

WORK AND PERSONAL FINANCIAL OUTCOMES OF
CREDIT COUNSELING CLIENTS

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Dissertation submitted to the Faculty of the Virginia Polytechnic Institute and
State University in partial fulfillment of the requirements for the degree of

Doctor of Philosophy

In

Housing, Interior Design, and Resource Management

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August 14, 2000

Blacksburg, Virginia

Keywords: financial concerns, financial stress, financial wellness, productivity

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(ABSTRACT)

The purpose of this study was to examine a sample of employed individuals who participated in credit counseling through a non-profit consumer credit counseling agency in the Mid-Atlantic. Using data collected at two points in time, this sample was examined to measure changes in personal financial variables, health status, and work outcomes. The sample respondents were also examined to determine the extent to which they instituted positive financial behaviors following participation in credit counseling. In addition, this research assessed differences in the demographics among the clients. Also studied was the extent to which individual and family characteristics, health status, financial concerns and related stress, and financial wellness accounted for the variance in work outcomes of productivity, presenteeism, and worktime used for personal financial matters.

Significant changes in personal financial outcomes, health status, and work outcomes were found between the initial and follow-up study. One year following credit counseling, respondents had decreased levels of financial concerns and financial stress, experienced fewer workloss days, and spent less time using work hours to handle personal financial matters. They also indicated improvements in their level of financial wellness, health status, and job productivity.

Respondents had instituted a number of positive financial behaviors since receiving credit counseling one year earlier. Most had reduced some of their personal debts and cut down on living expenses.

A model of work and personal financial outcomes was presented in this study. Hierarchical regression analyses using both data sets revealed that health status and financial concerns explained a significant amount of the variance in four work outcomes: (1) productivity, (2) presenteeism, (3) work time used for personal financial matters, and (4) workloss days. Adding financial wellness as the final step in the analysis, did not explain any additional variance in each of the work outcomes.

This research assessed only the demographic and personal financial variables explanatory relationships to work outcomes. Therefore, life events beyond these variables may offer additional explanation of the work outcomes. Of importance is that this research provides documentation of positive changes in personal finances and work outcomes of employed individuals who participated in credit counseling one year earlier. In addition, the research presented a model of personal financial and work outcomes that can be advanced through further research.

ACKNOWLEDGMENTS

The author wishes to acknowledge the many individuals who were supportive in the completion of this research. A special appreciation is extended to each faculty member on my dissertation committee for his or her contributions. The guidance and expert assistance from my original committee members, Dr. E. Thomas Garman, Dr. Connie Kratzer, Dr. Bruce Brunson, Dr. Susan Hutchinson, and Dr. Kent Murrmann, were essential in the development and completion of this dissertation. Others deserving acknowledgement include the additional members of the committee, Dr. Irene Leech, Dr. Michael Lambur, and Dr. Kerry Redican. The committee's combination of academic specialties was instrumental to the success of this project.

Family, friends, and fellow students have also provided support. Christopher Jage is recognized for his encouragement, patience, and assistance with various aspects of my research. Special thanks are extended to the following people for their contributions: Cynthia Charles, Davina Irvin, Jinhee Kim, Matthew Perry, Kate Carroll, Vandana Plassmann, Dr. Roberta Minish, and Dr. Doris Kincade. Without their encouragement, understanding, and support, this project would not have been possible.

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