The behavioral effectiveness of the Consumer Credit Counseling Service (CCCS) program on past clients' current money and credit management was researched in this study. The researcher investigated whether the experience of consumer credit counseling had any behavioral impact on past clients' current credit practices.

A sample of 104 clients who lived in toll-free Linn-Benton County was selected from the closed CCCS files. These clients were individuals and families who had sought and obtained counseling and terminated the counseling program between 1974 and 1979. A letter was sent to the 104 clients explaining the study and indicating that the researcher would contact them by phone to administer the questionnaire. Fifty clients participated in the study. Of the remaining 54 clients, 49 could not be contacted or had moved from the Linn-Benton County area, and five declined for personal reasons. The completion rate of persons
able to be contacted was 90 percent. Background information on the 50 clients was obtained from the CCCS application files.

Before participation in the CCCS program, the 50 clients had a mean age of 31 years; the mean number of dependent children was 1.7; 29 clients were married, five were separated, 14 were divorced, and two were single; 28 percent of the clients were employed in white collar occupations and 72 percent were employed in blue collar occupations; the mean income was $7,336; the mean amount of savings was $2.20; the mean amount of debt was $4,290.98; the mean income to debt ratio was 3.15; the mean number of creditors was 11.36; and the mean number of credit cards used was 2.38. The mean time span since the clients left the CCCS program was three years. Of the 50 clients in the study, 29 terminated the program by self-administration, 20 clients were drop outs, and one client declared bankruptcy.

At the time of the interview, February 1980, the clients had a mean age of 34 years; mean number of dependent children was 1.8; 31 clients were married, one was separated, 15 were divorced, and three were single; 32 percent of the clients were employed in white collar occupations and 68 percent were employed in blue collar occupations; the mean income was $15,290; the mean amount of savings was $412.98; the mean amount of debt was $2,633.80; the mean income to debt ratio was 21.83; the mean number of creditors was 2.58; and the mean number of credit cards used was 1.02.
There was a significant change in the number of credit cards used, number of creditors owed, the amount of debt owed, and the amount of savings acquired when a t-test was applied at the .05 significance level. There was no association between change in number of credit cards used, change in creditors owed, change in amount of savings, change in amount of debt, and type of termination (drop outs or self-administered) and length of time since termination when a t-test or analysis of variance (F-test) was applied at the .05 significance level.

The clients in the study did tend to change their credit and financial practices after participation in the CCCS program. The 50 clients (100 percent) reported the CCCS program as very helpful in assisting them with financial difficulties.

This researcher concluded that the CCCS program did have an behavioral impact on clients' current credit and financial practices.
The Behavioral Effectiveness of Consumer Credit Counseling Service on Past Clients in Linn-Benton County, Oregon

by

Linda Michelle Vallade

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I. INTRODUCTION

Consumer credit is not a twentieth century phenomenon in the United States; it was an accepted way of life in the early colonies. The image of the sturdy, self-reliant resourceful pioneer who always paid cash for his staples and his tools may be the one imparted by some accounts of early colonial life, but it is not entirely accurate. Retail credit was available to farmers on a crop-to-crop basis. When they were short on cash, they did as many consumers do today—they traded their expectations of future income for goods and services from local merchants (National Commission on Consumer Finance, 1972, p. 5).

Today, as in the past, credit is an integral part of our economy. It affords individuals and families the chance to improve their living conditions through the purchase of both necessities and luxuries. It allows us to acquire goods when they are most needed rather than when the cash is available but the need no longer exists (Varga, 1977). However, the potential for abuse of credit is great. Many consumers are not able to acquire the knowledge necessary to maintain a sound financial situation. They are unaware of the implications of too much credit and how it may affect them in the not too distant future.

Use of consumer credit increased from 121.1 billion dollars in 1970 to 310 billion dollars outstanding at year end 1978 (Federal Reserve Bulletin, 1980). Consumer installment credit increased

In the early 1960's, credit industry leaders recognized that a number of families were in serious financial trouble because of overextended credit use. They were aware that the results of overextension of consumer credit could be damaging to both the individual families and the national economy. Concerned credit industry leaders requested the National Foundation for Consumer Credit to promote the establishment of community services for credit counseling (McAfee, 1973). In 1979, a total of 200 Consumer Credit Counseling Services (CCCS) in the United States and Canada served individuals in repayment of debts (Strain, 1979).

Previous research studies have described the typical client being counseled for credit difficulties to be a young person in the age group of 25 to 34 years of age. This age group of 25 to 34 year olds is reported to owe the most installment debt and use the most credit and credit cards of any other age group (Finance Facts Yearbook, 1979).

Although the subject of credit and its effects have been investigated extensively, the author found little research directed to CCCS clients' credit practices after learning the credit counseling and debt reassignment situation. The purpose of this study is to learn if a
CCCS program has had any behavioral impact on past clients' current credit practices. This information would benefit the CCCS counselors in attaining objectives of the CCCS programs.

Need for the Study

Consumer credit, use of credit cards, and personal bankruptcies have been increasing over time. In the eight year period from 1970 to 1978, consumer credit increased from 121.1 billion dollars to 310 billion dollars (Federal Reserve Bulletin, 1980), use of credit cards increased from 50 percent of all families in 1970 to 59.8 percent of families in 1977 (1977 Consumer Credit Survey), and personal bankruptcies from 178,118 in 1970 to 182,106 in 1977 but there was a decrease to 172,282 for 1978 (Finance Facts Yearbook, 1971, 1978, 1979). On the average, there were 80 personal bankruptcies per 100,000 population in fiscal 1978, down from 85 in 1977, and down from 88 in 1970 (Administrative Office of U. S. Courts and National Consumer Finance Association, 1979, 1971). If, as projected, consumer credit and the use of credit cards continues its upward trend, greater understanding of money and credit management will be necessary for consumers. There will also be more need for consumer counseling agencies, both profit and not-for-profit, and for methods to evaluate the effectiveness of CCCS practices in reducing credit abuse and bankruptcies.
Although the subject of credit and its effects have been investigated extensively, the author found little research directed to CCCS clients' credit practices after they had left CCCS programs. The research which has been undertaken relating to CCCS clients has centered largely upon demographic characteristics of CCCS clients (Dolphin, 1967; Lane, 1968; McAfee, 1973; Verver, 1974; Halvorson, 1976; Varga, 1977).

No previous research has studied the relationship between clients' current and past financial and credit practices specifically. Halvorson (1976) and Varga (1977) had suggested that this type of research would benefit the CCCS programs and CCCS clients in the United States and Canada.

Because much information is still unknown about CCCS clients' money management practices after counseling, this researcher felt a study examining clients' credit and financial practices would benefit the counselors in attaining objectives of the CCCS programs. The purpose of this study is to learn if a CCCS program has had any behavioral impact on past clients' current credit practices.

Statement of the Problem

The purpose of this study was to investigate the effectiveness of the CCCS program on past clients' money and credit management. The main problem investigated in this study was: Has consumer credit
counseling had any behavioral impact on past clients' current credit practices?

Objectives of the Study

1. To determine if CCCS has a behavioral effect on past clients' credit and financial practices.

2. To provide financial counselors and any other interested persons with information about the behavioral effects of the CCCS program in order to help them better understand clients' wants and needs.

3. To determine changes in money management techniques and effectiveness since termination of the client from a CCCS program.

Hypotheses

1. After participation in the CCCS program, there will be no change in the number of credit cards currently used by the clients.

2. After participation in the CCCS program, there will be no change in the number of creditors currently owed by the clients.

3. After participation in the CCCS program, there will be no change in the amount of debt currently owed by the clients.
4. After participation in the CCCS program, there will be no change in the amount of savings currently acquired by the clients.

5. There will be no association between change in number of credit cards used from the time clients entered the CCCS program to the time of the interview, and:
   a. satisfaction with program
   b. type of termination
   c. length of time since termination

6. There will be no association between change in number of creditors from the time the clients entered the CCCS program to the time of the interview, and:
   a. satisfaction with program
   b. type of termination
   c. length of time since termination

7. There will be no association between change in amount of debt from the time clients entered the CCCS program to the time of the interview, and:
   a. satisfaction with program
   b. type of termination
   c. length of time since termination

8. There will be no association between change in amount of savings from the time clients entered the CCCS program to
the time of the interview, and:

a. satisfaction with program
b. type of termination.
c. length of time since termination.

Operational Definitions of Terms

BUDGETING is a plan for allocating financial resources to meet the needs of the family.

CONSUMER CREDIT is the sum of financial obligations incurred as cash loans, purchase agreements or deferred payments for goods and services not including mortgage debt.

CONSUMER CREDIT COUNSELING SERVICE (CCCS) is a nonprofit service that provides consumer credit counseling and debt repayment services to families and individuals in debt.

CREDIT CARD is a token, usually a plastic card, which authorizes its holder to make purchases against a credit account.

CREDIT COUNSELORS are the people who provide the counseling service.

DEBT PROBLEM refers to the situation in which a person considers himself financially extended beyond his ability to meet payment obligations out of present resources.

DROP-OUTS are the clients who independently terminated the CCCS program without paying off their debts or stopped all contact.
with the CCCS program.

FINANCIAL COUNSELING is a service to individuals and families to advise them in money management problems with debt management and budget counseling being the predominant services.

NUMBER OF CREDITORS is the total number of creditors owed money by the client.

PAST CLIENT is a counselee whose record indicates discontinuance of the counseling program.

PROBABILITY LEVEL is the decimal figure or percentage level of significance which denotes an association between the variables identified, using t-test and analysis of variance (F-test).

SELF-ADMINISTERED are the clients who terminated the CCCS program after paying off their debts or by mutual agreement terminated the CCCS program to handle their own financial affairs.

TOTAL FAMILY INCOME is the client's total annual net income after taxes.

Assumptions of the Study

This research is conducted on the following assumptions:

1. The past clients interviewed will have measurable attitudes toward the CCCS program.
2. The behavioral effects can be identified and measured in a telephone interview.

3. The past clients interviewed will give honest responses.

4. Interviewer biases will not affect the interviewee responses.

Limitations of the Study

1. Information given by respondents may be distorted since personal money matters are considered to be private by some people.

