

THE DEVELOPMENT OF A COMPETENCY-BASED CONSUMER
CREDIT COUNSELING CERTIFICATION EXAMINATION

by

Helen Anna M. Simmons

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

DOCTOR OF EDUCATION

in

Vocational and Technical Education

APPROVED:

J. Dale Oliver, Chairman

Ruth D. Harris

Dewey A. Adams

Jimmie C. Fortune

Anita H. Webb

May, 1976

Blacksburg, Virginia

ACKNOWLEDGMENTS

The writer acknowledges the assistance of many people in the development of this study. Appreciation is extended to the members of the doctoral committee: Drs. J. Dale Oliver, Dewey A. Adams, Rufus W. Beamer, Jimmie C. Fortune, Ruth D. Harris, and Anita H. Webb.

Training received while serving as a graduate research assistant on the Vocational Education Evaluation Project gave the writer excellent preparation in developing test items. Gratitude is extended to the staff, Dr. Oliver, Director, Drs. Donald E. Elson, Richard K. Hill, and Pathe Vivekananathan.

The study was sponsored by the National Foundation of Consumer Credit (NFCC). The writer is indebted to Dr. Harris, who directed the project, to Messrs. Robert Gibson and Albert Horner, President and Chairman of the certification committee, respectively, NFCC.

Appreciation is extended to the participants in the card sorts and the task inventory check and to the regional representatives of the Council of Consumer Credit Counseling Agencies who assisted in generating the basic beliefs and in evaluating test items. A special debt of gratitude is owed the twenty-four counselors who participated in the pilot testing of the instrument; and Drs. Marianne Devoe and Marguerite Griffith for assistance in formulating the basic beliefs and competencies and Ms. Regina Worrell for typing and printing.

The writer expresses gratitude to her family; her mother, now deceased, was a source of inspiration and encouragement; her three sons, Joey, James and John have shown pride in their mother's accomplishment; her husband, Leamon, has given her generous financial assistance and much needed moral and emotional support.

TABLE OF CONTENTS

	Page
ACKNOWLEDGMENTS	ii
LIST OF TABLES.	viii
Chapter	
I. AN OVERVIEW OF THE PROBLEM	1
THE DEVELOPMENT AND PURPOSES OF CCCS AGENCIES.	1
STATEMENT OF THE PROBLEM.	3
THE PURPOSE AND OBJECTIVES OF THE STUDY . . .	4
SIGNIFICANCE OF THE STUDY	5
NEED FOR THE STUDY.	6
LIMITATION OF THE STUDY	7
DEFINITION OF TERMS	7
SUMMARY	8
II. REVIEW OF LITERATURE	10
CONSUMER CREDIT COUNSELING SERVICE.	10
LICENSING IN OTHER PROFESSIONS.	18
SUMMARY	22
III. PROCEDURES	24
OBJECTIVE 1: TO DETERMINE THE STATE-OF-THE- ART IN CONSUMER CREDIT COUNSELING	24

Chapter	Page
OBJECTIVE 2: TO ESTABLISH THE BASIC BELIEFS OF A PHILOSOPHY OF CONSUMER CREDIT COUNSELING.....	25
OBJECTIVE 3: TO IDENTIFY THE TASKS PERFORMED BY CONSUMER CREDIT COUNSELORS . .	27
OBJECTIVE 4: TO IDENTIFY THE COMPETENCIES NEEDED BY CONSUMER CREDIT COUNSELORS. . . .	27
OBJECTIVE 5: TO DETERMINE THE PRIORITY OF TASKS PERFORMED AND COMPETENCIES NEEDED BY CONSUMER CREDIT COUNSELORS	28
CLIENT PARTICIPANTS.	29
OBJECTIVES 6 AND 7: TO CONSTRUCT MEASURES FOR USE IN ASSESSING COUNSELOR COMPETENCIES AND TO COMBINE THESE MEASURES INTO AN EXAMINATION THAT IS WEIGHTED ACCORDING TO THE PRIORITIES OF TASKS AND COMPETENCIES.	31
OBJECTIVE 8: TO PILOT TEST AND THEN TO REVISE THE INSTRUMENT	32
OBJECTIVE 9: TO MAKE RECOMMENDATIONS FOR THE ADMINISTRATION OF THE EXAMINATION . . .	33
SUMMARY	33
IV. FINDINGS	35
OBJECTIVE 2: TO ESTABLISH THE BASIC BELIEFS OF A PHILOSOPHY OF CONSUMER CREDIT COUNSELING.	35
BASIC BELIEFS.	35
OBJECTIVE 3: TO IDENTIFY THE TASK PERFORMED BY CONSUMER CREDIT COUNSELORS	43
TASKS.	43

Chapter	Page
OBJECTIVE 4: TO IDENTIFY THE COMPETENCIES NEEDED BY CONSUMER CREDIT COUNSELORS. . . .	50
OBJECTIVE 5: TO DETERMINE THE PRIORITY OF TASKS PERFORMED AND COMPETENCIES NEEDED BY CONSUMER CREDIT COUNSELORS	50
COMPETENCY PRIORITIES.	67
CLIENT RESPONSE TO COMPETENCIES.	71
COUNSELOR RESPONSE TO TASKS.	71
CONGRUENCE INDEX	74
AGREEMENT ON COMPETENCIES.	76
AGREEMENT ON TASKS	78
OBJECTIVES 6 AND 7: TO CONSTRUCT MEASURES FOR USE IN ASSESSING COUNSELOR COMPETENCIES AND TO COMBINE THE MEASURES INTO AN EXA- MINATION THAT IS WEIGHTED ACCORDING TO THE PRIORITIES OF TASKS AND COMPETENCIES. . . .	80
OBJECTIVE 8: TO PILOT TEST AND THEN TO REVISE THE INSTRUMENT	83
SCORING PROCEDURES	83
OBJECTIVE 9: TO MAKE RECOMMENDATIONS FOR THE ADMINISTRATION OF THE EXAMINATION . . .	87
SUMMARY	91
V. SUMMARY, CONCLUSION, IMPLICATIONS AND RECOMMENDATIONS.	92
SUMMARY	92
IDENTIFICATION OF BASIC BELIEFS.	92
IDENTIFICATION OF TASKS.	93

Chapter	Page
IDENTIFICATION OF COUNSELOR COMPETENCIES .	93
DETERMINATION OF PRIORITY OF TASKS AND COMPETENCIES	94
THE DEVELOPMENT OF TEST ITEMS.	95
PILOT TESTING AND REVISING THE INSTRUMENT	96
CONCLUSIONS	96
IMPLICATIONS.	98
RECOMMENDATIONS	99
REFERENCES.	101
APPENDIXES	
A LETTER TO CLIENTS.	107
LETTER TO COUNSELORS	109
LETTER TO AGENCY DIRECTORS	112
B THE CERTIFICATION INSTRUMENT USED IN THE PILOT TEST	113
VITA	132
ASBTRACT	

LIST OF TABLES

Table	Page
1. Comparison of Counselor Responses by Percentage "Those Competencies I Feel are Extremely Important" with "Those Competencies I Have Fully Developed".	68
2. Comparison of Client Responses by Percentage "Those Competencies I Consider Most Important for a Client to Have" with "Those Competencies I Most Often Have Need Of"	72
3. Comparison of Counselor Responses by Percentage "Those Tasks that Require a Great Deal of My Time" with "Those Tasks that I Know Best How to do and do With Complete Confidence".	73
4. Agreement Between Counselors and Clients Regarding the Importance of the Competencies .	75
5. The Percentage of Counselors and Clients Who Agreed that the Competencies Listed Should be Required of Consumer Credit Counselors	77
6. The Percentage of Counselors Who Agreed that The Tasks Listed Should Be Performed by Consumer Credit Counselors	79
7. Table of Specification--Arrangement of Examination Items by Categories and Sections. . .	82
8. Pilot Test Scores.	85
9. Revision of Examination.	88
10. Revision of Examination.	89

Chapter I

AN OVERVIEW OF THE PROBLEM

The Development and Purposes of Consumer Credit Counseling Agencies

The first community-based credit counseling program was organized as a nonprofit corporation in 1958 in Phoenix, Arizona. The successful launching of this program and a growing concern about families in credit difficulties led credit industry leaders to request that the National Foundation for Consumer Credit (NFCC) become interested in credit counseling. The NFCC is representative of the various fields of credit activity and was in a position to assume leadership in the development of nonprofit credit counseling programs. One of its purposes as stated in the Articles of Incorporation of the NFCC [n.d.] is as follows: "To foster and encourage the organization, establishment, and proper functioning within the framework of established and recognized guidelines, of nonprofit consumer credit counseling agencies".

The work of the NFCC is primarily responsible for some of the principal characteristics of the local credit counseling services that are widespread today. Some of these characteristics are the use of the name Consumer Credit Counseling Service (CCCS) and the general development of financing plans that are not dependent upon client fees.

The number of CCCS agencies has increased from 145 in 1971 to over 170 in 1975. These agencies are united under a council of non-profit credit counseling services which functions completely within the charter, by-laws, guidelines and operational procedures of the national foundation. While most consumer credit counseling agencies are community supported, some are associated with municipal authorities or local charitable institutions. An NFCC brochure [n.d.] lists the purposes of CCCS as follows:

1. To provide a nonprofit community service dedicated to providing confidential and professional counseling.
2. To aid and rehabilitate financially distressed families and individuals, regardless of race, creed, national origin, color, sex, social position or financial status.
3. To foster community education on family money management, budgeting, and the intelligent use of credit.
4. To adhere to the code of ethics, policies, and guidelines established by the Council of CCCS Agencies.

In order to fulfill these purposes, the CCCS Agencies recognized a need for certifying the competencies of consumer credit counselors. In 1973 a committee was appointed by the NFCC to study the feasibility of developing a certification program for counselors on a national scale. The committee was chaired by Albert O. Horner, President and General Manager of Credit Counseling Centers, Inc., and was made up of other directors from several regions of the United

States and Canada. After deciding that the development of a certification instrument required expertise in research, the committee issued invitations to interested university people to submit proposals for the project. The proposal submitted by Ruth D. Harris of Virginia Polytechnic Institute and State University (V.P.I. and S.U.) was accepted by the committee and the work was begun that led to this study.

Statement of the Problem

The study dealt with the problem of certifying the competencies of consumer credit counselors. Hall (1968) described the typical consumer credit counselor as a highly motivated individual who is interested in helping those who come to the agency. He works many hours, with heavy overloads in order to give help to as many people as possible. The average counselor has had ten to fifteen years employment in some aspect of the credit business and has an educational background of at least a secondary school diploma and in some cases one or two years of college. Most agency directors consider experience in the credit granting field a minimum entrance requirement.

The principal training method for beginning counselors is tutorial supervision by more experienced staff members, usually the supervisor-director. Usually the new employee sits in on several work-up interviews conducted by the senior employee. Later, he conducts the interview individually and develops a plan which he submits to the senior counselor for advisement before proceeding on his own. Some group training takes place at staff meetings and in informal discussions

among office personnel. While concrete training programs are becoming integral parts of some office procedure, no standard training program has been established throughout the United States and Canada.

The Purpose and Objectives
of the Study

The purpose of the study was to develop, pilot test and revise a certification instrument for consumer credit counselors. The specific objectives of the study were:

1. To determine the state-of-the-art in consumer credit counseling.
2. To establish the basic beliefs of a philosophy of consumer credit counseling.
3. To identify the tasks performed by consumer credit counselors.
4. To identify the competencies needed by consumer credit counselors.
5. To determine the priority of tasks performed and competencies needed by consumer credit counselors.
6. To construct measures for use in assessing counselor competencies.
7. To combine these measures into an examination that is weighted according to the priorities of tasks and competencies.
8. To pilot test and then to revise the instrument.
9. To make recommendations for the administration of the examination.

Significance of the Study

The desire for certification grew out of an awareness on the part of credit counselors that certain standards needed to be set and upheld if the program was to meet its goals. The work done by consumer credit counselors is vital to the clients of the service. Much responsibility is involved in handling money and giving financial and management advice. For purposes of identity and promotion, the national foundation must have a standardized procedure for certifying the competencies of counselors.

The study identified the tasks that needed to be performed by credit counselors and the competencies needed to perform the tasks well. This portion of the study made a significant contribution to the development of materials that are needed for pre-service and in-service training of counselors in preparation for certification.

The findings of the study could form a framework for self evaluation of local consumer credit counseling agencies by indicating the type of service that should be provided by a CCCS agency. The lists of tasks and competencies serve as an evaluation checklist.

The procedures and findings of the study could be guides for other similar efforts to develop certification programs. The procedural steps outlined in the study may be applied to any vocation or profession.

By publicizing the work of the consumer credit counselor, the study exposed the need for training that combines counseling and financial expertise. Schools of business and education should take a look

at the opportunity to develop training programs which will prepare students to perform the worthwhile service of consumer credit counseling.

Need for the Study

In order for consumer credit counselors to reach persons in need of their services, they must be able to exhibit credentials indicating their qualifications in solving financial problems. A certificate of proficiency should aid in making the client aware of the ability of the professional, thereby increasing his confidence and trust in the individual who offers service.

It is important for the protection of the client that such a certificate of proficiency reflect the real ability of the professional. Standards based upon scientific inquiry into the qualifications required of one who successfully performs services offered must be the basis for a certificate of proficiency.

Hall (1968:38) stated,

The success or failure of any service organization, as of business, depends on the staff. The duties of the staff are determined by the stated function of the agency as defined by the board. It is necessary to broaden and improve staff skills and competence to carry out the more comprehensive program which is proposed.

Hall further suggested a need to assess the ability and interest of present staff and to develop a local in-service training program for staff. The staff should experiment with the use of additional techniques and assess the results by continuing observation and experimentation. The long range recommendation made by the study group (Hall:39) was stated as follows:

The national organization should assume as a major activity the development of training materials and a staff education plan, along with definition of the desirable entrance qualifications which will serve as a usable basis for advanced training as the field develops. The present commonly required experience in the credit field should be amended to include a minimum educational requirement of a college degree, which is essential for personnel in most community service programs. The experience of local programs should be utilized through participation of board and staff representatives on regional and national committees. The national organization should develop training sources through some plan of regional institutes or through stimulating the provision of such training in university and college settings.

It was stated in the NFCC Handbook ([n.d.] :12) that the facilities of the CCCS helped the client in need of assistance through his personal consultation with an assigned trained counselor. Counselors, therefore, must be chosen and employed with great care.

Limitation of the Study

The study was limited to community based, nonprofit consumer credit counseling agencies which were affiliated with NFCC at the time of the study.

Definition of Terms

Consumer Credit Counseling Services: A network of free community-wide services giving help to those in credit difficulty. Operating under a national plan, they are sponsored by the NFCC and supported by funds donated by local businesses, banking and other financial firms.

Director: A director of a CCCS agency serving as a regional representative on the Council of CCCS Agencies.

Client: One who is, or has been, a consumer of the consumer credit counseling services.

Task: An activity performed by a consumer credit counselor in fulfilling the duties of his position.

Competency: The ability needed by the consumer credit counselor to perform a necessary task.

Basic Belief: A belief held by the consumer credit counselor as the underlying philosophy of his profession.

Consumer Credit: The short and intermediate term credit extended through regular business channels to finance the purchase of commodities and services for personal consumption, or to refinance debts incurred for such purposes.

Prorate: The collection of money from a client and distributed to his creditors according to an agreed upon plan.

Summary

Chapter one included background information, the statement of the problem and the purpose of the study. The purpose, to develop, pilot test and revise a certification instrument for consumer credit counselors, was divided into nine specific objectives. These objectives were: (1) to determine the state-of-the-art, (2) to identify the basic beliefs that comprise the philosophy of consumer credit counseling, (3) to identify the tasks performed by consumer credit counselors, (4) to identify the competencies needed by consumer credit counselors, (5) to determine the priorities of tasks and competencies,

(6) to construct measures for use in assessing competencies, (7) to combine the measures into an instrument, and (9) to make recommendations for the administration of the test. The study was essential to the establishment of a foundation upon which to base the type and quality of consumer credit counseling service.

Chapter II

REVIEW OF LITERATURE

Although the amount of literature directly related to consumer credit counseling was limited, the review provided insight into the purposes for which CCCS agencies were organized as well as the nature of their work and the characteristics of the clients they serve. Consumer credit counseling is a young profession with neither standardized prerequisites nor training programs. The certification practices and policies of some other professions were reviewed in order to identify the procedures involved in developing a certification examination.

Consumer Credit Counseling Service

Of those authors who recently investigated consumer credit, increasing numbers mentioned the consumer credit counseling movement. They suggested that as a result of credit counseling, the number of people taking bankruptcy can be greatly reduced. Some cautioned that the service must be more than simply prorating. Unless education becomes the point of emphasis, the counseling clientele will remain constant--the same clients returning time and again.

Black (1961) gave an illuminating and informative account of the then current consumer practices. He dealt with the myriad of ways creditors may take advantage of consumers, especially regarding

interest and the real cost of credit. The numerous examples and case studies revealed the pitfalls for the consumer who is over-extended in credit.

In 1967, the American Home Economics Association (AHEA) sponsored a national workshop on Consumer Credit in Family Financial Management. The objectives of the workshop were:

1. To increase the understanding of the nature and scope of credit in the national economy and in the family unit.
2. To extend knowledge of the legal foundations of credit.
3. To consider the role of financial institutions, professions, and agencies in the area of credit.
4. To explore the socio-psychological aspects of credit addiction.
5. To identify the contribution of home economics in the area of credit through education, research, counseling and legislation.

Consumer credit counselors need expertise in the area of consumer credit in family financial management. The report of the proceedings of the national workshop contained much information that would be helpful to the counselors.

Hall (1968) directed a study of family credit counseling provided through nonprofit community-based programs. The purposes of the study were:

1. To study the best ways to help families get out from under heavy indebtedness.

2. To bring together the viewpoints of various organizations concerned with the use of consumer credit.

3. To develop models for nonprofit debt adjustment and credit counseling services.

In the first phase of the study credit counseling services throughout the nation were identified. The characteristics and operational methods of each were established in an effort to determine principal variations among them and to select the most representative sample for the study. In phase two of the study, eight programs were examined. Interviews were held with staff and board members and with persons representing other community agencies such as social agencies, legal aid services, labor unions and planning councils. Families who had utilized the services provided were also interviewed to get a profile of users. In phase three of the study, the data collected were analyzed and the report compiled.

It was stated in Hall's report that personal bankruptcies increased sixty-seven percent in the period from 1960 to 1965. Young, moderate income families with children at home were having the greatest difficulty in meeting their credit obligations. The study pointed out that there were enough families in serious credit difficulty to warrant a major attempt to increase the volume of the CCCS as well as to improve their range and nature. If only one-third of the families in serious credit trouble voluntarily used credit counseling, the need would be such that a drastic expansion and strengthening of credit counseling service would be strongly indicated.

Among the recommendations resulting from the study were appeals for in-service training programs and the assessment of the interest and ability of present staff. While the study report did not specifically mention a certification program, these recommendations were suggestive of some type of evaluation measures.

Sullivan (1968:172) observed, "almost without exception the person who is heavily in debt and a likely candidate for bankruptcy can be saved from that fate if he gets help". He described the emergence of the community-based credit counseling program as one of the most significant advances in the credit field in recent years. Sullivan discussed the benefit of such service by the reduction, in some localities, of up to 65 percent in the total number of personal bankruptcies. He further stated that it was easier to earn than to manage and unrealistic that an individual spend years preparing for a job to earn but scarcely any time learning to manage what he has. He believed the young family was most bankruptcy prone and described the work of the CCCS agency as much more than just counseling. He saw the principal function to be developing a debt payment plan for each client. The risks involved in using commercial prorators was discussed at length with the conclusion that many clients were "taken to the cleaners" by having to pay exorbitant fees to the prorator. A profile of the bankrupt and the causes of bankruptcy revealed much about the over-extended population and gave insight into the understandings needed by the successful consumer credit counselor.

Mathews (1969) probed into the underlying conditions that caused families to take bankruptcy as a relief from their debts. His findings had important implications for consumer debt counseling services as well as credit granting agencies and the reform of bankruptcy laws. Mathews agreed with other experts that there were basically four causes of over-extension of credit to where bankruptcy would seem the only recourse:

1. A change in income due to unemployment, seasonal employment or personal injury.
2. An involuntary assumption of debt caused by medical expenses, marital difficulties, personal liability suits or natural disasters.
3. A lack of prudent financial management.
4. An attitude of irresponsibility toward paying debts.

Mathews recommended credit counseling services on a free or nominal-fee basis. He also believed that this type of service, with the cooperation of creditors, could be very significant in limiting the number of bankruptcies.

Lane (1969) stated that CCCS agencies saved large numbers of debtors from bankruptcy by providing extension that not only enabled lenders to recover funds, but also enabled the borrowers to become acceptable credit risks again. Credit counseling helped by referring debtors to social agencies that were equipped to handle their problems and by providing educational programs in the optimal use of credit.

Lane concluded:

Increasing the number of, expanding and strengthening CCCS agencies will enable lenders to decrease collection costs, recover funds they would not have otherwise on delinquent loans, extend their lending activities to include larger numbers of borrowers and, most important, increase their profits.

Horner (1970) summarized the brief history of consumer credit counseling as a nonprofit service in an introduction to the training handbook compiled by the staff of Consumer Credit Counseling Centers, Inc. The book was a useful reference in formulating the list of basic beliefs held by counselors concerning their work. It also gave insight into the problems faced by credit counselors and suggested ways of handling a variety of situations that were likely to arise in the process of counseling.

Ottenberg (1971) dealt with some of the reasons people get into credit difficulty and how CCCS agencies were organized on a nonprofit basis to assist the debtor in avoiding bankruptcy. In January 1973, Better Homes and Gardens, in an article on money, gave tips on how to keep track of personal income and expenditures and how to locate the nearest CCCS agency in case of financial trouble. The guide given in the article for budgeting was very similar to the type of format and information used by the CCCS.

Stanley and Girth (1971) expressed doubt that CCCS agencies were as much public service organizations as they were collection agencies. This opinion was based on the time spent by staff on counseling and administration of payment plans. A negligible share of staff

time went to group education efforts. Stanley and Girth were also critical of the CCCS for its failure to suggest bankruptcy to clients for whom it was the only recourse. The opinion offered was based upon the 1968 report of the Family Service Association of America on family credit counseling.

In 1972, a National Commission on Consumer Finance was appointed by the President and established under Title IV of the Consumer Credit Protection Act of 1968. The commission investigated every aspect of consumer credit and set forth its findings and recommendations in a summary, Consumer Credit in the United States. The commission recommended that business organizations support and encourage nonprofit credit counseling, provided it is conducted for the benefit of the consumer and does not serve only or primarily as a collection agency. It was stated in the report that, in general, "nonprofit counseling services are too few and too inadequately financed to provide clients with the detailed instruction they may need to avoid future trouble". (p.199) The report was very thorough and complete and contained much valuable information for the consumer credit counselor.

