Telephonic Financial Education with Rural Low-Wage Earners

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When the term "distance education" is mentioned, most people picture learning opportunities involving computers and the Internet. However, distance education can simply involve the telephone. Sometimes called "educational teleconferencing," or "telephonic education," it involves the use of telephone technologies to bring together two or more people for education about an issue (Epstein, 1999). Using telephonic education with rural low-wage earners is an inexpensive delivery approach that eliminates many barriers, including unreliable transportation, lack of child care, and limited access to a computer and the Internet. Also, the telephone is accessible to most participants and is a well-known technology (Gunawardena & McIsaac, 2004). The purpose of this paper is to describe a pilot telephonic financial education program for rural low-wage earners in a Midwestern state, to determine whether the telephone is still a viable educational intervention for financial literacy education, and to present recommendations for delivering financial education via teleconferencing.

Literature Review & Conceptual Framework

Moore and Kearsley's (2005) Systems Model for Distance Education was the guiding conceptual framework for the program, ensuring that all pieces of the program were integrated. Components of the model include the following: (1) sources, (2) design, (3) delivery, (4) interaction, and (5) learning environment. All forms of distance education include these components.

In the systems model, program sources of knowledge require the organization to determine what content will be taught based on the organization's philosophy and history, and the learners' needs (Moore & Kearsley, 2005). It is recommended to ask the participants about preferred program content.

The second and third components in the model, design and delivery, are closely related. Design requires giving close attention to instructional design, media, program, and evaluation, whereas delivery involves how the education is delivered (Moore & Kearsley, 2005). The selected delivery method must be conducive to the course content (Ely, 2003). Machtmes and Asher (2000) determined through a research literature review on telecourses that, "There does not appear to be a difference in [participant] achievement between distance and traditional learners." However, one study reported that dropout rates are typically higher in distance education programs than in face-to-face programs due to "large financial commitments, care of children and other social obligations, changing work situations, limited academic support, dissatisfaction with teaching methods, low learner self-confidence and self-perception, and student feelings of isolation" (Rovai, 2002).

Interaction, the fourth component, involves contact among the instructor and students and among the students themselves (Moore & Kearsley, 2005). Interaction among group members is an essential piece of a distance educational experience (Burkhart-Kriesel & Caine, 2004). One institution found success with their telephonic education program due to the interactions between students and teachers, students and learning materials, and among the students themselves (Garrison, 1990).

Distance learning teachers using minimal technology may not have the cues available in a conventional classroom, such as body language, eye contact, head nods, or side conversation, because of which they may need to change how they assess students' understanding of materials (Bower, 2001; Epstein, 1999). The telephonic distance education delivery method provides opportunities for interaction and collaboration among participants and the instructor through simple verbal exchanges. Distance education courses using more advanced technology have many tools available to facilitate this interaction, such as whiteboards, chats, blogs, wikis, and social networking applications (Beldarrain, 2006). Instructors of low-tech programs need to purposely and creatively seek opportunities to encourage communication and sharing.

The fifth component of the model is the learning environment, because distractions and interruptions can make learning more difficult (Moore & Kearsley, 2005). It is important to recognize that the five components of the systems model are interconnected.

Unique Partnership

The state Council on Economic Education and the Extension Center for Family Development initiated the Community Educator Program in 2005 to empower individuals and families with the financial knowledge they need to survive and thrive. The program trained staff of grassroots agencies, who had access to underserved populations. After an initial 2-day training in financial management content and educational methods, the community agencies applied for funding to co-sponsor two 6-hour financial education courses. Extension professionals mentored community agency staff on teaching skills and content knowledge. In 2009, Northern Connections, a non-profit human service agency serving 12 rural counties in a Midwestern state, partnered with Extension. Northern Connections provides unique access to underserved populations by telephonically connecting low-wage families to resources in order to achieve financial independence.

The Money Matters Telephonic Financial Education Program

The "Money Matters" pilot telephonic financial education program was developed as a result of the Community Educator Program. The program is discussed below in terms of the five components of the systems model for distance education: sources, design, delivery, interaction and learning environment (Moore & Kearsley, 2005).