2. This study is limited to the population of the selected group of past clients of the CCCS in the toll-free area of Linn-Benton County, Oregon, who had not moved from the area since leaving the program.
II. REVIEW OF LITERATURE

The societal trends of increasing use of credit has led to increases in consumer debt which has, in turn, led to substantial personal bankruptcies from 1970 to 1978. The younger population has comprised the group of individuals using more credit and creating more consumer debt. Studies have reported that the CCCS clients tend to be individuals and families in this younger population group 25 to 34 years of age. Twelve previous studies have described CCCS clients in relation to both social and economic characteristics, five studies researched CCCS clients' evaluations of the CCCS programs, and all the twelve studies investigated some aspects of the clients' credit usage. The need still exists for current demographic information on CCCS clients, evaluations of CCCS programs, and credit usage patterns of CCCS clients. This information will improve the impact of the CCCS programs for both the clients and the counselors.

This chapter is a review of literature related to: 1) Use of Consumer Credit in the United States, 2) The Consumer Credit Counseling Service, 3) Characteristics of CCCS clients, and 4) Evaluations of Credit Counseling Programs.

Use of Consumer Credit in the United States

Credit represents a promise to pay in the future for goods and services purchased in the present (Colliers Encyclopedia, 1980).
Credit provides an extension of current purchasing power, and facilitates the marketing of goods and services. Using consumer credit to purchase goods and services for personal consumption is a popular practice in the United States (Wright, 1977). Gitman (1978) refers to credit as a basic way of life for most Americans. Porter (1976) and Gitman (1978) view credit as a valuable tool if used properly. Katona (1971) stated that half of Americans in the United States owe installment credit at any one point in time.

**Total Consumer Credit in the United States**

There has been an increase in use of consumer credit from 121.1 billion dollars in 1970 to 310 billion dollars in 1978 (Federal Reserve Bulletin, 1980). Consumer credit includes both the credit extended in the form of installment credit and noninstallment credit. Installment credit is the credit extended by commercial banks including bank credit cards, finance companies, credit unions, retailers, savings and loan companies, and gasoline companies for purchasing goods and services. Noninstallment credit is generally of a convenience nature consisting of single payment loans negotiated at a commercial bank, retailers' charge accounts with balances paid in 30 days or less, and service credit which represents debts payable to hospitals, physicians, and public utilities (Gitman, 1978).
Consumer Installment Credit

Consumer installment credit has been increasing from $105.5$ billion dollars in 1970 to $275.6$ billion dollars in 1978 (Federal Reserve Bulletin, 1971, 1980). When compared to 1977, in 1978 an increase of $44.2$ billion dollars or $17.4$ percent more money was extended in the form of consumer installment credit. Automobiles headed the list of items purchased with consumer credit, followed by household goods, mobile homes and the use of bank credit cards (Federal Reserve Bulletin, 1980). With increasing consumer installment credit, consumer debt has also been increasing.

Consumer Debt

The level of total consumer debt increased faster than other debt during the 1950's. During late 1960's and early 1970's the debt of private business generally rose much faster than that of the consumer or the government. In 1978, consumer debt comprised $27.9$ percent of public and private debt outstanding - up from $26.4$ percent in 1970 (Finance Facts Yearbook, 1979). Before any comparisons can be made, the increasing amount of consumer debt in relation to income increases needs to be established.
Consumer Credit Increases in Relation to Income Increases

In 1978, disposable personal income was reported as being an 11.4 percent increase over the 1977 figure (Finance Facts Yearbook, 1979). During the same period, consumer debt (which includes installment debt) rose by 16.9 percent (Federal Reserve Bulletin, 1980). The installment form of credit increased faster than total consumer credit with a 17.4 percent increase between 1977 and 1978 (Finance Facts Yearbook, 1979). Therefore, disposable personal income has not been increasing as rapidly as consumer debt and consumer installment credit.

One of the major categories of consumer credit is credit cards.

Credit Cards

Credit cards represent one type of consumer credit instrument. Porter defines a credit card as:

an identification card permitting you, the holder, to charge a wide variety of goods and services simply on your signature. You agree, in most cases, to pay for all you charged once a month. If you make only a partial payment on your account, your account is automatically treated as a revolving account and interest is charged accordingly (Porter, 1976, p. 10).

Credit cards are issued by department stores, gasoline companies, banks, travel and entertainment companies, and some retail firms or service establishments (Wright, 1977). Credit card usage
has increased from 50 percent of all families in 1970 to 59.8 percent of all families in 1977 (1977 Consumer Credit Survey).

**Personal Bankruptcies**

With the increase of consumer debt, use of credit cards, and availability of credit, personal bankruptcies have also increased from 178,118 in 1970 to 182,106 in 1977 (Finance Facts Yearbook, 1971, 1978). The 178,118 personal bankruptcy petitions filed in the United States during the fiscal year ending June 30, 1970 represented an increase of 5.1 percent over the 1969 figure (Finance Facts Yearbook, 1971). During the fiscal year ending June 30, 1978 there were 172,282 personal bankruptcies filed—an decrease of 5.4 percent over the 1977 figure (Finance Facts Yearbook, 1978, 1979). In per capita amounts, on the average there were 88 personal bankruptcies per 100,000 population in fiscal 1970, an increase of three percent over the 1969 figure of 85 per 100,000 population (Administrative Office of U.S. Courts and National Consumer Finance Association, 1971). On the average there were 80 personal bankruptcies per 100,000 population in fiscal 1978, down from 85 in 1977, and down from the 88 in 1970 (Administrative Office of U.S. Courts and National Consumer Finance Association, 1979, 1971).

The increasing use of consumer credit and increasing personal bankruptcy prompted credit industry leaders to request that the
National Foundation for Consumer Credit promote the establishment of community credit services (Dolphin, 1967). The recent decrease in the amount of personal bankruptcies could be partially due to the increase of Credit Counseling Services. Dolphin (1967) reported that an increase in consumer counseling services would be one way to lower the number of personal bankruptcies. Collins (1972) reported that a decrease in the number of personal bankruptcies could be a result of changes in the attitudes of lawyers regarding bankruptcy, the increased availability of credit counseling from other sources, Chapter XIII of the Bankruptcy Act which gave a debtor the option of a repayment plan administered by the courts, changes in the credit policy and collection practices of creditors, and more CCCS agencies. Evidence of increasing consumer debt, use of credit cards, availability of credit, and personal bankruptcies substantiates the fact that consumer credit use continues to increase, and occupies an important position in a consumer's financial sphere (Wright, 1977).

Population and Credit Use Increases of Younger People in the United States

Previous research studies have described the typical CCCS client to be a young person in the age group of 25-34 years of age. The age group of 25-34 year olds comprised 25.3 percent of the population in 1970 and had increased to 33.9 percent of the population in
This age group of 25 to 34 year olds is reported to owe the most installment debt and uses the most credit and credit cards of any other age group (Finance Facts Yearbook, 1979). In 1970, 67 percent of families with head of household 25-34 years of age owed installment debt and in 1977, 68.9 percent of these families owed installment debt (Finance Facts Yearbook, 1979). In 1970, 61 percent of families with head of household 25-34 years of age used credit cards and in 1977, 64.6 of these families used credit cards.

Summary

The increases in consumer debt, installment credit, and use of credit cards of 25-34 year olds are of particular interest to this study because the typical CCCS client has been reported to be in this age group. The increasing percentage of young people and their credit usage patterns establish the need for more financial counseling and education to be directed to this segment of the population.

The Consumer Credit Counseling Service

In January, 1958, the first nonprofit, community based, credit counseling service began operation in Phoenix, Arizona (Hall, 1967). The National Foundation for Consumer Credit established a program in 1964 to help set up community agencies across the country and
Canada for consumer credit counseling. All of the agencies operate on a nonprofit basis with the main services being debt adjustment and educational programs for money management.

The CCCS is operated by a volunteer Board of Directors who are all respected members of the community with diverse business and professional specialties. The counselors' and the agencies' executive director are experienced in the areas of credit, banking, and/or finance. CCCS is financially supported by the business community and the clients' fees (Strain, 1979).

Varga (1977) and Strain (1979) examined the steps involved for the client and counselor in the CCCS process. If the consumer chooses to use the service of a CCCS agency, he brings to the first counseling session a complete list, with supporting documents, of each debt and a list of current living expenses. This information is then transferred to a CCCS application by the counselor. The counselor verifies this information by checking payment books and check and income stubs. If the person is earning sufficient income to meet debt obligations as specified, financial counseling may be provided on a one time basis.

The person who does not have the income necessary to meet his debt obligations is advised of available alternatives to correct the problem. The alternatives include bankruptcy, Chapter XIII of the bankruptcy act, or becoming a client of CCCS. If the person becomes a CCCS client, a prorated debt liquidation program is developed. Here
the counselor contacts the client's creditors asking their cooperation in this effort. Usually the creditor agrees to reduce the periodic payment and extend the life of the contract to accommodate the program. Each month the client brings sufficient income to CCCS to cover the amount of prorated debt. The client is thus able to repay his debts a manageable amount at a time while maintaining a satisfactory level of living (Strain, 1979).

Completion of the CCCS program occurs when the clients have paid their debts or in agreement with CCCS decide to handle their own financial affairs. These clients are classified as self-administered. Clients who independently terminate the CCCS program without paying off their debts or stop all contact with the CCCS program are classified as drop outs.

**Consumer Credit Counseling Service Clients**

With increases in consumer credit, consumer debt, and personal bankruptcies CCCS agencies have also increased. In 1957 there were two CCCS agencies and in 1979 there were a total of 200 agencies (Strain, 1979). The increase in CCCS agencies helped bring about the
need for research to investigate the impact of the agencies and the characteristics of the clients. Over the last ten years, at least 12 studies have been conducted which investigate the characteristics of the CCCS clients as a major part of the researchers' research. From 1967 to 1977, studies were conducted to identify social, demographic, and economic characteristics of consumer credit counseling clients. The work of Hall (1967), Dolphin (1967), Olson (1968), Lane (1968), Collins (1972), Dwyer (1972), McAfee (1973), Verver (1974), Schiller (1974), Halvorson (1976), Varga (1977), and Langrehr (1977) provided a general description of the consumer credit counseling clients. Each study cited included married couples with and without children, one-parent families and single persons.

