact with a financial counsellor and the strategies used by the financial counsellor to assist them.

Anecdotal evidence from financial counsellors and colleagues in the community welfare sector indicates that many of the clients seeking assistance from financial counselling services are on low incomes and may have low literacy skills as well as poor self esteem. Personal interviews are the preferred method of gaining high quality information from low income minority populations, who may not have a telephone or respond to mail surveys according to Judd et al. (1991, p.218). However, it was necessary to use telephone interviews to gain access to clients.

Although personal interviews were preferred to telephone interviews there were still several advantages of the technique such as the ability of the researcher to clarify and probe responses and to control the order in which the questions are presented to the respondent. (Judd et al., 1991, p.218). Telephone interviews also have the advantage of not relying on the reading and writing skills of the respondents. The major disadvantage of telephone interviews is relatively high cost due to the researcher being a long distance from the respondents.

The interviews were expected to be between one hour and 90 minutes duration for reasons outlined in Part A however, financial counsellors expressed concern about the interview placing undue stress on clients. A much shorter time of 15 to 20 minutes was suggested by counsellors as being more suitable. In fact, the interviews with clients of the two financial counsellors ranged from ten to 45 minutes duration.

3.3(b) PROCEDURE

Following clearance from the University Ethics Committee, financial counsellors from selected agencies or services were asked to contact approximately ten clients they had seen in the past one to six months to obtain their consent to be contacted by the researcher. The names and telephone numbers of clients willing to be contacted were obtained from the financial counsellors.

Clients identified as potential participants were contacted by telephone to explain briefly the study and to seek their co-operation in participating in an interview. During this initial telephone contact all details contained in the informed consent form were explained. Potential participants were given the opportunity to indicate their willingness to participate immediately or were given time to consider their involvement.

All of the clients indicated a willingness to participate in the study during this initial conversation. A date and time to conduct the telephone interview was arranged.

A letter was sent to clients following the initial telephone call to confirm the arrangements and explain the study in more detail. An informed consent form was included with this letter for participants to read and sign before the interview. A copy of the informed consent letter can be found in Appendix 5.

The informed consent form:

1. informed the participants what they are being asked to do, by whom and for what purpose and provided contact details for the researcher and supervisor to enable participants to contact them about the study;
2. informed the participants of their rights in the process, such as the right to review the data collected and the right to withdraw from the study at any time;
3. indicated that the participant's names would not be used in the study and described how confidentiality and anonymity would be maintained;
4. explained how the results of the study would be used;
5. indicated to the participants that their participation in the study was voluntary; and
6. informed the participants of any sponsorship that may apply throughout the study.

A series of open ended questions was used to explore the perceptions of the client's contact with the financial counsellor. The interview schedule was developed from literature, previous studies and the findings of Part A of the study. The interview questions were tested on five clients of a financial counselling service not involved in the study. Modifications were made to the interview questions and format following the outcome of the pilot testing.

The telephone interviews were not recorded on cassette as initially intended. Notes were taken by hand on the interview schedule. The anonymity and confidentiality of the participants were protected by allocating each with a coded identity.

3.4(b) DATA ANALYSIS

The notes from the interviews were interpreted and analysed by the researcher after all of the interviews were completed. As with the interviews with financial counsellors, the interview notes were summarised and grouped together with the responses from other interview participants. The aim of the analysis was to focus on the expectations clients had of their contact with a financial counsellor as well as their perceptions of the success of the outcomes achieved from that contact. The analysis also attempted to identify relationships between the strategies used by financial counsellors to assist clients and the actual outcome achieved.

Practices that were included in the research design to ensure validity and reliability of the data analysis included spending adequate time talking to the participants, taking care not to prompt responses and listening carefully. Conducting all of the interviews before analysing the data also assisted to reduce the distortion of the analysis.

Following the analysis of the client interviews the findings were compared with the interviews with financial counsellors. Consistencies in the findings of the interviews with both groups were noted. Linking of the information from financial counsellors and their clients was necessary to show consistencies and inconsistencies. Care was taken to ensure that individual financial counsellors and their clients could not be identified.

CHAPTER 4. RESULTS

PART A: INTERVIEWS WITH FINANCIAL COUNSELLORS

4.1 DEMOGRAPHICS

A sample group of twenty financial counsellors was selected using the maximum variation technique as described in the research design. This technique was used to select a sample group which represented the widest possible range of education and employment backgrounds, work locations, employment situations, funding sources and years of experience of financial counsellors. The development of the sample categories was based on the literature and a survey of 75 financial counsellors in Western Australia conducted for the Financial Counsellor's Association of Western Australia. (Hosie, 1994).

Assistance was sought from the Financial Counsellor's Resource Project to identify individual financial counsellors representing the range of sample categories. This independent selection was necessary to ensure that the researcher, who is currently employed as a financial counsellor, did not bias the selection.

Table 1 below shows the range of categories which describe the interview participants as well as the comparison between the 1994 survey sample and the study sample. The table shows that the sample group represents the maximum variation of financial counsellors in the state.

Table 1
Description of Financial Counsellors in Western Australia

Description	# 1994 Survey	# Sample
Gender		
Male	20	6
Female	43	12
Years of employment		
less than 2 years	30	8
2 - 5 years	27	6
5 years or more	9	4
Educational Background		
University Degree	21	10
Diploma eg TAFE	16	4
High School	21	4
Other	7	
Hours of Employment		
Full time	34	15
Part time	24	3
Work Location		
Perth	38	14
Country WA	28	4
Funding Source		
State Government	65	16
Family and Children's Services		
Federal Office of Legal Aid and Family Services	2	1
Federal Department of Primary Industry & Energy	11	1

From a pool of twenty potential participants, results were obtained from a personal interview with 18 financial counsellors.

4.2 FINANCIAL COUNSELLORS' TRAINING BACKGROUND

The sample group was expected to have a range of training backgrounds as noted in the Literature Review. An analysis of the interviews showed this to be the case with a wide range of training backgrounds being identified. The training backgrounds of financial counsellors can be broadly categorised into two levels being TAFE Diplomas and University Degrees. Two of the financial counsellors had completed two University Degrees in different subject areas, while another counsellor had completed a University Degree and a TAFE Diploma.

A broad range of training subject areas were identified by the financial counsellors participating in the interviews. The training areas can be categorised broadly into three groups being: social and human services; accounting; banking and finance; and secretarial studies. Other areas of study that do not fit these categories include teaching and geology studies.

Counsellors were asked if they were currently undertaking any formal training or considering any future study. Three of the counsellors indicated that they were currently undertaking studies in Legal Studies, Business and Computing and Environmental Science. Several of the financial counsellors indicated that they would probably complete a Certificate in Financial Counselling in the future. Other areas of future study identified were: Social Work, Law, Business and Human Resource Management and Psychology.

4.3 FINANCIAL COUNSELLORS' EMPLOYMENT BACKGROUND

In explaining their personal background, counsellors were asked to describe the voluntary and paid positions they had held before becoming employed as a financial counsellor. It was anticipated that counsellors would reveal a wide range of previous voluntary and paid positions.

The range of voluntary positions held prior to employment as a financial counsellor was not as diverse as expected. Five of the financial counsellors had done voluntary work or student projects in financial counselling or welfare areas.

Conversely, the range of paid positions held prior to employment as a financial counsellor were very diverse. Most of the financial counsellors had previous employment in several different areas before their employment as a financial counsellor.

The wide range of previous paid employment identified by financial counsellors can be grouped into four broad categories being:

- community and social services,
- clerical,
- banking and finance and
- self employment.

The information supplied by financial counsellors about their education, training and employment history supports the evidence presented in the Literature Review that financial counsellors have very diverse backgrounds. A full list of the range of previous employment backgrounds can be found in Appendix 3.

4.4 AGENCY DESCRIPTION

The literature on financial counselling combined with anecdotal evidence suggests that financial counsellors work in a wide range of different employment situations. The results of this study support these earlier findings.

Three different agency types were identified being small, sole worker agencies, medium sized agencies with less than three workers and large agencies with more than three workers. The staff in the medium and larger agencies often included clerical and support staff, a co-ordinator and other program workers such as welfare workers or community lawyers.

Financial counsellors involved in the study who currently work in small sole worker agencies have no administrative support. These counsellors were often required to perform their own administrative tasks as well as agency administrative tasks such as book keeping, preparation of funding submissions and accountability reports.

Many of the financial counsellors involved in the interviews were employed by large agencies with more than three workers. These agencies tended to be either part of a local government council or non- government, multi-service agencies.

Financial counsellors reported three main types of management structures. The most common management structure was the community based management committee. The remaining counsellors were divided between local government management structures and church based management committees.