Mandell (1972), reporting on a study to determine how credit card use affects the patterns of consumer indebtedness, saw credit cards as debt instruments. The substantial increase in the proportion of the population in debt may be attributed to the use of credit cards. It was noted that the increase was not among the lower income group, but rather among the middle and higher income levels of the population.

Of the 1304 families interviewed, half had outstanding unpaid debts on their credit cards. In terms of life cycles, young married couples, with young children were most apt to have unpaid balances--a factor to be considered by the consumer credit counselor.

Pollack (1973) described a couple in financial difficulty with considerably over-extended credit and explained how they were helped by CCCS. He gave statistics showing the alarming increase in the rate of personal bankruptcies and the resulting boom in the establishment of CCCS agencies across the country and pointed out that less than two percent of the families who use CCCS file for bankruptcy.

Margolius (1973) outlined in detail a case study of a client couple pointing out that the sellers and lenders who most actively urge credit on families are often those most reluctant to extend payments. Margolius stated that creditors were much more willing to cooperate with the counseling agency than with the individual debtor.

McManus (1974) reported an appraisal of CCCS. Made by 43 full-time AFL-CIO community service representatives in 42 communities among 25 states, the appraisal gave frequency counts of the types of information, but no statistical analysis was performed on the data. Thirty-five of the 43 reported that they used the CCCS. The three types of service most often requested were debt counseling, money management and repayment programs.

Caplovitz (1975) described in detail many of the causes of over-extension of credit. He found the reasons most often given were, (1) loss of work on the part of one or all wage earners in the family,

(2) voluntary over-extension, (3) medical problems such as illness and/or death of a family member, (4) accidents, repairs and other unforeseen events, (5) broken marriages, (6) co-signer responsibility, (7) wrong doing by seller, and (8) payment misunderstandings. The discussions of garnishment and other collection methods constituted knowledges needed by the successful consumer credit counselor.

Slavicek and Burger (1975) listed seven causes of "going under" financially as, (1) credit mania (over-spending and under-capitalization), (2) divorce, (3) sudden medical bills, (4) prolonged unemployment, (5) business failure, (6) lawsuit, and (7) simple poverty (people on fixed or too low income). They also discussed the wage earner plan as a way of preventing bankruptcy and included reproductions of forms needed for filing.

Licensing in Other Professions

Also important to the study was the need to investigate other professional certification practices. Many problems encountered in the process of licensing have been identified in older, more established professions and are common to all.

Following a conference in 1967 on "Manpower for the Medical Laboratory", a survey was made of existing testing programs in allied health and other health fields by the U. S. Department of Health, Education and Welfare. The preface to the report of that survey pointed out that there were many difficulties to overcome because of such great diversity in local, state and national practices, procedures and standards which determine admission to the health occupations. However, it

was evident through experience in other fields that such problems could be overcome by the availability of universally acceptable examinations that are reliably administered. It was stated in the report that:

Basic to the concept of career mobility is the need to evaluate each individual's present abilities . . . in order to allow his advancement to the appropriate rung of the career ladder. Proficiency testing can serve as a basis for this evaluation Proficiency testing assesses an individual's knowledge and skills related to the actual demands of an occupational specialty or a specific job. (p.1)

In the summary about each category, the report gave the historical development of the certifying examination. In many instances, the practical type of examination had given way to objective written items. The reasons for the transition were the convenience of administering and the efficiency of scoring exams. Also listed were the prerequisites for each category, the amount of experience required and the level of formal education to be attained.

Shimberg et al., (1973) discussed the upsurge of interest in licensing as a consumer protection device and the increase in criticism of licensing as an impediment to career entry and job mobility. The authors saw the growth of licensing in America as haphazard, uncoordinated and chaotic and noted: "Legislation has often been passed with little thought to the conflict of interest created by placing controls in the hands of the very group that was to be regulated." (p.1)

Shimberg studied licensure as well as licensing boards and their functions. He discussed some shortcomings of practices used at that time. Written tests lacked planning and depended too much upon

essay questions. The multiple choice items were poor and results of tests were not analyzed. The performance tests failed to sample crucial skills adequately, lacked standardized procedures and adequate criteria for evaluating performance. Shimberg made some recommendations for improving certification programs. The use of national examinations, where they existed, would improve the quality of tests. The formation of a consortium of states to collaborate in the development of tests where no national program existed or the establishment of a state level consulting unit would be desirable. Some suggestions made by the authors for the improvement of certification practices were:

1. Using national examinations, where they exist, or forming a consortium of states to collaborate in developing tests.

2. Improving testing procedures by job analysis to avoid testing irrelevant topics.

3. Compiling test specifications to insure that a definite test plan is followed and all significant topics are covered.

4. Instituting a training program to develop skills in item writing.

5. Providing clear directions for administering written and performance tests.

6. Preparing scoring procedures in advance to facilitate accurate scoring of all tests.

7. Setting up standards for grading to determine realistic cutting scores.

8. Analyzing items to determine those that discriminate between the well prepared and poorly prepared candidates.

9. Carrying out validity studies to show that there is a positive relationship between test results and job performance.

10. Setting convenient testing locations.

11. Assisting with language problems in cases where there is need.

12. Providing the candidate who fails with information about why he failed, how he may repeat the test and what fees he will need to pay.

13. Establishing a review board to expedite and adjudicate disputes between practitioners and certification boards.

14. Preparing information booklets for applicants that include sample questions, and reading list.

15. Keeping accurate records of all who attempt the examination-- those who pass or fail and any disciplinary action taken against persons certified or not certified.

16. Using systems analysis in designing and installing more efficient testing procedures.

17. Continuing research activities to improve certification procedures.

18. Improving communications among certification agencies in order to work jointly toward common goals.

19. Forming an ethics committee to examine all aspects of the problem of maintaining professional standards among practitioners.

Summary

Chapter two contains a review of the literature pertinent to the study. The references were concerned with two aspects of the study: (1) the literature dealing with the consumer credit counseling service and (2) the literature dealing with licensing in other occupations and professions. Consumer credit counseling service was depicted in the literature as being a much needed addition to the human services already offered in various ways. The credit counselor intervenes and acts as an intermediary between debtor and creditor as he works to relieve the pressure put upon the one by the other. The nonprofit service has many advantages over commercial prorating. The most significant difference is that nonprofit counseling attempts to educate and thereby prevent a repeat of over-extension. The nonprofit counselor also attempts to give assistance to clients who must find solutions to related problems. The fee for commercial prorating only adds to the burden upon the over-extended individual. The nonprofit counselor may charge a minimal fee and in some cases, no fee.

Shimberg believed that licensing should be a consumer protection device and not an impediment to career entry and job mobility. Written instruments often lack planning and rely too much on essay tests. Poor quality multiple choice items, and failure to analyze results lead to less efficient measurement of competency. Performance tests often fail to sample crucial skills adequately, follow standardized procedure and lack adequate criteria for evaluating performance.

Shimberg suggested that licensing boards cooperate to work at the national level to provide the most efficient measure possible and that consultants in the field of testing and measuring be utilized to make measuring devices as scientific as possible. He saw the task of measuring competency as difficult and in need of continuous study and experimentation with different methods.

Through the review of literature, the researcher identified many of the characteristics of consumer credit counselors and the work they do. This information provided a springboard from which the first two procedural steps of the study (identifying basic beliefs and tasks) were launched. The study contributed additional information by establishing a philosophy of consumer credit counseling and by identifying the tasks performed and the competencies needed by consumer credit counselors.

Chapter III

PROCEDURES

A methodology for identifying basic beliefs, tasks and competencies was developed by Crawford (1967). The Crawford approach involved three basic steps: (1) determining the basic belief that form the philosophy of a profession, (2) identifying the tasks performed and competencies needed by the professional based upon the basic beliefs, and (3) identifying the basic beliefs, tasks performed and competencies needed by a professional in order to develop the competencies needed by workers entering the field. A variation of Q methodology was used to collect much of the needed data for that study.

The procedures in Chapter III follow closely the specific objectives listed under Purpose of the Study in Chapter I. The same sequence was followed in describing the procedures as that used in listing the specific objectives.

Objective 1: To Determine The State-of-the-Art in Consumer Credit Counseling

Computer searches were made through the Education Research Information Center (ERIC) and through Direct Access to Reference Information: A Xerox Service (DATRIX). Books that had been suggested

by counselors and directors were ordered and studied. The NFCC office furnished materials relating to that organization and handbooks were furnished by CCCS Agencies of Michigan and by the NFCC. All materials were examined for information concerning consumer credit counselors and the work they do.

Objective 2: To Establish the Basic Beliefs of a Philosophy of Consumer Credit Counseling

Three methods were employed to determine the basic beliefs held by leaders in the field of consumer credit counseling. First, statements of philosophy or belief about consumer credit counseling were taken from the literature. These were, for the most part, articles of a case study nature appearing in newspapers and household magazines; second, the NFCC president and twelve regional representatives of the Council for CCCS formed a working committee to conceptualize the basic beliefs concerning consumer credit counseling. Hutchison and Benedict (1970) developed a technique identified as "The Operationalization of Fuzzy Concepts", which was used by the committee to describe the ideal consumer credit counselor in an ideal counseling situation. The seven steps in the technique are;

Step A. Choose and write down the fuzzy concept to be operationalized.

Step B. Create in the mind a hypothetical situation in which the fuzzy concept is 100 percent present. Observe and list all the things that indicate the concept is present.

Step C. Again create a hypothetical situation in the mind.

In this situation the concept is totally absent. Observe and list all of the things that indicate the concept is absent.

Step D. Test of completeness--make a master list of all the things listed by each participant in the small group for Steps B and C.

Step E. Second test of completeness--go back and recreate the hypothetical situations--write down things that you saw and did not write down before.

Step F. Third test of completeness--create dimensions that have nothing to do with the concept. Consider the implications which these dimensions may have for the concept.

Step G. For each item added as a result of completeness, ask the question, "Can this dimension be observed directly?" For each item that cannot be directly observed, carry out the same sequence of steps as if it was a fuzzy concept.

Lastly the basic beliefs generated by the council representatives were combined with those taken from the literature to form a master list. Each statement was printed on a card and two card decks were sent to each representative. He, and one counselor in his agency, scored the statements according to the following scale: agree, partially agree, partially disagree, disagree. Each response was assigned a weighted score of four for agree, three for partially agree, two for partially disagree and one for disagree. The basic beliefs were then listed by numerical order of scores.

Objective 3: To Identify the Tasks
Performed by Consumer Credit Counselors

Background information giving insight into the tasks performed by consumer credit counselors was obtained by the following methods:

1. A consumer credit counselor furnished a daily log of activities.
2. On-site visitations were made by the researcher to several consumer credit counseling agencies. During the visitations, interviews were conducted with counselors concerning their work.
3. The notes taken at the initial meeting (Objective 1) were studied and many tasks identified.

A grid was developed providing space for indicating that a task was performed. Space was also provided for adding any tasks that were performed and not listed. The task lists were distributed to 100 delegates to the annual conference of the NFCC in Toronto, Canada. Each delegate was asked to check the list and, if he wished, to make additions or suggestions. The list was revised in view of the given suggestions.

Objective 4: To Identify the
Competencies Needed by Consumer
Credit Counselors

Using the revised list of tasks from Objective 3 as a guide, a panel of researchers determined the competency needed by counselors to successfully perform each of the tasks. The panel consisted of three members of the College of Education faculty, V.P.I. and S.U., who assisted the researcher in formulating the competencies.

Objective 5: To Determine the Priority
Of Tasks Performed and Competencies
Needed by Consumer Credit Counselors

The card sort or variation of the Q methodology was employed following the technique used by Crawford (1967). Three decks of color coded cards, carrying the tasks and competencies, were sent to each of 60 counselors representing 44 percent of the total number of 188 names submitted. The participants were selected at random, using a table of random numbers, from a list of all counselors submitted by NFCC affiliated agencies. The participants were asked to react to the card sorts in the following manner:

Card sort A (blue cards): The counselors responding was asked to arrange the cards (competencies) into three groups:

1. The competencies that I feel I have fully developed.
2. The competencies that I feel I have developed to some degree but need improvement.
3. The competencies that I feel I do not have.

Card sort B (salmon cards): The counselor responding was asked to arrange the cards (competencies) into three groups:

1. Those competencies I feel are extremely important.
2. Those competencies I feel are only moderately important.
3. Those competencies I feel are of little or no importance.

Card sort C (yellow cards): The counselor responding was asked to arrange the cards (tasks) into three groups:

1. The tasks that require a great deal of my time.
2. The tasks that require an average amount of my time.

3. The tasks that require very little or none of my time.

Card sort D (green cards): The counselor responding was asked to arrange the cards (tasks) into three groups:

1. The tasks that I know best how to do and do with complete confidence.

2. The tasks that I know something about but not enough to be completely confident in my performance of them.

3. The tasks that I do not know how to perform.

Card sort E (white cards): The counselor responding was asked to arrange the cards (competencies) into clusters of related areas. He decided how many categories and listed them.

Counselor participants were asked to check "agree" or "disagree" on each card to indicate which tasks they felt consumer credit counselors should perform and which competencies they should have. The results were tabulated by percentages and compared with client responses. A copy of the letter of explanation accompanying the card sort is found in appendix A.

Client Participants. Each affiliated agency was asked to submit no more than ten names of clients. From the list of 634 names received, 60 clients were selected at random using a table of random numbers. Sixty clients were used in order to match the number of counselor participants. Those clients selected were contacted by telephone to ascertain their willingness to participate. Reluctant clients were dismissed and others chosen.

Each client was sent two identical card decks of the counselor competencies. A letter of explanation accompanying the cards is found in appendix A.

Clients were asked to react to the card sort in the following manner:

Card sort F (white cards): The client was asked to arrange the cards (competencies) into three groups:

1. Counselor competencies that I most often have need of.
2. Counselor competencies that I occasionally have need of.
3. Counselor competencies that I seldom, if ever, have need of.

Card sort G (pink cards): The client was asked to arrange the cards (competencies) into three groups:

1. Those competencies that I consider most important for a counselor to have.
2. Those competencies that I consider desirable, but not absolutely necessary, for a counselor to have.
3. Those competencies that I do not consider important for a counselor to have.

Clients were also asked to check "agree" or "disagree" on each card to indicate that the competency should or should not be included on the list of competencies consumer credit counselors should have. The results were tabulated by percentages to show the amount of agreement with counselors.

The data resulting from the card sorting were subjected to a computerized Statistical Package for the Social Sciences (SPSS--Version 5.01) to determine relationship among the counselor and client responses. The following formula was used to calculate the congruence index for the relationship of counselor responses with client responses relating to the importance of the competencies.

$$C. I. = \frac{p_1q_1 + p_2q_2 + p_3q_3}{\sqrt{(p_1^2 + p_2^2 + p_3^2) \cdot (q_1^2 + q_2^2 + q_3^2)}} = \frac{\sum p_i q_i}{[(\sum p_i^2) (\sum q_i^2)]^{1/2}}$$

p_1 = Proportion of counselors who ranked competencies 1

p_2 = Proportion of counselors who ranked competencies 2

p_3 = Proportion of counselors who ranked competencies 3

q_1 = Proportion of clients who ranked competencies 1

q_2 = Proportion of clients who ranked competencies 2

q_3 = Proportion of clients who ranked competencies 3

Congruence index will vary from 0 to 1 1 = perfect congruence

0 = no overlap

Objectives 6 and 7: To Construct Measures for Use in Assessing Counselor Competencies and to Combine these Measures into an Examination that is Weighted According to the Priorities of Tasks and Competencies

The panel of researchers generated test items that were designed to measure the competencies needed by consumer credit counselors. The questions were compiled into an instrument with four sections:

Section 1 Multiple Choice,

Section 2 Definitions,

Section 3 Listings,

Section 4 Essay questions and case study problems.

The test questions were evaluated by representatives of the CCCS Council and visiting counselors at a meeting in Atlanta in January, 1975. The group was divided and each of the four smaller groups was asked to react to the questions in a specific section. The participants rated the questions on a scale of:

Excellent	Good	Fair	Poor	Discard
-----------	------	------	------	---------

The decision to revise, discard or use each item was based upon these evaluations. Needed revisions were made and the items were arranged into an examination for the pilot test.

Objective 8: To Pilot Test and
Then to Revise the Instrument

From the list of counselors submitted by agency directors, 24 were selected non randomly to pilot test the instrument. For economic reasons, participants were chosen by geographical areas and Philadelphia, Pittsburgh, Cleveland and Detroit were used as centers for the pilot testing. Six hours was allotted to the participants to answer all questions on the test instrument. An ad hoc committee of three, appointed from the NFCC board of directors and including NFCC president, Robert Gibson, assisted the researcher in supervising the administration of the test.

An item analysis was carried out on the pilot test results. The items were revised, discarded or used based upon the results of the item analysis, the evaluations of the participants and the observation of those supervising the testing.

Objective 9: To Make Recommendations
For the Administration of the Examination

At the conclusion of the pilot test the participants were asked to evaluate the experience of sitting for the examination. Those who supervised the testing held discussions following each session to make observations concerning the administration of the examination.

Summary

In Chapter three the detailed procedures that were followed in carrying out the specific objectives of the study were outlined. The basic beliefs were identified and served as the basis for discovering what tasks were performed by consumer credit counselors and what competencies were needed if the tasks were to be performed well. The results of card sorts that were sent out to 60 counselors and 60 clients furnished the data to support the decision to accept or reject the competencies and tasks and to sort them into categories.

Test items to measure competency were developed and arranged in sections according to the types of items such as multiple choice, definitions, listings and essay questions and case study problems. The questions were evaluated by a group of CCCS Council representatives

and counselors. The items were revised where needed and arranged into the instrument used in the pilot study.

The pilot test was administered to 24 counselors in four different centers. The tests were scored, the scores analyzed and the examination revised accordingly.

Chapter IV

FINDINGS

The findings for each specific objective of the study are given in the same sequence as that used in Chapter one under Purpose of the Study.

Objective 2: To Establish the Basic Beliefs of a Philosophy of Consumer Credit Counseling

Twenty-two of the 24 participants responded by checking on a four point scale how completely they agreed or disagreed with each of the statements of basic belief. The basic beliefs for consumer credit counseling are listed below in numerical order of scores. With the weight of four given to agree, the highest possible score was 88 and with the weight of one given to disagree, the lowest possible score was 22.

<u>Score</u>	<u>Basic Beliefs</u>
88	A system of family financial counseling should be extended and developed wherever the need exists.
88	Counseling should include a complete survey of the individuals and circumstances concerned with and related to the financial situation.
88	Clients often have to accept a new viewpoint on what is "convenient or nice to have" and what is really a necessity.
88	Setting up a debt management program for a client is an important task which the financial counselor encounters.

<u>Score</u>	<u>Basic Beliefs</u>
88	As counselors, we should seek ways to improve our skills and gain knowledge with which to better serve our clients.
88	The consumer credit counseling service should be a well-known, well-respected agency and resource in the community.
88	Consumer credit counseling service agencies are not collection agencies.
88	Complete client files and resource materials must be kept up-to-date so that the manager or director can take over if the counselor is not available.
88	As counselors, we must offer clients much more than bankruptcy or there is no need for consumer credit counseling.
88	As counselors, we should be able to deal with business people.
88	Education is one of the keys to the prevention of over-extending credit.
87	One of the purposes of family credit counseling is management and the wise use of credit.
87	Nonprofit credit counseling services have as a major interest helping individuals and families with their financial (usually debt) problems.
87	A problem many families face is not knowing enough about money management to be able to handle their own financial decisions.
87	Clients need to evolve their own value system, develop a sound decision-making procedure based upon their values, evaluate alternatives in the marketplace, and get the best buys for their money.
87	As counselors, we do not encourage clients to cling to us but try to put them back on their feet so they can stand firm.
87	As counselors, we should encourage both husband and wife to work together on learning to handle their finances.
87	As counselors, we consider both theory and practice of money management.
87	When problems are beyond our competencies as counselors, we refer the client to an appropriate agency.

ScoresBasic Beliefs

- 87 Consumer credit counseling offers a ray of hope on the dark horizon of financial problems.
- 87 Three essential aspects of consumer credit counseling are rehabilitation, education and debt management.
- 87 It is essential that the clients keep the counselor informed as to what is happening in the client's financial program.
- 87 As counselors, we must be able to accept disappointment and failure.
- 87 As counselors, we must have the ability to follow through in an organized fashion.
- 87 Consumer credit counselors should be free agents--not catering to any specific interest in the community.
- 87 As counselors, we must be able to uncover or bring out information in the interview which the client originally does not reveal.
- 87 As counselors, we should encourage families in the face of disappointment.
- 86 One of the purposes of family financial credit counseling is to rehabilitate already financially over-extended persons.
- 86 The real problem that clients have may be medical, marital, or psychiatric, and counselors should make referrals to people in appropriate agencies.
- 86 As counselors, we can give assistance in a supportive capacity as long as the results warrant its continuance.
- 86 As counselors, we must keep informed on consumer legislation, consumer information sources and services.
- 86 Much more must be done to prevent tremendous increase of people becoming enmeshed in financial trouble, before they get into it.
- 86 Consumer credit counseling agencies have a three-fold purpose: education, budget counseling, and debt liquidation.
- 85 As counselors, we need to work to build strong lines of communication between family members concerning solutions to financial problems.

<u>Score</u>	<u>Basic Beliefs</u>
85	As counselors, we must help the client cope with the threat of garnishment, loss of job, or an unbearable burden of debts.
85	As counselors, we help individuals and families distinguish between wants, goals and needs.
85	Budgets often fail because people make them too complex, do not use common sense in preparing them and neglect to base them upon their mutual goals.
85	As counselors, we need a knowledge of normal living costs such as food, clothing, entertainment, transportation, utilities and human services.
85	Consumer credit counseling agencies should employ service-oriented personnel.
85	The long range goals of credit counseling should be to drastically reduce the number of families needing debt liquidation.
85	Rehabilitation of a client should not be measured by the amount of debt liquidation. Rather, it must be measured by the ability of the client to manage his own finances and set and reach desired goals.
84	Credit is good (necessary) if properly managed.
84	Most clients have evidenced a need for consumer credit counseling.
84	Depending upon the education or competencies of the client, the counselor should recommend different methods of instilling money-managing discipline such as putting money in separate envelopes for items in the budget or canceling charge accounts.
84	As counselors, we need to know the details of the path from delinquency to garnishment to bankruptcy.
84	Clients must keep faith with their counselor (keep their word) concerning credit matters and payments so he can keep faith with their creditors.
84	Credit counselors help clients build on their knowledge and background and set priorities in relation to their financial goals.