Social Characteristics

The client characteristics were quite similar among studies. Of credit counseling clients, the percentage of married couples with children ranged from 91 percent (Dolphin, 1967) to 63 percent (Verver, 1974). McAfee (1973) reported that 73 percent of her sample was married.

Dolphin (1967) and Olson (1968) reported that the mean number of years married was 6.5 years. Hall (1967) noted that separation and divorce rates for his sample were similar to the rates in the surveyed communities. However, Lane (1968) found rates for her sample to be
slightly higher than the community average. The median age of head of household varied from 27.5 years (Olson, 1968) to 36.0 years (Dwyer, 1972). McAfee (1973) and Halvorson (1976) reported the median age to be 35 years. Varga (1977) had clients varying in age from 19 to over 51 years of age. The married clients in these studies tended to be young families in the child bearing, pre-school or beginning school stages of the family life cycle.

The percentage of one-parent families varied from five percent in Dwyer's (1972) sample to 23 percent in Verver's (1974) sample. McAfee's (1973) sample included eight percent one-parent families. The percentage of single persons in the samples varied from two percent in Dolphin's (1967) study to 19 percent in McAfee's (1973) study.

In all 12 studies, the median number of children was between two and three. Dolphin's (1967) sample had the lowest percentage of white collar workers, 16 percent; whereas the highest percentage, 45 percent, was in Dwyer's (1972) sample.

In all 12 studies, the typical CCCS client was reported as a blue collar worker. Lane (1968) reported that the professional and technical fields were under-represented in her sample. McAfee (1973) observed that of the respondents employed in white collar occupations, 75 percent were in clerical and sales positions. In all studies where educational attainment was investigated, a median of 12 years of completed schooling was reported (Hall, 1967; Olson, 1968; Dwyer, 1972;
Economic Characteristics

Lack of consistency existed among studies in procedures to determine either gross or disposable income of counseling clients. Hall (1967) reported a median income of $400 per month, Lane (1968) reported a median income of $450 per month, and Collins (1972) reported a median income of $354 per month. Dwyer (1972) and McAfee (1973) reported median disposable annual incomes of $6,960 and $7,800, respectively. Verver (1974) reported a median disposable income of $6,720 while Varga (1977) reported a range of annual incomes from $2,400 to $9,000. It is difficult to make comparisons of incomes of the clients because of the time span involved (ten years) and because of the lack of consistency among researchers to obtain the data. Researchers did report that the median incomes of the CCCS clients were lower than the median incomes of the other people in the communities at the time the studies were done.

Average amounts of consumer debt varied as much as income between the studies cited. The researchers reported average amount of consumer debt near or above the $2,000 level per client. Hall (1967) reported the median debt as $3,600 with a range from $2,000 to $8,500, Lane (1968) reported a median debt of $3,350 and a mean debt of $3,945, and Collins (1972) reported a median debt of $3,653 and a
mean debt of $4,237. Dwyer (1972) reported a median debt of $3,050 and McAfee (1973) reported a median debt of $3,657. Hall (1967) and Dwyer (1972) reported total debt as a portion of annual income and found the average debt owed was 65 percent and 75 percent of their annual income, respectively. Hall (1967) and Dwyer (1972) each indicated a positive correlation between the amount of debt and income.

**Types of Credit Grantors**

Katona (1971) reported that 49 percent of American families had outstanding installment debt in 1970; in 1977, 53.5 percent of American families had outstanding installment debt (Federal Reserve Bulletin, 1977). In 1970, 67 percent of families with head of household between 25-34 years of age had outstanding installment debt; in 1977, 68.9 percent of these families had outstanding installment debt (Federal Reserve Bulletin, 1977).

*Finance Facts Yearbook* (1979) reported of the 275.6 billion dollars of consumer installment credit outstanding at end of 1978, 49.4 percent was held by commercial banks, 19.7 percent by finance companies, 9.0 percent by retail companies and 16.7 percent by credit unions.

Finance companies, medical services, and retail stores were the credit grantors cited as being the most frequently used sources of credit by CCCS clients in six studies, Hall (1967), Lane (1968),
Dwyer (1972), McAfee (1973), Verver (1974), and Halvorson (1976). Commercial banks and collection agencies were reported by two studies, McAfee (1973) and Verver (1974), as being frequently used sources of credit. The CCCS of Linn-Benton County, Oregon reported disbursement analysis by type of creditors as consumer finance companies (25.7 percent), collection agencies (15.0 percent), department stores (12.5 percent), and banks (11.4 percent) for 1979. The remaining 35 percent was distributed to medical services, utilities, gasoline companies and miscellaneous categories. The CCCS of Linn-Benton County disbursement analysis of funds is similar to the findings of the studies cited in relation to which creditor types were the most frequently used sources of credit.

In general, CCCS clients differ from the United States population as a whole in what creditors they owe. The CCCS clients in these studies and the Linn-Benton disbursement analysis did not follow the general public in owing the major part of their debt to commercial banks as reported by Finance Facts Yearbook (1979).

Hall (1967) attributed the debt problems of credit counseling clients to poor judgment, loss of or reduced income, health problems and pregnancy. Although medical problems were reported by three out of four respondents in Hall's study, the proportion of debt owed to medical service clients constituted ten percent or less of the total
debts. Medical expenses contributing to clients' debt may be over represented because no other researchers investigated the proportion of debt owed to medical services.

Five studies reported the number of creditors owed by the clients. Hall (1967) reported that the median number of creditors was 11 with a range of eight to fifteen; Dolphin (1967) reported a median of seven, Collins (1972) reported a median of ten, and Verver (1974) reported a median of 11 creditors.

Summary

The variety of social and economic characteristics of the clients could be due to variations in the research procedures, the samples chosen, the years research was conducted, and/or geographic locations of the research. The 12 studies cited did have some similar findings, however, in relation to social, economic, and demographic characteristics of the CCCS clients. The typical CCCS client was married, 30 years of age, had two dependent children, was a blue collar worker, and had completed 12 years of school. The clients' incomes varied considerably because of procedures used to determine either gross or disposable incomes and because of the time spans involved 1967 to 1977. However, the incomes were generally lower than the community of which the client was a part.

The average amount of debt owed by the CCCS clients was above
or near the $2,000 level per client. Finance companies, medical
services, retail stores, and collection agencies were the major credit
grantors of the clients as reported by the studies. The number of
creditors owed by the CCCS clients ranged from seven to 15.

Evaluation of Credit Counseling Programs

Nonprofit consumer credit counseling services are not charity
organizations, lending institutions or collection agencies. They are
community services financed through varying contributions or fees
from the business community and from each client (Collins, 1972;
Strain, 1979). Nonprofit credit counseling services have experienced
rapid growth. As recently as 1957 only two such services existed
(Dolphin, 1967). By 1979 a total of 200, private nonprofit, counseling
services affiliated with NCFA served individuals in the United States
and Canada in relation to repayment of debts and by providing counsel-
ing and other services (Strain, 1979).

Credit problems of individuals and families are being solved with
increasing frequency and effectiveness through these credit counseling
services. Furthermore, popular literature has reported that the
potential exists for CCCS' s to have a much greater impact on the
economy (Martin, 1975; Weathers, 1976). While the primary objec-
tives of CCCS' s are to assist debt-ridden families and to prevent credit
mismanagement through education, Collins (1972) and Strain (1979)
agree that most counseling services fail to provide education due to lack of personnel and funds. Nevertheless, through CCCS's assistance the economic stability of a community is strengthened by avoiding the use of bankruptcy when possible, providing programs of repayment and enabling its participants to become more stable economic units (Collins, 1972).

Findings of Studies Dealing With Nonprofit and Profit Credit Counseling Programs' Evaluations

The research of Hall (1967), Olson (1968), Dwyer (1972), Schiller (1974), and Langrehr (1977) evaluated CCCS programs by investigating clients' behavior and attitudes. Dolphin (1967) indicated that given the information available at that time there was no way to determine the successfulness of credit counseling.

Hall (1967) assessed clients' credit use patterns in relation to the credit counseling experience as a possible measure of the repayment and counseling program effectiveness. The illustrative sample chosen consisted of 65 clients in seven different cities. The sample included 30 clients who were still receiving assistance from CCCS, 15 clients who were handling their own finances, five clients who received counseling only once, then assumed their own debt problem, and 15 clients who were dropouts from the program. The sample selection was limited to clients accessible by phone and who lived
within a limited geographical area of a metropolitan center.

The conclusion drawn was that marked improvements in most families' finances had occurred through some attitude modification toward credit and some management practice changes (Hall, 1967).

Most respondents stated they used only limited amounts of credit or no credit at all, but only 13 percent indicated using a written budget plan. Hall (1967) reported that though there was a change in behavior, it may not have been as great as reported by the clients, since 45 percent of the clients were still active in an income management plan with the counseling services. This involvement would automatically impose a control on the clients securing additional credit (Hall, 1967). The generally expressed opinion of the clients toward the counseling services was favorable: 51 percent of the clients made a strong positive statement, 31 percent of the clients rated the service helpful and useful, and only 18 percent indicated negative opinions, or stated the service was of limited value.

Olson (1968) investigated to what extent, if any, the credit counseling services, through their debt liquidation plans and money management counseling, were effective in preventing the recurrence of a clients' financial difficulties. Representatives of debt counseling services, both private and nonprofit, were interviewed to determine their purposes and their methods of counseling. The information resulting from these interviews was used to formulate a questionnaire
which was sent to families who had completed a program of debt re-
payment with one of the services.

Of the 12 responding families, the majority had retained former
mismanagement practices. All had large fixed expenditures and in-
adequate reserves of life insurance and/or savings to meet a financial
emergency (Olson, 1968). Olson (1968) concluded that the effective-
ness of counseling programs in altering financial management patterns
was negligible. However, the sample size was very small, 12
families, constituting a major limitation of this study.