4.5 DESCRIPTION OF FINANCIAL COUNSELLING

The information presented in the Literature Review together with anecdotal evidence was supported by background information from financial counsellors presented above. Based on this information it was expected that financial counsellors would have different views of their work as a result of differences in their educational and training background, location of work, agency type and years of experience. Following from this information, it was predicted that financial counsellors were likely to describe their work differently to people who had not heard of their work.

However, despite the difference in background, the results from the 1994 FCAWA survey of all financial counsellors showed that the majority of counsellors (64%) supported the following definition of financial counselling:

Financial counsellors provide information, options, support and advocacy to enable clients to develop the skills, knowledge and confidence to take control of their own financial situation. (Hosie, 1994, p.7).

It was therefore difficult to predict how financial counsellors involved in the study would describe financial counselling to people who had not heard of their work.

Counsellors indicated that they generally found the task of describing their work difficult as many people were not familiar with financial counselling. The responses to this question were varied and tended to be either a brief sentence or a lengthy description of the type and range of tasks performed in the job.

Financial counsellors involved in the study all described their work in a similar way. Many of the descriptions included terms used in the definition of financial counselling supported by the majority of counsellors in the 1994 survey presented above. The most common terms used to describe financial counselling to people who had not heard of the job were: "a service for people on low incomes" or "assist clients with options to resolve financial problems".

Several financial counsellors indicated that they made a clear distinction between financial counsellors and financial planners when describing their work. Financial planners tend to deal with people who have higher incomes and have money to invest whereas financial counsellors deal with people on low incomes who often require assistance to resolve debt related problems.

4.6 TYPICAL CLIENT

Literature presented in section 2.1 of the Literature Review describes the Financial Counselling Program as part of the State and Federal government's social justice policy for low income consumers. It was, therefore, anticipated that low income consumers would be the most typical client of financial counselling services as the services were set up to target this group.

When asked to describe the most typical client of their service, financial counsellors involved in the study preferred to describe a range of different categories of typical clients rather than identify a single client group. The most frequently identified categories of clients included:

- low income consumers (Social Security pension or benefit recipients and wage earners),
- sole parents,
- aboriginal people,
- clients who have experienced a change in circumstances and
- females.

While showing the range of typical clients using the financial counselling services, the responses indicated that low income consumers, especially those in receipt of a Social Security pension or benefit, were the most typical client group.

4.6.1 Clients Most in Need of Assistance

It was expected that two main issues might influence the responses from financial counsellors regarding their perceptions of clients most in need of assistance. Firstly, the Financial Counselling Program was developed as a service primarily for low income consumers and it was thought that counsellors may see this broad group of consumers as being in most need of assistance. Secondly, the literature and anecdotal evidence indicated that financial counsellors were likely to have different views of their work as a result of influences such as their education and training background, previous experience, location of work and agency philosophy. Financial counsellors may therefore, identify different client groups as most in need of assistance.

The majority of responses tended to be fairly consistent in suggesting that sole parents and long term Social Security recipients were in most need of assistance from financial counsellors. As many sole parents tend to be on a low income, it can be assumed that these results indicate that clients in greatest need of financial counselling tend to be the most typical clients.

Other common responses included clients in financial crisis, those who have ignored the problem and clients lacking financial management skills. The frequency with which these circumstances were noted tends to suggest that clients on low incomes are more likely to experience crisis situations. People on higher incomes are more likely to have savings to cover unexpected expenses or crisis situations. It is also likely that clients are motivated to seek the assistance of a financial counsellor when they experience a crisis rather than when the problem first arises.

4.6.2 Clients Who Benefit Most From Financial Counselling

It was anticipated that counsellors would have different views of the clients who benefit most from financial counselling largely based on their experience in dealing with clients on a day to day basis. It was likely that the responses would reflect the counsellors' personal opinions which would be influenced by factors such as training, past experience and location of their work.

When asked to identify the type of client who benefits most from the assistance financial counsellors are able to offer, there was little agreement in the responses. The responses tended to be based on counsellors' experience in working with clients on a day to day basis. The range of responses included:

- clients in better financial position or middle income consumers;
- Social Security pension or benefit recipients;
- overcommitted consumers;
- clients experiencing a change in circumstances;
- younger families with children;
- sole parents, and
- females.

Despite the range of different views of clients in most need, many of the financial counsellors agreed that clients who were motivated to resolve their financial difficulty were more likely to benefit from the assistance offered by the financial counsellor. Clients with greater financial and personal resources were also identified as being more likely to benefit from financial counselling.

4.6.3 Clients Who Benefit Least From Financial Counselling

Several financial counsellors involved in the study agreed that clients who were influenced by outside factors such as alcohol and drug addictions or influences such as lifestyle and cultural background, were least likely to benefit from financial counselling.

Another common category of clients least likely to benefit from financial counselling were long term Social Security recipients often referred to as being on a debt or poverty cycle. Several financial counsellors thought that long term Social Security recipients such as unemployed single men and sole parents, were not likely to benefit from financial counselling as these people had a reduced capacity to save for unexpected expenses.

Clients with unrealistically high expectations of financial counselling, particularly those clients seeking emergency relief funds rather than counselling, were also commonly suggested as a group of clients who were least likely to benefit from financial counselling.

These responses seem to be fairly consistent despite the wide range in different backgrounds of financial counsellors. It is likely that the consistency in the responses is derived from the common experience of financial counsellors.

4.7 CLIENT OUTCOMES

It was anticipated that financial counsellors would be aiming to achieve different outcomes in their work with clients as a result of differences in their training and employment background, personal experience and location of service.

The responses show that half of the counsellors indicated an aim to pass on skills to clients to enable them to deal with financial difficulties in the future as their primary outcome. This group of financial counsellors also indicated that they aim to pass on information to clients to increase the client's knowledge and understanding of legal and financial systems, processes, rights and responsibilities.

Other common outcomes identified were:

- clarify client situation;
- decrease client stress;
- refer clients to appropriate resources;
- prepare budget for clients; and
- address community education, social justice and law reform issues.

The consistency in the responses of many of the financial counsellors shows a link to the definition of financial counselling supported by the majority of all financial counsellors indicated in the 1994 survey conducted by Hosie (1994). This definition states that financial counsellors assist "clients to develop skills and knowledge and confidence to take control of their own financial situation." (Hosie, 1994, p.7)

4.7.1 Factors Influencing Client Outcomes

Financial counsellors were asked to discuss the factors that influenced the formation of the outcomes of their work. The results were expected to show a range of influences based on past experience, education and training, personal or agency philosophy and work location.

The results of the interviews with financial counsellors were consistent with the literature on financial counselling. A range of influences were identified by counsellors with the most common influences being training, experience in the job, personal experience and presenting client problem. Other influences included: previous work, agency philosophy, personal beliefs, funding body, community expectations and local knowledge.

4.7.2 Level of Success of Outcomes

The responses from financial counsellors about their perceived level of success showed a high level of consistency. Twelve of the 18 counsellors interviewed perceived their level of success in achieving client outcomes to be above average. That is, financial counsellors felt that they had been successful in dealing with the majority of client problems. A small number of financial counsellors indicated that they felt successful in 70 percent to 100 percent of cases. This group of counsellors felt that they were successful in all cases in clarifying the client situation and offering realistic options. The remaining counsellors perceived their level of success to be average with none of the counsellors indicating that they perceived their level of success to be below average.

Positive factors contributing to the success of outcomes identified by counsellors included: client motivation; commitment and realistic expectations; adequate counsellor and client resources; good rapport with clients; good relationships with creditors and the use of appropriate counselling techniques and skills. These responses are consistent with earlier results regarding clients who benefit most from the assistance offered by financial counsellors. Financial counsellors seem to be indicating that the commitment and motivation of clients are important factors in determining the perceived level of success and therefore the benefit to clients.

The range of influences identified by financial counsellors that hinder their level of success in achieving outcomes was much broader than the positive influences. The lack of client commitment, lack of adequate resources and outside factors such as family and personal problems or addictions were most frequently identified by financial counsellors involved in the study. Other client related factors that hinder the financial counsellors' level of success of included clients' lack of financial management skills, unforeseen circumstances and clients income too low. Financial counsellors also identified factors that hinder the level of success of their work related to their perceived lack of training, the boundaries of the role of financial counselling and the isolation from colleagues.

Following questions on client outcomes, influences on outcomes and level of success, financial counsellors were asked to suggest ways of being more successful in their work. The responses to this question were expected to provide important information for the development of the profession in the future.