<u>Score</u>	<u>Basic Beliefs</u>
84	The counselor's ability to effectively help clients depends upon his ability to negotiate effectively with creditors.
84	Consumer credit counseling agencies should be viewed by credit grantors as a source of client rehabilitation and education.
84	Professional credit counselors should be non-critical, interested, and helpful to each applicant.
84	As consumer credit counselors, we need to motivate credit grantors to assume some responsibilities for financial counseling.
84	Counseling services should be operated in a business-like manner in order to secure acceptance of programs submitted to clients.
83	Most families perform their functions well when they have learned how and have been motivated to follow through on the financial plans.
83	Clients can be given advice and credit counseling but essentially they are the only ones that can get themselves out of debt.
83	The first impression a prospective client has of a consumer credit counseling service is of crucial importance to him.
83	Everyone in the family, including children, should be involved in carrying out the spending plan.
83	Handling the client's account requires the ability to make decisions based on information which has been verified, from the client and other sources.
83	To handle the program successfully, the counselor must know the policies and procedures of creditors as well as the personalities of those with whom he must deal.
83	As counselors, we must have an understanding of the policies of creditors including the basis for granting credit, methods of reporting delinquencies, and procedures for collection.
83	To fully involve the client, the credit counselor should do things with him--not for him.
83	As counselors, we should not impose our personal values on the clients.

ScoreBasic Beliefs

- 82 Effective credit management or management of finances is more related to the way one spends money than to the income one has.
- 82 Some clients need nurturing, while other clients may need direct confrontation about financial problems.
- 82 Depending upon their personality make-up, clients may need different amounts of time to face their money problems.
- 82 As counselors, we recognize that good mental health cannot exist for children and parents in a family that is always on the brink of financial disaster.
- 82 As counselors, we should make families think about what they do as well as why they do certain things.
- 81 Problems which many families face, in many instances, are traceable to so called easy payment plans which end up being very difficult to pay.
- 81 Credit problems often arise from emotional impulse buying.
- 81 Clients often have financial problems because they have over-extended themselves in trying to satisfy personality-related emotional needs through material gain.
- 81 As counselors, we should help clients to build on their understanding of buying motivations, sales promotional devices, sound principles of consumer purchasing, credit charges, fraud, deception, and consumer laws and consumer services.
- 81 The easier it is to get credit, the more people will run into financial trouble.
- 81 A function of counseling is to continually motivate clients in the importance of fulfilling their part of the program.
- 81 A follow-up interview is an important aspect of counseling.
- 81 Clients should be told during the initial visit that the objective of the agency is to educate individuals and families to live on their income.
- 81 The heart of budget counseling is opening choices in money management consistent with an individual's or a family's goals.

<u>Score</u>	<u>Basic Beliefs</u>
81	As counselors, we should have knowledge of human behavior patterns, human motivational forces, and sources of friction.
81	Purchasers in general do not know the ultimate cost of credit.
80	The counselor should not judge--his job is to help.
80	Credit counselors should feel complete responsibility for the handling of their specific duties and responsibilities as well as their agency's duties and responsibilities.
79	Families are often confused about what standards of living they ought to have.
79	The counselor must have a working knowledge of the delinquency controls involving home mortgages and rental payments.
79	Public relations activities such as making talks to civic clubs, distributing pamphlets, writing feature stories for newspapers, and producing radio and television programs are an important part of family counseling.
78	Credit counselors should help families recognize what money means to the total family and to each individual, emotionally and socially.
78	Husbands and wives must be helped to overcome biases toward dual roles for women and job opportunities for additional income.
78	The responsibility for the over-extension of credit should be shared by the over-extender as well as the purchaser.
78	Rehabilitation of the financially distressed client must be applied throughout the debt management program.
77	The merchant must learn that he can survive only with a healthy consumer.
77	Clients with debt problems want relief, not lectures; after a program is arranged, counseling will follow.
76	Over-extending one's credit is not characteristic of any one socio-economic level.

<u>Score</u>	<u>Basic Beliefs</u>
76	In our society the consumption ethic often replaces the work ethic.
76	We count on the family to be willing to live on a marginal budget.
76	Professional credit counselors should be responsible for a given number of client families, should be in contact with these selected families, and be a source of advice and counsel for them.
75	The consumer credit counselor must understand the nature of the legal process affecting the client, and what means are available to extricate him from any legal difficulties.
72	Repayment to creditors should be used only as a means of relieving immediate pressure from the client so that a financial planning and management process can take place.
60	Credit counselors need to explore the possibility of less ownership and more continuous rental of goods and services as a means of preventing over-extension of credit.
58	As counselors, we need a background in education, business administration, economics, accounting, and commercial law.

The scores for the 96 basic beliefs were spread as follows:

Highest possible score	88 - 11	79 - 3	
	87 - 16	78 - 4	
	86 - 6	77 - 2	
	85 - 8	76 - 3	
	84 - 11	75 - 1	
	83 - 9	72 - 1	
	82 - 4	60 - 1	
	81 - 11	58 - 1	
	80 - 2	22 - 0	Lowest possible score

The two basic beliefs with the lowest scores may have been misinterpreted. The belief with a score of 60 relating to the desirability of less ownership and more rental of goods and services was supported by the pilot test. All of the pilot test participants suggested that the couple in the case study sell one of the cars and use public transportation. The basic belief with a score of 58 relating to the need for counselors to have a background in education, business administration, economics, accounting and commercial law may have been interpreted by some as meaning a baccalaureate degree. Few of the participants had degrees. Since all of the scores fell well into the upper 50 percent, all of the basic beliefs were retained as valid statements of philosophy underlying the concept of consumer credit counseling.

Objective 3: To Identify the Tasks
Performed by Consumer Credit Counselors

The review of the basic beliefs, as established in Objective 2, and the review of notes taken at meetings with the council representatives, resulted in a task list for consumer credit counselors. After the task list was checked by 100 delegates to the annual NFCC convention in Toronto, and revisions were made, the inventory contained the 87 tasks listed below.

Tasks

1. Clearly points out the benefits from the service as well as any handicaps that may result from any lack of specialized assistance.
2. Considers the client as a conversational equal.

Tasks

3. Informally solicits opinions from community resources regarding the work of consumer credit counselors.
4. Initiates follow up contacts with the clients regarding feedback from the counseling programs.
5. Initiates follow up contacts with clients in regard to occupational placement and job satisfaction.
6. Initiates the interview with statements of warm feeling and understanding.
7. Where appropriate the counselor uses the "pleasant experience recall" technique to ease tension and anxiety before the interview.
8. Communicates the precise service offered so that the client understands the procedure to follow.
9. Upholds the law of confidentiality.
10. Communicates to the client the notion that he (the client) has the freedom to continue with the consumer credit counseling service.
11. Makes referrals to other helping personnel where it seems to be to the best interest of the client to do so.
12. Visits referral resources for personal contact with the personnel.
13. Provides referral agencies with the clearly stated policies of his office regarding procedures of referral.
14. Presents and interprets appropriate data to individuals who are dealing directly with the client.
15. Speaks in specific and concrete terms that the client understands.
16. Keeps an orderly desk and office. Does not misplace files.
17. Puts the client at ease.
18. Always seeks the best solution for the client.

Tasks

19. Explains to the client that credit is good only when it is properly managed.
20. Points out to client that easy payment plans are sometimes most difficult to meet.
21. Helps the client to understand that good management is the key to overcoming debt problems.
22. Helps the client to realize that his standard of living may have to be lowered.
23. Relieves the client's immediate financial stress by satisfying creditors with an acceptable plan for repayment.
24. Makes the client aware of the pitfalls of using credit without proper planning and good management.
25. Helps the client to estimate the total and ultimate cost of credit.
26. Helps credit grantors to realize that it is to their advantage to have "healthy" consumers.
27. Follows through the counseling process in an organized way.
28. Keeps control of the interview--does not ramble too far away from related areas.
29. Is well acquainted with all forms used in the office and the information contained in each.
30. Takes responsibility for the client knowing what kind of information he needs to bring to the first interview.
31. Recommends different methods of instilling money-managing discipline depending upon the education and competencies of the client.
32. Continuously up-dates the client's file as he progresses through the program.
33. Determines the real current financial status of the client.

Tasks

34. Assists the client in tabulating his complete financial history.
 - A - All debts listed
 - B - All income noted
 - C - Previous financial difficulties aired.
35. Makes sure that the client's personal history is efficiently recorded using proper formats.
36. Praises the client for any progress he makes even when it is slight.
37. Keeps well-informed concerning the credit procedures and policies of local merchants.
38. Keeps well-informed and up-to-date about consumer legislation at local, state and federal levels.
39. Keeps well-informed concerning consumer information and services.
40. Refers the client to someone (of his choice) in the legal profession for advice concerning a legal process affecting the client.
41. Makes sure the client understands that there is a fee for the counseling service and explains how much it is and why it is necessary.
42. Continually up-dates the work sheet as the client progresses through his program.
43. Educates the client as much as possible on the best use of credit, and the best behavior in the market place.
44. Alerts the client to sales promotional devices, fraud and deception.
45. Encourages husbands and wives to come together for counseling and work together to overcome their financial problems.
46. Makes sure the client understands the objectives of the consumer credit counseling service.
47. Helps the client to understand the social and emotional meaning money may hold for him.

Tasks

48. Assists the client in differentiating between what is necessity and what is convenient and nice to have.
49. Tactfully discusses with the client (husband and wife) the possibility of the wife, who hasn't been a wage earner, getting a job to provide extra income.
50. Assists the client in identifying and clearly outlining his family's goals--both short term and long term.
51. Attempts to determine any personal or family problems which may be the underlying cause of financial difficulty.
52. Encourages the client to evaluate his own progress--gives praise when praise is due, reprimands when necessary.
53. Until the client is well into his program and is apparently succeeding makes tentative appointments for some future, personal contact with the client.
54. Shows genuine empathy towards the client and his problems.
55. Helps the client to develop confidence in his ability to carry out the financial program that has been planned with him,
 - A - praises him for prompt execution of the plan,
 - B - expresses faith in him,
 - C - revises the plan only when absolutely necessary.
56. Establishes a feeling of trust with the client--trusts the client and gives him every reason to trust the counselor.
57. Establishes a facilitative counseling atmosphere.
 - A - quiet,
 - B - no interruptions,
 - C - an orderly room,
 - D - comfortable.
58. Explains to the client that his counselor is willing and anxious to work with him during times of emergency or stress.
59. Encourages the client to accept more and more responsibility for the problem solving process involved in his situation.
60. Accepts the client as he basically is and works as much as possible with the realistic goals he sets up for himself and his family.

Tasks

61. Negotiates diplomatically with creditors.
62. Takes part in public relations activities which relate to consumer credit and to consumer credit counseling.
63. Informs business people and institutions that grant credit about the purposes of consumer credit counseling services.
64. Assists the creditor in understanding that he must share in the over-extension of credit by making it too easy to get credit.
65. Uses reliable resources and references when dealing with the legal aspects of consumerism.
66. Uses a current cost of living chart when budgeting such items as food, clothing, transportation, entertainment, utilities and human services.
67. Maintains a professional attitude toward the duties of the counselor and the CCCS agency (attends staff meetings, adheres to established policy).
68. Improves skills and gains knowledge in the field by attending seminars, workshops, staff meetings and conventions which deal with consumerism.
69. Discusses the possibility of resolving financial problems through additional income generated by full or part-time work of any family member not presently employed.
70. Makes the client aware that credit management is more related to the way money is spent than to the amount of income earned.
71. Gives the client all necessary credit information relating to his situation.
72. Discusses the advantages and disadvantages of each option open to the client and assists him in choosing the one most favorable to his situation.
73. Clearly outlines all of the options open to the client that are consistent with his goals.

Tasks

74. Writes out the steps to be taken by the counselor and those to be taken by the client and makes a copy of both for each to keep.
75. Assists the client in working out a satisfactory budget based upon sound principles of budgeting.
76. Keeps in periodic touch with the client and encourages him to call the service in difficult times and times of emergency.
77. Assists the client in reviewing and revising the budget when necessary.
78. Promotes the benefits to industry by cooperating with requests for payroll deductions.
79. Assists the client in planning a program that does not show favoritism (treat all creditors equally).
80. Is concerned about the human aspects of counseling as well as the financial.
81. Takes time to educate each client in money management principles.
82. Makes every attempt to work with each client in a way that will enable him to successfully handle his own future financial situation.
83. Keeps well-informed about each client assigned to him; works with the complete situation of each client.
84. Makes time in the busy daily schedule to see clients who are in need of emergency counseling.
85. Keeps well-informed about the purposes and work of other community agencies which may be available for referral of those clients who need help of a nature other than credit counseling.
86. Develops a good relationship with industrial leaders--keeps them informed about the work of the CCCS agency.
87. Refers the client to agencies that are equipped to help them with problems other than financial.

Objective 4: To Identify the Competencies
Needed by Consumer Credit Counselors

Much help in stating the competencies dealing with counseling techniques came from a monograph prepared in 1973 for the Association for Counselor Education and Supervision, a division of the American Personnel and Guidance Association. The monograph listed the knowledges, abilities and understandings required of professional counselors and the activities providing evidence of their competency.

Using the basic beliefs and the revised task inventory as a base, the panel of researchers stated the competencies needed by counselors to perform the tasks. These were stated as knowledges, abilities and understandings and are listed in Objective 5. Restated so that clients might better relate to them, the parallel statements of the competencies are also listed in Objective 5.

Objective 5: To Determine the Priority
Of Tasks Performed and Competencies
Needed by Consumer Credit Counselors

Each competency listed below is accompanied by a table showing some of the results of the card sorting done by counselors and clients. The last column in the table gives the Congruence Index score showing the amount of agreement among counselors and clients concerning the importance of the competencies. (CC row B compared to C1 row G.) The top two rows of the table show credit counselors response percentages and are labeled "CC". The bottom two rows show client response percentages and are labeled "C1". The A row in the CC rows shows the percentages of the counselor participants that placed cards in each of the three groups as follows:

Group 1 Those competencies that I feel I have fully developed.

Group 2 Those competencies that I feel I have developed to some degree but need to improve.

Group 3 Those competencies that I feel I do not have.

The B row in the CC rows shows the percentages of the counselor participants that placed cards in each of the three groups as follows:

Group 1 Those competencies I feel are most important.

Group 2 Those competencies I feel are moderately important.

Group 3 Those competencies I feel are of little or no importance.

The F row in the C1 rows shows the percentages of the client participants that placed the cards in the three groups as follows:

Group 1 Counselor competencies that I most often have need of.

Group 2 Counselor competencies that I occasionally have need of.

Group 3 Counselor competencies that I seldom, if ever, have need of.

The G row in the C1 rows shows the percentages of clients that placed the cards in the three groups as follows:

Group 1 Those competencies that I consider most important for a counselor to have.

Group 2 Those competencies that I consider desirable, but not absolutely necessary, for a counselor to have.

Group 3 Those competencies that I do not consider important for a counselor to have.

1.CC. Understands the relationship between family disaster and good mental health.

1.Cl. He understands the relationship between my family financial problems and the mental stress I feel.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	69.9	26.8	3.6	.939
	B	62.5	26.8	10.7	
Cl	F	87.8	8.2	4.1	
	G	91.8	8.2	0.0	

2.CC. Upholds the high ethical standards of the professions pertaining to the use of financial and health records of clients.

2.Cl. He is honest with me and I can trust him to keep what I tell him confidential.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	83.9	10.7	5.4	.965
	B	73.2	23.2	3.6	
Cl	F	89.8	8.2	2.0	
	G	93.9	8.2	0.0	

3.CC. Is able to identify the limits of his own competency as well as the ethical and legal limits of his work as a consumer credit counselor.

3.Cl. He knows when someone else can help me better than he can.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	75.0	25.0	0.0	.986
	B	78.5	21.4	0.0	
Cl	F	46.9	24.5	28.6	
	G	65.3	26.5	8.2	

4.CC. Knows what information is needed in order to best serve the client and what methods are acceptable for collecting the needed information.

4.Cl. He knows what information he needs to know about me and he can gather it from me without offending me.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	76.8	23.2	0.0	.806
	B	89.3	10.7	0.0	
Cl	F	57.1	30.6	12.2	
	G	71.4	26.5	2.0	

5.CC. Values formal and informal study to determine information about the client population in order to develop a more effective program.

5.C1. He knows his community well.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	21.4	58.9	19.6	.984
	B	28.6	48.2	23.2	
C1	F	20.4	30.6	49.0	
	G	36.7	40.8	22.4	

6.CC. Realizes that over-extension of one's credit is not characteristic of any one socio-economic level.

6.C1. He realizes that anyone, rich or poor, may get into financial trouble by going into more debt than he can handle.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	91.1	5.4	3.6	.987
	B	67.9	28.6	3.6	
C1	F	51.0	28.6	20.4	
	G	57.1	32.7	10.2	

7.CC. Is knowledgeable concerning recent and innovative procedures and methods in the field of counseling.

7.C1. He impresses me as being prepared and up-to-date professionally.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	28.6	60.7	10.7	.967
	B	58.9	30.4	10.7	
C1	F	71.4	24.5	4.1	
	G	77.6	20.4	2.0	

8.CC. Is able to explain to the client how his financial activities may sometimes be reflected in his emotional and mental state.

8.C1. He understands for the most part how unsuccessful financial activities cause worry and anxiety.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	50.0	44.6	5.4	.941
	B	60.7	33.9	5.4	
C1	F	73.5	20.4	6.1	
	G	83.7	14.3	2.0	

9.CC. Is able to operate under both the theory and practice of money management in working with clients.

9.Cl. He has "book sense" as well as "horse sense" about how to manage my income.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	76.8	23.2	0.0	.992
	B	87.5	10.7	1.8	
Cl	F	65.3	26.5	8.2	
	G	75.5	18.4	6.1	

10.CC. Is able to detect the feelings of other professionals concerning infringement upon their area of service.

10.Cl. He gets along well with others he works with such as lawyers, doctors, etc.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	50.0	37.5	12.5	.937
	B	28.6	53.6	16.1	
Cl	F	30.6	30.6	38.8	
	G	44.9	38.8	16.3	

11.CC. Is aware of the problems clients have in pulling out of financial difficulty - realizes that it is a slippery road from delinquency to garnishment to bankruptcy.

11.Cl. He gives the impression that he really understands how easy it is to get into debt over one's head.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	94.6	3.6	1.8	.843
	B	94.6	5.4	0.0	
Cl	F	55.1	32.7	12.2	
	G	53.1	36.7	10.2	

12.CC. Recognizes and is able to analyze human behavior patterns, human motivational forces and sources of friction among people.

12.Cl. He seems to understand what makes people do what they do and he makes me want to do better.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	28.6	57.1	14.3	.998
	B	53.6	37.5	8.9	
Cl	F	42.9	36.7	20.4	
	G	53.1	40.8	6.1	

13.CC. Is able to communicate well with clients and with other counselors within the system.

13.C1. I can talk to him and I understand what he tells me. He seems to get along well with the other people in his office.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	83.9	14.3	1.8	.825
	B	98.2	1.8	0.0	
C1	F	42.9	42.9	14.3	
	G	55.1	38.8	6.1	

14.CC. Provides continual support for his client beyond the time of active counseling.

14.C1. I feel like I can go to him for help at any time.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	58.9	30.4	10.7	.816
	B	48.2	44.6	7.1	
C1	F	73.5	24.5	2.0	
	G	79.6	12.2	8.2	

15.CC. Has a knowledge of and ability to demonstrate techniques and procedures that can be used effectively in counseling activities.

15.C1. He has served me well enough so that if I should get into trouble again I would go to him again.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	50.0	42.9	7.1	.997
	B	76.8	19.6	3.6	
C1	F	73.5	18.4	8.2	
	G	79.6	14.3	6.1	

16.CC. Has adequate knowledge of the major sources of counselor data.

16.C1. He knows how to get the information that will be helpful to me.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	33.9	53.6	12.5	.914
	B	62.5	35.7	1.8	
C1	F	59.2	38.8	2.0	
	G	75.5	22.4	2.0	

- 17.CC. Understands that counseling should be a complete process from:
 a. initial interview to,
 b. problem-solving interview to,
 c. follow-up interview.

17.C1. Each session that we have is related to the previous session.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	76.8	19.6	3.6	.429
	B	92.9	5.4	1.8	
C1	F	16.3	36.7	46.9	
	G	22.4	40.8	36.7	

18.CC. Shares the attitude that consumer credit counseling is a service-oriented profession.

18.C1. He communicates to me that he is in his job for my benefit.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	94.6	3.6	1.8	.953
	B	76.8	21.4	1.8	
C1	F	49.0	28.6	22.4	
	G	55.1	30.6	14.3	

19.CC. Is able to remain a free agent - not beholden to any group or individual.

19.C1. He treats all of my creditors alike - does not favor any one of them above the others.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	82.1	10.7	7.1	.994
	B	73.2	17.9	8.9	
C1	F	55.1	22.4	22.4	
	G	65.3	22.4	12.2	

20.CC. Shares the long range goal of reducing the number of families needing debt liquidation.

20.C1. He seems to be concerned about the ways to help all families keep from getting into too much debt.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	75.0	25.0	0.0	.918
	B	71.4	23.2	5.4	
C1	F	42.9	34.7	22.4	
	G	51.0	44.9	4.1	

21.CC. Understands that maintaining a positive attitude improves client morale.

21.C1. He makes me feel like and believe that I can do whatever I have to do to overcome my indebtedness.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	87.5	12.5	0.0	989
	B	82.1	14.3	3.6	
C1	F	63.3	26.5	10.2	
	G	75.5	24.5	0.0	

22.CC. Understands how being a good listener enhances the client-counselor relationship.

22.C1. He is a good listener--I can talk to him with ease.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	92.9	7.1	0.0	.994
	B	94.6	5.4	0.0	
C1	F	75.5	20.4	4.1	
	G	85.7	14.3	0.0	

23.CC. Understands the importance of urging the client to improve communication within his family.

23.C1. He helps me to realize how important it is for all family members to work together on their problems.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	69.6	23.2	7.1	.982
	B	69.6	28.6	1.8	
C1	F	49.0	28.6	22.4	
	G	57.1	36.7	6.1	

24.CC. Understands the contribution to the service that follow-up contacts make regarding the client's persistence in and satisfaction with decisions and choices made as a result of consumer credit counseling.

24.C1. Having received his services, his office calls me to ask if I have been satisfied with the way we worked things out.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	58.9	37.5	3.6	.707
	B	58.9	35.7	5.4	
C1	F	16.3	30.6	53.1	
	G	20.4	42.9	36.7	

25.CC. Is able to use praise and positive reinforcement to build client morale.