Dwyer (1972) studied the demographic characteristics of parti-
cipant and non-participant counseling service clients, and the possible
factors influencing the use or non-use of the service were studied.
Completed telephone interviews were obtained from 69 clients.
Respondents were classified as participants (clients with open or
voluntary closed accounts) and non-participants (clients who attended
a counseling interview but made no payments and those making an
initial contact only).

Dwyer (1972) reported participant clients' reactions to the coun-
seling service as very favorable. She noted that the services were
most helpful in relieving stress and credit harrassment, making pay-
ments easier and teaching money management skills. Dwyer (1972)
stated:
that actual practices of nonprofit clients and what they reported in the survey might differ. Several respondents stated that the counseling service was a good resource for future financial crises (Dwyer, 1972).

Dwyer (1972) reported that clients may have wanted to return to CCCS because they felt they could not handle their own financial affairs even after completion of a CCCS program. This researcher suggests that other reasons may cause a client to return for financial counseling. In reality, willingness to reuse a service can relate to the current economic situation. Various factors other than management can cause recurrence of financial difficulty. Dwyer's conclusion supported the findings reported by Olson (1968) that although respondents were positive toward their experience with the counseling service, they did not report changes in attitudes and habits related to borrowing, buying, and saving (Olson, 1968).

Dwyer (1972) reported that non-participants had limited reaction to the CCCS other than the clients felt they could handle their own financial affairs without assistance from CCCS.

Schiller (1974) replicated the 1967 study by Perry Hall reported in Family Credit Counseling: An Emerging Community Service. The same surveys used in 1967 were repeated. Surveys were addressed to 1) directors of the credit counseling services, 2) their clients, and 3) affiliated agencies working in each community. Schiller (1974) used mail questionnaires instead of oral interviews.
Schiller (1974) reported that 74 percent of the clients stated that they would return to the CCCS if financial difficulties were ever to recur. Seventy-five of the clients polled felt while working with the CCCS they learned something about how to live within their income, use credit wisely, and handle a credit emergency (Schiller, 1974). Twenty-five percent of the clients reported they had learned to use a written budget regularly and keep household records; Hall (1967) found 13 percent reported similar learning. Schiller (1974) reported the average debt of the clients was $694 lower than in Hall's study, Schiller (1974) stated "the results of this study indicate positive progress toward Hall's recommendation for the ideal non-profit consumer credit counseling service (CCCS)."

Langrehr (1977) researched the client behavior associated with two types of agencies, profit and not-for-profit. The not-for-profit agency gains its primary support from credit grantors. In most cases, each creditor pays the agency a percent of funds repaid by the debtors. Additional funds may be received from client fees, United Funds and private foundations. The other group, the commercial agency, charges a direct fee to their debtors clients. The fee is regulated by state law and is usually a percentage of the money paid out to creditors under the repayment plan (Langrehr, 1977).

The sample consisted of 85 clients, 61 not-for-profit clients and 24 profit clients. The majority of the sample had completed a
counseling program. The commercial agency client was typically a younger, single person employed in manufacturing while the not-for-profit client was older, married, had a family and was employed in service occupations (Langrehr, 1977).

Findings reported were that larger percentages of not-for-profit clients made a budget and kept records of expenditures. Clients of the not-for-profit agency gave their agency a higher rating in its overall money management educational efforts than did the profit agency clients. There was a greater percentage of not-for-profit than profit agency clients who believed they learned and repeatedly used money management concepts.

Clients from both agencies had a similar propensity to use credit; one-half of the client respondents used charge cards after completion of a counseling program. The greatest contribution of this study is the evidence it provides on consumer satisfaction with the services of the two types of agencies. Based on consumer perceptions, each agency may be performing its tasks satisfactorily (Langrehr, 1977).

Summary

In general, the research of Hall (1967), Olson (1968), Dwyer (1972), Schiller (1974), and Langrehr (1977) reported that the clients using counseling services found the programs to be helpful and
satisfactory. The clients overall reaction to the programs were favorable. All five researchers cited reported that the counseling programs appeared to be helping clients out of their immediate indebtedness but more emphasis needed to be spent on changing clients' behavior to help them avoid future financial difficulties.
III. METHODOLOGY

This study examined the behavioral effectiveness of a CCCS program on a selected group of past clients in Linn-Benton County, Oregon. Because interest in evaluating the effectiveness of the Linn-Benton program was expressed by current staff of that agency, a preliminary questionnaire was developed. Contact was made with the Director of the Consumer Credit Counseling Service of Portland, Oregon to explain the purpose of the study and solicit input. Direct contact was then made with the Executive Director of the Linn-Benton CCCS in Albany, Oregon. The request for access to the files was approved by the Executive Director and the CCCS Board of Directors in Albany.

This chapter describes 1) selection of the sample, 2) data collection design, 3) analysis of the data, and 4) explanation of statistical tests.

Selection of the Sample

The clients who participated in this study were selected from a total population of 318 past clients from the CCCS office in Albany, Oregon. The population consisted of all financially distressed individuals and families who had sought and obtained counseling and terminated the counseling program between 1974 and 1979.
The sample consisted of clients who were living in toll free Linn-Benton County, Oregon and had a telephone number where they could be contacted. A letter was sent to 104 past clients who met the criteria, explaining the study and indicating that the researcher would contact them by telephone to administer the questionnaire, if they were willing to participate in the study (Appendix B).

Fifty clients, representing a completion rate of 90 percent of the persons contacted, participated in the study. Of the remaining 54 clients, 49 could not be contacted or had moved from the Linn-Benton County area, and five declined for personal reasons.

Data Collection Design

Data for this study were collected from two sources: the CCCS application files provided the first part of the data, the background information on the clients, and a telephone questionnaire provided the second part of the data, the current information on the clients.

Part One
The CCCS Application Form

CCCS counselors complete an application form with demographic, social and financial characteristics of each client who approaches the service for counseling (Appendix A).
The CCCS application provided the following information for the time period when the clients started the CCCS program:

1. age of the client
2. marital status
3. client's occupation
4. amount of annual net income
5. amount of savings
6. number of creditors
7. number of credit cards used
8. amount of debt
9. the type of program termination was obtained from a separate file card on the clients for when they left the CCCS program.

Part Two
Development of the Instrument

A three page questionnaire containing 14 questions was developed by the researcher to collect data on demographic characteristics of the clients and to learn the client effectiveness of the CCCS program (Appendix C). The questionnaire was reviewed for suggested changes by faculty members and graduate students in the Family Resource Management Department. The questionnaire was also reviewed and approved by the Committee for the Protection of Human Subjects.
The questionnaire was administered by a telephone interview technique. According to Dwyer (1972) it is an efficient and economical method of handling a sample, it allows for clarification of misunderstood questions and responses, it tends to have a high response rate, and it is less embarrassing for the interviewees.

The questionnaire asked information about past clients' current number of creditors, number of credit cards used, approximate amount of debt, approximate amount of savings, occupation, number of dependent children, marital status, length of time since termination of the CCCS program, and satisfaction with the CCCS program (Appendix C).

To collect the second part of the data, telephone interviews were held with the clients who had indicated willingness to participate in the study. The researcher was able to clarify questions for the respondents, and able to end the telephone interview with the completed questionnaire. Administration of the questionnaire began on February 11, 1980 and was completed on February 24, 1980. The respondents took an average of about five minutes to complete the questionnaire.

Analysis of the Data

The amounts of past clients' savings, debt, number of creditors, and number of credit cards used, from the time period when the clients
started the CCCS program, were compared to the amounts of past clients' current savings, debt, number of creditors, and number of credit cards used.

The difference between past and current amounts was tested for evidence of change. When a change did occur the hypotheses were further tested for association by the variables: satisfaction with program, type of termination, and length of time since termination. Demographic information was obtained from both the questionnaire and CCCS application files from which a past and current profile of the clients was developed.

After the questionnaires were completed by the respondents, their responses were coded to facilitate computer analysis. The information obtained from the CCCS application files was also coded for computer analysis. The researcher, with the assistance of a statistician and keypunch operator, constructed a code sheet to organize the data for transfer to computer cards. The coded information was then key-punched.

Descriptive statistics, paired T-Tests, independent T-Tests, and analysis of variance were used to analyze the data. Hypotheses one through four were accepted or rejected on the basis of the magnitudes of the paired T-Tests; hypotheses five through eight were accepted or rejected on the basis of the magnitudes of the independent T-Tests for variables a and b, and analysis of variance for variable c.
A .05 level of significance was the minimal level used for acceptance or rejection of the hypotheses.

Explanation of Statistical Tests

The t-test is used to compare the means of two samples and then determine the significance of data differences between the means. A paired t-test is used when the individuals in the two samples are not independent. The F test, or analysis of variance, provides information that enables the researcher to test the significance of data relative to differences between or among samples as compared with differences within samples. Actual significance of data is usually noted in terms of the F ratio or F test (Joseph and Joseph, 1975).
IV. FINDINGS AND DISCUSSION

This study was an investigation of the impact of the CCCS program on clients' current financial and credit practices. The findings in this chapter will be discussed under the topics of: 1) description of the sample, 2) evaluation of the CCCS program, and 3) credit, savings and debt practices of the clients.

Description of the Sample

Fifty clients, representing a completion rate of 90 percent of the persons contacted, participated in the study. Of the remaining 54 clients, 49 could not be contacted or had moved from the Linn-Benton County area, and five declined for personal reasons.

Social Characteristics

Age. The clients before participation in the CCCS program ranged in age from 21 to 51 years of age, the mean age was 31 years. At the time of the interview, the clients ranged in age from 23 to 56 years of age, the mean age was 34 years.

Number of Dependent Children. The number of dependent children of the clients before participation in the CCCS program ranged from zero to four with a mean of 1.7.

At the time of the interview, the number of dependent children
of the clients also ranged from zero to four with a mean of 1.8.

Table 1 presents a summary of the number of dependent children before participation in the CCCS program and at the time of the interview.

Table 1. Number of Dependent Children of the 50 Clients Before Participation in the CCCS Program and at the Time of the Interview.