Program Sources of Knowledge

Prior to designing the program, Northern Connections staff asked over 30 customers about their interest in a telephonic class and what problems they foresaw in participating. Input was also requested on preferred topics, length of calls, time of day, and days of week. Based on input, knowledge of clientele, and staff content knowledge, the curriculum was developed around eight topics: (1) Decision Making & Money Choices, (2) Savings & Spending Plans, (3) The ABC's of Credit, (4) Using Credit Wisely, (5) Checking & Savings Accounts, (6) Paychecks & Tax Credits, (7) Avoiding Frauds & Scams, and (8) Investing in Yourself.

Program Design for Successful Implementation

Several factors were considered when designing the program. Transportation was an issue because many low-wage families lacked reliable vehicles, auto insurance, or gas money to attend classes in person. Due to the rural area, convening participants in a central physical location would have required up to two hours travel time for some participants. Availability and affordability of childcare was another common barrier to attending classes.

Determining what time of day to schedule the class was another consideration. Many low-wage earners worked in entry-level jobs and had a different schedule each week, or hours that varied from day to day. Customers indicated late morning or evening classes were best. For customers with varied work schedules, the flexibility of being able to participate in an evening class one day and a morning class another was important.

Trainers considered webinars as a delivery method, but estimated that less than 10% of Northern Connections' customers had a working computer and Internet access. To facilitate the telephonic delivery method, the agency contracted with a telephone conferencing service provider. Class participants called a toll-free conference line to join the class, eliminating personal long distance phone charges. An unlimited number of individuals could be on the conferencing line at one time. The teleconferencing cost for a 90-minute class with five participants and one instructor was less than $25, which was relatively low compared to providing gas vouchers for participants to drive to a centrally located class. Staff promoted the class and recruited participants during normally scheduled calls with customers. In lieu of paying for childcare or gas vouchers, a $50 cash incentive was offered for completion of at least six hours of course work. Due to funding requirements, a minimum of 15 participants were recruited for each round of training. This purposive sample was representative of Northern Connection's customer base.

Program Delivery

A blended delivery method was used as the telephonic approach, which was enhanced by print materials. Resources were compiled in a 3-ring binder with handouts, worksheets, activities, calculator, pencils, and novelty items. The manual, class schedule, and call-in information were mailed to participants by U.S. Mail prior to the first class with delivery confirmation. Staff called participants the day before each class to remind them of the class and of any homework.

Two rounds of classes were held. In the first round, one topic was covered for an hour each week for eight weeks, for a total of eight hours. Participants could participate in the morning session one week and the evening session the following week depending on their schedules. Based on participant feedback and retention rates, it was determined that eight weeks was too long. Participation was interrupted by many life events including getting or changing a job, a shift in work hours, or a family illness. For the second round of classes, the curriculum was modified so the eight topics were delivered in four 1½ hour sessions over a 2-week time period, for a total of six hours of instruction. The shorter time commitment made recruitment easier and increased the completion rate due to the occurrence of fewer life events.

Program Interaction

Classes were taught by Northern Connections staff with assistance from an Extension Educator. The number of participants per call varied. The instructors noted that four to five participants was ideal for interaction. Participants introduced themselves by first name at the beginning of each call to get acquainted. The instructor introduced the day's topic and directed participants to the appropriate materials in their manuals. Participants discovered and practiced financial concepts using interactive exercises and games. Due to the confidential nature of some topics, participants appreciated being able to complete some exercises privately, such as a spending plan.

In normal day-to-day interaction, Northern Connections staff members encourage problem solving, coach customers, and provide resources telephonically. Staff members have learned to be focused listeners and are attuned to verbal cues of participants such as tone of voice, pauses and hesitations. This allowed them to probe and question as needed to ensure participants grasped concepts.

Staff intentionally provided opportunities during the calls for participants to interact with the content and one another. Discussions on the calls were lively and participatory. For example, during a discussion on cutting expenses, one individual expressed surprise about how much she spent on energy drinks and committed to buying fewer drinks. Another individual expressed similar sentiments about eating lunch out, while another discussed money spent on cigarettes. Many learners shared difficulties they had encountered and offered suggestions of how they handled the situations. Two individuals told of their experiences as victims of identity theft. Another individual shared her experience with using expensive payday loans.