A wide variety of suggestions were made by counsellors to improve the effectiveness of financial counselling. The most common suggestions for assisting financial counsellors in achieving outcomes were ongoing training and additional funding for more financial counselling positions. Other suggestions of ways to improve the level of success of financial counsellors were:

- increasing communication with other financial counsellors;**
- on-going professional development activities;**
- full time legal advice from the Financial Counsellor's Resource Project;**
- funding bodies to acknowledge and accept a social policy role and**
- multiple services available at one agency.**

Financial counsellors also noted in the interviews that a relatively easy way to improve the level of success of their work was to educate clients to seek assistance earlier.

The majority of counsellors have identified areas in their work that they perceive to be in need of improvement. The range of responses on how to be more successful seem to be based on the counsellors' experience in their work.

4.8 STRATEGIES USED TO ASSIST CLIENTS

A brief case study of an actual client situation was presented to counsellors to gain an indication of the strategies which might be used by each counsellor to assist clients. A copy of the case study can be found in Appendix 1. In the context of the interview, counsellors were asked to comment on the case study prior to identifying outcomes they aim to achieve. This was done to ensure that the responses were not biased by previous answers.

Information provided in the literature suggested that financial counsellors would use a range of strategies to deal with client problems. It was expected that counsellors would all approach a given client situation differently.

The responses to the case study were also used to check the consistency with identified client outcomes. It was anticipated that the outcomes counsellors aim to achieve would be reflected in their comments on the case study. The client outcomes together with strategies used to assist client was expected to provide information about occupation ideologies described in the literature review. The three main occupational ideologies identified by Ryan (1990, p.29) were the debt repayment ideology, social work ideology and developmental ideology.

The responses to the questions on the case study produced some interesting trends. Most of the counsellors followed a pattern of firstly, assessing the client situation and secondly, offering options to resolve the client problem.

In assessing the client situation, financial counsellors identified a need to obtain information from clients about their financial, contractual and personal situation. When dealing with a given client situation, a number of counsellors indicated that they would seek details of the client's financial position. These details include information about income, expenditure, assets and liabilities. Several counsellors also agreed that obtaining information about income entitlements such as Social Security pensions and benefits, superannuation or redundancy payments, were important factors in assessing the overall client situation.

Reviewing and seeking advice on the finance contract mentioned in the case study was seen as an important step in assessing the client situation by half of the counsellors. Obtaining details about the history of loans was also indicated by counsellors as another important consideration. Obtaining details about the history of loans was suggested as being of assistance in determining options to resolve the client's financial difficulty.

Almost all financial counsellors supported the view that obtaining details of the client's personal and family situation was important. Many counsellors supported the view that the client's personal situation needed to be considered together with their financial situation in order to suggest appropriate options. Obtaining personal details such as age, future employment prospects and personal priorities was noted by many of the counsellors interviewed.

Suggesting client options was noted as the second stage in dealing with the case study of an actual client problem. In the case study given to financial counsellors during the interview, the majority of counsellors agreed that bankruptcy was a possible option. Negotiating with creditors for regular payments was also noted by several counsellors.

The responses to questions about the case study show that the strategies used by financial counsellors to address a client problem are to firstly assess the financial, contractual and personal situation and secondly, to offer options to resolve the problem.

A closer analysis of the responses to questions about the case study allows some comparisons to be made with the occupational ideologies noted by Ryan(1990, p.29) in the Literature Review. The financial counsellors involved in the study seem to resemble closely the combined debt repayment/ social worker ideology described by Ryan (1990, p.29). That is, financial counsellors are concerned with assisting clients to repay debt by preparing budgets and negotiating with creditors. The counsellors also regarded personal and welfare issues such as housing and employment prospects as important considerations when dealing with clients.

These results differ from the expected outcome that financial counsellors would all have different strategies for dealing with client problems and different occupational ideologies. The results show that the counsellors involved in the study share consistent views of the strategies for dealing with a given client problem.

4.9 OUTCOMES OF FINANCIAL COUNSELLING FOR THE COMMUNITY

The results of previous studies into financial counselling do not seem to have identified the outcomes or benefits of financial counselling for the wider community. It was therefore not possible to predict how financial counsellors involved in this study would perceive the outcomes of financial counselling in general.

The responses to the question regarding the outcomes that financial counsellors aim to achieve for the wider community were varied. In general, financial counsellors had difficulty identifying general outcomes that financial counsellors are currently achieving as a group for the community. Many counsellors chose to list the outcomes they thought financial counsellors as a group should be aiming to achieve, rather than those outcomes actually achieved.

The majority of the financial counsellors indicated that providing information and educating consumers were major aims of financial counselling for the community. Clarifying the role of financial counselling to consumers, government agencies and the finance industry was noted by several counsellors as another important aim of financial counselling. Some financial counsellors suggested that clarifying the role of financial counselling would assist in raising the profile and credibility of financial counselling as a profession. Several counsellors noted that another important outcome of financial counselling in general was to provide a resource to government, finance industry, and community groups.

Identifying and changing government and industry policy relating to low income consumers was mentioned by several financial counsellors as a general benefit of financial counselling. Other similar responses included, providing a fairer market for consumers and reducing the gap between high and low income consumers.

The main inconsistency in the responses to this question was in regard to the priorities of short and long term outcomes. Seven counsellors suggested that providing long term solutions to financial problems was important. However, two counsellors supported the view that financial counsellors aim to resolve clients' immediate financial crisis.

In summary, financial counsellors listed the outcomes of financial counselling in general as:

- providing information and education to consumers;
- clarifying the role of financial counselling to consumers, government agencies and the banking industry;
- identifying and changing unfair government and industry policy for low income consumers;
- providing short and long term solutions to financial problems and
- providing a resource to the community, government and finance industry.

4.9.1 Level of Success of General Outcomes

The responses from financial counsellors regarding the level of success of financial counselling in achieving the outcomes mentioned in Section 4.9 revealed three opposing points of view. A number of counsellors indicated that financial counsellors as a group are fairly unsuccessful in achieving these outcomes. Another group of counsellors perceived the level of success to be average, while some counsellors thought financial counsellors as a group were very successful in achieving outcomes for the whole community.

A range of reasons why financial counselling is perceived to be successful or unsuccessful provides further information about how financial counsellors perceive the service they provide to consumers in general. The counsellors who perceived financial counselling to be very successful noted the development of community resources such as the Consumer Credit Legal Service and the Financial Counsellor's Resource Project as well as the increase in awareness of financial counselling as justifications for their view.

The range of reasons why counsellors felt the outcomes of financial counselling were either average or fairly unsuccessful were varied. Common responses included:

- poor definition of the role of financial counsellors and poor public image;
- lack of co-ordination between financial counsellors and with other community and government groups;
- inability of individual counsellors to make a great impact, hence, a need for a state or national approach to education campaigns as well as assistance from other areas and
- counsellors are casework driven.

These results reveal that financial counsellors do not share consistent views of the outcomes of financial counselling and the level of success of financial counselling as a whole.

4.10 MODELS OF SERVICE DELIVERY

Previous findings about the models of service delivery of financial counselling, such as those referred to by Ryan (1991) and Wyse et al (1990) identified three main areas of work. These areas are described in Section 2.4 of the Literature Review as casework, community education and social policy action. While areas of work have previously been identified by Ryan (1991) and Wyse et al (1990), there does not appear to have been any formal attempt to collect information about the proportion of time spent on each of these areas.

Financial counsellors involved in this study were asked to identify the proportion of time spent on casework, community education and social policy action. The literature combined with anecdotal evidence from experienced financial counsellors suggested that financial counsellors would spend the greatest proportion of their time on casework.

The results clearly show that counsellors spend different proportions of time on each work area. The amount of time spent on casework identified by counsellors ranged from 5 percent to 95 percent. The majority of counsellors noted that they spend between 60 percent and 80 percent of their time on casework related tasks.

All of the counsellors involved in the interviews indicated that they spent between 5 percent to 25 percent of their time on community educational tasks including talks, seminars and workshops for school, TAFE and community groups. Financial counsellors indicated that between 5 percent and 25 percent of their time was spent on social policy action. The majority of counsellors reported spending between 15 percent and 20 percent of their time on policy work. Examples of social policy action provided by the counsellors included, attending meetings of community groups and public forums, networking with other counsellors and providing feedback to government agencies. Six counsellors did not identify any time for social policy action.

Two of the financial counsellors involved in the interviews identified supervision of other staff as a separate area of their work. One counsellor was involved in supervision for 70 percent of their time with 5 percent supervision noted by another counsellor.

One counsellor identified that 50 percent of work time was spent performing administrative tasks for their employing agency. The remainder of this counsellor's time was spent on casework.