<table>
<thead>
<tr>
<th>Number of Children</th>
<th>Before Participation</th>
<th>At Time of Interview</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>0</td>
<td>11</td>
<td>(22)</td>
</tr>
<tr>
<td>1-2</td>
<td>30</td>
<td>(60)</td>
</tr>
<tr>
<td>3-4</td>
<td>9</td>
<td>(18)</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>(100)</td>
</tr>
</tbody>
</table>

Marital Status. Marital status of the clients before participation in the CCCS program was as follows: 29 clients were married, five clients were separated, 14 clients were divorced, and two clients were single. At the time of the interview, 31 clients were married, one client was separated, 15 clients were divorced, and three clients were single. Table 2 presents a summary of the marital status before participation in the CCCS program and at the time of the interview.
Table 2. Marital Status of the 50 Clients Before Participation in the CCCS Program and at the Time of the Interview.

<table>
<thead>
<tr>
<th>Marital Status</th>
<th>Before Participation</th>
<th>At Time of Interview</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>Married</td>
<td>29 (58)</td>
<td></td>
</tr>
<tr>
<td>Separated</td>
<td>5 (10)</td>
<td></td>
</tr>
<tr>
<td>Divorced</td>
<td>14 (28)</td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>2 (4)</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>50 (100)</td>
<td></td>
</tr>
</tbody>
</table>

Occupation. The occupational classifications used by the researcher were white collar and blue collar occupations. The white collar category included the occupations of salespeople, secretaries, and technicians. The blue collar category included the occupations of loggers, factory workers, construction workers, and maintenance workers. Fourteen workers had occupations in the white collar category and 36 workers had occupations in the blue collar category before participation in the CCCS program. Sixteen clients had occupations in the white collar category and 34 clients had occupations in the blue collar category at the time of the interview. Table 3 presents a summary of the occupational categories of the clients before participation in the CCCS program and at the time of the interview.
Table 3. Occupational Categories of the 50 Clients Before Participation in the CCCS Program and at the Time of the Interview.

<table>
<thead>
<tr>
<th>Occupational Category</th>
<th>Before Participation</th>
<th>At Time of Interview</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td># #</td>
<td>%</td>
</tr>
<tr>
<td>White Collar</td>
<td>14</td>
<td>(28)</td>
</tr>
<tr>
<td>Blue Collar</td>
<td>36</td>
<td>(72)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>50</td>
<td>(100)</td>
</tr>
</tbody>
</table>

Type of Program Termination. Of the 50 clients interviewed, 29 were self-administered, 20 were drop-outs from the CCCS program, and one client had declared bankruptcy. Table 4 presents a summary of the termination types of the clients.

Table 4. Program Termination Types of the 50 Clients.

<table>
<thead>
<tr>
<th>Type of Termination</th>
<th>Number #</th>
<th>Percent %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-administered</td>
<td>29</td>
<td>(58)</td>
</tr>
<tr>
<td>Drop-outs</td>
<td>20</td>
<td>(40)</td>
</tr>
<tr>
<td>Bankruptcy</td>
<td>1</td>
<td>(2)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>50</td>
<td>(100)</td>
</tr>
</tbody>
</table>
Time Span. The time span since leaving the CCCS program ranged from six months to over five years with the mean being three years.

Table 5 presents a summary of the time span since leaving the CCCS program for the clients.

Table 5. Time Span Since Leaving the CCCS Program for the 50 Clients.

<table>
<thead>
<tr>
<th>Time Span Since Leaving Program</th>
<th>Number #</th>
<th>Percent %</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 months - 1 year</td>
<td>7</td>
<td>(14)</td>
</tr>
<tr>
<td>2 years</td>
<td>14</td>
<td>(28)</td>
</tr>
<tr>
<td>3 years</td>
<td>10</td>
<td>(20)</td>
</tr>
<tr>
<td>4 years</td>
<td>10</td>
<td>(20)</td>
</tr>
<tr>
<td>5 years +</td>
<td>9</td>
<td>(18)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>50</strong></td>
<td><strong>(100)</strong></td>
</tr>
</tbody>
</table>

CCCS Clients Not Participating in the Interview

Of the 49 clients who could not be contacted, 24 were self-administered and 25 were drop-outs from the CCCS program. The time span since leaving the CCCS program ranged from six months to over five years for the clients with the mean being 3.5 years.

The five clients who refused the interview were all drop-outs from the CCCS program. The time span since leaving the CCCS
program ranged from six months to over five years with the mean being 3.6 years. The researcher suggests that one reason why these clients may not have wanted to take part in the interview was because they were drop-outs from the CCCS program. However, the percentage distribution of CCCS clients relative to self-administered or drop-outs was similar for both the participants (58 percent vs. 40 percent) and non-participants (49 percent vs. 51 percent) in this study.

Economic Characteristics

Income. The mean income of the clients before participation in the program was $7,336.60 with a range from $4,320 to $15,600 for the years 1974-79. The mean income of the clients at the time of the interview was $15,290 with a range from $6,500 to $38,000 for 1979.

Savings. The mean amount of savings acquired by the clients before participation in the CCCS program was $2.20 with a range from $0 to $100. The mean amount of savings acquired by the clients at the time of the interview was $412.98 with a range from $0 to $3,500.

Debt. The mean amount of debt owed by the clients before participation in the CCCS program was $4,490.98 with a range from $600 to $16,825. The mean amount of debt owed by the clients at the time of the interview was $2,633.80 with a range from $0 to $10,000.
Income to Debt Ratio. The mean income to debt ratio of the clients before participation in the CCCS program was 3.15 with a range from .44 to 29.37. The mean income to debt ratio of the clients at the time of the interview was 21.83 with a range from 1.66 to 157.14.

Number of Creditors. The mean number of creditors owed by the clients was 11.36 with a range from two to 30 before participation in the CCCS program. The mean number of creditors owed by the clients was 2.58 with a range from zero to seven at the time of the interview. Table 6 presents a summary of the creditors owed by the clients before participation in the CCCS program. Table 7 presents a summary of the creditors owed by the clients at the time of the interview.

Table 6. Number of Creditors Owed by the 50 Clients Before Participation in the CCCS Program.

<table>
<thead>
<tr>
<th>Number of Creditors</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-9</td>
<td>18</td>
<td>(36)</td>
</tr>
<tr>
<td>10-19</td>
<td>27</td>
<td>(54)</td>
</tr>
<tr>
<td>20-30</td>
<td>5</td>
<td>(10)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>50</td>
<td>(100)</td>
</tr>
</tbody>
</table>
Table 7. Number of Creditors Owed by the 50 Clients at the Time of the Interview.

<table>
<thead>
<tr>
<th>Number of Creditors</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-3</td>
<td>35</td>
<td>(70)</td>
</tr>
<tr>
<td>4-7</td>
<td>15</td>
<td>(30)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>50</td>
<td>(100)</td>
</tr>
</tbody>
</table>

Number of Credit Cards. The mean number of credit cards used by the clients was 2.38 with a range from zero to ten before participation in the CCCS program. The mean number of credit cards used by the clients was 1.02 with a range from zero to four at the time of the interview. Table 8 presents a summary of the number of credit cards used by the clients before participation in the CCCS program. Table 9 presents a summary of the number of credit cards used by the clients at the time of the interview.
Table 8. Number of Credit Cards Used by the 50 Clients Before Participation in the CCCS Program.

<table>
<thead>
<tr>
<th>Number of Credit Cards</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-3</td>
<td>40</td>
<td>(80)</td>
</tr>
<tr>
<td>4-7</td>
<td>9</td>
<td>(18)</td>
</tr>
<tr>
<td>8-10</td>
<td>1</td>
<td>(2)</td>
</tr>
</tbody>
</table>

TOTAL 50 (100)

Table 9. Number of Credit Cards Used by the 50 Clients at the Time of the Interview.

<table>
<thead>
<tr>
<th>Number of Credit Cards</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>21</td>
<td>(42)</td>
</tr>
<tr>
<td>1</td>
<td>15</td>
<td>(30)</td>
</tr>
<tr>
<td>2</td>
<td>8</td>
<td>(16)</td>
</tr>
<tr>
<td>3</td>
<td>4</td>
<td>(8)</td>
</tr>
<tr>
<td>4</td>
<td>2</td>
<td>(4)</td>
</tr>
</tbody>
</table>

TOTAL 50 (100)

Number of Creditors Other Than Credit Cards. The mean number of other creditors owed by the clients was 8.98 with a range from zero to 28 before participation in the CCCS program. The mean number of other creditors owed by the clients was 1.56 with a range from
zero to four at the time of the interview. Table 10 presents a summary of the other creditors owed by the clients before participation in the CCCS program. Table 11 presents a summary of the number of other creditors owed by the clients at the time of the interview.

Table 10. Number of Other Creditors Owed by the 50 Clients Before Participation in the CCCS Program.

<table>
<thead>
<tr>
<th>Number of Other Creditors</th>
<th>Number #</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-9</td>
<td>31</td>
<td>(62)</td>
</tr>
<tr>
<td>10-19</td>
<td>17</td>
<td>(34)</td>
</tr>
<tr>
<td>20-28</td>
<td>2</td>
<td>(4)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>50</td>
<td>(100)</td>
</tr>
</tbody>
</table>

Table 11. Number of Other Creditors Owed by the 50 Clients at the Time of the Interview.

<table>
<thead>
<tr>
<th>Number of Other Creditors</th>
<th>Number #</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>13</td>
<td>(26)</td>
</tr>
<tr>
<td>1</td>
<td>13</td>
<td>(26)</td>
</tr>
<tr>
<td>2</td>
<td>11</td>
<td>(22)</td>
</tr>
<tr>
<td>3</td>
<td>9</td>
<td>(18)</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
<td>(8)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>50</td>
<td>(100)</td>
</tr>
</tbody>
</table>
Evaluations of the CCCS Program

The 50 clients interviewed all reported that the CCCS program was very helpful and satisfactory. Twenty-five of the 50 clients interviewed reported additional comments about the CCCS program. Of these 25 clients, 23 were self-administered from the program, and two were drop-outs from the program. The clients reported the following statements about the CCCS program: 1) the program was very helpful, 2) would highly recommend the program to others, 3) the counselors really care about the clients' financial situations, 4) the CCCS program helps to relieve the financial burdens and pressures, 5) the CCCS is an excellent program, 6) the counselors really try to teach their clients money and credit management skills, and 7) in case of recurring financial difficulty the CCCS is the first place to go to for assistance.

