

SURVEY OF CREDIT COUNSELLING

SERVICES IN CANADA

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CONSUMER RESEARCH STAFF STUDY



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The views presented in this paper are those of the author and do not necessarily reflect the view of positions of the Department of C.C.A.

ABSTRACT

Despite the increasing attention being devoted to credit counselling in Canada, even the basic "inventory" type information needed for research and policy planning in this area is spotty or missing. The present survey was conducted to help fill this gap by providing an inventory of the distribution and characteristics of credit counselling and associated money management education services available to consumers in Canada. The survey, conducted by telephone during the summer of 1977, covered five general areas: service setting, funding and staff, service delivery, client profile, and other comments and suggestions. The general conclusion was that while the services available to deal with this growing social problem have increased in recent years, there are nevertheless several issues regarding both the availability and adequacy of these services in most parts of the country which demand attention. Reasons for this conclusion are outlined and some tentative suggestions for further work are put forward. In this sense the present survey is meant to represent a needed first step in helping to identify the issues.

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

The survey results indicate that in recent years much greater attention has been devoted to alleviating indebtedness problems associated with the consumer credit explosion in Canada. Thus, of 126 agencies included in the survey, some 50 date back only to 1974 or later and the median start-up year for all services was 1973. Despite this finding, however, and even allowing for the methodological and other limitations of the survey, the results led to the general conclusion that a number of issues regarding both the availability and adequacy of these services in most parts of the country demand attention. A summary statement of the bases for this conclusion and tentative recommendations regarding each are presented here.

I) Conclusion

Remedial counselling services are not readily available in some geographic areas.

Recommendations

i) Research is needed to document or disprove the seriousness and extent of lack of access to debt counselling in rural areas and certain small to mid-size population centres across the country.

ii) If it is shown that such areas seriously lack access and a need for service is indicated, the efficacy of various means of providing service (e.g., extension services, mobiles, part-time government offices) should be investigated.

II) Conclusion

The demand for remedial debt counselling services is not being met adequately.

Recommendations

i) Research should be done to determine the relationship between existing credit counselling services in a given area and the demand for service (actual and potential) in that area.

ii) The potential for increasing the operating efficiency (e.g., through computerization of certain functions) of credit counselling services should be explored.

III. Conclusion

The range of remedial services available is too limited in some areas.

Recommendations

i) Research is needed to determine whether eligibility for various orderly payment of debt schemes and other types of debt counselling is too restrictive in some areas.

ii) An effort should be made to determine whether greater advocacy on behalf of credit counselling clientele (e.g., checking the legitimacy of debts, collection practices, etc.) is warranted.

iii) Interviews should be conducted with the clientele of various credit counselling agencies to determine their views and to learn ways in which services might be changed to better suit client needs.

iv) A review of the qualifications of and training provided to credit counsellors should be done to determine if changes in emphasis are desirable.

IV) Conclusion

Too little attention is devoted to money management education--the preventive side of credit counselling.

Recommendations

i) Efforts should be made to develop one or more standardized money management education "kits" for wide distribution for use with specific audiences. A review of the effectiveness of existing materials and the manner in which the information is presented would be a good starting point.

ii) Emphasis should be placed on providing greater access to money management education courses for adults in various communities, apart from any efforts that may be geared to the school age population.

iii) The various provincial governments, with input from other interested parties, should work toward the inclusion of money management education as part of the school curriculum.

V) Conclusion

There appears to be a general lack of coordination and consultation among credit counselling agencies from one area to another with a subsequent loss of opportunities to share experiences and ideas and to increase efficiency.

Recommendations

i) In all provinces (or regions) a meeting of parties with an interest in problems and prospects in credit counselling, both remedial and preventive, should be convened.

ii) The effects in each province of the Bankruptcy Bill provision for "express delegation to the provinces of consumer arrangements and bankruptcies to maximize the use of local counselling services" should be carefully reviewed in light of the findings of the present study.

iii) Effectiveness measures regarding all facets of credit counselling services should be reviewed and/or developed.

iv) The federal government through Consumer and Corporate Affairs Canada should serve in a coordinating role as well as offering financial and other resources for experiments and research in the credit counselling field.

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SURVEY OF CREDIT COUNSELLING SERVICES IN CANADA

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SECTION I

INTRODUCTION

The term "credit explosion" has often been used to describe the phenomenal growth in consumer credit in Canada since World War II. Despite the benefits attributed to this explosion, the problems or "social fallout" associated with it have in more recent years been commanding increased attention. Within the Consumer Research and Evaluation Branch of Consumer and Corporate Affairs Canada much attention has been given to identifying the significance of various problems in the consumer credit field and finding ways in which these problems might be overcome. An often encountered stumbling block, however, is that in many cases even the up-to-date "inventory" type information needed for research purposes is spotty or missing. It was in this context that the Branch undertook a survey of credit counselling services available in Canada. The purpose of this report is to present the findings of that survey.

BACKGROUND

In order to deal with the increasing number of casualties of the credit economy, many communities in Canada now offer some type of debt counselling program. However, despite the importance of debt counselling as a contemporary social service, Puckett (7) recently noted that "with a few exceptions such as a preliminary survey in 1967, very little systematic information seems to be available about debt counselling services in Canada" (pg. 2).

This situation was at least somewhat rectified by Puckett's own descriptive survey (7), released early in 1976, of debt counselling programs in 12 major urban centres. However, his survey covered only these 12 centres and in some of them, particularly in Quebec, the response rate was very low. This left a great many cities and non-metropolitan areas in Canada where little is known about existing debt counselling services. Nor is much known about financial counselling services at the preventive level.