The responses to questions about the proportion of time that financial counsellors spend on different areas of work show that the majority of counsellors spend 70 percent to 90 percent of their time on casework. Approximately 5 percent to 15 percent of their time is spent on community education and between 15 percent and 20 percent of time on social policy action. These responses are consistent with one of the current models of service delivery described by Wyse et al (1990, p.41) in which 65 percent to 70 percent of the focus of the service is directed to casework related activities. However, there was support from many financial counsellors for an increase in the proportion of time spent on community education and social policy action. This is consistent with the future model of service delivery described at the FCAWA Annual Conference (personal communication, July 28, 1994).

4.10.1 Most Important Aspects of Financial Counselling

Following from questions about the proportion of time counsellors currently spend on casework, community education and social policy action, counsellors were asked to identify the most important aspect of their work. The majority of financial counsellors agreed that casework was the most important aspect of their work.

4.11 DESCRIPTION OF AN IDEAL AGENCY

Financial counsellors were asked to describe the proportion of time they would allocate to the different tasks of casework, community education and social policy action in an ideal situation. It was expected that the responses would be largely based on the counsellor's personal experience in the job.

The results produced some interesting trends that may assist agencies and funding bodies to reassess the division of time spent on different tasks. More than half of the financial counsellors supported the view that between 50 percent and 60 percent of counsellor's time should be spent on casework in an ideal agency. A small number of counsellors indicated that ideally more time should be spent on casework with two counsellors suggesting less than 50 percent should be spent on casework.

The majority of counsellors indicated that in an ideal agency, approximately 20 percent to 30 percent of counsellors' time should be spent on community education projects. The ideal proportion of time spent dealing with policy issues arising out of casework was most frequently suggested as being between 20 percent and 30 percent.

In comparing the differences between the current and ideal model of service delivery, counsellors agreed that the proportion of time spent on casework would need to be reduced to allow more time to be spent on community education projects and social policy action. The responses can be linked to financial counsellors experience in their work. The responses imply that the ideal proportion of time spent on casework, community education and social policy action is largely based on the counsellor's personal experience in their work.

4.11.1 Changes Needed to Achieve Ideal Service

Three main changes were suggested by counsellors to enable financial counselling services to move from the current model of service delivery to an ideal model. There was strong support from financial counsellors that an increase in the number of financial counselling and support staff would be needed in an ideal situation. Many counsellors agreed that developing specialist roles, particularly in the community education area would assist financial counsellors to provide a better service to clients.

Financial Counsellors involved in the study noted that a reduction in the proportion of time spent on casework was necessary to allow a greater proportion of time to be spent on community education and policy work. It was suggested that this ideal model of service delivery would enable financial counsellors to have the greatest impact on clients and the wider community.

Several counsellors suggested that a change in the perception of the government funding bodies' policy directions, would be needed to relax the service guidelines and allow more of counsellors' time to be spent on education and policy areas. It was thought that this change would enable financial counsellors to concentrate on preventative education and policy issues that could assist a large number of people to avoid financial difficulty. This view is in contrast with that of the Minister for Family and Children's Services who supports a model of service delivery in which the majority of financial counsellor's time is spent on casework related tasks.

4.12 INTERACTION WITH OTHER COMMUNITY SERVICE GROUPS

It was anticipated that additional information about how financial counsellors view their work might be gained by asking questions about their interaction with other community service groups. Financial counsellors identified the four main groups making up their professional network as being government departments, non-government community service organisations, financiers and other financial counsellors.

The most frequently identified government groups included: Family and Children's Services (formerly Department for Community Development), Department of Social Security and Homeswest followed by public utilities such as Western Power, Telecom and the Water Authority. Other less frequently mentioned government groups included: Legal Aid; Community Health Service; Local Court; Insolvency and Trustee Service and the Ministry of Fair Trading.

In the non-government category, a wide range of organisations were listed. Financial counsellors indicated that they tended to interact with non government services in the area closest to their agency. Some of the frequently identified non-government organisations were: Church groups, refuges, Emergency Relief Services, Childcare Services, Family Counselling Services, local members of Parliament and Community Legal Centres.

Banks, Finance Companies and Debt Collection Services were identified by financial counsellors as forming part of their network, while other Financial Counselling Services and the Financial Counsellors' Resource Project were mentioned by some financial counsellors.

4.12.1 Perceptions of Financial Counselling as Part of Community Services Network

Network

Financial counsellors were asked to describe how they perceive financial counselling fitting into the overall community services network described in section 4.12 above.

Two different patterns emerged from the analysis of the responses to this question.

More than half of the counsellors perceived financial counselling as being of prime importance in resolving a range of client problems. It was suggested by this group that financial problems are often the cause of other family problems and that resolving or preventing a financial crisis was of prime importance. This perception was most commonly illustrated as shown in figure 2 below.

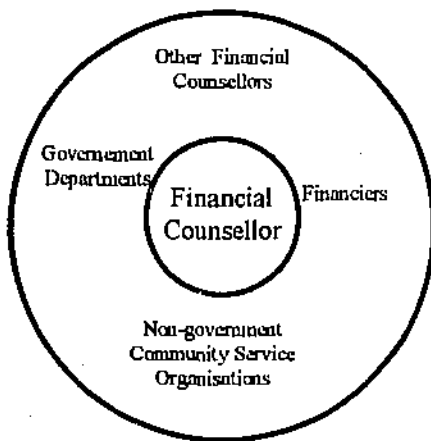


Figure 2. Illustration of Community Services Network

Four counsellors described financial counselling as one element of a range of community services needed to assist individuals and families. A diagrammatical illustration of how these counsellors perceived financial counselling as part of the community services network is shown in figure 3 below.

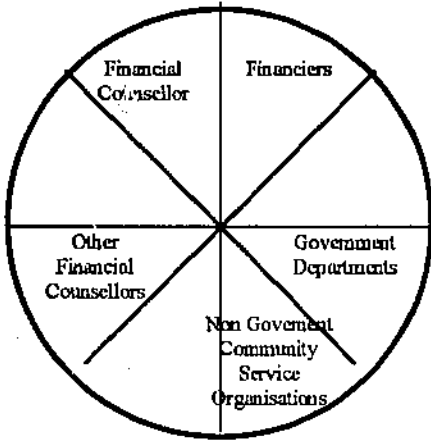


Figure 3. Alternative Illustration of Community Services Network

Financial counsellors involved in the study describe a large network of community service groups with which they interact, comprising government and non-government organisations, financiers and other financial counsellors. There are two contrasting views of how financial counselling fits into the community services network. Most financial counsellors perceive financial counselling as being of prime importance in resolving client difficulties as illustrated in figure 2 above.

4.13 FUTURE DIRECTIONS OF FINANCIAL COUNSELLING

Financial counsellors were asked to describe the changes they could foresee in the future of the profession. The information was expected to be beneficial in the development of policies and practices for financial counselling in the future. It was anticipated that the responses to this question would also reveal additional information about financial counsellor's perceptions of their work.

The responses from financial counsellors showed strong support for counsellors being better trained in the future. Many counsellors indicated that they thought that in future financial counsellors entering the field would have tertiary qualifications and would be formally accredited. There was also a common feeling among several financial counsellors that in future counsellors would be more professionally active. A greater awareness of financial counselling among the general community as well as government and industry groups was also noted by approximately half of the financial counsellors.

Several financial counsellors commented on the future role of the profession. General comments tended to show support for an increase in the flexibility of the role of financial counsellors. An increase in the emphasis of social policy action and community education was mentioned by several financial counsellors. A small number of counsellors also supported a move towards more para-legal work in the role of financial counsellors.

The type of agency in which financial counselling services operate was the focus of comments from numerous counsellors regarding the future of financial counselling. A wide range of suggestions were made based on counsellors' personal experience in the job and their knowledge of other community services. In the context of the interviews, several counsellors supported the view that in future financial counselling services would be provided ideally by agencies that offered a variety of different community services. It was thought that multi-service agencies would be an efficient model of service for resolving client difficulties in a range of areas in the one location. This was suggested as a way of reducing the time and travel costs of clients and ensuring that clients received all of the assistance required to resolve individual difficulties.

The responses from financial counsellors indicated that the client needs are expected to change in the future. A wide range of examples of the changing needs of clients were suggested including: the aging population requiring assistance with superannuation difficulties, an increase in problems related to home shopping and difficulties with multiple item loans. Two counsellors suggested that in future financial counselling services may become more specialised with services directed towards addressing gambling and superannuation problems.

The funding structure of financial counselling services was noted by financial counsellors when commenting on the future of the profession. There was a feeling that services would be less reliant on government funding in the future. An increase in the funding from local government and finance industry sources was anticipated.

In summary, financial counsellors' thoughts on the future of financial counselling were consistent with other responses during the interview. The responses seem to be based largely on the counsellor's experience in their work and their understanding of the community services sector. The responses show that financial counsellors foresee a positive future for the profession and expect that financial counsellors will become more highly trained and professionally involved.