Credit, Savings, and Debt Practices of the Clients

The credit, savings, and debt practices of the 50 clients will be reported through the findings of the eight hypotheses tested.

Hypothesis 1. After participation in the CCCS program, there will be no change in the number of credit cards currently used by the clients.

The mean number of credit cards used by the clients before participation in the CCCS program was 2.38 and at the time of the
interview was 1.02. A t value of 4.77 (49 df) resulting from the statistical test was greater than 2.01 t value needed to reject the hypothesis at the .05 level of significance. Hypothesis one was rejected in the null form. Table 12 presents a summary of the results of the Paired T-Test for Hypothesis one.

Table 12. Comparison of Mean Number of Credit Cards Used by the 50 Clients Pre- and Post-Consumer Credit Counseling.

<table>
<thead>
<tr>
<th>Mean Number of Credit Cards</th>
<th>T Value</th>
<th>df</th>
<th>2-Tail Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.38 (pre)</td>
<td>4.77</td>
<td>49</td>
<td>.000</td>
</tr>
<tr>
<td>1.02 (post)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\[ t (.05) \geq 2.01 \]

Hypothesis 2. After participation in the CCCS program, there will be no change in the number of creditors currently owed by the clients.

The mean number of creditors owed by the clients before participation in the CCCS program was 11.36 and at the time of the interview was 2.58. Of the 50 clients interviewed, three (six percent) reported no change in the number of creditors they owed and 47 (94 percent) reported a decrease in the number of creditors they owed. A t value of 11.97 (49 df) resulting from the statistical test was greater than 2.01 t value needed to reject the hypothesis at the .05 level of significance. Hypothesis two was rejected in the null form. Table 13
presents a summary of the results of the Paired T-Test for Hypothesis two.

Table 13. Comparison of Mean Number of Creditors Owed by the 50 Clients Pre- and Post-Consumer Credit Counseling.

<table>
<thead>
<tr>
<th>Mean Number of Creditors</th>
<th>T Value</th>
<th>df</th>
<th>2-Tail Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.36 (pre)</td>
<td>11.97</td>
<td>49</td>
<td>.000</td>
</tr>
<tr>
<td>2.58 (post)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\[ t (.05) \geq +2.01 \]

Hypothesis 3. After participation in the CCCS program, there will be no change in the amount of debt currently owed by the clients.

The mean amount of debt owed by the clients before participation in the CCCS program was $4,290.98 and at the time of the interview was $2,633.80. Of the 50 clients interviewed, eight (16 percent) of the clients reported an increase in debt and 42 (84 percent) of the clients reported a decrease in debt.

A t value of 2.64 (49 df) resulting from the statistical test was greater than 2.01 t value needed to reject the hypothesis at the .05 level of significance. Hypothesis three was rejected in the null form. Table 14 presents a summary of the results of the Paired T-Test for Hypothesis three.
Table 14. Comparison of Mean Amount of Debt Owed by the 50 Clients Pre- and Post-Consumer Credit Counseling.

<table>
<thead>
<tr>
<th>Mean Amount of Debt</th>
<th>T Value</th>
<th>df</th>
<th>2-Tail Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4,290.98 (pre)</td>
<td>2.64</td>
<td>49</td>
<td>.011</td>
</tr>
<tr>
<td>$2,633.80 (post)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\[ t (.05) \approx \pm 2.01 \]

Hypothesis 4. After participation in the CCCS program, there will be no change in the amount of savings currently acquired by the clients.

The mean amount of savings acquired by the clients before participation in the CCCS program was $2.20 and at the time of the interview was $412.98. Of the 50 clients interviewed, 49 (98 percent) of the clients reported an increase in savings and one (2 percent) client reported a decrease in savings. A t value of 3.44 (49 df) resulting from the statistical test was greater than 2.01 t value needed to reject the hypothesis at the .05 level of significance. Hypothesis four was rejected in the null form. Table 15 presents a summary of the results of the Paired T-Test for Hypothesis four.

Table 15. Comparison of Mean Amount of Savings Acquired by the 50 Clients Pre- and Post-Consumer Credit Counseling.

<table>
<thead>
<tr>
<th>Mean Amount of Savings</th>
<th>T Value</th>
<th>df</th>
<th>2-Tail Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2.20 (pre)</td>
<td>3.44</td>
<td>49</td>
<td>.001</td>
</tr>
<tr>
<td>$412.98 (post)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\[ t (.05) \approx \pm 2.01 \]
Hypothesis 5. There will be no association between change in number of credit cards used from the time clients entered the CCCS program to the time of the interview, and:

   a. satisfaction with program
   b. type of termination
   c. length of time since termination.

This hypothesis could not be tested using variable a, satisfaction with program, because none of the clients interviewed reported the CCCS program to be unsatisfactory. A t value of .52 (47 df) resulting from the statistical test for variable b, type of termination, was less than 2.02 t value needed to reject the hypothesis at the .05 level of significance. An F value of 2.45 (4.45 df) resulting from the statistical test for variable c, length of time since termination, was less than 2.58 F value needed to reject the hypothesis at the .05 level of significance. There was a pattern established that the greater the length of time since the clients terminated the CCCS program, the greater number of credit cards they used. Hypothesis five was retained in the null form. Table 16 presents a summary of the results of the independent T-Test for variable b, and Table 17 presents a summary of analysis of variance for variable c in Hypothesis five.
Table 16. Association Between Change in the Number of Credit Cards Used Before and After Consumer Credit Counseling and Type of Termination.

<table>
<thead>
<tr>
<th>Type of Termination</th>
<th>Number</th>
<th>Mean Change</th>
<th>T Value</th>
<th>df</th>
<th>2-Tail Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-administered</td>
<td>29</td>
<td>-1.24</td>
<td>.52</td>
<td>47</td>
<td>.608</td>
</tr>
<tr>
<td>Drop-outs</td>
<td>20</td>
<td>-1.55</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>49</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

$t (.05) > +2.02$ *Client declaring bankruptcy excluded from analysis

Table 17. Association Between Change in the Number of Credit Cards Used Before and After Consumer Credit Counseling and Time Span Since Leaving Program.

<table>
<thead>
<tr>
<th>Time Span Since Leaving Program</th>
<th>Number</th>
<th>Mean Change</th>
<th>df</th>
<th>F Ratio</th>
<th>F Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 months - 1 year</td>
<td>7</td>
<td>-3.42</td>
<td>(4, 45)</td>
<td>2.45</td>
<td>.0598</td>
</tr>
<tr>
<td>2 years</td>
<td>14</td>
<td>-1.21</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 years</td>
<td>10</td>
<td>-1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 years</td>
<td>10</td>
<td>- .90</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 years +</td>
<td>9</td>
<td>- .88</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>50</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

$F (.05) > +2.58$

Hypothesis 6. There will be no association between change in the number of creditors from the time the clients entered the CCCS program to the time of the interview, and:
a. satisfaction with program
b. type of termination
c. length of time since termination.

This hypothesis could not be tested using variable a. because no clients reported the CCCS program to be unsatisfactory. A t value of 1.50 (47 df) resulting from the statistical test for variable b. was less than 2.02 t value needed to reject the hypothesis at the .05 level of significance.

A F value of 1.212 (4, 45 df) resulting from the statistical test for variable c. was less than 2.58 F values needed to reject the hypothesis at the .05 level of significance. Hypothesis six was retained in the null form. Table 18 presents a summary of the results of the independent T-Test for variable b. and Table 19 presents a summary of the results of analysis of variance for variable c. in Hypothesis six.
Table 18. Association Between Change in the Number of Creditors Owed Before and After Consumer Credit Counseling and Type of Termination.

<table>
<thead>
<tr>
<th>Type of Termination</th>
<th>Number</th>
<th>Mean Change</th>
<th>T Value</th>
<th>df</th>
<th>2-Tail Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-administered</td>
<td>29</td>
<td>-7.89</td>
<td>1.50</td>
<td>47</td>
<td>.140</td>
</tr>
<tr>
<td>Drop-outs</td>
<td>20</td>
<td>-10.27</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>49</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\[ t (.05) \geq \pm 2.02 \quad \text{*Client declaring bankruptcy excluded from analysis}\]

Table 19. Association Between Change in the Number of Creditors Owed Before and After Consumer Credit Counseling and Time Span Since Leaving Program.

<table>
<thead>
<tr>
<th>Time Span Since Leaving Program</th>
<th>Number</th>
<th>Mean Change</th>
<th>df</th>
<th>F Ratio</th>
<th>F Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 months - 1 year</td>
<td>7</td>
<td>-8.42</td>
<td>4,45</td>
<td>1.212</td>
<td>.3201</td>
</tr>
<tr>
<td>2 years</td>
<td>14</td>
<td>-11.30</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 years</td>
<td>10</td>
<td>-8.88</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 years</td>
<td>10</td>
<td>-6.44</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 years +</td>
<td>9</td>
<td>-8.33</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>50</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\[ F (.05) \geq \pm 2.58 \]

Hypothesis 7. There will be no association between change in amount of debt from the time clients entered the CCCS program to the time of the interview, and:
a. satisfaction with program
b. type of termination
c. length of time since termination.

This hypothesis could not be tested using variable a. because no clients reported the program to be unsatisfactory. A t value of .54 (47 df) resulting from the statistical test for variable b. was less than 2.02 t value needed to reject the hypothesis at the .05 level of significance. A F value of .350 (4,45 df) resulting from the statistical test for variable c. was less than 2.58 F value needed to reject the hypothesis at the .05 level of significance. Hypothesis seven was retained in the null form. Table 20 presents a summary of the results of the independent T-Test for variable b. and Table 21 presents a summary of the results of analysis of variance for variable c. in Hypothesis seven.