25.C1. He praises me and makes me feel good when I am able to follow through and do what we have planned.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	89.3	8.9	1.8	.880
	B	87.5	10.7	1.8	
C1	F	40.8	32.7	26.5	
	G	51.0	26.5	22.4	

26.CC. Understands the importance of follow-up contact with the client regarding his post guidance adjustment to a new social environment.

26.C1. He makes me realize that "keeping up with the Joneses" is not so important as the peace of mind of keeping within my income.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	42.9	37.5	19.6	.948
	B	39.3	44.6	16.1	
C1	F	36.7	28.6	34.7	
	G	46.9	28.6	24.5	

27.CC. Is able to verbally state his acceptance of the client in order to establish a comfortable environment (I'm O. K.-You're O. K.).

27.C1. He makes me feel like he is truly my friend.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	71.4	23.2	5.4	.947
	B	66.1	21.4	12.5	
C1	F	55.1	30.6	14.3	
	G	49.0	36.7	14.3	

28.CC. Is able to visualize the counseling process as interactive, working together and non-mysterious.

28.C1. The counselor and I work together in solving any problems.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	76.8	21.4	1.8	.995
	B	71.4	26.8	1.8	
C1	F	69.4	22.4	8.2	
	G	69.4	22.4	8.2	

29.CC. Is able to maintain a non-judgemental attitude while assisting his client in making choices.

29.C1. He makes me feel like I am a worthwhile person--he does not condemn me.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	57.1	35.7	7.1	.995
	B	64.3	32.1	3.6	
C1	F	69.4	24.5	6.1	
	G	69.4	26.5	4.1	

30.CC. Is able to sense which techniques may reduce tension and anxiety on the part of specific clients.

30.C1. I feel comfortable and at ease with the consumer credit counselor.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	53.5	41.1	5.4	.995
	B	78.6	19.6	1.8	
C1	F	81.6	16.3	2.0	
	G	85.7	12.2	2.0	

31.CC. Is able to develop a rationale for differential treatment of various clientele.

31.C1. He gears his activities to my individual needs.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	62.5	33.9	3.6	.955
	B	57.1	35.7	7.1	
C1	F	30.6	34.7	34.7	
	G	40.8	40.8	18.4	

32.CC. Is able to assist the client in developing a sense of self-worth.

32.C1. He helps me to feel good about myself as a person.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	64.3	32.1	3.6	.866
	B	80.4	16.1	3.6	
C1	F	40.8	40.8	18.4	
	G	51.0	44.9	4.1	

33.CC. Is able to use terminology that is easily understood by his client and others he contacts regarding the work of consumer credit counseling.

33.Cl. He explains his work in terms that I can understand.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	87.5	10.7	1.8	.989
	B	92.9	7.1	0.0	
Cl	F	63.3	28.6	8.2	
	G	77.6	16.3	6.1	

34.CC. Is able to use counseling techniques in keeping with the client's frame of reference.

34.Cl. In our working sessions, he and I discuss my problems in terms of my everyday life.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	64.3	33.9	1.8	.928
	B	67.9	28.6	3.6	
Cl	F	40.8	26.5	32.7	
	G	44.9	40.8	14.3	

35.CC. Is aware that effective credit management is more related to the way money is spent than to the amount of money one has.

35.Cl. He makes me see that how I manage the money I have is more important than how much money I have.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	87.5	10.7	1.8	.996
	B	76.8	23.2	0.0	
Cl	F	65.3	24.5	10.2	
	G	71.4	28.6	0.0	

36.CC. Empathizes with the problems brought by his clients and exhibits warmth and understanding toward the person being counseled.

36.Cl. I feel like he understands my situation and sincerely wants to help me.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	75.0	23.2	1.8	.996
	B	91.1	8.9	0.0	
Cl	F	75.5	20.4	4.1	
	G	83.7	16.3	0.0	

37.CC. Is aware of the important part the cultural background of the client plays in the direction, content and procedure of credit counseling.

37.C1. He understands my background and what things are important to me.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	50.0	42.9	7.1	.986
	B	48.2	39.3	12.5	
C1	F	75.5	20.4	4.1	
	G	83.7	16.3	0.0	

38.CC. Has the ability to suit the counseling techniques used to the maturity level of the client.

38.C1. He is able to explain what he is advising me to do in terms that I can understand.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	76.8	19.6	3.6	.993
	B	78.6	17.9	3.6	
C1	F	69.4	20.4	10.2	
	G	69.4	24.5	6.1	

39.CC. Maintains a constant awareness and knowledge of what is going on in the world of consumer credit.

39.C1. He knows his business where credit is concerned.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	39.3	53.6	7.1	.998
	B	69.6	28.6	1.8	
C1	F	71.4	24.5	4.1	
	G	73.5	24.5	2.0	

40.CC. Understands that participation in staffing sessions facilitates the free flow of helpful information from all participating individuals.

40.C1. He seems to be interested in improving the service of his office.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	58.9	33.9	7.1	.935
	B	44.6	50.0	5.4	
C1	F	42.9	30.6	26.5	
	G	57.1	30.6	12.2	

41.CC. Understands the importance of continuous study to keep abreast of any trends and happenings in the area of consumerism.

41.Cl. He talks about the new things he reads and hears about that apply to his work.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	42.9	51.8	5.4	.489
	B	66.1	25.0	7.1	
Cl	F	8.2	22.4	69.4	
	G	12.2	42.9	44.9	

42.CC. Understands the importance of self-evaluation by seeking periodic critiques of personal work from peers and supervisors.

42.Cl. He attempts to collect comments and criticisms about his work from his associates.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	66.1	30.4	3.6	.482
	B	62.5	33.9	3.6	
Cl	F	8.2	24.5	67.3	
	G	14.3	32.7	53.1	

43.CC. Understands the importance of maintaining effective relationships with local employment placement services.

43.Cl. He is well acquainted and works well with the local employment placement services.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	25.0	41.1	33.9	.986
	B	14.3	44.6	41.1	
Cl	F	18.4	18.4	63.3	
	G	22.4	42.9	34.7	

44.CC. Understands that it is strengthening to his organization to have the opinions of community leaders and agencies.

44.Cl. He solicits and achieves the support and cooperation of community leaders.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	57.1	33.9	8.9	.795
	B	60.7	35.7	3.6	
Cl	F	24.4	34.7	40.8	
	G	42.9	30.6	26.5	

45.CC. Understands the procedure of consumer credit counseling and follows through in an organized manner.

45.C1. I feel that he has his work well organized.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	83.9	14.3	1.8	.915
	B	96.4	3.6	0.0	
C1	F	55.1	32.7	12.2	
	G	67.3	32.7	0.0	

46.CC. Is able to distinguish between consumer credit counseling services and collection agencies.

46.C1. He does more than simply tell me how to pay my bills.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	94.6	1.8	3.6	.967
	B	83.9	8.9	7.1	
C1	F	73.5	18.4	8.2	
	G	69.4	26.5	4.1	

47.CC. Is knowledgeable concerning every aspect of the business of credit financing.

47.C1. He knows how to figure the cost of credit.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	37.5	50.0	12.5	.995
	B	67.9	25.0	7.1	
C1	F	42.9	34.7	22.4	
	G	61.2	26.5	12.2	

48.CC. Feels a responsibility for assisting his client with job placement by giving him information concerning employment trends in his community.

48.C1. In regard to job placement, he allows me to anticipate the changes in employment in our community.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	26.8	46.4	26.8	.892
	B	26.8	51.8	21.4	
C1	F	8.2	22.4	69.4	
	G	16.3	38.8	44.9	

49.CC. Is able to read with understanding and evaluate articles concerning materials that are helpful to the consumer credit counselor.

49.Cl. He has up-to-date information on the financial world.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	64.3	33.9	1.8	.796
	B	69.6	28.6	1.8	
Cl	F	24.5	36.7	38.8	
	G	32.7	42.9	24.5	

50.CC. Understands how to safeguard clients against invasion of privacy and misuse of information about clients.

50.Cl. He respects my privacy.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	71.4	25.0	3.6	.933
	B	69.6	30.4	0.0	
Cl	F	79.6	20.4	0.0	
	G	93.9	4.1	2.0	

51.CC. Understands the importance of the counselor setting a good example by keeping his own financial house in good order.

51.Cl. He gives the impression that he handles his own finances well - he practices what he preaches.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	92.9	5.4	1.8	.927
	B	76.8	17.9	5.4	
Cl	F	24.5	40.8	34.7	
	G	51.0	28.6	20.4	

52.CC. Understands the process of verifying information and bases decisions on verified information - does not consider "gossip" as a good source of information.

52.Cl. He uses only true and accurate information in his work with me.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	76.8	21.4	1.8	.978
	B	67.9	26.8	5.4	
Cl	F	73.5	24.5	2.0	
	G	83.7	14.3	2.0	

53.CC. Is aware of and understands the policies of creditors, including their basis for granting credit, their method of reporting delinquencies and procedures for credit.

53.C1. He knows all about the places that have given me credit - their policies and procedures.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	66.1	32.1	1.8	.963
	B	76.8	21.4	1.8	
C1	F	59.2	32.7	8.2	
	G	57.1	30.6	12.2	

54.CC. Has sufficient knowledge of education processes and methods, business administration, economics, accounting and commercial law to serve the best interest of his clients.

54.C1. He is able to work out a practical budget and figure the cost of living realistically.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	30.4	57.1	12.5	.918
	B	58.9	30.4	10.7	
C1	F	75.5	20.4	4.1	
	G	89.8	8.2	2.0	

55.CC. Is aware that the most immediate task is to relieve the client's financial stress--then remedial and preventive work can begin.

55.C1. One of the first things he does for me is to work out a repayment plan and contact my creditors so they "get off my back".

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	91.1	5.4	3.6	.997
	B	91.1	8.9	0.0	
C1	F	81.6	14.3	4.1	
	G	95.9	2.0	2.0	

56.CC. Is aware of the variety of factors that may cause credit problems.

56.C1. He knows the sorts of things that cause people to have credit problems.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	87.5	12.5	0.0	.995
	B	82.1	17.6	0.0	
C1	F	61.2	32.7	6.1	
	G	73.5	22.4	4.1	

57.CC. Accepts the probability that he will not have complete success with all clients.

57.Cl. He has a realistic anticipation that he is going to win some and lose some.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	87.5	8.9	3.6	.839
	B	62.5	32.1	5.4	
Cl	F	30.6	30.6	38.8	
	G	32.7	38.8	28.6	

58.CC. Understands individual human differences and believes counseling must begin with the personal values of the client as a base.

58.Cl. He treats me as an individual and doesn't try to make me over.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	73.2	25.0	1.8	.998
	B	73.2	23.2	3.6	
Cl	F	55.1	32.7	12.2	
	G	69.4	24.5	6.1	

59.CC. Has a positive attitude and views the problems facing man as solvable.

59.Cl. He makes me feel like I really can solve my problems.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	83.9	14.3	1.8	1.00
	B	80.4	19.6	0.0	
Cl	F	46.9	36.7	16.3	
	G	81.6	18.4	0.0	

60.CC. Is aware of the benefits gained and encourages the whole family to become involved in solving the financial problems.

60.Cl. He encourages me to bring my whole family into the work of solving our financial problems.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	71.4	26.8	1.8	.993
	B	71.4	25.0	3.6	
Cl	F	46.9	36.7	16.3	
	G	63.3	26.5	10.2	

61.CC. Is able to help families discover why they do what they do in regard to credit performance.

61.C1. He helps me understand why I got into financial trouble in the first place.

	Card Sort	Group Number			C. I.
		1	2	3	
CC	A	48.2	41.1	10.7	.999%
	B	69.6	23.2	5.4	
C1	F	55.1	32.7	12.2	
	G	69.4	26.5	4.1	

Competency Priorities. In carrying out Objective 5, it was important to determine that a counselor participant was not classifying a competency as most important just because he felt he could perform well in that area. In a like manner, he might have classified a competency as being of little or no importance because he felt he was not able to perform well in the area. Table 1 shows the counselor participant responses to the card sort relating to the importance of the competencies and the degree of development (most important and most highly developed).

In reviewing the responses of counselors, some differences were noted between the assessment of importance and the degree of competence attained by the participants. In some cases the participants rated the importance of the competency higher than their skill in that area.

Some of the competencies so rated are as follows:

4. Knows what information is needed in order to best serve the client and what methods are acceptable for collecting the needed information.
7. Is knowledgeable concerning recent and innovative procedures and methods in the field of counseling.
12. Recognizes and is able to analyze human behavior patterns, human motivational forces and sources of friction among people.

Table 1

Comparison of Counselor Responses by Percentage
 "Those Competencies I Feel are Extremely Important" with
 "Those Competencies I Have Fully Developed"

Competency Number	Importance	Development	Difference	Competency Number	Importance	Development	Difference
1	62.5	69.6	7.1	32	80.4	64.3	16.1
2	73.2	83.9	10.7	33	92.9	87.5	5.4
3	78.6	75.0	3.6	34	67.9	64.3	3.6
4	89.3	76.8	12.5	35	76.8	87.5	10.7
5	28.6	21.4	7.2	36	91.1	75.0	16.1
6	67.9	91.1	23.2	37	48.2	50.0	1.8
7	58.9	28.6	30.3	38	78.6	76.8	1.8
8	60.7	50.0	10.7	39	69.6	39.3	30.3
9	87.5	76.8	10.7	40	44.6	58.9	14.3
10	28.6	50.0	21.4	41	66.1	42.9	13.2
11	94.6	94.6	0.0	42	62.5	66.1	3.6
12	53.6	28.6	25.0	43	14.3	25.0	10.7
13	98.2	83.9	14.3	44	60.7	57.1	3.6
14	48.2	58.9	10.7	45	96.4	83.9	12.5
15	76.8	50.0	26.8	46	83.9	94.6	10.7
16	62.5	33.9	28.6	47	67.9	37.5	30.4
17	92.9	76.8	16.1	48	26.8	26.8	0.0
18	76.8	94.6	17.8	49	69.6	64.3	5.3
19	73.2	82.1	8.9	50	69.6	71.4	1.8
20	71.4	75.0	3.6	51	76.8	92.9	16.1
21	82.1	87.5	5.4	52	67.9	76.8	8.9
22	94.6	92.9	1.7	53	76.8	66.1	10.7
23	69.6	69.6	0.0	54	58.9	30.4	28.5
24	58.9	58.9	0.0	55	91.1	91.1	0.0
25	87.5	89.3	1.8	56	82.1	87.5	5.4
26	39.3	42.9	3.6	57	62.5	87.5	25.0
27	66.1	71.4	5.3	58	73.2	73.2	0.0
28	71.4	76.8	5.4	59	80.4	83.9	3.5
29	64.3	57.1	7.2	60	71.4	71.4	0.0
30	78.6	53.5	25.1	61	69.6	48.2	21.4
31	57.1	62.5	5.4				

13. Is able to communicate well with clients as well as with other counselors within the system.
15. Has a knowledge of and ability to demonstrate techniques and procedures that can be used effectively in counseling activities.
16. Has adequate knowledge of the major sources of counselor data.
30. Is able to sense which techniques may reduce tension and anxiety on the part of specific clients.
39. Maintains a constant awareness and knowledge of what is going on in the world of consumer credit.
41. Understands the importance of continuous study to keep abreast of any trends and happenings in the area of consumerism.
47. Is knowledgeable concerning every aspect of the business of credit financing.
54. Has sufficient knowledge of educational processes and methods, business administration, economics, accounting and commercial law to serve the best interest of his clients.

Counselor participants revealed less agreement in the area of personal relationships. They indicated these competencies to be very important, but felt they were not so skilled in the area. The competencies are as follows:

17. Understands that counseling should be a complete process from initial interview to problem-solving interview to follow-up interview.
32. Is able to assist the client in developing a sense of self-worth.
36. Empathizes with the problems brought by his clients and exhibits warmth and understanding toward the person being counseled.
61. Is able to help families discover why they do what they do in regard to credit performance.

In some instances the counselors rated their expertise higher than they rated the importance of the competency. These competencies are as follows:

6. Realizes that over-extension of one's credit is not characteristic of any one socio-economic level.
10. Is able to detect the feelings of other professionals concerning infringement upon their area of service.
14. Understands the benefit of continual support for his client beyond the time of active counseling.
18. Shares the attitude that consumer credit counseling is a service-oriented profession.
35. Is aware that effective credit management is more related to the way money is spent than to the amount of money earned.
40. Understands that participation in staffing sessions facilitates the free flow of helpful information from all participating individuals.
43. Understands the importance of maintaining effective relationships with local employment placement services.
51. Understands the importance of the counselor setting a good example by keeping his own financial house in good order.
57. Accepts the probability that he will not have complete success with all clients.

In 30 cases, the difference was greater than 10 points and in 13 cases exceeded 20 points. The greatest span between the two sets of responses was related to competency 47 which stated that the counselor "Is knowledgeable concerning every aspect of the business of credit financing". Sixty-eight percent of the counselor participants ranked that competency "most important" and only 37.5 percent considered themselves to have the competency fully developed--a

difference of 30.4 points. In view of a difference of more than ten points in 49 percent of the cases, it was concluded that the counselors were realistic in their reactions. That is, they did not classify as most important only those competencies in which they felt most capable.

Client Response to Competencies. It was important also to determine that the client respondent did not classify a competency as important simply because he had much need of it. Table 2 shows the difference in group 1 of the client responses to card sort F, "Those competencies that I most often have need of" and card sort G, "Those competencies that I consider most important for a counselor to have". In twenty-nine of the cases (47%) the difference was greater than 10 points. On the basis of this difference, the researcher concluded that the client participant did not classify as most important only those competencies for which he also had the greatest need.

Counselor Response to Tasks. Table 3 shows the ratio of time spent to the degree of confidence held by counselor participants in the card sorting of tasks performed. It was important to the study to determine that the participants did not classify as requiring a great deal of time only those tasks that they performed with complete confidence. The ratios indicated that the closest relationships existed between time spent and complete counselor confidence on the following tasks:

Table 2

Comparison of Client Responses by Percentage
 "Those Competencies I Consider it Most Important for a Client to Have"
 With "Those Competencies I Most Often Have Need Of"

Competency Number	Importance	Need	Difference	Competency Number	Importance	Need	Difference
1	91.8	87.8	5.0	32	51.0	40.8	10.2
2	93.9	89.8	4.1	33	77.6	63.3	14.3
3	65.3	46.9	18.4	34	44.9	40.8	4.1
4	71.4	57.1	14.3	35	71.4	65.3	6.1
5	36.7	20.4	16.3	36	83.7	75.5	8.2
6	57.1	51.0	6.1	37	40.8	40.8	0.0
7	77.6	71.4	6.2	38	69.4	69.4	0.0
8	83.7	73.5	10.2	39	73.5	71.4	2.1
9	75.5	65.3	10.2	40	57.1	42.9	14.2
10	44.9	30.6	14.3	41	12.2	8.2	4.0
11	53.1	55.1	2.0	42	14.3	8.2	6.1
12	53.1	42.9	10.2	43	22.4	18.4	4.0
13	55.1	42.9	12.2	44	42.9	24.4	18.5
14	79.6	73.5	6.1	45	67.3	55.1	12.2
15	79.6	73.5	6.1	46	69.4	73.5	4.1
16	75.5	59.2	16.3	47	61.2	42.9	18.3
17	22.4	16.3	6.1	48	16.3	8.2	8.1
18	55.1	49.0	6.1	49	32.7	24.5	8.2
19	65.3	55.1	10.2	50	93.9	79.6	14.3
20	51.0	42.9	8.1	51	51.0	24.5	26.5
21	75.5	63.3	12.2	52	83.7	73.5	10.2
22	85.7	75.5	10.2	53	57.1	59.2	2.1
23	57.1	49.0	6.1	54	89.8	75.5	14.3
24	20.4	16.3	4.1	55	95.9	81.6	14.3
25	51.0	40.8	9.2	56	73.5	61.2	12.3
26	46.9	36.7	10.2	57	32.7	30.6	2.1
27	49.0	55.1	6.1	58	69.4	55.1	14.3
28	69.4	69.4	0.0	59	81.6	49.9	31.7
29	69.4	69.4	0.0	60	63.3	46.9	16.4
30	85.7	81.6	4.1	61	69.4	55.1	14.3
31	40.8	30.6	10.2				

Table 3

Comparison of Counselor Responses by Percentage
 "Those Tasks that Require a Great Deal of My Time" with
 "Those Tasks that I Know Best How to do and
 Do With Complete Confidence"

Task Number	Time Required	Confidence	Ratio	Task Number	Time Required	Confidence	Ratio	Task Number	Time Required	Confidence	Ratio
1	28.6	87.5	3.06	30	21.4	85.7	4.00	59	37.5	89.3	2.38
2	10.7	76.8	7.18	31	58.9	78.6	1.33	60	37.5	78.6	2.10
3	12.5	57.1	4.57	32	53.6	83.9	1.57	61	71.4	89.3	1.25
4	25.0	67.9	2.72	33	58.9	89.3	1.52	62	39.3	62.5	1.59
5	7.1	30.4	4.28	34	67.9	96.4	1.42	63	46.4	76.8	1.66
6	37.5	92.9	2.48	35	39.3	87.5	2.23	64	26.8	50.0	1.87
7	17.9	75.0	4.19	36	17.9	87.5	4.89	65	21.4	66.1	3.09
8	48.2	98.2	2.04	37	26.8	60.7	2.26	66	30.4	66.1	2.17
9	16.1	92.9	5.77	38	17.9	44.6	2.49	67	28.6	94.6	3.31
10	19.6	92.9	4.74	39	26.8	57.1	2.13	68	21.4	58.9	2.75
11	10.7	85.7	8.01	40	10.7	82.1	7.67	69	32.1	96.4	3.00
12	12.5	48.2	3.86	41	14.3	82.1	5.74	70	42.9	92.9	2.17
13	12.5	66.1	5.29	42	44.6	89.3	2.00	71	35.7	87.5	2.45
14	30.4	75.0	2.47	43	51.8	83.9	1.62	72	67.9	87.5	1.29
15	48.2	94.6	1.96	44	21.4	66.1	3.09	73	62.5	78.6	1.26
16	26.8	83.9	3.13	45	28.6	92.9	3.25	74	42.9	82.1	1.91
17	35.7	91.1	2.55	46	51.8	96.4	1.86	75	82.1	92.9	1.13
18	71.4	87.5	1.23	47	28.6	66.1	2.31	76	37.5	91.1	2.43
19	46.4	92.9	2.00	48	50.0	87.5	1.75	77	46.4	98.2	2.12
20	33.9	87.5	2.58	49	39.3	91.1	2.32	78	14.3	69.6	4.87
21	62.5	92.9	1.49	50	48.2	71.4	1.48	79	44.6	92.9	2.08
22	42.9	83.9	1.96	51	44.6	66.1	1.48	80	35.7	85.7	2.40
23	71.4	89.3	1.25	52	25.0	91.1	3.64	81	64.3	73.2	1.14
24	50.0	89.3	1.79	53	23.2	75.0	3.23	82	64.3	85.7	1.33
25	33.9	69.6	2.05	54	39.3	94.6	2.41	83	67.9	83.9	1.24
26	41.1	64.3	1.56	55	46.4	89.3	1.92	84	44.6	94.6	2.12
27	69.6	94.6	1.36	56	51.8	94.6	1.83	85	19.6	67.9	3.46
28	35.7	89.3	2.50	57	26.8	92.9	3.47	86	21.4	35.7	1.67
29	19.6	98.2	5.02	58	30.4	98.2	3.23	87	17.9	78.6	4.39

18. Always seeks the best solution for the client.
23. Relieves the client's immediate financial stress by satisfying creditors with an acceptable plan for repayment.
61. Negotiates diplomatically with creditors.
75. Assists the client in working out a satisfactory budget based upon sound principles of budgeting.
81. Takes time to educate each client in money management principles.
83. Keeps well informed about each client assigned to him; works with the complete situation of each client.