PART B: INTERVIEWS WITH CLIENTS

4.14 DEMOGRAPHICS

Following the completion of the interviews with financial counsellors, two 'typical' counsellors were selected. That is, the responses from these counsellors were typical of the group of financial counsellors involved in the study. A sample group of ten recent clients of each of these financial counsellors were selected to participate in a 15 to 20 minute telephone interview. In total, 18 of the 20 potential participants were willing and available to be interviewed.

4.15 CLIENTS INTRODUCTION TO FINANCIAL COUNSELLING

Clients were asked to describe how they found out about the financial counselling service from which they sought assistance. The agencies that financial counsellors listed as forming part of their network were expected to be a common source of information about the service to clients. Anecdotal evidence from financial counsellors indicated that friends and family were an important source of introduction to financial counselling services.

Family and Children's Services featured prominently in the responses from clients. Other government agencies mentioned were the Department of Social Security and Legal Aid. local councils, private lawyers and other financial counselling services were also noted by clients as being the source of information about financial counselling. Friends and family members were mentioned by several clients.

The responses from clients were found to reflect the expectations and responses from financial counsellors. Many of the government and non-government community services listed as part of the financial counselling network were mentioned by clients as the source of their knowledge of the financial counselling service.

4.15.1 Contact With Other Agencies

Clients were asked if they have any contact with other agencies to try and resolve their financial difficulty prior to seeing the financial counsellor. It was anticipated that a wide range of agencies would be identified.

Family and Children's Services and the Department of Social Security were most frequently identified by clients as a source of assistance prior to seeing the financial counsellor. Other agencies mentioned by clients were lawyers, Legal Aid, local councils, social workers and other financial counsellors. In many cases these agencies were responsible for referring clients to the Financial Counselling Service. In other instances clients referred themselves to the financial counsellor.

The information gained from clients about how these referring agencies described financial counselling showed a clear lack of understanding about the role of the financial counsellors. Several clients mentioned that the referring agency did not offer any information about the financial counselling service. Other agencies were reported to have provided either no information or very limited information. Comments from clients mentioned that the service would help with budgeting or provide emergency relief funds. The only referring agency to provide more comprehensive information about financial counselling was another financial counselling service.

Information gained from financial counsellor interviews shows a range of these agencies form part of their professional network. It would appear from these results that information about the role and services provided by financial counsellors is not well known by referring agencies.

4.16 CLIENT EXPECTATIONS OF FINANCIAL COUNSELLING

During the course of the interview clients were asked to describe their expectations of the financial counselling service. The responses to this question were expected to provide feedback on client perceptions of the financial counselling service. This information combined with other responses may assist financial counsellors with the development of services in the future.

Approximately half of the clients reported that they expected the financial counsellor to 'help them out of a financial mess'. Other clients indicated that they expected sound general advice and options as well as support or someone to talk to about their problem. These responses indicate that clients have non-specific and broad ranging expectations of the financial counselling service.

This group of clients frequently referred to an expectation that the financial counsellor would provide them with objective advice on their financial difficulty. This expectation of advice is in contrast with financial counsellors' description of their work in which counsellors indicated that the role of the financial counsellor was to provide information and options to clients as opposed to advice.

A small number of clients indicated that they had no idea, or were not sure, of what to expect from their contact with the financial counsellor. These clients also reported a lack of information from the referring agency about what to expect from the financial counsellor.

Another group of clients were very clear about what assistance they expected from the financial counsellor. These clients indicated that they expected the financial counsellor to assist them with budgeting, advocacy and emergency relief funds. This group of clients tended to be those who already knew about financial counsellors or had previously used the service.

4.17 CONTACT WITH THE FINANCIAL COUNSELLOR

Clients were asked to describe, in general terms, the assistance they received from the financial counsellor on their first appointment. Clients were not expected to discuss specific details of their case. It was anticipated that the results would assist in the identification of consistencies with the client outcomes and strategies described by financial counsellors in Part A.

The responses to this question provided a great deal of information about the diverse range of assistance provided to clients by the two financial counsellors. A closer analysis of these responses revealed a clear pattern which seems to be consistent in most client cases. The counsellors seem to follow a pattern of firstly assessing the client situation before developing a strategy to assist the client, advocating and providing information to clients.

In all cases the clients mentioned that the financial counsellor requested information about their current financial position including details of their income, expenditure, assets and liabilities. During their first appointment clients reported that the counsellor also discussed details of their particular financial difficulty as well as other relevant personal details.

The group of clients were also asked to describe the strategies used by the financial counsellor to deal with their problem. Examples of the strategies described by clients included: the development of a budget, repayment plan or negotiation with creditors. The responses from clients indicated that on the first appointment the financial counsellor advocated or negotiated with creditors on their behalf by either telephone or letter. Most of the clients mentioned that they also received some information or advice from the financial counsellor on their first or subsequent appointments.

The responses indicate that individual financial counsellors seem to follow a similar pattern when dealing with client difficulties. Both counsellors, whose clients were interviewed, followed a similar pattern of assessing the situation, suggesting strategies to deal with the problem, advocating on behalf of clients and offering information on financial issues. These findings are consistent with the outcomes and strategies described by financial counsellors in Part A.

4.17.1 Resolution of Client Problems

Additional information was sought from clients regarding the assistance supplied by the financial counsellor to resolve their financial problem. Financial counsellors interviewed in Part A indicated a high level of success in resolving client problems and therefore, it was anticipated that the group of clients would indicate that their problem was satisfactorily resolved. Assisting clients to develop financial management skills was also described by the financial counsellors participating in the interviews.

In all cases clients indicated that the financial counsellor had either resolved their problem satisfactorily, or that they were receiving ongoing assistance. When asked about follow up appointments, several clients implied that they were gaining budgeting and negotiation skills. These clients noted that they would be likely to attempt to resolve future financial difficulties on their own. It can be assumed from these responses that the high level of success in achieving client outcomes reported from the two 'typical' counsellors is supported by the responses from their clients.

4.17.2 Factors Involved in Resolving Client Problems

The responses from financial counsellors in Part A revealed that factors such as the motivation of clients and a higher income were helpful in successfully resolving client difficulties. In order to compare this with actual client situations, clients were asked to indicate aspects of their particular situation they considered would make it easier for the financial counsellor to solve their problem.

A willingness to help themselves was frequently mentioned by clients as being helpful to the financial counsellor. A number of clients also suggested that having all of the relevant documents at the interview made it easier for the financial counsellor to resolve their problem. Other aspects of their situation that clients perceived as making it easier for the financial counsellor to resolve their problem included: understanding the problem; additional or higher income; a simple problem; client honesty in divulging information and the co-operation of creditors.

The group of clients were asked to describe the factors that hinder the financial counsellor's ability to resolve their financial problem. In the context of the interview clients identified several outside factors such as health problems, poor English and debts to family members as hindering the financial counsellor's ability to resolve their problem. Other factors regarding the client's financial situation were: low income, unemployment and high level of financial commitments.

The responses from both financial counsellors and clients regarding the positive and negative factors influencing client outcomes can be seen to be very similar. The responses from financial counsellors were found to be based on their practical work experience. The responses from the group of clients involved in study support the experience of the financial counsellors as described in Part A.

4.18 CLIENT REFLECTIONS OF CONTACT WITH THE FINANCIAL COUNSELLOR

Feedback from clients on their experience in seeing a financial counsellor, combined with the information obtained from the interviews with financial counsellors, was expected to be valuable in the development of future policies and practices for the profession. Financial counsellors involved in the interviews indicated a high level of success in resolving individual client difficulties. In order to check the consistency of these responses, clients were asked to discuss their perceptions of the help they received from the financial counsellor.

All but one of the clients indicated that the assistance they received was above their expectations. This group of clients rated the help offered by the financial counsellor as being very good to excellent. Comments from these clients indicated that they were very satisfied with the help supplied by the financial counsellor. Particular mention was made about the two counsellors being non-judgemental, understanding and knowledgeable.

One client indicated that the assistance they received from the financial counsellor was 'fairly good' although they would have preferred the counsellor to be more supportive and advocate on their behalf to a greater extent. Some clients did not have any idea of what to expect from their contact with the financial counsellor. Therefore, these clients reported that the assistance they received was above their expectations.

Additional information was sought from clients about their assessment of the Financial Counselling Service in general. Clients were asked to indicate whether they would use the service again if they experienced a financial problem in the future. Follow up questions asked the group of clients if they would refer a friend to the service. The responses were expected to provide indirect evidence of the client's perceptions of financial counselling, as well as checking the consistency of earlier answers. Information about the client's general impressions of the Financial Counselling Service was expected to provide feedback to financial counsellors that may be valuable in the development of the profession.