Learning Environment

Staff encouraged participants who had children at home to engage the children in a quiet activity, such as reading a book, to minimize distractions. Most participants were able to use the phone mute button as needed to decrease background noise. During regular calls with customers, staff followed up on goals, responded to questions, and asked how they felt the classes were going.

Program Outcomes

The program participants mirrored Northern Connections typical customer base. Of those completing one of the two rounds of training, 86% were female and 14% male. Forty-four percent were age 21-30; 24% were age 31-40; 24% were age 41-50; and 8% were age 51-70.

To collect impact data, a multi-method evaluation was used, which included participation rates, feedback during the calls, a mailed post-workshop evaluation, and a 10-12 month follow-up phone survey. Roberts, Irani, Telg and Lundy (2005) recommend that to evaluate the distinctive elements of distance education, the evaluation tool should assess the educators, the usefulness of the program, and the technical components of the distance education program.

Participation Rates

Twenty-one individuals were recruited for the initial training. Of these, 1/3 completed the required six hours (n=7), 1/3 dropped out due to unforeseen events (start of a new job, health reasons, etc.) (n=7) and 1/3 dropped out for unknown reasons (n=7). For the second training, 20 individuals were recruited. Of this group, 70% completed the required six hours (n=14) and 30% participated in only one or no sessions (n=6). Thus, in total, 21 individuals completed either the first training (n=7) or the second training (n=14). Retention improved for the second training due to fewer sessions over a shorter time frame, the greater eagerness of the participants to learn about personal finance, and better recruitment efforts. The first time, staff targeted those they thought would benefit from the training. The second time, staff targeted those who *wanted* to participate and who were committed to working on financial goals.

Feedback during the Calls

Feedback during the calls was also utilized as an evaluation tool and was noted by instructors while the class was in session. For example, during the conversation on saving money, almost all participants identified at least one area in which they could cut expenses and realized that those savings over time could offset other expenses.

Post-workshop Evaluation

A post-workshop evaluation was mailed to participants who had completed either of the two trainings (N=21). Evaluations were returned by 24% of the participants (n=5). All respondents rated the financial training sessions useful, the training manual and telephonic method very useful, the amount of information just right, and the times of day convenient. Sixty percent indicated they made some or a lot of changes as a result of the training - mostly related to how they were spending money and identifying ways to save money. Learners shared: *"I gained knowledge of credit card laws," "I quit spending money on things that I shouldn't buy,"* and *"I'm now able to save money better than before."*

Participants identified several positive program outcomes. The anonymous nature of the calls allowed them to share life experiences that may not have been shared in person. The flexible class times allowed individuals with changing work schedules to participate or make up a missed call. The telephonic delivery method eliminated transportation, travel time, and child care concerns. One participant indicated on the post-workshop evaluation, "*Due to the cost of gas and my health conditions, I wouldn't have been able to participate in a face-to-face training*."

Follow-up Phone Survey

A follow-up phone interview was conducted 10 to 12 months after the telephonic program with participants who had completed either of the trainings (N=21). Northern Connections staff made contact with 8 of the 21 participants. Staff indicated they were not able to connect with the other individuals due to disconnected telephones, health issues, and messages not being returned.

Seventy-five percent of those contacted in the follow-up phone call indicated that they participated in the program because they had a desire to learn more, including how to save, budget, obtain a credit report, and stretch existing resources (n=6). Participants overwhelmingly (100%) indicated they liked participating using the telephone. Convenience was a common response. One individual indicated she didn't have a car so she appreciated being able to participate from home. Two individuals indicated they appreciated participating from home due to the need to care for children. Two more participants identified a few distractions during the sessions, including others reprimanding children, occasional disruptive background noise, and the sound of someone doing dishes. All of the participants indicated that the number of sessions, timing, and length of calls were acceptable and did not need to change.

When asked about the packet of materials mailed prior to the first call, all participants responded positively. One individual indicated, "*They were more than I expected*" while another indicated, "*They were cool.*" Three individuals shared that they had reviewed the materials prior to the classes to prepare themselves. Two additional participants stated they planned to go back to the materials as needed.