Since these tasks are probably the most time consuming activities the counselor engages in, it is not unrealistic that the ratios were high. The span of all the ratios from 1.13 to 8.01 indicated that the counselors had not classified the tasks that required a great deal of their time that same as those in which they felt most confident.

Congruence Index. Table 4 indicates the ranks of the competencies according to the agreement of counselor participants and client participants. The agreement is expressed in terms of congruence index where perfect agreement is 1 and 0 is the absence of any agreement.

The following three competencies had the lowest index:

41. Understands the importance of continuous study to keep abreast of any trends and happenings in the area of consumerism.
42. Understands the importance of self-evaluation by seeking periodic critiques of personal work from peers and supervisors.
17. Understands that counseling should be a complete process from initial interview to problem-solving interview to follow-up interview.

Table 4

Agreement Between Counselors and Clients Regarding
The Importance of the Competencies.

Rank	Competency Number	C. I.	Rank	Competency Number	C. I.	Rank	Competency Number	C. I.
1	59	1.000	22	6	.987	42	34	.928
2	61	.999	23	3	.986	43	51	.927
3	12	.998	24	37	.986	44	20	.918
4	39	.998	25	43	.986	45	54	.918
5	58	.998	26	5	.984	46	45	.915
6	15	.997	27	23	.982	47	16	.914
7	55	.997	28	52	.978	48	48	.892
8	35	.996	29	7	.967	49	25	.880
9	36	.996	30	46	.967	50	32	.866
10	28	.995	31	2	.965	51	11	.843
11	29	.995	32	53	.963	52	57	.839
12	30	.995	33	31	.955	53	13	.825
13	47	.995	34	18	.953	54	14	.816
14	56	.995	35	26	.948	55	4	.806
15	19	.994	36	27	.947	56	49	.796
16	22	.994	37	8	.941	57	44	.795
17	38	.993	38	1	.939	58	24	.707
18	60	.993	39	10	.937	59	41	.489
19	9	.992	40	40	.935	60	42	.482
20	21	.989	41	50	.933	61	17	.429
21	33	.989						

Clients may not have been aware of the importance of continuous study and self-evaluation on the part of the counselor. They may have checked competency number 17 according to the manner in which the counselor actually worked with them instead of the more ideal way as stated. The counselors, while agreeing that more than one session is desirable and important, stated that in most cases there was not sufficient time to carry out the follow-up interviews.

The high congruence index for all except three of the statements indicated agreement between counselors and clients regarding the importance of the competencies.

Agreement on Competencies. Counselors and clients were asked to check "agree" or "disagree" on each competency to indicate whether or not they thought the competency should be one required of counselors. Table 5 shows the percentage of counselors and clients who agreed that the competencies listed should be required of counselors.

A large majority of the counselors agreed that all of the competencies were needed. Competency number five states that the counselor "values formal and informal study to determine information about the client population in order to develop a more effective program". The statement may have been misinterpreted as meaning the development of a personal program for a client rather than the overall counseling service. Competency number 43 ranked lowest with 67.9 percent agreement. It stated "The counselor understands the importance of maintaining effective relationships with local employment placement services.

Table 5

The Percentage of Counselors and Clients Who Agreed That The Competencies Listed Should Be Required of Consumer Credit Counselors.

Competency Number	% of Agreement		Competency Number	% of Agreement		Competency Number	% of Agreement	
	Counselor	Client		Counselor	Client		Counselor	Client
1	92.9	98.0	22	98.2	95.9	42	89.3	51.0
2	92.9	98.0	23	98.2	87.8	43	67.9	71.4
3	96.4	89.8	24	91.1	55.1	44	92.9	77.6
4	98.2	95.9	25	100.0	77.6	45	100.0	91.8
5	73.2	79.6	26	83.9	81.6	46	98.2	89.8
6	98.2	95.9	27	91.1	81.6	47	85.7	85.7
7	89.3	91.8	28	98.2	91.8	48	80.4	57.1
8	94.6	98.0	29	83.9	98.0	49	98.2	77.6
9	98.2	89.2	30	94.6	95.9	50	96.4	98.0
10	89.3	73.5	31	94.6	75.5	51	96.4	89.8
11	100.0	89.2	32	96.4	87.8	52	98.2	93.9
12	82.1	89.8	33	100.0	95.9	53	94.6	89.8
13	98.2	98.0	34	98.2	75.5	54	89.3	98.0
14	87.5	98.0	35	100.0	93.9	55	96.4	93.9
15	92.9	95.9	36	96.4	98.0	56	98.2	98.0
16	94.6	95.9	37	83.9	85.7	57	100.0	75.5
17	92.9	57.1	38	98.2	95.9	58	94.6	95.9
18	100.0	83.7	39	92.9	98.0	59	94.6	98.0
19	94.6	83.7	40	89.3	89.8	60	98.2	85.7
20	94.6	87.8	41	94.6	55.1	61	91.1	89.8
21	98.2	95.9						

Many of the counselors interviewed felt that finding employment for clients could and should be left up to other community services.

A majority of the clients responding to the card sort agreed that all of the competencies were needed. Competencies with the lowest percentage of agreement are as follows:

Number	Percentage	Number	Percentage
10	73.5	24	55.1
43	71.4	41	55.1
17	57.1	42	55.1
48	57.1		

These fall into the categories of professional growth and development, follow-up sessions with the counselor and employment placement. The researcher felt that the percentage of agreement between both clients and counselors was sufficiently high to warrant retaining all as valid statements of competency for consumer credit counselors.

Agreement on Tasks. Counselor participants in the card sort were asked to check "agree" or "disagree" to indicate their belief that the tasks listed should be performed by consumer credit counselors. Table 6 shows that a high percentage of counselor participants agreed that all of the tasks should be performed by credit counselors. Those tasks ranking lowest on agreement are as follows:

2. Considers the client as a conversational equal.
5. Initiates follow-up contacts with clients in regard to occupational placement and job satisfaction.
64. Assists the creditor in understanding that he must share in the extension of credit by making it too easy to get credit.

Table 6

The Percentage of Counselors Who Agreed That The Tasks Listed
Should be Performed by Consumer Credit Counselors.

Task Number	% Of Agreement	Task Number	% Of Agreement	Task Number	% Of Agreement	Task Number	% Of Agreement	Task Number	% Of Agreement
1	92.9	19	91.1	37	89.3	54	94.6	71	92.9
2	67.9	20	92.9	38	89.3	55	96.4	72	94.6
3	76.8	21	96.4	39	91.1	56	96.4	73	94.6
4	78.6	22	91.1	40	87.5	57	92.9	74	80.4
5	39.3	23	92.9	41	82.1	58	94.6	75	96.4
6	87.5	24	96.4	42	85.7	59	94.6	76	89.3
7	80.4	25	91.1	43	94.6	60	85.7	77	96.4
8	92.9	26	82.1	44	89.3	61	96.4	78	82.1
9	94.6	27	96.4	45	92.9	62	92.9	79	91.1
10	83.9	28	96.4	46	96.4	63	89.3	80	91.1
11	91.1	29	96.4	47	87.5	64	66.1	81	89.3
12	82.1	30	80.4	48	92.9	65	87.5	82	94.6
13	82.1	31	87.5	49	92.9	66	82.1	83	89.3
14	87.5	32	85.7	50	92.9	67	92.9	84	92.9
15	94.6	33	94.6	51	92.9	68	92.9	85	92.9
16	91.1	34	94.6	52	94.6	69	94.6	86	89.3
17	94.6	35	94.6	53	75.0	70	92.9	87	94.6
18	91.1	36	94.6						

Some counselors considered task number five dealing with job placement to be a service of other community agencies and consequently the limited time of the counselor should not be spent in overlapping services. In stating task number 64, a word was omitted. The percentage of agreement would probably have been higher had the statement read "over-extension" of credit. The researcher felt that the percentage of agreement among counselors was sufficiently high to warrant retaining all of the tasks as valid indications of the work that should be done by consumer credit counselors.

Objectives 6 and 7: To Construct Measures for Use in Assessing Counselor Competencies and to Combine these Measures into an Examination that is Weighted According to the Priorities Of Tasks and Competencies

Rust [n.d.] stated the belief that aspects of any subject and of almost any educational quality can be listed and measured by means of some form of objective test. Qualities not covered fully by objective tests can be tested by essay type items. Rust suggested that since not all of the candidates will interpret the items in the same way, it is important to have objective test items submitted to criticism by several other persons. In this way, the communication of the test will be received by a wider sector of candidates.

Test items were constructed relating to each of the competencies identified in Objective 4. The competencies were categorized by the counselor participants in the card sort as follows:

Category I--Facts About Credit
Competency Number 39 47

Category II--Client-Counselor Relationships
Competency Number 8 13 14 21 22 23 24 25
27 31 33 36 38 48 55 60

Category III--Counselor-Creditor Relationships
Competency Number 19 23

Category IV--Counseling Techniques
Competency Number 7 15 17 29 30 32 34

Category V--Family Financial Management
Competency Number 9 35

Category VI--Professional Ethics
Competency Number 2 4 10 46 50 52

Category VII--Professional Growth and Development
Competency Number 3 5 18 20 28 40 41
41 45 49 51 54 57 59

Category VIII--Community Relationships
Competency Number 16 43 44

Category IX--Human Behavior
Competency Number 1 6 11 12 26 37 56 58 61

The amount of material to be covered in the total examination was more easily managed in categories and overlapping was minimized.

Based upon the evaluation of the items by counselors and council representatives at the Atlanta meeting, the researcher decided to use, revise or discard each item. The items for the pilot test were arranged by types to make more accurate scoring and analysis possible. Table 7 shows the distribution of items as they were placed on the instrument for the pilot test. The rows indicate the categories that were identified earlier and the columns indicate types of items or sections of the examination.

Table 7

Table of Specification - Arrangement of Examination
Items by Categories and Sections

Section	1	2	3	4
Category	Multiple Choice	Definitions	Listings	Case Study And Essay
I	15 16 19 22 23 25 26 27 28 29 30 31 32 33 34 35 36 50 52	54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75	78	103 111 112 124
II	10 11 37 45		76 77 79 91 80 81 83 94 86 89 90 95 99 100	105 112 114 118 125
III			85 90 97 102	113 116 126
IV	8 24		77 79 81 87 96 100	114 124
V	9 13 14 48		82 92 93	120 123
VI	1 7 53		79 80 98	105 115
VII	2 3 4 12 17 18 20 21 39 44 49		80 94 95 101	104 106 108 115
VIII			79 80 83 85 90 98	107 110 119 121
IX	5 6 8 38 40 41 42 43 46 47 51		76 77 81 84 87 88 89 91	109 124

- Category I - Facts about Credit
 Category II - Client--Counselor Relationships
 Category III - Counselor--Creditor Relationships
 Category IV - Counseling Techniques
 Category V - Family Financial Management
 Category VI - Professional Ethics
 Category VII - Professional Growth and Development
 Category VIII - Community Relationships
 Category IX - Human Behavior

Objective 8: To Pilot Test and Then
To Revise the Instrument

Substitutions were made for the counselors, originally chosen, who were unable to participate. The examination began at 9:00 a.m. and was stopped at 5:00 p.m. with an hour allowed for lunch and one hour for the individual interview. The examining committee interviewed each participant regarding his opinion of the examination and the certification program. The committee for supervising the pilot test included Bob Gibson, Hal Waller and Al Horner of NFCC; the researcher, Helen Simmons; and the project director, Ruth Harris. The instrument for the pilot test is found in appendix B.

Scoring Procedures. The multiple choice items (section one) were scored according to the key made at the time the items were constructed. Credit was given for each correct answer. The definitions (section two) were either correct or incorrect--no partial credit was given. After reading each definition given the researcher made a judgement of correctness based upon the relevency of the answer.

All answers given to the listing questions (section three) on the 24 examinations were compiled into a master list and combined with those suggested by the researcher. A reasonable number of the most suitable answers was selected for the key. Credit was given for partial answers in cases of relevant statements.

A master list of all answers to the essay questions (section four), including those suggested by the researcher, served as a basis for assigning point value to each question. The number of parts

required for a complete answer was also determined by the master list and credit was given for any part that was sufficiently relevant.

Table 8 shows the scores for the pilot test both numerically and in percentages. The scores ranging from a high 964 points to a low 391 points of a possible 1,260 were spread as follows:

300	400	500	600	700	800	900	1000	Total
1	0	4	4	9	5	1	0	24

Some of the participants indicated that the six hours allotted to the exam was not sufficient time for them to complete all of the exercises. This may have had some effect on the scores.

Seventeen of the 24 pilot test participants were able to complete the entire examination. Of the seven who did not complete the test one left 31 items unanswered, one 23, one 16, one 12, one 11 and each of the two left 5. Credit was given for correct answers and the total scores were based on 126 items.

Each pilot test participant was asked to record the time required for him to complete each section of the exam. These were averaged and a time in excess of that mean was used as a suggested time on the final instrument.

The pilot test answers were put on data sheets and punched on cards by an optical-scanning machine. The Learning Resources Center at V.P.I. and S.U. ran the data for the multiple choice items (section one) on a test scoring and analysis program and the remaining three sections on a questionnaire analysis program. The results were as follows:

Table 8

Pilot Test Scores

I. D. No.	Test Section 1	Test Section 2	Test Section 3	Test Section 4	Total	% of 1260
001	290	170	206	168	834	66%
002	260	160	111	94	625	50%
003	270	180	167	158	775	62%
004	190	100	56	45	391	31%
005	270	140	45	73	528	42%
006	210	150	161	74	595	47%
007	220	170	194	144	728	58%
008	260	180	208	134	782	62%
009	310	150	168	178	806	64%
010	260	190	162	174	786	62%
011	320	170	199	103	792	63%
012	240	150	203	141	734	58%
013	210	170	198	115	693	55%
014	270	200	210	155	835	66%
015	300	170	219	154	843	67%
016	280	150	144	167	741	59%
017	310	200	244	210	964	77%
018	250	160	245	174	829	66%
019	290	180	135	29	634	50%
020	250	160	164	00	574	46%
021	300	140	196	74	710	56%
022	260	170	167	28	625	50%
023	310	170	211	47	738	59%
024	200	150	148	43	541	43%
Perfect Score	530	220	270	240	1260	100%

Section 1--Multiple Choice

Section 2--Definitions

Section 3--Listings

Section 4--Essay and Case Study

Exam Section	Total Number	Standard Error Of Measurement	Reliability Estimate (KR-20)
1 Multiple Choice	53	2.85	.392
2 Definitions	22	1.59	.355
3 Listings	27	10.82	.917
4 Essay And Case Study	24	9.67	.885

All items on the pilot test were reviewed. For each one, a decision was made to revise, discard or use it, based on the following:

1. The item analysis.
2. The misinterpretation of the item by the pilot test participants.
3. The amount of difficulty in assigning a point value to the item.
4. The desire of the examining committee to add more case study items.
5. The division of the exam into two time periods.

Tables 9 and 10 show the list of items, by number, used on the pilot test. The columns indicate whether an item was used, revised or discarded. The reason for revising or discarding it is coded by capital letters as follows:

A. Undetermined point value. The essay question involved asked why the examinee wanted to be a consumer credit counselor. It was difficult to judge the point credit earned since all the answers were different.

B. Overlapping items. A question in one section of the exam covered similar material as another section.

C. Not a universal topic. These questions concerned such things as state laws and local creditor policies. The examining committee felt that these items were important but could best be covered at the local level as applicants were being screened for certification.

D. Needed further clarification. From the responses on the pilot test it was obvious that some participants misinterpreted the meaning of the questions.

E. More relevant items were substituted. The members of the examining committee felt that the case study problems were more reliable measures of competency and suggested adding one more.

Objective 9: To Make Recommendations
For the Administration of the
Examination

As a result of the interviews with the pilot test participants and the observations of those who supervised the testing, the following recommendations were made relating to the administration of the examination.

1. The exam should be given over a period of two days using four hours each day.

2. Certain biographic information should be collected from each candidate for use in continual improvement of the certification program.

Table 9

Revision of Examination

Item No.	Revised	Discarded	Used	Reason	Item No.	Revised	Discarded	Used	Reason	Item No.	Revised	Discarded	Used	Reason
Section 1					Section 1					Section 1				
1			X		27			X		53			X	
2			X		28			X		Section 2				
3	X			D	29			X						
4			X		30			X		54			X	
5	X			D	31	X			D	55			X	
6	X			D	32			X		56			X	
7	X			D	33	X			D	57			X	
8	X			D	34			X		58		X		E
9			X		35			X		59			X	
10			X		36			X		60			X	
11			X		37			X		61			X	
12			X		38			X		62			X	
13			X		39			X		63			X	
14			X		40			X		64			X	
15			X		41			X		65			X	
16			X		42			X		66			X	
17			X		43			X		67			X	
18			X		44			X		68			X	
19			X		45			X		69			X	
20			X		46			X		70			X	
21			X		47			X		71		X		E
22			X		48			X		72		X		E
23			X		49			X		73			X	
24			X		50			X		74			X	
25			X		51			X		75			X	
26			X		52		X		B					

- A. Undetermined point value.
- B. Overlapping items.
- C. Not a universal topic.
- D. Needed further clarification.
- E. More relevant items were substituted.

Table 10

Revision of Examination

Item No.	Revised	Discarded	Used	Reason	Item No.	Revised	Discarded	Used	Reason	Item No.	Revised	Discarded	Used	Reason
Section 3					Section 3					Section 4				
76	X			D	94	X			D	110			X	
77	X			D	95			X		111		X		C
78			X		96			X		112			X	
79	X			D	97		X		E	113	X			C
80			X		98	X			D	114	X			D
81			X		99			X		115			X	
82	X			D	100			X		116			X	
83		X		B	101	X			D	117		X		C
84	X			D	102		X		B	118	X			D
85	X			D	Section 4					119			X	
86	X			D						120			X	
87			X		103			X		121		X		E
88			X		104			X		122	X			D
89	X			D	105			X		123		X		E
90	X			D	106		X		A	124			X	
91			X		107			X		125	X			D
92			X		108			X		126			X	
93		X		B	109	X			D					

- A. Undetermined point value.
- B. Overlapping items.
- C. Not a universal topic.
- D. Needed further clarification.
- E. More relevant items were substituted.

3. Social security numbers should be used as identification numbers on booklets to insure anonymity until after grading is completed.

4. Two or more persons should evaluate the answers and arrive at a consensus score. Wood (1961: p.106) suggested five rules for evaluating essay test papers.

a. At the time the test is constructed the teacher should prepare a tentative scoring key. The key should show the maximum number of points that are to be awarded a fully acceptable answer. The key also indicates the elements to be included and the number of points that may be earned for each.

b. The tentative key should be applied to an assortment of answers as a preliminary check on its adequacy.

c. Grade one question seriatim for all respondents.

d. If a large number of papers are to be graded, the teacher should periodically recheck papers graded earlier to be sure standards have not shifted.

e. In view of the low rater reliability there should be two or more raters for essay examinations.

5. Procedures should be set up for informing candidates who fail as to why they failed.

6. A policy should be set up for reexamining unsuccessful candidates.

7. An information booklet should be prepared for candidates.

8. Accurate records should be kept of passes, failures and repeats (norms-manual).

Summary

Chapter four has set forth the findings of the study. The very foundation of the certification program is the statement of basic beliefs that form the philosophy of consumer credit counseling. The 96 basic beliefs identified received support from the counselors who evaluated them. From these statements of basic beliefs, there evolved an inventory of tasks that should be performed by consumer credit counselors. The tasks were also supported by the card sort participants.

The competencies were generated from the basic beliefs and tasks. According to the findings, consumer credit counselors need 61 competencies in order to perform the tasks well and function according to the philosophy as established by the statements of basic beliefs.

The counselor participants in the card sort categorized the competencies and the examination was developed around these categories. The card sort process also determined the importance of each competency from both the client's and counselor's standpoint and the amount of agreement.

Test items were developed around the competencies and arranged according to categories in four sections of an examination instrument. The instrument was pilot tested and revised. The revision was based upon the analysis of the multiple choice items, the reactions of the pilot test participants and the observations of the committee administering the test.

Chapter V

SUMMARY, CONCLUSIONS, IMPLICATIONS AND RECOMMENDATIONS

Summary

The purpose of the study was to develop and pilot test a certification instrument for consumer credit counselors. At the time of the study, there was no job analysis or description of the work performed by the consumer credit counselor. In order to develop an instrument for measuring a counselor's competency, his work needed to be defined. Several procedural steps led to the identification of tasks the counselor should perform and competencies needed to perform the tasks well.

Identification of Basic Beliefs. Ninety-six statements of basic belief were determined as adequate in describing what consumer credit counseling ought to be. Active and experienced leaders in the profession generated these statements picturing the CCCS as an effort, independent of any commercial interest, to rehabilitate financially over-extended persons. This rehabilitation should be measured by the ability of the client to manage his own finances and set and reach desired goals. To serve his client well, the counselor must be knowledgeable about credit, family management, human behavior, credit policies and counseling

techniques. The rehabilitation process is twofold: it relieves immediate pressure on the client by providing a method of repayment and educates clients to prevent future over-extension of credit.

When presented to 24 representative counselors from 12 different agencies the basic beliefs were rated high on agreement that they were descriptive of the work of consumer credit counseling. All of the statements were retained by virtue of a majority agreement.

Identification of Tasks. The tasks that consumer credit counselors perform were identified through review of literature, counselor's logs, on-site visitations and interviews. The list of tasks was presented for reaction by the delegates attending a convention of NFCC. Additions and revisions were made and 87 tasks were used in the study.