The group of clients indicated that they would all contact a financial counsellor again if they experienced a difficult financial situation in the future. A number of clients indicated that in future they would contact the counsellor before their difficulty became a crisis situation. Other clients stated that they would contact the financial counsellor as a last resort to resolve the problem.

All of the clients involved in the interviews indicated strongly that they would refer a friend or family member to a Financial Counselling Service. Several of the clients indicated that they had already referred someone to a financial counsellor as a result of their experience with the service.

These combined responses show a strong support from this group of clients for the Financial Counselling Service. It would appear that the above average level of success described by financial counsellors is reflected in the responses from this group of clients.

Information obtained from financial counsellors in Part A revealed that this group of counsellors experienced difficulty explaining their work to people who had not heard of financial counselling. This information, combined with client responses indicating that referral agencies seem to provide limited information about financial counselling, leads to an expectation that clients may also have difficulty if they were explaining financial counselling to friends and family members.

An overview of the responses from clients indicates that clients tend to use their own experience when describing the financial counselling service to friends or family members. This group of clients used descriptions such as good, professional, there to help, understanding, someone to talk to and non-judgemental. A number of clients mentioned that they would urge friends and family members to see a financial counsellor before their problem became too complex.

Very few of the clients involved in the interviews indicated that they would describe the actual assistance a financial counsellor provides when describing the service to a friend. It would seem that this group of clients were generally satisfied with the assistance they received from the financial counsellor and would refer someone else to the service as well as use it again themselves. However, clients have difficulty describing the type of assistance financial counsellors provide. This response combined with earlier findings that clients received limited information from referral agencies, suggests that financial counsellors need to increase the awareness of their role to clients and referral agencies.

During the interviews in Part A many counsellors noted that ideally they would like to devote more time to community education and social policy action. In order to determine how this may impact on consumers, clients were asked to identify things which would have helped them avoid their financial difficulty. Based on the responses from financial counsellors in Part A and the literature, it was anticipated that clients would suggest that education programs or legislative reform would have assisted them to avoid the problem.

The majority of clients indicated that their financial problem was caused by unforeseen circumstances such as unemployment and little could have been done to avoid the situation. These clients noted that an awareness of the services available to help people in financial difficulty was necessary. They felt that consumers would be more likely to contact a financial counselling service before their problem became a crisis if they knew what services were available to help consumers experiencing financial difficulty and the location of these services.

Other responses from clients indicated that community education programs were necessary to assist clients to develop management skills, plan before borrowing, undertake savings plans and contact creditors early. There appears to be a degree of similarity between the responses from financial counsellors and clients regarding the things which could be done to assist consumers to avoid financial problems. The responses from clients support the suggestion from financial counsellors that an increase in community education would be effective in reducing financial difficulties. In addition clients identified a need to increase the community awareness of financial counselling services and their locations to ensure that consumers accessed the service as necessary.

CHAPTER 5. DISCUSSION AND CONCLUSIONS

5.1 PERCEPTIONS OF THE ROLE OF FINANCIAL COUNSELLORS

Prior to conducting the interviews, it was expected that counsellors would have different perceptions of their role as a result of having different educational and training backgrounds, agency locations and size as well as years of experience. The counsellors involved in the study were found to have a diverse range of levels of training and employment backgrounds as well as a range of employment situations as anticipated. However, despite these differences, the financial counsellors described their work in similar terms. Depending on the situation, financial counsellors tend to describe their role simply such as 'help people with financial problems' or a more lengthy explanation of the type of work they perform. Counsellors were also keen to clarify the difference between financial counsellors and financial planners when describing their work.

The responses from financial counsellors indicate that professional training and networking with other financial counsellors is responsible for shaping the counsellor's perception of their role. The findings of this study do not support the literature and anecdotal evidence that suggest that financial counsellors would have different perceptions of their role as a consequence of being recruited from different educational and experiential backgrounds.

The responses from clients regarding their perceptions of financial counselling indicate that clients have difficulty describing the role of financial counsellors. Clients tended to explain their own experience when describing the financial counselling service. In many cases it was found that the role was not clearly explained by the referring agency.

Although this group of clients found it difficult to explain financial counselling to friends or family members, they appear to have a very favourable opinion of financial counselling. In the context of the interviews, the clients spoke highly of the financial counsellor from which they received assistance. The responses from both financial counsellors and clients indicate that both groups have difficulty explaining the role of the financial counsellor. However, the role of financial counsellors is described positively by both financial counsellors and clients involved in the study.

5.2 CLIENT OUTCOMES

Based on the literature and anecdotal evidence, it was expected that financial counsellors would not share consistent views of the outcomes they were endeavouring to achieve as a result of the diverse range of educational, training and experiential backgrounds. This theory was not supported by the results of the interviews with both financial counsellors and clients. The responses from the interviews indicated that the outcomes financial counsellors are aiming to achieve in their work are consistent with each other and similar to the outcomes clients expect from their contact with the financial counsellor.

One minor contrast in the findings was that clients seemed to expect the financial counsellor to offer advice on the best option to resolve their difficulty rather than providing options and information only. Financial counsellors clearly see their role as providing information and options to clients rather than advice on specific options.

Despite the similarities in the outcomes mentioned by both financial counsellors and clients, the factors identified as influencing these outcomes were wide ranging as expected. A range of factors were identified including: training, experience in the job, personal life experience and beliefs, previous work, agency philosophy, community and funding body expectations as well as local knowledge. These responses tend to support Ryan's (1991, p.29) theory that "practice wisdom" influences the work of financial counsellors.

The responses from clients indicate that the outcomes that clients expected from the financial counsellor were achieved. This demonstrates a high level of consistency between the outcomes financial counsellors are endeavouring to achieve and the outcomes actually described by this group of clients.

On a more general level, financial counsellors noted a range of outcomes for financial counselling as a whole. The most common suggestions of the general outcomes included: providing information and education programs to consumers, clarifying the role of financial counselling, undertaking social policy action such as legislative development and reform and providing a resource to government, industry and community groups. The level of success in achieving these general outcomes was described by financial counsellors as ranging from unsuccessful to fairly successful. These responses indicate that while counsellors are clear on the outcomes they aim to achieve on an individual level, they find it difficult to clarify the outcomes financial counsellors are aiming to achieve as a group (a necessary prerequisite to the group's effective achievement of outcomes). There appears to be a need for financial counsellors to develop a clear picture of their combined role in order to strengthen and unite the profession.

5.3 STRATEGIES USED TO ACHIEVE OUTCOMES

The strategies used to achieve the outcomes identified by counsellors were found to be consistent between the group of financial counsellors involved in the interviews. The financial counsellors described a pattern of firstly assessing the financial and personal situation of the client before suggesting options to resolve the client problem. The responses from clients found that the strategies described by financial counsellors followed in these cases. The group of clients also added that the financial counsellor supplied them with information and referrals that would assist them to avoid financial problems in the future.

The strategies described by both counsellors most closely resemble the combined debt repayment / social work ideology described by Ryan (1991, p.29). That is, this group of counsellors assist clients to repay debts through the development of budgets and negotiating repayment arrangements with creditors. However, it should be noted that financial counsellors also consider the client's financial and personal situation in context when developing short and long term options and strategies to resolve their financial difficulty.

The counsellor and client perceptions indicate a high level of success of the strategies used to achieve client outcomes. The counsellors involved in the interviews felt that they were successful in achieving the desired outcomes in 70 to 100 percent of cases. This finding was supported by all but one of the clients who indicated that the help they received from the financial counsellor was well above expectations. The majority of clients suggested that the service provided by the financial counsellor was excellent. These findings combined, with individual and state wide evaluations of financial counselling services, may be used to assist in the development of appropriate models of service delivery for new and existing services in the future.

5.4 CONCLUSIONS

5.4.1 Perceptions of the Role of Financial Counselling

In conclusion, the responses from financial counsellors and clients involved in the study suggest a positive perception of the role of the financial counsellor. In the context of the interview, financial counsellors indicated that they could foresee the profession becoming more highly trained, accredited and professionally active. Clients were highly supportive of the work performed by the financial counsellor and indicated that the financial counsellor was very successful in resolving their particular financial problem. The group of clients also indicated that they would be likely to use a financial counselling service again as well as referring friends and family members to the service.

5.4.2 Consistencies in The Findings

The interviews with financial counsellors and clients indicate a high level of consistency in the responses. The perceptions of the role of the financial counsellor, outcomes and strategies used to achieve outcomes all appear to be very similar. The perceived level of success of the strategies used to achieve desired outcomes was found to be very similar. Financial counsellors and clients both describe a high level of success in resolving client problems.