Participants were asked what important lessons they took away from the calls. Thirty-eight percent of the participants indicated that 'everything' was valuable (n=3). One individual commented that the course "*made me more aware of my money situation. I started to ask myself important questions about my money situation.*" The majority of the participants shared an example of how they had used the information they had learned, including reviewing a credit report, making a decision not to get a credit card, keeping track of expenses, and trying to stay on top of bills. Frustrations were also shared as one individual indicated she unsuccessfully tried to get her husband involved in helping manage the finances while another commented, *"Budgeting is important, but I still struggle and it is hard work to live within your means."*

Table 1
Responses From a Follow-up Survey of Participants in a Telephonic Financial Education Program (n=8)

Which of the following actions/strategies have you done after participating in the calls?	% participants
Implemented strategies to be thriftier?	100%
Tracked spending?	88%
Developed a spending plan or budget?	88%
Developed a method for paying bills and keeping track of receipts?	75%
Took steps to start, build, improve or maintain your credit?	63%
Took steps to avoid frauds and scams?	88%
Talked to others about what they learned?	75%
Looked up more information about the topics?	38%
Participated in other classes about money issues?	0%
Shared Money Matters materials with others?	88%
Recommended the program to others?	75%

Participants were asked if they had taken any action on several class concepts after participating in the program, as shown in Table 1. All of the participants (100%) indicated that they had implemented strategies to be thriftier. All but two of the actions were completed by more than 60% of the participants and often more than 80% of participants within a year of program completion. Only two actions were reportedly taken by few participants—only 38% of participants indicated they had looked up more information about topics, and no participants reported that they had participated in other classes about money issues.

Recommendations for Implementing a Telephonic Consumer Education Program

The authors suggest the following six recommendations for conducting a telephonic consumer education program:

1. *Prepare before the course begins.* It is vital to recruit participants who are committed to working on financial goals. If possible, provide incentives for participation and to increase retention. Seek participant input on program content. Encourage learners to join the call in a quiet place to minimize background noise. Also, ensure that instructors have thorough knowledge of the concepts and materials and are skilled in telephonic education.
2. *Provide flexible scheduling.* Identify and eliminate any barriers to participation. Offer the sessions at different times of the day and at more than one time to accommodate participants' schedules. Schedule the series over a short period of time to increase retention. We found a 2-week series more successful than an 8-week series.
3. *Supplement class time with printed materials.* Enhance telephonic delivery with printed materials mailed to participants prior to the first class. Assign participants homework or assignments throughout the course. Call participants a day before each class to remind them about the class and of any homework.
4. *Foster interaction among participants.* Interaction among participants, the instructor, and the material must be strategically planned. Incorporate get-acquainted activities for participants to become familiar with one another and the instructor at the beginning of each call. Intentionally provide additional opportunities for participants to interact with the content, instructor, and one another.
5. *Develop ground rules for the class.* These rules might include the following: one person talks at a time, all participants must be respectful of other participants, and shared information must be kept confidential.
6. *Ensure that participants understand the materials.* Use questions and probes to evaluate participants' understanding of course concepts. Follow up with participants outside of class time to respond to any questions or to provide clarification about the materials.

Conclusion

The authors found that the telephonic delivery approach to financial education is still an effective, viable educational strategy to reach low-wage individuals in rural areas. This delivery method eliminated barriers including transportation, childcare, and job-related issues that made it difficult for participation in a face-to-face training. Despite the popularity of using computer and Internet technologies in distance education courses, the simple telephonic delivery method removed the obstacles of limited availability of adequate, affordable computer and Internet access. The telephonic delivery method allowed for effective interaction among the learners, instructor, and materials. A unique contribution of this pilot program was that long-term behavior change occurred with a 6-hour educational program conducted over the telephone. Given the wide array of technology delivery options available, the authors believe that the telephone is still a valid choice for delivering education. Although some have been dismissive of the telephone, with Finger and Rotolo (2001) calling it “a second generation technology,” it is still an effective way to reach rural communities. In this case, success was found using the telephone—a simple technology—to effectively provide rural low-wage earners with financial education.

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