These tasks depicted the ideal credit counselor spending much time with a client collecting needed information, keeping adequate and accurate records, identifying alternative client actions, assisting the client in making a budget, making proper contact with creditors, empathizing with and encouraging the client, detecting underlying problems and making appropriate referrals. He also subscribes to high ethical standards seeking ways to evaluate the service he offers and implementing suggestions for improvement.

Identification of Counselor Competencies. A panel of researchers analyzed each of the tasks identified and determined the competency needed by a counselor to perform the tasks well. The competencies

were in the form of knowledges, understandings and abilities. The ideal counselor knows about credit and family financial management. He knows the policies and procedures of the creditors with whom he deals. He understands the basis for over-extension of credit and the factors which may lead to over-extension. He communicates with clients and creditors and is aware of the importance of evaluation and study as a means of professional growth.

Determination of Priority of Tasks and Competencies. Fifty-six counselors and 49 clients participated in the card sorting to determine whether the tasks and competencies were realistic to the recipients and performers of the service. All participants checked "agree" or "disagree" to each competency indicating if they felt the item should be one required of all counselors. Counselors also checked "agree" or "disagree" on each task to indicate if they felt the item should be required of counselors.

In addition to the agree-disagree check, the counselor and client participants ranked the tasks and competencies according to their feelings about them. They did this by placing each card in one of three groups: "most", "moderate" and "least" referring to how important they felt the item to be, how often they performed the task, how much time they spent in that performance and how much confidence they had in their ability to perform the tasks well. The client participants gave their reaction by indicating how important they felt the competencies to be and how often they had need of them.

The results of the card sorting were cross tabulated using a statistical package for the social sciences SPSS--Version 5.01. The majority of the participating clients and counselors agreed that the competencies were acceptable and should be required of counselors. The participating counselors also agreed that the tasks were acceptable and needed to be performed by counselors.

The Development of Test Items. The competencies were divided into these categories by the counselor participants in the card sort; (1) facts about credit, (2) counselor--client relationships, (3) counselor--creditor relationships, (4) counseling techniques, (5) family financial management, (6) professional ethics, (7) professional growth and development, (8) community relationships and (9) human behavior. The panel of researchers contributed test items covering all categories. These items were evaluated by counselors in the field and needed revisions made by the researcher. Some items were discarded at the suggestion of the evaluating counselors. Those items to be used on the instrument were grouped according to question type in order to have a uniform scoring system. The following distribution of items was used for the pilot test instrument:

- 53 multiple choice,
- 22 definitions,
- 27 listings,
- 17 essay questions, and
- 7 case study problems.

Pilot Testing and Revising the Instrument. The twenty-four counselors taking the examination for the pilot test were from the areas of Pittsburgh, Philadelphia, Cleveland and Detroit. A committee of three was appointed by the president of NFCC to assist the project director and the researcher in administering the pilot test. During interviews, the participants were asked to make comments about the examination. The committee met several times to discuss procedures and the examination. The examination was revised on the basis of the observations and recommendations of the examining committee, the suggestions of the pilot test participants and the results of the item analysis.

Conclusions

The card sort methodology worked well in the collection of data needed for the study. Participants were able to follow the instructions and return the materials in order and the data were easily available for card punching. The data collected furnished the information needed to develop a certification instrument for consumer credit counselors. The basic beliefs of active leaders in the field adequately described the work of consumer credit counseling. The identification of the tasks performed and competencies needed completed the job description that was essential to the study.

Because of the high scores on the card sort of basic beliefs, it can be concluded that the statements generated provide an accurate description of the work that should be carried out by a consumer

credit counselor and the manner in which it should be accomplished. From these statements of belief it can be concluded that consumer credit counseling as it operates under the Council of CCCS is a service-oriented profession. Counselors are empathetic and sympathetic to the problems of debt-ridden clients and believe credit counseling to be of benefit to society. Client education in management must be an integral part of the counselor's work if the CCCS goals are to be met.

The tasks and competencies identified by the study and reacted to by a selected group of counselors and clients were accepted by a large majority of those participating. This acceptance indicates that the tasks and competencies are accurately identified as those needed and performed by consumer credit counselors. They must be skilled in counseling techniques in order to work successfully with clients. They must understand the factors that lead to over-extension of credit and be aware of other community agencies engaged in service to society to which they may refer. They must be able to work with businessmen and other professionals to attain goals set for and by clients. They must seek evaluation of the service offered by agencies and keep aware of changes in legislation that effect consumerism. They must strive continuously to increase their knowledge of and skills in dealing with problems of credit over-extension.

The test items that were written specifically to measure those competencies identified by the study are relevant to the work of consumer credit counseling. As a result of interviews with the pilot

test participants it was established that they felt the examination was thorough and challenging. The pilot test results exposed a need for study materials that cover all aspects of consumer credit counseling. Depending upon their previous work experience, the participants had sufficient knowledge, ability and understanding in some areas but were weak in others. Work needs to be carried out to provide candidates with materials and/or training that may prepare them for certification in their profession.

The examination developed has been accepted by the NFCC committee on certification and has been used to certify consumer credit counselors in the field. Mr. Gibson and Mr. Horner have expressed satisfaction with the certification instrument.

The final instrument produced by the study has been placed in a sealed envelope on the back cover and may be opened after May, 1986. The final instrument may not be micro filmed until after this date at the request of the author and officers of NFCC.

Implications

By establishing the philosophy of consumer credit counseling, the study has set criteria by which local agencies may evaluate their services. By identifying the competencies needed by consumer credit counselors the study established a framework for curriculum development in that area. Individual counselors may use the study as a guide for self improvement and as preparation for certification. Persons

trained under the guideline set forth in the study should be qualified to do credit counseling in vehicles other than CCCS Agencies. Banks, credit unions and other types of credit extenders may use the services of qualified credit counselors.

The certification process tends to standardize the service of the profession and give the public the information it needs in order to use the service to advantage. While certification does not imply governmental or legal sanction, it does grant recognition to certain individuals within a profession. The non-governmental agency grants this recognition to individuals who have met certain predetermined qualifications specified by that agency. This recognition or certification does provide some assurance that an individual has at least met certain standards.

Recommendations

Based upon the findings of the study the researcher recommends the following:

1. That validity studies be conducted to show that there is a positive relationship between test results and job performance.
2. That study materials be developed that may aid candidates in preparing for the certification examination.
3. That procedures be set up for maintaining standards among practitioners already licensed.
4. That a standing committee on certification be established.

5. That a National Advisory Board for Certification be established.

6. That a factor analysis be carried out on the instrument to determine if the items are related to the categories.

7. That an accounting system be installed for keeping a record for each counselor that will show the results of his work.

REFERENCES

REFERENCES

- Administrative Office of the United States Courts. Some General Information Concerning Bankruptcy, Fact Sheet.
- Administrative Office of the United States Courts. Some General Information Concerning the Wage Earner's Plan Under Chapter XIII of the Bankruptcy Act.
- American Home Economics Association. 1967. "Consumer Credit in Family Financial Management", AHEA.
- Black, Hillel. 1961. Buy Now Pay Later, William Morrow and Co., New York.
- Broderick, Carlfred B. (editor). A Decade of Family Research on Action, National Council on Family Relations.
- Campbell, William Giles and Stephen Ballou. 1969. Form and Style Thesis, Reports, Term Papers, Fourth Edition, Houghton Mifflin Company, Boston.
- Caplovitz, David. 1974. Consumers in Trouble--A Study of Debtors in Default, The Free Press, A Division of Macmillan Publishing Company, Inc.
- Cheyney, William J. 1967. Using Our Credit Intelligently, Fourth Edition, National Foundation for Consumer Credit, Inc., Wash. D. C.
- Crawford, Lucy C. 1967. A Competency Pattern Approach to Curriculum Construction in Distributive Teacher Education, Volume 1, Final Report of Research Project Support by United States Office of Education, Grant No. OE-6-85-044, and the Vocational Act of 1963. P. L. 88-210, Section 4(c).
- Dallal, B. and K. Couch. 1974. "The Credit Counseling Service of Metropolitan Windsor", Creditor Report.
- Davies, Thelma Jean. 1969. The Construction of an Inventory to Assess Familiarity with the General Principles of Guidance, The University of Oklahoma, Graduate College.
- Dewey, John. 1957. Human Nature and Conduct, Modern Library, Inc., New York.
- Garrett, Pauline G. 1972. Consumer Housing, Chas. A. Bennett, Co., Inc., Peoria.

- Ginsburg, Sol W., M. D. 1963. A Psychiatrist's Views on Social Issues, Columbia University Press, New York.
- Glasser, Paul H., and Lois H. Glasser, (editors), 1970. Families in Crisis, Harper and Row, Publishers, Inc., New York.
- Hall, Perry B. 1968. Family Credit Counseling--An Emerging Community Service, Family Service Association of America, Wash. D. C.
- Horner, Albert O. 1970. Credit Counselor Training Handbook, Credit Counseling Centers, Inc., Detroit.
- Houston, W. Robert. 1975. Relation of Theory, Competency and Assignment in Professional Education, College of Education, University of Houston.
- "It's Getting Hard to Live Without a Credit Card." 1973. U. S. News and World Report.
- Lane, Sylvia. 1970. "Economics of Case for Credit Counseling Agencies", The Journal of Consumer Credit Management, Vol. 1, pp. 112-115.
- Mandell, Lewis. 1972. Credit Card Use in the United States, University of Michigan, Ann Arbor.
- Margolius, Sidney. 1972. How to Make the Most of Your Money, 2nd Revised Edition, Hawthorn Books, Inc., New York.
- Margolius, Sidney. 1973. "They Worked Their Way Out of Debt", Family Circle.
- Mathews, H. Lee. 1969. Causes of Personal Bankruptcies, The Ohio State University, Columbus.
- Mazer, Gil E. (chairman). Preparation of Guidance Associates and Professional Counselors within the Framework of a Competency-Based Program, Prepared by the Guidance and Counseling Staff, Division of Counselor Education, College of Education, North Texas State University, Denton.
- McManus, John J. 1974. Summary Appraisal of Consumer Credit Counseling Services, AFL-CIO Department of Community Services.
- Millstein, Ira M. (chairman), 1972. Consumer Credit in the United States, Report of the National Commission on Consumer Finance.
- "Money: A Grand Plan for the New Year." 1973. Better Homes and Gardens.

Money Management Institute. 1974. "Consumer Education", Household Finance Corporation, Chicago.

Moore, John H. 1967. Family Credit Counseling--An Emerging Community Service, Summary Report, Family Service Association of America, New York.

The National Commission on Consumer Finance. 1972. Consumer Credit in the United States, Wash. D. C.

The National Foundation for Consumer Credit, Inc. Constitution and By-Laws.

The National Foundation for Consumer Credit, Inc. Handbook for Organizing Non Profit Consumer Credit Counseling Agencies.

Ottenberg, Miriam. 1971. "Help for the Debt-Ridden", The Sunday Star, Wash. D. C.

Otto, Arleen C. (chairman), 1974. Competency-Based Professional Education in Home Economics, Selected Competencies and Criteria, American Home Economics Association.

Perlis, Leo. "Family Credit Counseling--A Community Must", Quarterly Report, Department of Community Services, AFL-CIO.

Perlis, Leo. 1972. The Social Costs of Consumer Credit, Address Given at Annual Convention, National Consumer Finance Association, San Juan, Puerto Rico.

Pollack, Jack H. 1973. "Advice to the Debt-Lorn", Money.

Reno, June Mellies. 1975. "What's It Like to go Bankrupt?", McCalls.

Rust, W. Bonney. Objective Testing in Education and Training, Pittman Publishing, New York.

Seyfert, Warren C. (editor), 1967. Consumer Education: Its New Look, The Bulletin of the National Association of Secondary School Principals, Volume 51, Number 321.

Shimberg, Benjamin, Barbara Esser, and Daniel Kruger. 1973. Occupational Licensing: Practices and Policies. Public Affairs Press, New York.

Slavicek, John and Robert Burger. 1975. The Simplified Guide to Personal Bankruptcy, Crown Publishers, Inc., New York.

- Stanley, David and Majorie Girth. 1974. Bankruptcy--Problem, Process, and Reform, The Brookings Institution, Washington, D. C.
- Stephenson, William. 1953. The Study of Behavior--Q-Technique and Its Methodology, University of Chicago Press.
- Sullivan, George. 1968. The Boom in Going Bust, The Macmillan Company, New York.
- Troelstrup, Arch W., 1970. The Consumer in American Society, Fourth Edition, McGraw-Hill Book Company, New York.
- University of Kentucky and State Department of Education. 1970. Consumer Education Curriculum Guide.
- U. S. Department, H. E. W. Equivalency and Proficiency Testing.
- Warmke, Roman F., and Gerald F. Draayer, (editors), 1969. Selected Readings in Economic Education, Ohio University, Athens.
- Wood, Dorothy Adkins. 1961. Test Construction--Development and Interpretation of Achievement Tests, Charles E. Merrill Books, Inc., Columbus, Ohio.

APPENDIX A

Letter to Clients

Letter to Counselors

Letter to Agency Directors

Dear Client:

As a client of a Consumer Credit Counseling Service, you have indicated a willingness to participate in a study to determine the duties and competencies of consumer credit counselors. This letter explains what we would like to have you do for us as your contribution to the study.

But first we want to assure you that your name will not be used in connection with the information you furnish us. There are sixty people like yourself from all over the country who are doing this for us and we appreciate it very much.

Two of the cards give us some needed information about you. Please circle the appropriate response in each space.

The two decks of cards in this envelope are the same, except for color, but we want you to do different things with each deck. The cards list things which the ideal consumer credit counselor may do. Please read through all of the cards in one deck and think about what they state.

Arrange the white cards into these three categories:

- I. Those competencies of the consumer credit counselor that I most often have need of.
- II. Those competencies of the consumer credit counselor that I occasionally have need of.
- III. Those competencies of the consumer credit counselor that I seldom, if ever, have need of.

When you have finished arranging the cards, put the correct title card on the top of each pile and place a rubber band around that pile.

Arrange the pink cards in the three categories according to how important you feel it is for a consumer credit counselor to have that particular ability:

- I. Those competencies that I consider it most important for a counselor to have.
- II. Those competencies that I feel it is desirable but not absolutely necessary for a counselor to have.

III. Those competencies that I do NOT consider it important for a counselor to have.

Place the correct title card on the top of each pile and place a rubber band around each pile.

You will notice a space by the words "agree" and "disagree" on each card. Please check "agree" or "disagree" to indicate whether or not you feel that particular competency should be included on the list of competencies that consumer credit counselors should have.

We have enclosed a return address label and postage which you can use to mail the cards back to Helen Simmons, Box 300, Christiansburg, Virginia 24073. You should be able to use this same envelope for returning the cards. Should you need more information about the project please call collect for Helen Simmons at 703 - 382-3284.

Enclosed is a dollar for your pleasure--not enough compensation for the great job you're doing for us but it will perhaps express our gratitude.

Please check, arrange, and return the cards within the week. Our project is behind schedule and we're working hard to catch up.

Sincerely,

Dr. Ruth Harris, Project Director
Helen Simmons, Research Assistant

Dear Counselor:

Your name was among those selected in the random drawing of sixty names from the complete list of consumer credit counselors submitted to us by the directors of CCCS agencies. We need your help in determining those tasks performed and competencies needed by consumer credit counselors. We will use the information we get from you in developing a certification program for consumer credit counselors.

We are asking you to give us enough of your time and wisdom to react to the five decks of cards enclosed with this letter.

But first, we want to assure you that your name will not be used in connection with the information you furnish us. There are counselors from all across the country who are helping us to identify the tasks performed and competencies needed by consumer credit counselors. We appreciate your help very much.

Two of the decks list tasks which consumer credit counselors may perform. Three decks list competencies which consumer credit counselors may need in order to do an effective job of counseling. We need your reaction to these statements of tasks and competencies.

The white, blue and pink decks are the same except for color. They each list the competencies which the consumer credit counselor may need in order to be successful at his job. Please read through the entire list of competencies in one of the decks before beginning the next step in the project.

Please check "agree" or "disagree" on each of the cards in the blue deck to indicate whether or not you think that particular competency should be included on the list of competencies that consumer credit counselors should have. Do this on only one deck of competencies.

Next arrange the blue cards into three sections:

Section I Those competencies that I feel I have fully developed.

Section II Those competencies that I feel I have developed to some degree but need to improve.

Section III Those competencies that I feel I do not have.

Place the correct title card on the top of each section and put a rubber band around that section.

Arrange the pink cards into these three sections:

Section I Those competencies that I feel are MOST important.

Section II Those competencies that I feel are only MODERATELY important.

Section III Those competencies that I feel are of LITTLE or no importance.

Place the correct title card on the top of each section and put a rubber band around that section.

The white cards also list competencies. Please arrange these cards into from five to ten related area categories. For example: several of the competencies deal with financial knowledge--facts that the counselor needs to know. "Facts about credit" may be a category title for all of the cards in that area. We want you to name the categories (at least five, but no more than ten) as you see them and write in the title on the card provided. Then place the title card on the top of that pile of cards and put a rubber band around that stack.

The green and tan decks list the tasks which consumer credit counselors may perform. Please read through all of the cards in one of the decks before going on to the next step.

Check "agree" or "disagree" on each of the cards in the green deck to indicate whether or not you think that particular task should be included on the list of tasks that consumer credit counselors should perform.

Next arrange the cards in the green deck into three sections:

Section I The tasks that I know best how to do and perform with complete confidence.

Section II The tasks that I know something about but not enough to be completely confident in my performance of them.

Section III The tasks that I do not know how to perform.

Place the correct title card on the top of each section and put a rubber band around that section.

Arrange the tan cards into three sections:

Section I The tasks that require a GREAT DEAL
 of my time.

Section II The tasks that require a MODERATE
 amount of my time.

Section III The tasks that require VERY LITTLE
 or none of my time.

Place the correct title card on the top of each section and put a rubber band around that section.

We have enclosed a return address label and postage which you can use to mail the cards back to Helen Simmons, Box 300, Christiansburg, Virginia 24073. You should be able to use this same envelope for returning the cards. Should you need more information about the project, contact your director or call collect for Helen Simmons at 703-382-3284.

Enclosed is a dollar for your pleasure--not enough compensation for the great job you're doing for us but it will perhaps express our gratitude.

Please check, arrange, and return the cards within the week. Our project is behind schedule and we're working hard to catch up.

Sincerely,

Dr. Ruth Harris, Project Director
Helen Simmons, Research Assistant

Dear CCCS Director:

We have not yet received a response from your office regarding our request for your participation in the research being carried out in connection with the development of a program for Consumer Credit Counselors.

I have been appointed by the committee on certification of the National Foundation of Consumer Credit to direct the development of a program for the certification of Consumer Credit Counselors. In order to have the best possible product we need overall participation by counselors and clients. I have asked for a list of your counselors and clients in order to have a total population from which to draw a random selection of those who will participate. The ones who are selected will then be asked to react to the competencies needed and tasks performed by successful counselors. Since we are educational researchers we cannot develop a certification program without knowing what consumer credit counselors need to know, what they do, and why they do it. We can only get this information from you who are counselors.

We hope to get client and counselor reaction by sending card sorts to each of the participants. The cards will carry competencies and tasks that we have already identified. The participants will be asked to arrange these cards in order of their perceived importance and in order of the time required for task performance. The client participants will be asked to arrange the cards in the order of how often they have need of each competency and of how important they perceive the competency to be.

We are most interested in having all agencies submit names. There is, however, an urgency in the time we have remaining for receiving these. If you would like for your office to be included in this project please fill out the enclosed forms and return them immediately. If we do not hear from you by the 18th, may we assume that you do not wish to be involved?

May I invite you please to make comments concerning the program. We need your help!

Thank you for your help.

Sincerely,

Dr. Ruth D. Harris
Project Director

APPENDIX B

CERTIFICATION INSTRUMENT USED
IN THE PILOT TEST
WITH
CONSUMER CREDIT COUNSELORS

SECTION I

1. Which of the following remarks best describes how the counselor should reply to a client's question about bankruptcy?

1. "You must see the legal aid attorney."
2. "The best action for you is to get a good attorney who specializes in bankruptcy."
3. "If you'd like me to I'll be glad to contact an attorney for you."
4. "Your family lawyer can best advise you."

2. With which of the following groups does the consumer credit counselor most often deal?

1. Families whose total commitments are such that any minor interruption may wreak havoc with their financial program,
2. Families who are beginning to fall behind in their payments but do not recognize the seriousness of their financial situation,
3. Families who are becoming increasingly unable to meet their obligations and are experiencing strain and anxiety and do not know where to turn for unbiased advice,
4. Families who have sought outside help after a period of increased pressure and resultant damage to their economic and family situation,
5. Families who are in the midst of bankruptcy or are post-bankruptcy.

3. The number of Americans who don't pay their bills is increasing faster than those who do by:

1. 32 times,
2. 15 times,
3. 10 times,
4. 5 times.

4. Which of the following groups uses credit more often?

1. Family head is 45 years old or older and children are present,
2. Young marrieds with children,
3. Family head retired and no children at home,
4. Family head is 45 years old or older and no children are present.

5. Installment financing most rapidly increases with which income group:

1. Low income level,
2. Middle income level,
3. High income level.

6. People in which of the following income brackets use installment credit most often?

1. 3,500 and under,
2. 3,500 to 5,000,
3. 5,000 to 7,500,
4. 7,500 to 15,000.

7. The counselor should concentrate his/her efforts on:

1. Family problems,
2. Family financial problems,
3. Legal problems,
4. Credit problems.

8. Which of the following statements represents the greatest benefit to be gained from having the client keep a record of all money spent over a specific period of time?

1. The client becomes aware of where the money goes,
2. The real expenses can be determined,
3. The client can better determine where money can be saved,
4. The shopping habits of the client family can be analyzed.

9. Which of the following should merit the greatest effort of the counselor?

1. Teaching people to plan, and carry out that plan, for spending based upon family goals.
2. Assisting people to develop skills that will enable them to earn more money,
3. Helping people to alter their attitudes and goals to be more relevant to their real income,
4. Educating people to make better decisions in the market place.

10. Which of the following do husbands and wives quarrel about most often?

1. Drinking,
2. In-Laws,
3. Rearing of children,
4. Jealousy,
5. Money.

11. Which of the following statements best describes why the consumer credit counselor should discourage bankruptcy?

1. It is expensive for the courts to process,
2. It adds to the cost of all commodities in the marketplace,
3. It makes future credit more difficult,
4. The disgrace is hard on innocent family members,
5. It is unfair to the creditor.

12. The three most basic needs of all families are:

1. Food, health care, and shelter,
2. Shelter, food, and clothing,
3. Clothing, health care, and education,
4. Health care, recreation, and education,
5. Food, shelter, and education.