Table 20. Association Between Change in the Amount of Debt Owed Before and After Consumer Credit Counseling and Type of Termination.

<table>
<thead>
<tr>
<th>Type of Termination</th>
<th>Number</th>
<th>Mean Change</th>
<th>T Value</th>
<th>df</th>
<th>2-Tail Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-administered</td>
<td>29</td>
<td>-1258.48</td>
<td>.54</td>
<td>47</td>
<td>.594</td>
</tr>
<tr>
<td>Drop-outs</td>
<td>20</td>
<td>-1953.15</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>49</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\[ t (.05) \geq 2.02 \]  
*Client declaring bankruptcy excluded from analysis
Table 21. Association Between Change in the Amount of Debt Owed Before and After Consumer Credit Counseling and Time Span Since Leaving Program.

<table>
<thead>
<tr>
<th>Time Span Since Leaving Program</th>
<th>Number</th>
<th>Mean Change</th>
<th>df</th>
<th>F Ratio</th>
<th>F Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 months - 1 year</td>
<td>7</td>
<td>-2791.42</td>
<td>(4, 45)</td>
<td>.350</td>
<td>.8428</td>
</tr>
<tr>
<td>2 years</td>
<td>14</td>
<td>-2245.07</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 years</td>
<td>10</td>
<td>-481.10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 years</td>
<td>10</td>
<td>-1270.70</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 years +</td>
<td>9</td>
<td>-1596.66</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>50</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

F (.05) ≥ 2.58

Hypothesis 8. There will be no association between change in amount of savings from the time clients entered the CCCS program to the time of the interview, and

a. satisfaction with program

b. type of termination

c. length of time since termination.

This hypothesis could not be tested using variable a. because no clients reported the program as being unsatisfactory. A t value of 1.76 (47 df) resulting from the statistical test for variable b. was less than 2.02 t value needed to reject the hypothesis at the .05 level of significance. A F value of .971 (4, 45 df) resulting from the statistical test for the variable c. was less than the 2.58 F value needed to reject
the hypothesis at the .05 level of significance. Hypothesis eight was retained in the null form. Table 22 presents a summary of the results of the independent T-Test for variable b. and Table 23 presents a summary of the results of analysis of variance for variable c. in Hypothesis eight.

Table 22. Association Between Change in the Amount of Savings Before and After Consumer Credit Counseling and Type of Termination.

<table>
<thead>
<tr>
<th>Type of Termination</th>
<th>Number</th>
<th>Mean Change</th>
<th>T Value</th>
<th>df</th>
<th>Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-administered</td>
<td>29</td>
<td>475.37</td>
<td>1.76</td>
<td>47</td>
<td>.085</td>
</tr>
<tr>
<td>Drop-outs</td>
<td>20</td>
<td>137.65</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>49</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\[ t (.05) > +2.02 \]

*Client declaring bankruptcy excluded from analysis

Table 23. Association Between Change in the Amount of Savings Before and After Consumer Credit Counseling and Time Span Since Leaving Program.

<table>
<thead>
<tr>
<th>Time Span Since Leaving Program</th>
<th>Number</th>
<th>Mean Change</th>
<th>df</th>
<th>F Ratio</th>
<th>F Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 months - 1 year</td>
<td>7</td>
<td>174.28</td>
<td>(4,45)</td>
<td>.971</td>
<td>.4327</td>
</tr>
<tr>
<td>2 years</td>
<td>14</td>
<td>128.07</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 years</td>
<td>10</td>
<td>692.50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 years</td>
<td>10</td>
<td>613.10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 years +</td>
<td>9</td>
<td>496.66</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>50</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\[ F (.05) > +2.58 \]
Discussion

Findings of this study concerning economic and social characteristics of the clients were similar to findings of previous studies. In all studies, the average CCCS client was 25 to 34 years of age, had an average of two dependent children, was married, was a blue collar worker, owed an average near or above $2,000, and owed a range of creditors from two to thirty.

The 50 clients in the Linn-Benton study did change their credit practices significantly. The mean number of credit cards used by the clients decreased, mean number of creditors owed by the clients decreased, and the mean amount of savings increased. Forty-nine clients reported an increase in savings, 42 clients reported a decrease in debt, and 47 clients reported a decrease in the number of creditors they owed. The eight clients who reported an increase in debt also reported an increase in savings and income.

Evaluations of the Linn-Benton CCCS program in Albany were similar to Hall (1967), Olson (1968), Dwyer (1972), Schiller (1974), and Langrehr (1977). Clients in all studies reported that the CCCS program was helpful and satisfactory. The clients in the Linn-Benton study agreed with Dwyer's (1972) sample that in case of recurring financial difficulty the CCCS would be the first place to go to for assistance.
The only difference indicated by this research was that the Linn-Benton counseling program appeared to be helping clients out of their immediate indebtedness and also kept the clients out of future financial difficulties. Previous researchers concluded that the counseling programs appeared to be helping clients out of their immediate indebtedness but not keeping clients out of future financial difficulties.
V. SUMMARY AND CONCLUSIONS

This study examined the behavioral effects of the CCCS program on clients' current financial and credit practices.

Summary

One hundred and four clients were contacted for the purpose of this study. The sample of 104 consisted of clients who were living in toll free Linn-Benton County, Oregon and had a telephone number where they could be contacted. The clients had sought and obtained counseling and terminated the counseling program between 1974 and 1979. Fifty clients, representing a completion rate of 90 percent of the persons contacted, participated in the study. Of the remaining 54 clients, 49 could not be contacted or had moved from the Linn-Benton area, and five clients declined for personal reasons.

Data for this study were collected by means of a questionnaire administered to 50 clients and from the CCCS application files. Data collected from the CCCS application files describes the demographic characteristics and financial situation of clients just prior to participation in the CCCS program. Questionnaire data describes the demographic characteristics and financial situation of clients after leaving the program.

The clients studied ranged in age from 21 to 51 with a mean age
of 31 years before participation in the CCCS program. At the time of the interview the clients ranged in age from 23 to 56 with a mean age of 34 years.

The number of dependent children of the clients ranged from zero to four with a mean of 1.7 before participation in the CCCS program. At the time of the interview the number of dependent children of the clients also ranged from zero to four with a mean of 1.8.

The marital status of the clients was 29 were married, five were separated, 14 were divorced, and two were single before participation in the CCCS program. The marital status of the clients at the time of the interview was 31 were married, one was separated, 15 were divorced, and three were single.

Twenty-eight percent of the 50 clients were employed in white collar occupations and 72 percent of the clients were employed in blue collar occupations before participation in the CCCS program. Thirty-two percent of the clients were employed in white collar occupations and 68 percent of the clients were employed in blue collar occupations at the time of the interview.

Of the 50 clients interviewed, 29 (58 percent) were self-administered, 20 (40 percent) were drop-outs, and one (two percent) client had declared bankruptcy.

The time spans since leaving the CCCS program ranged from six months to over five years, the mean being three years.
The mean income of the 50 clients was $7,336 with a range from $4,320 to $15,600 before participation in the CCCS program. At the time of the interview, the mean income of the 50 clients was $15,290 with a range from $6,500 to $38,000.

The mean amount of savings of the 50 clients was $2.20 with a range from $0 to $100 before participation in the CCCS program. At the time of the interview, the mean amount of savings was $412.98 with a range from $0 to $3,500.

The mean amount of debt owed by the 50 clients was $4,290.98 with a range from $600 to $16,825 before participation in the CCCS program. At the time of the interview, the mean amount of debt owed by the clients was $2,633.80 with a range from $0 to $10,000.

The mean income to debt ratio of the clients before participation in the CCCS program was 3.15 with a range from 0.44 to 29.37. At the time of the interview, the mean income to debt ratio was 21.83 with a range from 1.66 to 157.14.

The mean amount of creditors owed by the 50 clients was 11.36 with a range from two to 30 before participation in the CCCS program. At the time of the interview, the mean number of creditors owed by the clients was 2.58 with a range from zero to seven.
The mean number of credit cards used by the 50 clients was 2.38 with a range from zero to ten before participation in the CCCS program. At the time of the interview, the mean number of credit cards used by the clients was 1.02 with a range from zero to four.

The mean number of other creditors owed by the 50 clients was 8.98 with a range from zero to 28 before participation in the CCCS program. At the time of the interview, the mean number of other creditors owed by the clients was 1.56 with a range from zero to four.

Of the 50 clients interviewed, all (100 percent) reported the CCCS program as being helpful and satisfactory. The clients reported that the counselors really cared and did everything possible to help lessen their financial difficulties.
The credit, savings, and debt practices of the 50 clients will be reported through the findings of the eight null hypotheses tested.

**Hypothesis 1.** After participation in the CCCS program, there will be no change in the number of credit cards currently used by the clients, was rejected at the .05 level of significance.

**Hypothesis 2.** After participation in the CCCS program, there will be no change in the number of creditors currently owed by the clients, was rejected at the .05 level of significance.

**Hypothesis 3.** After participation in the CCCS program, there will be no change in the amount of debt currently owed by the clients, was rejected at the .05 level of significance.

**Hypothesis 4.** After participation in the CCCS program, there will be no change in the amount of savings currently acquired by the clients, was rejected at the .05 level of significance.

**Hypothesis 5.** There will be no association between change in number of credit cards used from the time clients entered the CCCS program to the time of the interview, and:

a. satisfaction with program
Hypothesis five was supported by the data for variables b. and c. and was retained at the .05 level of significance. Variable a. could not be tested because no clients reported the CCCS program to be unsatisfactory.

Hypothesis 6. There will be no association between change in number of creditors from the time the clients entered the CCCS program to the time of the interview, and:

- a. satisfaction with program
- b. type of termination
- c. length of time since termination

was supported by the data for variables b. and c. and was retained at the .05 level of significance. Variable a. could not be tested for this hypothesis because no clients reported the CCCS program to be unsatisfactory.

