Introduction

Financial and economic issues underlie many of the problems that bring families to social services. Sometimes these financial difficulties are contributing factors. Other times, they are at the heart of a family’s troubles. Intake interviews and psychosocial assessments in family services often reveal insufficient income and assets, overwhelming debt, lack of emergency savings, limited access to public benefits and social assistance, challenges obtaining a bank account or credit, and worries about their future financial well-being. Together with possible physical and mental illness, incarceration, disability, or other challenges, financial stresses can overwhelm families, as well as professionals, organizations, and communities.

Despite the many challenges, human service professionals are in a unique position to respond. They work with populations most at risk and have deep understanding of the reality of their clients’ lives. They understand the power of emotions in financial decision-making and can assist families in making optimal decisions. Social workers and other human service professionals understand deeply the importance of financial protections and know that basic financial knowledge and skills, as well as confidence, are essential to household financial management.

At the same time, they understand that clients have little control over the larger social forces that shape family financial well-being and that social change is imperative. Human service professionals witness daily the adverse effects of financialization, as finance shapes more and more of life often to the disadvantage of low-income and minoritized groups. They work with many of the more than 7 million people who lack even a basic bank account (Federal Deposit Insurance Corporation, 2020) and with the millions more who have a tenuous relationship with the mainstream financial sector and resort to costly and often-risky predatory financial services, such as payday and car title loans.

Human service professionals also have witnessed up close the effects of a global pandemic that has led to losses in jobs, benefits, childcare, and housing. They know that financial distress has been concentrated in poor and minoritized groups (Robert Wood Johnson Foundation, 2020). They observe how difficult it is for families to do more than make ends meet, frustrated at their attempts to build financial security. For many of their clients,
there is nothing for saving and investing, and few pathways for building a future for themselves and their children.

Despite their desire to help, social workers and other human service professionals often feel unprepared to address the range of financial challenges (Huang et al., 2020; Loke et al., 2017). They would like more training and resources to assist families with appropriate guidance and financial assistance. They want to know how to engage in effective advocacy and policy change.

This special issue of *Families in Society* explores history and current developments in theory and practice of financial capability and asset building for families. The authors originally presented these papers at a national conference, *Financial Capability and Asset Building: Achievements, Challenges, and Next Steps*, held at Washington University in St. Louis on September 24, 2020 and February 25, 2021 (Johnson et al., 2021). Other conference papers will appear in a forthcoming issue of the *Journal of Family and Economic Issues*.

The contributions examine various ways practitioners can increase families’ financial abilities, as well as approaches to expanding financial and economic opportunities for families. It also explores policies and programs that increase family assets so that they can respond to emergencies, offset debt, and build a more hopeful future.

A historian, Devin Fergus, and a social work scholar, Trina William Shanks (2022), set the stage for this special issue. They discuss the historical roots of financial exclusion and wealth inequality, underscoring that the high cost of financial inclusion today represents only the most recent form of wealth extraction from Black families. They make the case that it is imperative to understand our history of racial capitalism that has kept tangible economic progress out of reach for Black families. They call for human service professionals to address the resulting collective historical memories and family stress, and to organize for a “successful and final Reconstruction” that generates “genuine economic freedom” where Black families can realize their hopes and capabilities.

Turning to specific policy initiatives, Santiago and Leroux (2022) examine a Colorado Family Self-Sufficiency (FSS) Program during the Great Recession (2007–2017). The FSS Program, administered by the U.S. Department of Housing and Urban Development, provides a savings escrow account and financial capability services to public housing residents to encourage economic independence and asset building. They find that the policy contributed to financial capability and asset holdings of public housing residents even in the face of the Great Recession, which had large negative economic effects on low-income and minoritized families. Data analysis demonstrates that FSS participants who took up the program during the Great Recession were more likely to reduce their monthly contractual debt and derogatory debt and increase monthly-earned income, but remained in the program longer than participants who enrolled later. Findings suggest that attaining participants’ financial capability goals is possible during severe economic shocks and may provide some protection for vulnerable families.