13. Which of the following is the most effective rule of thumb to practice in order to save money at the grocery?

1. Buy in quantity,
2. Avoid convenience foods,
3. Buy foods in season,
4. Shop for advertised specials,
5. Shop on weekends.

14. Which of the following single items usually takes the greatest portion of the family income?

1. Food,
2. Clothing,
3. Health care,
4. Shelter,
5. Education.

15. No family should owe more than what percent of a year's income?

1. 15%,
2. 20%,
3. 25%,
4. 35%,
5. 40%.

16. Consumer credit totals are safe when they are less than what percent of discretionary income?

1. 20%,
2. 27%,
3. 33%,
4. 40%,
5. 45%.

17. Which of the following statements best represents the reason why clients come to CCCS?

1. Fear of creditors,
2. Fear of losing their job,
3. A way out of immediate stress,
4. A need for education in debt management.

18. Which of the following statements best describes families with financial problems?

1. They are neither responsible nor mature,
2. They are ignorant of management principles,
3. They are not good citizens,
4. They are victims of unforeseen circumstances.

19. The public hearings of the National Commission on Consumer Finance were concerned with all but which ONE of the following?

1. Debt collection practices,
2. Responsibility for enforcing consumer protection laws,
3. Review of local legislation concerning credit,
4. The availability of consumer credit to women.

20. Which of the following statements best describes our population?

1. Increase in number of people over 55,
2. Increase in number of people in their teens,
3. Increase in number of people in their mid-years,
4. Increase in number of children.

21. Which one of the following is always included in the initial interview?

1. Recording the clients personal history,
2. Making decisions about referral,
3. Revising clients budget as needed,
4. Outlining the individual and family goals of client.

22. Which of the following statements best describes the "counseling only" service?

1. The family retains all responsibility for managing its affairs including contact with creditors,
2. The family retains all responsibility for managing payments with the counselor's help in contacting creditors to ask for their cooperation,
3. The family retains all responsibility for managing its affairs but must report back periodically with the counselor,

4. The family retains all responsibility for managing its affairs but decisions must be approved in advance by the counselor.

23. Which of the following statements is NOT true of the "wage earner plan"?

1. The debtor may apply to the court and get approval for a plan for payment of his debts,
2. The debtor is protected from garnishment during the term and as long as he keeps his contract with the court,
3. The debtor may be excused from regular payments of an agreed amount to the court if he can show cause of hardship,
4. The debtor must pay certain legal fees, filing costs and a charge for the handling of the family funds.

24. Explaining the objectives of the agency:

1. Does not help the client solve his immediate financial problem,
2. Would be a waste of the client's time,
3. Is information that the counselor can give or withhold depending upon the problems of the client,
4. Is a necessary procedure during the initial interview.

25. Which of the following statements best describes the term pro-rator?

1. Receives funds from debtors and distributes them to creditors,
2. Makes payment in full to the creditor and receives regular payments from debtor,
3. Makes regular payments to creditor and accepts money as it is available.

26. If the "nominal rate" on a revolving credit account is 1-1/2% per month the yearly rate is:

1. 10%
2. 12%
3. 15%
4. 18%
5. 20%

27. Which of the following represents the largest portion of consumer installment credit?

1. Personal loans,
2. Home repair and modernization loans,

3. Other consumer goods paper,
4. Automobile paper.

28. Which of the following statements best explains why credit rates can be higher in some C.C. markets?

1. Ignorance among borrowers,
2. Consumers do not shop around for credit,
3. Absence of competition among borrowers,
4. Absence of alternative credit sources.

29. Which of the following allows the longest "grace" period before holding a consumer account as delinquent?

1. Banks,
2. Retail trade,
3. Finance companies,
4. Private personal.

30. Which of the following statements DOES NOT apply to installment credit?

1. Finance charge is assessed,
2. Payable in regular, periodic, pre-determined amounts,
3. More than four payments are involved,
4. A written contract is signed by both borrower and lender.

31. Which of the following is NOT required by the "truth-in-lending" bill?

1. Disclosure of the full cost of finance charges including percentage rate on installment loans and sales,
2. The percentage rate must reflect the interest rate on the debt and all extra charges,
3. The installment contract must state in dollars the total of all finance charges.

32. Which of the following would NOT be thought of as a credit grantor?

1. Banks,
2. Retail stores,
3. Consumer finance companies,
4. Professional services agencies.

33. A family with \$400 a month take home pay has a safe debt limit of:

1. \$700 - \$ 750,
2. \$750 - \$ 800,
3. \$850 - \$ 900,

4. \$950 - \$1,000,
5. \$650 - \$ 700.

34. The Consumer Credit Protection Act of 1968 establishes a national minimum wage exemption from garnishment of:

1. 80%
2. 75%
3. 70%
4. 65%

35. Which of the following best describes a secured creditor?

1. A creditor who holds an interest in collateral as security for the payment of its debt,
2. A creditor whose claim is among categories specified by the Bankruptcy Act to be paid first,
3. A creditor whose claim is not given priority under the Bankruptcy Act,
4. A creditor who holds an interest in the indebted company and can divert funds for payment of debts.

36. Which of the following is NOT one of the provisions of the 1971 Uniform Consumer Credit Code proposed by the National Conference of Commissioners on Uniform State Laws?

1. Abolishes garnishment before judgment,
2. States that forty times the national minimum hourly wage may be exempt from garnishment,
3. Forbids dismissal of an employee because of garnishment,
4. Provides for reinstatement of employees upon satisfactory settlement of debt.

37. Which of the following is the most immediate activity of the Consumer Credit Counseling Service?

1. Educate the "over extended" family in money management,
2. Make every effort to prevent bankruptcy,
3. Discover hidden problems and refer them to proper sources,
4. Work out voluntary arrangements with creditors to extend the period of payment.

38. Which of the following contributes most to the persistence of fraud, deceit and other undesirable tactics in the market place?

1. Lack of organized resistance,
2. Lack of government control,
3. Lack of information on wise buying,
4. Lack of rationality in the market place.

39. Who has the most influence in making decisions about how a family's income is spent?

1. Man--Husband--Father,
2. Woman--Wife--Mother,
3. Older (teen) children,
4. Younger children.

40. In getting clients to successfully carry out a budget the greatest problem is most likely to be getting them to:

1. Change their buying habits,
2. Become more resistant to advertising,
3. Realize how much impulsive buying they really do,
4. Shop several places and compare prices and quality.

41. How may people best avoid creating credit burdens for themselves?

1. Learn to use credit more wisely,
2. Do not use credit at all,
3. Limit credit to large items only (house, car),
4. Limit credit to necessities.

42. Most Americans think bankruptcy reflects:

1. Dishonesty,
2. Poor management,
3. Greed,
4. Laziness.

43. Most Americans:

1. Would go bankrupt only as a last resort,
2. Would not go bankrupt at any cost,
3. Would feel disgraced if they had to go bankrupt,
4. Would go bankrupt to get out from under pressure.

44. Which of the following most often take bankruptcy?

1. Semiskilled and unskilled workers,
2. Craftsmen,
3. Clerical personnel,
4. Service workers,
5. Professionals.

45. The counseling interview should involve:

1. The individual who supports the family,
2. The husband and wife,

3. The husband and wife and children,
4. The husband regardless of his financial role in the family.

46. Which of the following is most important to establish before the wife becomes a wage-earner outside the home?

1. The specific things for which the money she earns will be spent,
2. The fact that the wife may become a more liberated person with new freedoms,
3. What means will be used to getting housework done and child care provided,
4. The common goals that both partners understand and accept.

47. Which of the following most often leads to over extension of credit?

1. Keeping up with the Joneses,
2. Insufficient income for family necessities,
3. Loss of earning capacity (thru illness or accident),
4. Desire to impress superiors at work.

48. Bankruptcy problems are, in most cases, problems of:

1. Ignorance about the cost of credit,
2. Discrepancies by creditors,
3. Guidance and management,
4. Planning and recording.

49. Consumer use of credit has been encouraged most by:

1. Rising discretionary income,
2. Urbanization of the population,
3. Influx of younger consumers into the market,
4. Trend toward asset ownership,
5. Increased number of women in the work force.

50. A consumer is granted a loan from a bank with which to purchase a car. Which of the following methods of financing might he have used to obtain the money at a lower cost?

1. Pawn an article of value against future redemption,
2. Buy on time from the car dealer,
3. Establish a revolving credit account with a finance company,
4. Borrow against the cash value of his life insurance policy.

51. "Human wants are greater than the resources that are available to satisfy them." This suggests the need for:

1. Leaving decisions to fate,
2. Working harder,
3. Making choices to allocate resources,
4. Asking for less.

52. The money value of a house, less the mortgage money still due on it, is the homeowner's:

1. Lien,
2. Equity,
3. Depreciation,
4. Dividend.

53. Which of the following is the most productive in getting information from the client couple about the amount of money they spend for alcoholic beverages?

1. "How much do you spend for alcoholic beverages in a week?",
2. "Do you spend anything for alcoholic beverages?",
3. "We need a beer now and then, don't we? About how much do you think you can get by on each week?",
4. "In your financial situation I'm sure you do not waste money on alcoholic beverages, do you?"

SECTION II.

Definitions

54. Cognovit note
55. Liquidation
56. Deed-of-trust
57. Levy on personal property
58. Replevin Statute
59. Deficiency judgment
60. Foreclosure
61. Acceleration
62. Balloon payment
63. Cure of default
64. Default
65. Wage assignment
66. Co-signer
67. Chapter XIII
68. Collateral contract
69. Credit insurance
70. Discount paper
71. F.T.C.
72. U.C.C.C.
73. Credit rating
74. Net worth
75. Excessive debt

SECTION III

76. List five suggestions for improving family communication.
77. List five symptoms of stress on the part of the client, which the counselor may become aware of during the process of interview.
78. List five provisions of the 1969 Consumer Credit Protection Act and the 1971 Fair Credit Reporting Act which protect the consumer against unfair practices by creditors.
79. List five techniques that may be used during interviews to help get the needed information from the client.
80. List five different types of community activities in which a consumer credit counselor may engage that provide him an opportunity to share ideas about his work with other community leaders.
81. List five techniques the consumer credit counselor may use to assist the client in developing confidence about the counseling service.
82. List ten areas of household spending where the credit counselor should be alert to hidden expenditures that might be eliminated.
83. List five other services to which a C.C. Counselor might refer a client who is in need of assistance with personal or family problems other than financial.
84. List five characteristics that consumer credit counseling clients have in common.
85. List five activities of a public relations nature that should be the responsibility of every consumer credit counselor.
86. List five ways the counselor may help the client to adjust to a different social environment.
87. List five symptoms of marital discord that the counselor may be able to observe during the initial interview.
88. List five of the great drives within man that may contribute to his over-extension of credit.
89. List 8 things you might do to insure the psychological comfort of your client during an interview.
90. List the five occasions when it is highly desirable that the counselor send letters to specific persons or agents.

91. A facilitative atmosphere is important to the success of an interview with your client. List ten things which you might do to insure such an atmosphere.
92. List five sources to which the counselor might refer a client for credit information.
93. List the 15 items found in practically every family's budget.
94. List seven characteristics of one who communicates well.
95. List five characteristics of a good listener.
96. List five purposes of the follow up interview.
97. List five harassment practices.
98. List ten reliable sources of information to which you as a C.C. Counselor may refer for needed information regarding a client.
99. List five occasions on which a counselor should contact a client.
100. List ten purposes of the initial interview.
101. List five sources of criticisms and suggestions for the improvement of the CCCS.
102. List the types of information needed by the client that are considered "personal history."

SECTION IV

103. Discuss the tactic behind the "balloon payment." (How may the creditor use it to his advantage?)
104. Discuss three ways the consumer credit counselor may get feedback from clients that will help him to evaluate his service.
105. A client may be the victim of incorrect, derogatory information in his file at the credit bureau which causes him to have credit problems. How does the consumer credit counselor advise him to handle the situation?
106. Where might a consumer credit counselor find help in developing counseling skills?
107. In what ways does the Consumer Credit Counseling Service have an effect upon the community?
108. Name 3 periodicals which deal with consumer credit. Describe the kind of information each provides.
109. What are the underlying causes of over-extension of credit?
110. Write out a code of ethics which would be applicable to the profession of consumer credit counseling.
111. Discuss how the law in your state regulates financial counseling debt management companies.
112. Explain the advantages of a CCCS program over either Chapter 13 of the Federal Bankruptcy Act, or straight bankruptcy.
113. List three creditors with which your agency works and give the credit policies and procedures of each.
114. Describe three techniques for putting a client at ease.
115. Explain why consumer credit counseling must be a service oriented profession.
116. Explain how it is dangerous to the CCCS for a creditor to receive "privileged" treatment.
117. Write a few paragraphs telling why you want to be a consumer credit counselor.

118. In what way does the counselor let the client know he is accepting him and his problem?

119. Explain the ultimate long range goal of CCCS--that is reducing the number of families needing debt liquidation.

SECTION V

Case Study

John 25 years old, and Mary Smith, 25 years old, both work. Married 7 years, parents of 3 children (1 pre-school, 2 grade school). They have each been employed less than a year in their present positions. Neither finished high school. The family operates two cars.

Combined Monthly Salary - John	\$1,250.00	
- Mary	<u>350.00</u>	
Take Home Pay		<u>\$1,167.96</u>

Monthly Living Expenses -

Rent		\$ 215.00
Food		220.00
Utilities - Gas	\$54.72	
- Lights	11.00	
- Garbage	3.00	
- Phone	<u>30.00</u>	98.72
Transportation - Gas & Oil		60.00
Clothing		50.00
Medical Care		-0-
Dry Cleaning		5.00
Insurance - Auto	\$25.00	
- Life	<u>8.50</u>	33.50
Newspaper		5.00
Babysitter		80.00
Entertainment		40.00
Cigarettes		40.00
Alcoholic Beverages		20.00
Misc.		<u>29.00</u>

Total Monthly Living Expenses		<u>\$896.22</u>
-------------------------------	--	-----------------

List of Creditors		Monthly Payment	No. Payment Past Due	Unpaid Balance	Budget Payment
Unsecured	Master Charge	\$ 35.00	2	\$ 694.00	
Unsecured	Lansburghs	10.00		45.19	
Unsecured	Exxon	25.00		233.14	
Unsecured	Central Charge	15.00		291.35	
Secured	Montgomery Ward-Furniture	35.00	3	785.00	
Unsecured	Aldens	10.00	3	163.38	
Unsecured	Spiegel	10.00	1	287.27	
Unsecured	FEEC-Loan Co. Personal Note	8.00		183.50	
Unsecured	George's - RC	8.00	1	43.87	
Secured	George's - Television	13.00	2	134.60	
Unsecured	Leggett	9.00	3	115.34	
Secured	W. T. Grant Co.-Refrigerator	10.00	3	280.00	
Unsecured	Hecht Co.	12.00	4	124.03	
Secured	First National Bank-Car	100.68	2	2,500.00	
Secured	Household Finance--H. H. G.	34.00	2	1,000.00	
Secured	Investor's Loan-Homeowner Loan	36.00	4	764.80	
Secured	M.F.C. (Major Finance)-2nd Car	44.58	3	804.64	
Unsecured	Dr. Smith -- All Due			70.00	
Unsecured	Dr. Jones--All Due			416.25	
Unsecured	University Hospital--All Due			264.00	
Unsecured	Ped. Assoc.--All Due			109.00	
<u>TOTAL</u>		\$415.26			

1. Using the information given, estimate monthly payments on a payment plan which the consumer credit counselor may prepare for John and Mary.
2. What living expense figures, if any, would you confirm through other means?
3. What referrals should be made?
4. In what ways might CCCS be able to help the family?
5. What recommendations would you make for helping the family solve their financial problems? Support your answer.
6. Prepare a workable budget for the Smith's which will release more of the income for debt payments.
7. Write a letter to First National Bank explaining the client's situation and asking their cooperation in reducing the amount of the monthly payment.

**The two page vita has been
removed from the scanned
document. Page 1 of 2**

**The two page vita has been
removed from the scanned
document. Page 2 of 2**

THE DEVELOPMENT OF A COMPETENCY-BASED CONSUMER
CREDIT COUNSELING CERTIFICATION INSTRUMENT

by

Helen Anna M. Simmons

(ABSTRACT)

Purpose

The purpose of the research project was to develop and pilot test a certification instrument for consumer credit counselors. The project was funded by the National Foundation for Consumer Credit.

The specific objectives of the project were:

1. To determine the state-of-the-art in consumer credit counseling.
2. To establish the basic beliefs of a philosophy of consumer credit counseling.
3. To identify the tasks performed by consumer credit counselors.
4. To identify the competencies needed by consumer credit counselors.
5. To determine the priority of tasks performed and competencies needed by consumer credit counselors.
6. To construct measures for use in assessing counselor competencies.

7. To combine these measures into an examination that is weighted according to the priorities of tasks and competencies.

8. To pilot test and then to revise the instrument.

9. To make recommendations for the administration of the examination.

Procedures

Consumer credit counselors in the United States and Canada participated in the study. Regional representatives of the Council of Consumer Credit Counseling Agencies assisted in generating a basic philosophy of consumer credit counseling. Counselors in the field participated in the development of basic beliefs, tasks performed, and competencies needed by effective consumer credit counselors. The following steps were taken in completing the study:

Step 1. To determine the state-of-the-art in consumer credit counseling. Computer searches were run in an attempt to find any existing research that dealt with consumer credit counseling. Articles were read and evaluated for basic beliefs about the profession. Handbooks that had been developed by active consumer credit counseling agencies were useful in determining the nature of the work done by consumer credit counselors.

Step 2. To establish the basic beliefs of a philosophy of consumer credit counseling. Three methods were employed to arrive at the basic beliefs that were held by the leaders in the field of consumer credit counseling.

1. Statement of beliefs were taken from the literature.
2. The "operationalization of fuzzy concepts" technique was used to generate statements of basic belief from leaders in the field of consumer credit counseling.
3. A modified Q methodology was used to get further reaction to the basic beliefs that had been generated in Step 2.

Step 3. To identify the tasks performed by consumer credit counselors. Background information that gave insight into the tasks was obtained by the following methods:

1. A daily log of consumer credit counselors.
2. On-site visitations and interviews.
3. A study of notes and tapes taken at the initial meeting of leaders.

The tasks identified were checked and ranked by active consumer credit counselors. The list was revised according to the results of the task list checks.

Step 4. To identify the competencies needed by consumer credit counselors. A panel of experts utilized the data collected and developed a list of competencies needed by effective consumer credit counselors to perform each of the tasks identified in Step 3.

Step 5. To determine the priorities of tasks performed and competencies needed by consumer credit counselors. A variation of Q methodology was used to get reaction from a random sample of counselors and clients. The tasks and competencies were ranked according to the results of the card sort.

Step 6. To construct measures for use in assessing counselor competencies. The panel of researchers was used to generate items designed to measure the competencies needed by consumer credit counselors.

Step 7. To combine those measures into an examination that is weighted according to the priorities of tasks and competencies. A competency based certification instrument was developed to assess the competencies of consumer credit counselors. A reactor group was utilized in reviewing the items generated. This group made suggestions for improving the test items and the instrument was revised based upon these recommendations.

Step 8. To pilot test and then to revise the instrument. The test was administered to 24 counselors under the supervision of the developers and a committee of three leaders appointed by the National Foundation for Consumer Credit. The test was revised by the developers based upon the results of the pilot test.

Step 9. To make recommendations for the administration of the examination. Recommendations were based upon observations of the examining committee, comments of the pilot test participants and the item analysis of the pilot test scores.

Results

As a result of the study, the philosophy of consumer credit counseling has been established. A task inventory was made and critical tasks performed by consumer credit counselors identified and

their importance established by counselors as well as clients in the field. A certification instrument was developed in order to assess the competencies of consumer credit counselors in the field. A pilot test was conducted and revisions were made on the instrument.

INSTRUMENT FOR CERTIFICATION

OF

CONSUMER CREDIT COUNSELORS

GIVEN UNDER THE AUSPICES

OF

THE NATIONAL FOUNDATION FOR CONSUMER CREDIT

PRESIDENT - BOB GIBSON

CHAIRMAN OF THE CERTIFICATION COMMITTEE - AL HORNER

DEVELOPERS

Dr. Ruth D. Harris - Director
Helen Simmons - Researcher

September, 1975

Grade _____

Name of Candidate _____

Social Security # _____

Business Address _____

Business Telephone Number (_____)
Area Code

Circle Age Category
18 - 29 30 - 39 40 - 49 50 - 59 60 - 69

Nature of Present Employment _____

Education Background
High School Graduate _____
Yes If not, No. of Years

4 Year College Graduate _____
Yes If not, No. of Years

College Major _____

Business or Technical School _____
No. of Years Certificate Held

Masters Degree _____ Major _____

Work Experience No. of Years

Point Value of Items

And

Suggested Timing

Section	No. of Items	Time	Point Value
I 1-52 Objective Items	52	30 Minutes	260
II 53-81 Definitions	29	30 Minutes	145
III 82-105 Listings	24	1 Hour, 40 Minutes	240
IV 106-124 Essay	19	1 Hour, 20 Minutes	190
V 125-135 Case Studies	11	1 Hour, 20 Minutes	160
Totals	135	5 Hours, 20 Minutes	995

Section I
Multiple Choice
(Please Select Only One Response)

1. Which of the following remarks best describes how the counselor should reply to a client's question about bankruptcy?

- 1. "You must see the legal aid attorney",
- 2. "The best action for you is to get a good attorney who specializes in bankruptcy",
- 3. "If you'd like me to, I'll be glad to contact an attorney for you",
- 4. "Your family lawyer can best advise you".

2. With which of the following groups does the consumer credit counselor most often deal?

- 1. Families whose total commitments are such that any minor interruption may wreck havoc with their financial program,
- 2. Families who are beginning to fall behind in their payments but do not recognize the seriousness of their financial situation,
- 3. Families who are becoming increasingly unable to meet their obligations and are experiencing strain and anxiety and do not know where to turn for unbiased advise,
- 4. Families who have sought outside help after a period of increased pressure and resultant damage to their economic and family situation,
- 5. Families who are in the midst of bankruptcy or are post-bankruptcy.

3. The number of Americans who don't pay their bills are increasing faster than those who do by:

- 1. 32 times,
- 2. 22 times,
- 3. 12 times,
- 4. 8 times,
- 5. 2 times.

4. Which of the following groups uses credit more often?

- 1. Family head is 45 years old or older and children at home,
- 2. Young marrieds with children at home,
- 3. Family head retired and no children at home,
- 4. Family head is 45 years old or older and no children at home.

5. Installment financing most rapidly increases with which income group?

- 1. Low income level,
- 2. Middle income level,
- 3. High Income level,
- 4. Upper middle income level,
- 5. Lower middle income level.