However, financial counsellors felt that they could be more successful in achieving individual and general outcomes if their model of service delivery was adapted to allow a greater proportion of time to be spent on community education and social policy action. This finding was supported by clients who indicated that financial counsellors could improve the service they provide by increasing the community awareness of their role as well as the location of services. Several clients felt that community education programs combined with an increase in awareness of community services would assist clients to avoid financial crisis situations in the future. The group of clients also indicated that an increased awareness of community services as well as community education programs about financial management issues would reduce the number of people experiencing financial difficulty.

5.4.3 Summary

The findings of this study of financial counsellors and clients were found to contradict the literature and anecdotal evidence that suggested that financial counsellors would have different views of their work as a result of different educational and experiential backgrounds. The study found that although financial counsellors are recruited from a variety of backgrounds the perceptions of their role are very consistent. The financial counsellors were also found to share consistent views of the outcomes of their work for clients and the appropriate strategies used to achieve those outcomes.

The theory proposed by Ryan (1991, p.29) that financial counsellors use "practice wisdom" in their work with clients was supported by the findings of this study. The interviews with financial counsellors revealed a wide range of factors influence the formation of the outcomes that financial counsellors aim to achieve in their work. The study also found that the financial counsellors involved in the interviews closely identified with the debt repayment / social work ideology described by Ryan (1990, p.30).

The interviews with clients revealed a high level of satisfaction with the assistance received from the financial counsellor. However, several clients indicated that there is a need to increase the community awareness of the service provided by financial counselling services and the location of these services so that consumers could access the service as necessary. These clients noted a regret that they had not contacted the financial counsellor earlier.

The interviews with financial counsellors and clients indicated support for ideal model of service delivery that includes an increase in the proportion of time counsellors spend on community education and social policy action. Several financial counsellors involved in the study suggested that an increase in the amount of time spent on community education programs and legislative development and reform would be effective in reducing the number of consumers experiencing financial problems and create a fairer market for consumers. A greater flexibility in the guidelines set by agencies and funding bodies may be necessary in order to achieve this objective of increasing the emphasis on community education. Further training may also be required if counsellors are to become more involved in the development and delivery of community education programs and social policy action.

In summary, the findings of this study reveal a strong support for the work currently being performed by financial counsellors. The influence of professional training and networking with other financial counsellors appears to have been responsible for the development of consistent views of financial counselling among this group of counsellors. However, there remains a need to further promote the role of financial counselling to clients and the community services sector to ensure appropriate and timely access to services.

CHAPTER 6. LIMITATIONS

The intention of the study was to gain detailed information from a small number of financial counsellors and their clients. The results of the study may not reflect the perceptions and opinions of all financial counsellors or clients. The findings of this study may be used as background information for further research using a larger sample size.

The information gained from participants reflect their views and opinions at the time of the interview and it is likely that these views may change over time. No attempt has been made in this study to trace changes in perceptions over time.

The transcribing of interview recordings was time consuming and expensive. A secretarial service was hired to transcribe the tapes. Funds from a research grant were used to pay for the transcriptions.

The information gained from clients was regarded as important as few studies have documented the perceptions clients have of financial counselling clients. Prior to conducting the interviews, it was expected that the task of interviewing clients would be difficult. This proved to be the case with numerous problems and lengthy delays being experienced. The research method was designed to minimise the difficulties in gaining access to clients. It was thought that selecting a sample group of clients from two typical financial counsellors would be most practical and informative. However, a great deal of difficulty was experienced in finding financial counsellors who represented a 'typical case' and who would be willing to allow the researcher to interview clients. The first seven counsellors were unwilling or unable to allow access to their clients for reasons such as changing in employment, agency policy or lack of time. The difficulty in

gaining access to clients contributed to the lengthy delays in conducting the interviews with clients. The lengthy delays were beyond the control of the researcher.

It was anticipated that in-depth personal interviews would be conducted with clients however, several financial counsellors felt that interviews of approximately one hour duration would place undue pressure on clients. The research method was changed from in-depth personal interviews to brief telephone interviews. As a result the amount and quality of the client responses in not as detailed as expected.

It was not possible to record the interviews with clients of financial counsellors as planned. It was not practical to record telephone interviews. Financial counsellors and their clients did not feel comfortable about the client interview being recorded.

The researcher is currently employed as a rural financial counsellor and was known to all of the financial counsellors involved in the study. This proved to be an advantage in seeking co-operation in the project. Care was taken to reduce the likelihood of any bias in the interpretation of the results with measures such as careful ordering of interview questions and sending a summary of the interview transcripts to respondents for checking.

CHAPTER 7. RECOMMENDATIONS

The following recommendations are based on the findings of this research study.

7.1 INCREASE COMMUNITY AWARENESS OF FINANCIAL COUNSELLING

There appears to be a need to increase the community awareness of financial counselling services based on the findings of this study. Clients involved in the interviews frequently mentioned that they were not aware of the financial counselling service until their financial difficulty became extreme. During the interviews these clients indicated a need to inform consumers of the service provided by financial counsellors and the location of these services. An increase in the awareness of Financial Counselling Services would ensure that consumers accessed the service before their financial problem became a crisis situation.

Several clients involved in the interviews suggested that high profile measures would be needed to increase the community awareness of Financial Counselling Services. Television was commonly suggested by clients as an ideal method of increasing community awareness of Financial Counselling Services. It was also suggested that radio and community papers would be effective methods of raising community awareness of the service.

7.2 CLARIFY THE ROLE OF FINANCIAL COUNSELLORS

The study identified a need to clarify the role of financial counsellors to referral agencies and clients. The findings show that financial counsellors share a common view of their role however, referral agencies appear to have difficulty explaining the role of financial counsellors to clients. Clients were also found to have difficulty describing the role of financial counsellors to friends and family members.

It is therefore recommended that financial counsellors undertake to inform community service agencies in their professional network, as well as clients, of the range of tasks that form part of their work. Clarifying the role of financial counsellors is likely to result in an increase in the community awareness of Financial Counselling Services and an increase in the public profile of the profession.

7.3 CAREER DEVELOPMENT FOR FINANCIAL COUNSELLORS

This study, combined with earlier research by Hosie (1994) on behalf of the Financial Counsellor's Association of Western Australia, found a large proportion of the financial counsellors have been working in the field for less than five years. Indirect evidence from interviews with financial counsellors indicates that many do not anticipate financial counselling being a long term career. There is a need to develop a career path to discourage financial counsellors using their work as experience and training for future careers. The development of a career structure would assist financial counsellors to make greater use of the range and depth of skills obtained during their work.

7.4 FUTURE RESEARCH INTO FINANCIAL COUNSELLING

7.4.1 Studies of Clients

There is a need to conduct on-going studies of clients of Financial Counselling Services in order to obtain high quality evaluative information. While gaining access to clients proved difficult in this study, the information supplied by clients may be valuable in development of appropriate services in the future. The clients involved in this study were found to be very willing to participate in interviews. There was a feeling among these clients that discussing their case may assist financial counsellors and other clients to learn from their experience.

7.4.2 Studies of Financial Counselling

The shortage of literature available on financial counselling indicates a lack of research in the field. The recent expansion of the number of financial counsellors and the increase in training and professional development suggests an urgent need to conduct both qualitative and quantitative studies of financial counselling as it continues to grow and develop.

The interviews with financial counsellors in this study highlighted the need for ongoing research on models of service delivery and the priorities of casework, community education and social policy action. The financial counsellors involved in this study implied that levels of funding and service guidelines prevented counsellors changing their current model of service delivery to an ideal model, in which community education and social policy action have a higher profile. There is a need to conduct further research to evaluate the most effective model of service delivery.

There is also a need to undertake research to evaluate the effectiveness of preventative community education programs and social policy action in improving the financial management skills of consumers and thus reducing the number of people experiencing financial crisis.

CHAPTER 8. REFERENCES

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CHAPTER 9. APPENDICES

9.2 APPENDIX 1. FINANCIAL COUNSELLOR INTERVIEW

QUESTIONS

- 1. How do you describe financial counselling to people who have not heard of your work?**
- 2. Could you describe a typical client of your service?**
 - i. In your experience what type of clients are most in need of assistance?**
 - ii. In your experience what type of clients benefit most from your assistance?**
 - iii. In your experience what type of clients do not benefit from your assistance?**
Education level, age, income level, cultural background,
- 3. Case Study - What would you do if this client sought your assistance? Why?**
 - i. What factors made you choose this course of action?**
 - ii. What might other counsellors do if presented with this situation?**
- 4. What outcomes do you hope your clients will achieve as a result of your work as a financial counsellor?**

5. You have just referred to the outcomes you hope clients will achieve, what factors influenced the formation of these outcomes?