Nam et al. (2022) examine the relationship between English proficiency, community-level language resources, and asset ownership in immigrant and refugee communities in Western New York State. Using quantitative data from the American Community Survey, they find that immigrant households with a language barrier have significantly lower rates of homeownership, however, community language resources increase their homeownership rates. In qualitative data, they find that barriers are lower for basic financial services than they are for home buying. They urge asset-building programs to mobilize such community language resources for immigrants and refugees with limited English proficiency.

The burden of student loan debt nationwide—now at US$1.7 trillion—falls disproportionately on low-income and minoritized individuals and families. The implications for family well-being are far-reaching. Miller et al. (2022) survey student loan borrowers and find that the perceived economic and psychological effects of student loan debt and the
utility of advice differ by age. They conclude that social workers are uniquely situated to assist student loan borrowers and their families in improving financial capability across the life course.

Organizations have long recognized the importance of reducing economic barriers to safety for survivors of interpersonal violence, but as Tlapek et al. (2022) point out in their article, there are significant barriers to implementation. The authors interviewed clients, staff, and other stakeholders to understand those barriers and determine how organizational leaders can overcome them. This example of implementation science generates a potentially replicable model for strengthening financial capability services to improve client economic well-being.

A key to preparing human services professionals for work with improving family financial well-being is professional continuing education. To this end, Callahan et al. (2022) write in a Research Note essay about their efforts to provide ongoing training for human services professionals in meeting the financial needs of their clients. A review of existing research identified key areas for continuing education, such as common financial problems in families and their causes, along with approaches to financial counseling and policy change. Preliminary results from the pilot training suggest that participants increased their financial social work self-efficacy. These are promising results that call for more study.

Practitioners often lead the way in innovating, and this is certainly true of the leaders of four pioneering organizations who author an essay on five essential innovations for tackling the racial wealth gap and improving family financial security. Christy Finsel, an Osage Nation member, founded and leads a national coalition-generating economic development organization for tribal citizens. Mae Watson Grote founded and leads a national nonprofit that builds financial security for low-income communities through people-powered technology for racial equity. Margaret Libby founded and leads a national nonprofit that promotes ways to build knowledge, tools, and confidence for effective financial management and wealth building for minoritized youth and young adults. Cathie Mahon leads a financial intermediary—with nearly 400 community development credit unions as members—that aims to achieve racial equity in the financial system. Together, Christy Finsel, Mae Watson Grote, Margaret Libby, and Cathie Mahon, along with Sherraden (2022), examine the enormous potential and challenges for social service organizations to address household finances, using a racial and gender equity lens, to advance family well-being.

Finally, we bookend this special issue with another historical contribution. Stuart (2022) examines the archives of Families in Society for evidence on household finances and economy. Although early social work pioneers Frankie V. Adams (1976–1981) and Jane Addams (1910), and other settlement house leaders fought for social and economic justice and racial equity, this focus did not last through the century. Stuart (2013, 2016) finds in the archives a pattern he has found elsewhere, in which this early emphasis on household finance peaked in the first half of the 20th century but faded during the second half. However, he also observes that family finance is experiencing a resurgence today, perhaps in response to the rise in financial precariousness and inequality.

As these articles vividly demonstrate, the times demand that human services professionals focus on financial well-being. They can integrate financial assessments and appropriate services—such as coaching, counseling, and therapy—into most human services. They can advocate for affordable and beneficial financial programs and services. At the macro level, human services professionals can join efforts to reverse financial policies and programs that currently benefit white, male-dominant, and wealthier families to the exclusion of families of color, women, people living with disabilities, and those with lower incomes. They can promote financial services and wealth-building opportunities that end racial and gender bias in financial services and wealth-building policies.
This special issue is one small step in this direction, but we need far more practice and policy innovations, training and education, and research to enable all families to gain the economic freedom called for by Fergus and Williams (2022) that enables families to realize their “hopes and capabilities.”

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