6. People in which of the following income brackets use installment credit most often?

- 1. \$ 3,500 and under,
- 2. \$ 4,000 to \$ 5,000,
- 3. \$ 6,000 to \$ 7,000,
- 4. \$ 8,000 to \$15,000,
- 5. \$15,500 and over.

7. The consumer credit counselor should concentrate his/her efforts on family problems of what nature?

- 1. Problems in relationships among family members,
- 2. Problems involving the finances of the family as a whole,
- 3. Problems resulting from unplanned changes in living habits of the family,
- 4. Problems resulting from circumstances such as alcoholism of the head of the family.

8. Which of the following statements represents the greatest benefit to be gained from having the client keep a record of all money spent over a specific period of time?

- 1. The client becomes aware of where the money goes,
- 2. The real expenses can be determined,
- 3. The client can better determine where money can be saved,
- 4. The shopping habits of the client family can be analyzed,
- 5. The family budget will be easier to keep.

9. Which of the following should merit the greatest effort of the counselor?

- 1. Teaching people to plan for spending based upon family goals,
- 2. Assisting people to develop skills that will enable them to earn more money,
- 3. Helping people to alter their attitudes and goals to be more relevant to their real income,
- 4. Educating people to make better decisions in the market place.

10. About which of the following do husbands and wives most often quarrel?

- 1. Drinking,
- 2. In-laws,
- 3. Rearing of children,
- 4. Jealousy,
- 5. Money.

11. Which of the following statements best describes why the consumer credit counselor should discourage bankruptcy?

- 1. It is expensive for the courts to process,
- 2. It adds to the cost of all commodities in the market place,
- 3. It makes future credit more difficult for the debtor,
- 4. The disgrace is hard on innocent family members,
- 5. It is unfair to the creditor.

12. The three most basic needs of all families are:

- 1. Food, health care and shelter,
- 2. Shelter, food and clothing,
- 3. Clothing, health care and education,
- 4. Health care, recreation and education,
- 5. Food, shelter and education.

13. Which of the following is the most effective rule of thumb to practice in order to save money at the grocery?

- 1. Buy in quantity,
- 2. Avoid convenience foods,
- 3. Buy foods in season,
- 4. Shop for advertised specials,
- 5. Shop on weekends.

14. Which of the following single items usually takes the greatest portion of the family income?

- 1. Food,
- 2. Clothing,
- 3. Health care,
- 4. Shelter,
- 5. Education.

15. According to Troelstrup, no family should owe more than what percent of a year's income?

- 1. 15%,
- 2. 20%,
- 3. 25%,
- 4. 35%,
- 5. 40%.

16. According to Troelstrup, consumer credit totals are safe when they are less than what percent of discretionary income?

- 1. 20%,
- 2. 27%,
- 3. 33%,
- 4. 40%,
- 5. 45%.

17. Which of the following statements best represents the reason why clients come to CCCS?

- 1. Fear of creditors,
- 2. Fear of losing their job,
- 3. A way out of immediate stress,
- 4. A need for education in debt management.

18. Which of the following statements best describes most of the families with financial problems?

- 1. They are neither responsible nor mature,
- 2. They are ignorant of management principles,
- 3. They are not good citizens,
- 4. They are victims of unforeseen circumstance.

19. The public hearings of the National Commission on Consumer Finance were concerned with all but which ONE of the following?

- 1. Debt collection practices,
- 2. Responsibility for enforcing consumer protection laws,
- 3. Review of local legislation concerning credit,
- 4. The availability of consumer credit to women.

20. Which of the following statements best describes our population?

- 1. Increase in number of people over 55,
- 2. Increase in number of people in their teens,
- 3. Increase in number of people in their mid years,
- 4. Increase in number of children.

21. Which one of the following is a most important part of the initial interview?

- 1. Recording the clients personal history,
- 2. Making decision about referral,
- 3. Revising clients budget as needed,
- 4. Outlining the individual and family goals of client.

22. Which of the following statements best describes the "counseling only" service?

- 1. The family retains all responsibility for managing its affairs including contact with creditors,
- 2. The family retains all responsibility for managing payments with the counselors help in contacting creditors to ask for their cooperation,
- 3. The family retains all responsibility for managing its affairs but must report back periodically with the counselor,
- 4. The family retains all responsibility for managing its affairs but decisions must be approved in advance by the counselor.

23. Which of the following statements is NOT true of the "wage earner plan"?

- 1. The debtor may apply to the court and get approval for a plan for payment of his debts,
- 2. The debtor is protected from garnishment during the term and as long as he keeps his contract with the court,
- 3. The debtor may be excused from regular payments of an agreed amount to the court if he can show cause of hardship,
- 4. The debtor must pay certain legal fees, filing costs and a charge for the handling of the family funds.

24. Explaining the objectives of the CCCS agency to the client:

- 1. Does not help the client solve his immediate financial problem,
- 2. Would be a waste of the client's time,
- 3. Is information that the counselor can give or withhold depending upon the problems of the client,
- 4. Is a necessary procedure during the initial interview.

25. Which of the following statements best describes the term prorator?

- 1. Receives funds from debtors and distributes them to creditors,
- 2. Makes payment in full to the creditor and receives regular payments from debtor,
- 3. Makes regular payments to creditor and accepts money as it is available,
- 4. Receives a percentage of money handled as a fee for his services.

26. If the "nominal rate" on a revolving credit account is 1 1/2 per month the yearly rate is:

- 1. 10%,
- 2. 12%,
- 3. 15%,
- 4. 18%,
- 5. 20%.

27. Which of the following represents the largest portion of consumer installment credit?

- 1. Personal loans,
- 2. Home repair and modernization loans,
- 3. Other consumer goods paper,
- 4. Automobile paper.

28. Which of the following statements best explains why credit rates can be higher in some consumer credit markets?

- 1. Ignorance among borrowers,
- 2. Consumers do not shop around for credit,
- 3. Absence of competition among borrowers,
- 4. Absence of alternative credit sources.

29. Which of the following allows the longest "grace" period before holding a consumer account as delinquent?

- 1. Banks,
- 2. Retail trade,
- 3. Finance companies,
- 4. Private personal.

30. Which of the following statements DOES NOT apply to installment credit?

- 1. Finance charge is assessed,
- 2. Payable in regular, periodic, pre-determined amounts,
- 3. More than four payments are involved,
- 4. A written contract is signed by both borrower and lender.

31. Which of the following is NOT required by the "truth-in-lending" bill?

- 1. Disclosure of the full cost of finance charges including percentage rate on installment loans and sales,
- 2. The percentage rate must reflect the interest rate on the debt and all extra charges,
- 3. The installment contract must state in dollars the total of all finance charges,
- 4. Lists the minimum amount of interest that may be added to a sale.

32. Which of the following would NOT be thought of as a credit grantor?

- 1. Banks,
- 2. Retail stores,
- 3. Consumer finance companies,
- 4. Professional services agencies.

33. A family with \$400 a month take home pay has a safe debt limit of:

- 1. \$ 600 - \$ 650,
- 2. \$ 700 - \$ 750,
- 3. \$ 800 - \$ 850,
- 4. \$ 900 - \$ 950,
- 5. \$1,000 - \$1,200.

34. The Consumer Credit Protection Act of 1968 establishes a national minimum wage exemption from garnishment of:

- 1. 80%,
- 2. 75%,
- 3. 70%,
- 4. 65%.

35. Which of the following statements best describes a secured creditor?

- 1. A creditor who holds an interest in collateral as security for the payment of its debt,
- 2. A creditor whose claim is among categories specified by the Bankruptcy Act to be paid first,
- 3. A creditor whose claim is not given priority under the Bankruptcy Act,
- 4. A creditor who holds an interest in the indebted company and can divert funds for payment of debts.

36. Which of the following is NOT one of the provisions of the 1971 Uniform Consumer Credit Code proposed by the National Conference of Commissioners on Uniform State Laws?

- 1. Abolishes garnishment before judgment,
- 2. States that forty times the national minimum hourly wage may be exempt from garnishment,
- 3. Forbids dismissal of an employee because of garnishment,
- 4. Provides for reinstatement of employees upon satisfactory settlement of debt.

37. Which of the following is the most immediate activity of the Consumer Credit Counseling Service?

- 1. Educate the "over extended" family in money management,
- 2. Make every effort to prevent bankruptcy,
- 3. Discover hidden problems and refer them to proper sources,
- 4. Work out voluntary arrangements with creditors to extend the period of payment.

38. Which of the following contributes most to the persistence of fraud, deceit and other undesirable tactics in the market place?

- 1. Lack of organized resistance,
- 2. Lack of government control,
- 3. Lack of information on wise buying,
- 4. Lack of rationality in the market place.

39. Who has the most influence in making decisions about how a family's income is spent?

- 1. Man--husband--father,
- 2. Woman--wife--mother,
- 3. Older (teen) children,
- 4. Younger children.

40. In getting clients to successfully carry out a budget, the greatest problem is most likely to be getting them to:

- 1. Change their buying habits,
- 2. Become more resistant to advertising,
- 3. Realize how much impulsive buying they really do,
- 4. Shop several places and compare prices and quality.

41. How may people best avoid creating credit burdens for themselves?

- 1. Learn to use credit more wisely,
- 2. Do not use credit at all,
- 3. Limit credit to large items only (house, car),
- 4. Limit credit to necessities.

42. Most Americans think bankruptcy reflects:

- 1. Dishonesty,
- 2. Poor management,
- 3. Greed,
- 4. Laziness.

43. Most Americans:

- 1. Would go bankrupt only as a last resort,
- 2. Would not go bankrupt at any cost,
- 3. Would feel disgraced if they had to go bankrupt,
- 4. Would go bankrupt to get out from under pressure.

44. Which of the following most often take bankruptcy?

- 1. Semiskilled and unskilled workers,
- 2. Craftsmen,
- 3. Clerical personnel,
- 4. Service workers,
- 5. Professionals.

45. The counseling interview should involve:

- 1. The individual who supports the family,
- 2. The husband and wife,
- 3. The husband and wife and children,
- 4. The husband regardless of his financial role in the family.

46. Which of the following is it most important to establish before the wife becomes a wage-earner outside the home?

- 1. The specific things for which the money she earns will be spent,
- 2. The fact that the wife may become a more liberated person with new freedoms,
- 3. What means will be used to getting housework done and child care provided,
- 4. The common goals that both partners understand and accept.

47. Which of the following most often leads to over-extension of credit?

- 1. Keeping up with the Jones,
- 2. Insufficient income for family necessities,
- 3. Loss of earning capacity (thru illness or accident),
- 4. Desire to impress superiors at work.

48. Bankruptcy problems are, in most cases, problems of:

- 1. Ignorance about the cost of credit,
- 2. Discrepancies by creditors,
- 3. Guidance and management,
- 4. Planning and recording.

49. Consumer use of credit has been encouraged most by:

- 1. Rising discretionary income,
- 2. Urbanization of the population,
- 3. Influx of younger consumers into the market,
- 4. Trend toward asset ownership,
- 5. Increased number of women in the work force.

50. A consumer is granted a loan from a bank with which to purchase a car. Which of the following methods of financing might he have used to obtain the money at a lower cost?

- 1. Pawn an article of value against future redemption,
- 2. Buy on time from the car dealer,
- 3. Establish a revolving credit account with a finance company,
- 4. Borrow against the cash value of his life insurance policy.

51. "Human wants are greater than the resources that are available to satisfy them." This suggests the need for:

- 1. Leaving decisions to fate,
- 2. Working harder,
- 3. Making choices to allocate resources,
- 4. Asking for less.

52. Which of the following is the most productive in getting information from the client couple about the amount of money they spend for alcoholic beverages?

- 1. "How much do you spend for alcoholic beverages in a week?",
- 2. "Do you spend anything for alcoholic beverages?",
- 3. "We need a beer now and then, don't we? About how much do you think you can get by on each week?",
- 4. "In your financial situation, I'm sure you do not waste money on alcoholic beverages, do you?".

Section II
Definitions

Define and describe the following terms. Be specific.

53. Cognovit note
54. Liquidation
55. Deed-of-trust
56. Levy on personal property
57. Garnishment
58. Deficiency judgment
59. Foreclosure
60. Acceleration
61. Balloon payment
62. Cure of default
63. Default
64. Wage assignment
65. Co signer
66. Chapter XIII
67. Collateral contract
68. Credit insurance
69. Discount paper
70. Lien
71. Bankruptcy
72. Credit rating
73. New worth
74. Excessive debt

75. Property
76. National Foundation for Consumer Credit
77. Professional ethics
78. Credit bureau
79. Mortgage
80. Personal history
81. Financial history

Section III

82. List five specific activities in which a family may engage that will insure better communications among family members.
83. List five symptoms of stress on the part of the client, which the counselor may become aware of during the process of interview that may give him a better understanding of underlying or related problems the client may have.
84. List five provisions of the 1969 Consumer Credit Protection Act and the 1971 Fair Credit Reporting Act that protect the consumer against unfair practices by creditors.
85. List five interviewing techniques that the counselor may use to get needed information from the client.
86. List five different types of community activities in which a consumer credit counselor may engage that provide him an opportunity to share ideas about his work with other community leaders.
87. List five characteristics of a consumer credit counseling service office that helps the client to develop confidence in its service.
88. List ten areas of household spending where the credit counselor should be alert to hidden expenditures that might be eliminated (be specific) and make suggestions for improvement in each case.
89. List five problems a client may have that the consumer credit counselor is not equipped to handle and give one referral source for each problem.
90. Describe the over-extended population. List five characteristics that consumer credit counseling clients have in common.

91. List five activities of a public relations nature that could be the responsibility of every consumer credit counselor. Do not include activities of a management nature.
92. In some cases, drastic changes in life style are necessary to family financial recovery. List five suggestions the counselor may make to the client to help him adjust to a different social environment.
93. List five symptoms of marital discord that the counselor may be able to observe during the initial interview.
94. List five of the great drives within man that may contribute to his over-extension of credit.
95. List five things the consumer credit counselor might do to insure the psychological comfort of his client during a visit to the CCCS office.
96. List the five occasions when it is highly desirable that the counselor send letters to specific persons or agents. Also list the person or agent to whom the letter should be addressed.
97. A facilitative atmosphere is important to the success of an interview with your client. List ten things which you might do to insure such an atmosphere.
98. List five sources to which the counselor might refer a client for credit information.
99. List five characteristics of one who communicates well.
100. List five characteristics of a good listener.
101. List five purposes of the follow up interview.
102. List five reliable sources of credit information to which the consumer credit counselor may refer in order to proficiently serve his client.
103. List five occasions on which a counselor should contact a client.
104. List five sources to which the consumer credit counselor may go for constructive criticisms and suggestions for improving the service rendered by the counselor and his office.
105. List ten purposes of the initial interview.

Section IV

106. Discuss the tactics behind the "balloon payment". Give two examples of how the creditor may use it to his advantage.
107. Discuss three ways the consumer credit counselor may get reaction of clients that will help him to evaluate and improve his service.
108. A client may be the victim of incorrect, derogatory information in his file at the credit bureau that causes him to have credit problems. How should the consumer credit counselor advise him to handle the situation? Outline specific steps.
109. Consumer credit counseling involves many areas of competency, such as knowledge of human behavior, credit facts, counseling and interviewing techniques, professional ethics, family budgeting and money management and how to communicate well. Where and how might a consumer credit counselor find help in developing, and continually updating, his professional competency?
110. In what ways does the Consumer Credit Counseling Service have an effect upon the community?
111. Name three nationally circulated periodicals that deal with some area of work done by consumer credit counselors and describe the kind of helpful information each provides.
112. Describe and explain several of the underlying causes of over-extension of credit.
113. Write out a code of ethics that would be applicable to the profession of consumer credit counseling.
114. How should the consumer credit counselor advise a client who needs to learn how to keep his records? What suggestions might he make concerning sources of help?
115. Explain the advances of a CCCS program over either Chapter 13 of the Federal Bankruptcy Act, or straight bankruptcy.
116. What information about creditors does the counselor need to have if he is to serve the best interest of his client?
117. Describe the work of the Federal Trade Commission that directly benefits the consumer.
118. Write out five questions that a counselor could ask a client at the beginning of an interview that would start a friendly and informative conversation between client and counselor.

119. In what ways is the consumer credit counselor able to help a client to improve his self-image?

120. Explain why consumer credit counseling must be a service oriented profession.

121. Explain how it is dangerous to the CCCS for a creditor to receive "privileged" treatment.

122. Discuss why it is important that a consumer credit counselor be able to write legibly and use good grammar, punctuation and expression.

123. A counselor must be tactful and skilled in bringing out needed information without offending his client. Describe several instances (at least 3) where the counselor must avoid areas of a sensitive nature if he is to conduct a successful interview.

124. Explain the ultimate long range goal of Consumer Credit Counseling Services--that is reducing the number of families needing debt liquidation.

Section V

125. (20 Points)

SMITH CASE STUDY

John, 25 years old, and Mary Smith, 25 years old, both work. Married seven years, parents of three children, one pre-school, two grade school, they each have been employed less than a year in their present positions. Neither finished high school. The family operates two cars.

	<u>Gross</u>	<u>Total</u>
Combined Monthly Salary - John	\$1,250.00	<u>Net</u>
- Mary	350.00	<u>\$1,167.96</u>

Monthly Living Expenses	Acceptable	Should Be
Rent	\$215.00	
Food	220.00	
Utilities - Gas	54.72	
- Lights	11.00	
- Garbage	3.00	
- Phone	30.00	
Transportation - Gas & Oil	60.00	
Clothing	50.00	
Medical Care	-0-	
Dry Cleaning	5.00	
Insurance - Auto	25.00	
- Life	8.50	
Newspaper	5.00	
Babysitter	80.00	
Entertainment	40.00	
Cigarettes	40.00	
Alcoholic Beverages	20.00	
Misc.	29.00	
Total Monthly Living Expenses	\$896.22	

Check (✓) in the "acceptable" column to indicate that the amount given for that living expense item is a realistic figure by present day living standards. Should the amount be unrealistic and need changing, list a suggested amount in the "should be" column.

126. (20 Points) List of Creditors		<u>Monthly Payment</u>	<u>No. Payments Past Due</u>	<u>Unpaid Balance</u>	<u>Budget Payment</u>
Unsecured	Master Charge	\$ 35.00	2	\$ 694.00	
Unsecured	Department Store	10.00		45.19	
Unsecured	Exxon	25.00		233.14	
Unsecured	Central Charge	15.00		291.35	
Secured	Montgomery Ward - Furniture	35.00	3	758.00	
Unsecured	Aldens	10.00	3	163.38	
Unsecured	Spiegel	10.00	1	287.27	
Unsecured	FEEC - Loan Co. - Personal Note	8.00		183.50	
Unsecured	George's - RC	8.00	1	43.87	
Secured	George's - Television	13.00	2	134.60	
Unsecured	Leggett	9.00	3	115.34	
Secured	W. T. Grant Co. - Refrigerator	10.00	3	280.00	
Unsecured	Hecht Co.	12.00	4	124.03	
Secured	First National Bank - Car	100.68	2	2,500.00	
Secured	Household Finance - H. H. G.	34.00	2	1,000.00	
Secured	Investor's Loan - Homeowner Loan	36.00	4	764.80	
Secured	M. F. C. (Major Finance) - 2nd Car	44.58	3	804.64	
Unsecured	Dr. Smith - All Due			70.00	
Unsecured	Dr. Jones - All Due			416.25	
Unsecured	University Hospital - All Due			264.00	
Unsecured	Ped. Assoc. - All Due			109.00	
<u>Total</u>		\$415.26			

Using the information given, estimate monthly payments on a payment plan which the consumer credit counselor may prepare for John and Mary.

127. List any additional expenses that may have been overlooked that the consumer credit counselor should question the Smiths about.

128. What recommendations should the consumer credit counselor make to the Smith family that may help them to release more of their monthly income for paying off debts?

129. What assumptions were drawn that may support the decisions made in working out the payment plan for the Smith family?

130. (20 Points)

SHARP CASE STUDY

Ken, 45 years old, and Jane Sharp, 40 years old. Married 20 years, they have four children, one girl in Elementary School, one girl in Junior High, and one girl and one boy in High School. Both are college graduates. They operate three cars, son drives one to school. Jane works part time and earns \$30.00 monthly and Ken's monthly salary is \$2,055.00. Their total net monthly income is \$1,455.00.

Monthly Living Expenses		Acceptable	Should Be
House Payment	\$ 463.00		
Clothing	150.00		
Food	300.00		
Utilities - Gas and Electricity	75.00		
- Water and Garbage	20.00		
- Phone	30.00		
Transportation - Gas & Oil	65.00		
- Insurance	50.00		
Life and Health Insurance	25.00		
Medical Care	75.00		
Church	25.00		
Country Club	35.00		
Entertainment	75.00		
Newspaper and Magazines	10.00		
Household Help (2 Days Weekly)	80.00		
Children's Allowance	32.00		
Nations, Toiletries, etc,	35.00		
Beauty Parlor and Barbershop	40.00		
Total Monthly Living Expenses	\$1,585.00		

Check (✓) in the "acceptable" column to indicate that the amount given for that living expense item is a realistic figure by present day living standards. Should the amount be unrealistic and need changing, list a suggested amount in the "should be" column.

131. (20 Points) List of Creditors		<u>Monthly Payment</u>	<u>No. Payments Past Due</u>	<u>Unpaid Balance</u>	<u>Budget Payment</u>
Unsecured	Combined Credit	\$106.00	1	\$ 136.00	
Secured	Bank Americard	45.00	3	1,071.07	
Secured	Bank - 2nd Car	114.72	2	3,480.00	
Unsecured	Country Club	35.00	7	235.00	
Unsecured	Dr. Cecil - All Due			23.00	
Unsecured	Sunshine Dairy - All Due			146.00	
Unsecured	Dancing Class	10.00	5	50.00	
Unsecured	Cheds - All Due			281.00	
Unsecured	Pharmacy - All Due			52.00	
Unsecured	Goodchild's	75.00	2	375.00	
Secured	First National Bank - 3rd Car	42.00	2	395.00	
Unsecured	Dr. Shepard - All Due			25.00	
Unsecured	Pace	48.00	2	488.00	
Unsecured	Texaco - All Due		1	135.00	
<u>Total</u>		<u>\$475.72</u>			

Using the information given, estimate monthly payments on a payment plan which the consumer credit counselor may prepare for Ken and Jane.

132. List any additional expenses that may have been overlooked that the consumer credit counselor should question the Sharps about.

133. What recommendations should the consumer credit counselor make to the Sharp family that may help them to release more of their monthly income for paying off debts?

134. What assumptions were drawn that may support the decisions made in working out the payment plan for the Sharp family.

135. Write a letter to any one of the creditors explaining the client's situation and asking their cooperation in reducing the amount of the monthly payment. (20 Points)