How important were the following things in the formation of your desired outcomes for clients?

	little importance			very important	
education	1	2	3	4	5
training	1	2	3	4	5
previous experience	1	2	3	4	5
work location	1	2	3	4	5
agency policy	1	2	3	4	5
FCAWA	1	2	3	4	5
funding body	1	2	3	4	5

6. How would you describe your level of success on average of achieving the outcomes you mentioned for clients?

above average /slightly above average / average /slightly below average / below average

7. To what extent do the factors mentioned above contribute to the success or failure of your desired outcomes for clients?

- i. Which of these factors are positive? help
- ii. Which of these factors are negative? hinder

8. What could be done to assist you to become more successful in achieving your desired outcomes for clients?

How could you improve your own competence?

9. On a more general level, what outcomes do financial counselling services aim to achieve for the wider community?

10. On average how successful have financial counselling services been in achieving these outcomes for the wider community?

very successful / fairly successful / average / fairly unsuccessful / very unsuccessful

11. Grouping the major activities of financial counsellors into three categories of casework (one to one counselling and advocacy), community education (information and education to groups of clients and the public) and social policy action (policy community development), what proportion of your (or your agencies) work fits into each category?

i. Which do you believe is the most important aspect of your work as a financial counsellor? Why?

12. What do you think would be the most appropriate (ideal) mix of casework, community education and social policy action for a financial counselling service or agency?

i. What aspects would have greatest emphasis?

13. How does your idea of an ideal service or agency compare with your current situation?
 - i. What are the similarities?
 - ii. What are the differences?
14. What changes would be needed to achieve the ideal service you have described?
15. What other community services do you most frequently interact with in your work?
 - i. Does financial counselling form part of an overall community services network?
 - ii. What other services form part of that network?
 - iii. What other community services are most similar to financial counselling?
 - iv. What makes financial counselling different to these other community services?
16. What general changes do you foresee in the field of financial counselling in the future?

Background Information

17. Describe your educational and training background prior to becoming employed as a financial counsellor.
 - i. Are you undertaking any study or training at the moment?
18. What voluntary or paid positions did you hold before your current employment as a financial counsellor?
 - i. Describe your main duties in this (these) position(s)?

- 19. How long have you been employed as a financial counsellor?**
- 20. Describe the agency in which you are currently employed. eg details of the services provided, number of employees, support staff, location, funding level and source as well as agency policy and procedures.**

Question 3

CASE STUDY

Mr and Mrs Jones lived comfortably in their own home in the outer northern suburbs of Perth. Both had good jobs with the same company and reasonable incomes. The couple had applied for personal and housing finance previously from a finance company and were confident about applying to the bank for a personal loan to add a carport to their house.

Like many other working couples, Mr and Mrs Jones were devastated when they were both made redundant as a result of the recession. The couple found it increasingly difficult to make repayments to the bank and the finance company for their existing loans. At one stage the manager of the finance company came to their house and demanded payment of their loan. The couple were forced by the manager to refinance the loan with their daughter as a co-borrower. This loan was later cancelled and the manager lost his job over this and other similar incidents.

Eventually Mr and Mrs Jones were forced to sell their house to meet loan repayments. The house was sold at a greatly reduced price due to the depressed housing market at the time. All proceeds from the sale of the house were used to pay the mortgage. A residual debt of \$10,000 was left owing to the finance company after the sale of the house

After the sale of the house, Mr and Mrs Jones moved into a caravan park where they lived for five years. Mr Jones managed to obtain part-time work and attempted to negotiate with the credit providers to reduce the repayments on their loans. The bank agreed to accept a payment of \$40.00 per week. Mr Jones makes small payments to the finance company when he can afford it. The finance company are not happy with this arrangement and continue to hassle them for more money.

9.2 APPENDIX 2. CLIENT INTERVIEW QUESTIONS

1. How did you find out about the financial counselling service?
2. What did you expect from your first appointment with a financial counsellor?
3. Did you have any contact with other agencies to try and solve your problem before seeing the financial counsellor?
4. How did this/these agencies describe financial counselling to you?
- 4a. What were you told to expect from seeing the financial counsellor?
5. Could you describe your first appointment with the financial counsellor?
6. Did the financial counsellor help you to resolve your problem? How
7. How would you rate the help provided by the financial counsellor? Why?
very good / fairly good / average / fairly poor / very poor
8. Were there any aspects of your situation that made it difficult for the financial counsellor to solve your problem?
 - a) Were there any aspects of your situation that made it easy for the financial counsellor to solve your problem?
9. To what extent did the financial counsellor meet your expectations?
above expectations / slightly above / same / slightly below / below expectations
 - 9a. Did the financial counsellor meet expectations based on information from the referring agency? Why? Why not?
10. Looking back, were your expectations of financial counselling realistic?
Yes No Not Sure
11. Would you refer a friend to a financial counsellor?
Yes No Not Sure
12. How would you describe what to expect to a friend who was considering seeing a financial counsellor?

13. What do you think you will do if you experience a financial problem in the future?

13a Would you be able to deal with a future problem yourself?

Yes No Not Sure

13b Would you seek the help of a financial counsellor?

Yes No Not Sure

14. From your experience do you think you will do anything different in future?

15. Is there anything which could have helped you avoid the problem in the beginning?

16. Do you have any suggestions about how the financial counsellor might be more helpful in dealing with clients in the future?

9.3 APPENDIX 3. EMPLOYMENT BACKGROUNDS OF FINANCIAL COUNSELLORS

The following list shows the wide ranging areas of previous employment of financial counsellors involved in this study.

- Clerical / Office
- Small Business
- Banking or Finance
- Debt Collection
- Insurance and Superannuation
- Accounting
- Hotel and Entertainment
- Student Welfare
- Disability Services
- Welfare
- Family Counselling
- Occupational Therapy
- Retail and Sales
- Real Estate
- Public Relations
- Public Service.
- Law
- Teaching
- Nursing
- Farming

COUNSELLORS

STUDY OF FINANCIAL COUNSELLING IN WESTERN AUSTRALIA

I refer to our telephone conversation today regarding your participation in a research project that I am conducting as part of my Masters degree at Edith Cowan University.

I wish to confirm our arrangement of a 1 hour interview at the Trade Winds Hotel, Fremantle on Tuesday 27 June 1995 at approximately 7.30 pm.

This study has been designed to investigate the perceptions that financial counsellors have of their work. Approximately 20 financial counsellors have been selected to participate in in-depth personal interviews of 1 to 1½ hours duration. The selection of financial counsellors to participate in interviews has been made to reflect a wide range of factors including: years of experience in financial counselling, training background, location of employment, funding source and agency size.

The study focuses on the outcomes that financial counsellors aim to achieve in their work and their perceptions of the level of success achieved.

The interviews with financial counsellors will be recorded on cassette tape. At the completion of the interviews the tapes will be transcribed into written text. Names of all financial counsellors will be omitted at this stage and replaced with a coded identity. This coded identity will be used in presentation of the results to maintain confidentiality and anonymity.

A copy of the preliminary analysis of the text will be returned to you to check that it accurately reflects your idea of what sections of the interview were most important.

The results of this study are expected to assist in the development of policies and practices for financial counselling in Western Australia as well as to provide information for the development of training in the future.

2. STUDY OF FINANCIAL COUNSELLING

Your participation in the study is voluntary and you are able to withdraw from the study at any time.

Further information on the study can be obtained by contacting myself on (098) 651 478 or Susan Nulsen at Edith Cowan University on (09) 370 6351.

Please indicate your willingness to participate in the interview by signing the enclosed copy of this letter and returning it to me prior to, or at the time of, the interview.

Yours faithfully

NATALIE DALL

STUDY OF FINANCIAL COUNSELLORS IN WESTERN AUSTRALIA

I am conducting a research project as part of my Masters degree in Consumer Sciences at Edith Cowan University.

The first part of my study involved interviewing 18 financial counsellors throughout the state about their work with clients such as yourself. The interviews provided me with some important information about what financial counsellors hope to do for their clients.

The second part of the study involves interviewing approximately 20 clients of financial counsellors. The interviews will be completely confidential and will enable me to find out how clients benefited from their contact with a financial counsellor. Names, telephone numbers and addresses will not be used in the presentation of the results of the study.

If you are interested in participating in a 15 to 20 minute telephone interview please sign the enclosed copy of this letter and return it using the envelope provided. If you require more information about the study, please contact myself on (098) 651 478 or Susan Nulsen at Edith Cowan University on (09) 370 6351.

Your participation in the interview is voluntary and you will be free to withdraw at any time.

Thank you for your consideration of this matter. I look forward to hearing from you in the near future.

Yours faithfully

NATALIE DALL