Hypothesis 7. There will be no association between change in amount of debt from the time clients entered the CCCS program to the time of the interview, and:

- a. satisfaction with program
- b. type of termination
- c. length of time since termination

was supported by the data for variables b. and c. and was retained at
Hypothesis 8. There will be no association between change in amount of savings from the time clients entered the CCCS program to the time of the interview, and:

a. satisfaction with program
b. type of termination
c. length of time since termination

was supported by the data for variables b. and c. and was retained at the .05 level of significance. Variable a. could not be tested for this hypothesis because no clients reported the CCCS program to be unsatisfactory.

Conclusions

The CCCS program of Linn-Benton County, Inc. did change the clients behavior in relation to their credit and financial practices. According to findings reported, 49 (98 percent) of the clients reported an increase in savings, 42 (84 percent) of the clients reported a decrease in the amount of debt owed, and 47 (94 percent) of the clients reported a decrease in the number of creditors they owed. Three clients reported no change in the number of creditors they owed. The eight clients who reported an increase in the amount of debt they owed
also reported an increase in income and savings. The mean number of creditors owed before participation in the program was 11.36 and at the time of the interview was 2.58. The mean number of credit cards used by the clients before participation in the program was 2.38 and at the time of the interview was 1.02. The mean number of other creditors owed by the clients was 8.98 before participation in the program and was 1.56 at the time of the interview.

The mean amount of savings of the clients before participation in the program was $2.20 and at the time of the interview was $412.98. The mean amount of debt owed by the clients before participation in the program was $4,290.98 and at the time of the interview was $2,633.80.

The variables, type of termination and length of time since termination, had no significant relationship to change in number of creditors, the credit cards used, savings acquired, or the amount of debt owed by the clients. The variable "satisfaction with program" could not be tested because no clients reported the CCCS program to be unsatisfactory. According to findings reported, there was a pattern established that the greater the length of time since the clients terminated the CCCS program, the greater number of credit cards they used. However, the probability of .0598 was close to the .05 level of significance but still not significant.

The researcher suggests one reason why variables b. and c.
were not significant could have been due to the small sample size. The most important finding of the research was that the clients did tend to change significantly their credit and financial practices after participation in the CCCS program. According to findings reported, all 50 clients (100 percent) felt the CCCS program was very helpful in assisting them with their financial difficulties.

The results of the study indicate that the Linn-Benton CCCS program has been successful in changing clients' behavior involving financial and credit practices, since the majority of the clients reported decreases in debt and number of creditors owed, and increases in savings.

There is still the need, however, for all counseling programs to teach financial skills and credit education in order for people to avoid a repeat of financial problems or to avoid the problem totally.

Suggestions for Further Research

1. A national demographic study of the CCCS clients should be begun. A number of small studies have been done, and these studies seem to indicate the same general population profile. The resultant demographic characteristics would provide national data with which to compare demographic characteristics of smaller, more regional studies. Consistent methodology could point out differences and similarities between agencies, clients, and counselors in different
regions of the country. Consistent studies could also help in identifying competencies which are important for client behavior change.

2. Analyses of the relationships between medical debt outstanding (both type and amount of expense) and medical insurance coverage for illness or disabilities would perhaps indicate areas of concern for revising medical insurance plans and/or individual and family protection programs, as well as types of national health plans needed. Family medical history and type of medical crisis would provide additional support to this area of research.

3. Repetition of this study conducted in Linn-Benton County, Oregon in another region of the state or country could be done to determine if the findings are similar.

4. A study of credit sources used in relation to client occupation or income would provide insight into levels of credit individuals can safely assume. This would have useful implications for creditors, in that it would provide a basis for determining the amount of additional debt one could handle. This would also provide a more complete basis for the CCCS counselor to evaluate the client's financial position and determine if a debt repayment program would be the best way to resolve obligations. This type of study should include a more extensive comparison of CCCS clients to the general public to identify differences leading to financial problems.
5. Investigate credit practices of CCCS clients eight to ten years after program termination to see what behavioral changes have taken place.
BIBLIOGRAPHY


Strain, H. Interview with the Director of the Consumer Credit Counseling Service of Portland, Oregon, October 1979.


APPENDIX A

APPLICATION FOR CREDIT COUNSELING

SS# ____________________________ SS# ____________________________

TO: CONSUMER CREDIT COUNSELING SERVICE
    OF LINN-BENTON, INC.

The following information is submitted for the purpose of securing assistance in solving my/our credit indebtedness.

**PERSONAL DATA**

<table>
<thead>
<tr>
<th>Applicant</th>
<th>First</th>
<th>Middle</th>
<th>Last</th>
<th>Age</th>
<th>Marital Status</th>
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<tbody>
<tr>
<td>Spouse: First</td>
<td>Middle</td>
<td>Last</td>
<td>Age</td>
<td>No. Dep. Children</td>
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<td>Names of Children 1-6</td>
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Residence: City | Years | Phone

Renting | Buying | Landlord or Mortgage To | Balance Owing $

Former Residence: City | Years

Nearest Relative Name | Address

Personal References (1) | (2)

Complete Addresses

Automobile(s): Make | Year(s) | Owing $

Bank With: Branch | Checking | Savings $

Life Insured With | Cash Value

**EMPLOYMENT DATA**

Employer | Address | Phone | Years

Job Title | Badge | Local | Union

Salary Base: $ | Commission: $ | Gross: $ | Net: $ | Paydays

Former Employer | Address | Years

Wages: Employer | Address | Phone | Years

Salary Base: $ | Gross: $ | Net: $ | Paydays

Former Employer | Address | Years

**MINIMUM LIVING EXPENSES**

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Office Use Only</th>
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</table>
| Monthly Rent or Payment on Home | $
| Utilities | $
| Food (Meat, Milk, Bread, Groceries, etc.) | $
| Clothing (Maintenance & Minor Repair) | $
| Auto Operating Expense (Gas & Oil only) | $
| Medical Expense (Est. Amt. for Family) | $
| Insurance (Not deducted from pay) | $
| Union Dues (Not deducted from pay) | $
| Baby Sitting | $
| Child Support | $
| Misc. (Cigarettes, Haircuts, Bus Fare, etc.) | $


OFFICE USE ONLY

| Total Monthly Income | $ |
| Minimum Living Expenses | $ |
| Amount that will be paid on all debts | $ |

**DEBTS: (Please Print)**

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<tr>
<th>CREDITOR</th>
<th>ITEM PURCHASED</th>
<th>BALANCE OWED</th>
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**TOTAL INDEBTEDNESS** $ |

The information in this statement is true and correct to the best of my/our knowledge. To obtain creditor's cooperation I/we hereby instruct you that the contents of this statement may be given to any interested creditor.

Date ______________________________
Hello! My name is Linda Vallade and I am doing a study on behalf of the Consumer Credit Counseling Service. The purpose of this study is to learn about past clients' credit practices and money management practices. The study will also provide the clients an opportunity to express their views of the CCCS program. The results of this study will serve as an aide to benefit the future CCCS programs and clients.

The people I am contacting to participate in this study will all remain anonymous and their answers will be given the strictest privacy. The client's names will all be replaced with numbers so that their privacy will be protected. All information obtained from the questionnaire will be tabulated for the sample as a whole, not for anyone person. The results of the study will be used to reach a general conclusion about the CCCS program.

The questionnaire will provide all the clients an opportunity to answer questions concerning income, debt, savings, and give them the opportunity to express their feelings about the CCCS program.

I will be conducting the telephone interviews and calling you during the week of 1980. I will be calling during the times of 10:00 am to 8:00 pm Monday thru Sunday. The telephone interview will take 5 to 10 minutes of your time. Your participation in this study is essential to us so, we do hope you will help us at the CCCS by answering a few questions.

If you have any questions, please call CCCS at 926-5834 and ask for Betty Lou Downing.

Thank you
/Linda Vallade
/Betty Lou Downing
APPENDIX C

Questionnaire (Telephone Interview) Introduction:

Hello, I'm Linda Vallade and I'm doing a study on behalf of the Consumer Credit Counseling Service. I would like to speak to (client's name), if (she) (he) is at home now.

You may recall receiving a letter from CCCS about this study. I would like to ask you a few questions about the CCCS program which will take about 5-10 minutes of your time.

Are you willing to answer these questions? (yes), (no). If for any reason you change your consent you may discontinue your participation in this study at anytime.

You were chosen for this study because of your experience in the CCCS program. Your participation is essential for the accuracy of the study. All information that you give is strictly confidential and the results will be tabulated for the sample as a whole, not for any one person. In no way will your name be linked to your response.

I would like to add that this study is being done to serve as a benefit for future CCCS programs and clients. If you have any questions after we have finished, please call CCCS at 926-5834 and the study will be explained personally to you.

Thank you.
Questionnaire (Telephone Interview):

1. How many dependent children do you currently have?
   1. 0
   2. 1-2
   3. 3-4
   4. 5-6
   5. more than 6
   9. Don't know (DK), No answer (NA)

2. Do you have more or fewer creditors now since leaving the CCCS program?
   1. more
   2. fewer
   9. (DK), (NA)

3. About how many creditors do you have? ________
   1. credit cards ______
   2. others (banks, financial institutions) ______
   9. (DK), (NA)

4. Has your family income increased or decreased since leaving the CCCS program?
   1. increased
   2. decreased
   9. (DK), (NA)
5. What is your approximate family income? ___________

6. Has your family savings increased or decreased since leaving the CCCS program?
   1. increased
   2. decreased
   9. (DK), (NA)

7. What is your approximate family savings? ___________

8. Has your debt been increasing or decreasing since leaving the CCCS program?
   1. increasing
   2. decreasing
   9. (DK), (NA)

9. What is your approximate amount of debt? ___________

10. Did you find the CCCS program satisfactory and helpful?
    1. yes
    Comments: 
    2. no
    9. (DK), (NA)

11. Are you currently:
    1. married
    2. separated
    3. divorced
    4. single
    9. (DK), (NA)
12. What is your current occupation? 

   1. white-collar
   2. blue-collar
   9. (DK), (NA)

13. How long has it been since you left the CCCS program?

   1. 6 months to 1 year
   2. 2 years
   3. 3 years
   4. 4 years
   5. 5 years or longer
   9. (DK), (NA)

14. Is there anything else you would like to say about your experience with the CCCS program?

   1. yes
   2. no
   9. (DK), (NA)