STUDY PURPOSES

The general purpose in doing a study was to provide an inventory of the distribution and characteristics of credit counselling and associated money management education services available to consumers in Canada. The characteristics covered are outlined in more detail below but covered five general areas: service setting, funding and staff, service delivery, client profile, and other comments and suggestions. The main reason for conducting this preliminary survey was that little information seemed to be available regarding the credit/debt counselling field for the country as a whole. In this respect the survey was exploratory in nature, meant to provide some general information on "who was doing what" in the field. And since we were asking respondents such basic facts as the name and location of their organization and the types of credit/debt assistance services they provided, etc., it also seemed worthwhile to gather other points of information, including respondents' opinions and comments on matters relating to debt/credit assistance services.

In summarizing the information gathered it appeared that certain conclusions could be drawn from the answers. Based on these conclusions some recommendations for further research are put forward. This latter point is important in that the resulting report should not be interpreted as a policy paper nor even as a position paper for the department as a whole. Rather, it is meant to provide an indication of what was being done in the country as a whole at the time of the survey and to highlight some areas where further research appears needed to determine facts and investigate problems. To this end the purpose in disseminating the results of the survey is to provide information that will hopefully be of use to those with an interest in the field and to promote discussion of issues. In short, it is a preliminary report that may be used as a starting point for further work.

SECTION II

METHODOLOGY AND LIMITATIONS

The methodology of the study consisted of a national telephone survey conducted from departmental headquarters during the summer of 1977. The survey was conducted by telephone partly because of the exploratory nature of the research. It was not known in advance exactly which organizations would be involved in any given area and using the telephone to find out was considered a reasonable approach. Telephone interviewing is currently used by a number of reputable opinion "polling" organizations and is generally considered an acceptable method of data collection for this type of preliminary descriptive research. Another reason for using the telephone was that the government telephone network could be used, thereby keeping interviewing cost at a minimum.

The survey was intended to cover all structured financial counselling programs, particularly at the remedial level, but to exclude informal counselling such as having a discussion with one's bank or credit union manager. The questionnaire drawn up for interview purposes was based to some extent on the points covered in Puckett's (6) study. Following a brief training period, the interviews were conducted by four university students plus a couple of regular departmental employees.* A copy of the questionnaire used is attached (Appendix A).

Lists were made up of potential respondents in each province. These included government departments, financial institutions, social service agencies, educational facilities and known credit counselling services. The survey was then conducted on a province by province basis, usually with one interviewer assigned to a particular province. Once on the telephone the interviewers would ask for the director, introduce themselves, and say that we were doing a survey of debt counselling and associated money management facilities across the country. Respondents were then asked if their organization was presently involved in providing such services. If the answer was no they were asked to give the name and address of any agency they were aware of in their area that was providing these services. If the answer was yes, they were asked to participate by answering the questionnaire over the telephone. The interviews lasted an average of about one half hour each.

* J. Chapman, J. Connidis, L. Ladouceur, J. Laliberté, P. McGimpsey and J. Woods.

For the purpose of summarizing the results, the points covered in the questionnaire were later grouped under five general headings: These headings and the points covered under each were as follows

The Service Setting

- distribution of agencies by size of population area
- types of organizations offering the services
- how policy is established
- year in which the credit counselling service started
- reasons for starting the service

Funding and Staff

- total operating budget
- resources devoted to credit counselling
- type and relative importance of various funding sources
- number of staff, their qualifications and training provided

Service Delivery

- accessibility in terms of location, availability, fees charged and sources of clientele
- services provided, including follow-ups
- demand for service

Client Profile

- family income
- age of client
- family composition
- labour force status

Comments

- opinions on advertising, adequacy of services and other comments and suggestions

LIMITATIONS

While the approach used was considered adequate for present purposes, it suffers from limitations which should be noted.

First, some of the terms are not well defined. For instance, as was pointed out in a Canadian Welfare Council study (4) the term "debt counselling":

"...can cover a wide range of services including counselling services on problems of budget and household management so that people can budget within their income or it may involve specific measures to enable individuals to extricate themselves from over-indebtedness and prevent a recurrence. Among the latter group of measures are repayment plans involving the pooling of debts in conjunction with a consolidation loan and sometimes a regular savings plan, the pro-rating of debt repayments among different creditors, and direct intervention on behalf of debtors (e.g., to prevent garnishment). These measures may occasionally be accompanied by counselling services designed to help resolve other problems which have contributed to the state of indebtedness". (pg. 109). .

Given the ambiguity and vagueness surrounding this and related terms no doubt some inconsistency occurred in the frames of reference used by individual interviewers and respondents. Some inconsistency in the decision to include or exclude particular agencies likely resulted. Thus, while the survey was meant to include agencies offering "credit counselling and associated money management education services", in a few cases agencies were included even though the emphasis of their service was on money management education with referral of debt counselling cases elsewhere in the community.

Second, although initial training was given to the interviewers, there was little control for minor differences that may have characterized the way in which possible leads were followed up or ability to elicit clear information from respondents. One result of this and the first limitation is that some agencies may have been either overlooked or misclassified. However, lists of those organizations interviewed in each province are attached as Appendix B. It is hoped that any errors noted or significant changes that have taken place since the survey was done will be brought to our attention so that the information can be updated.

A third limitation is that respondents were not required to check their records in answering questions about budgets, client characteristics, etc. What was sought was a general picture and the assumption was made that the answers would be more or less accurate. In some cases statistics were forwarded, especially regarding client characteristics, and these were used when available. The general reliance on respondents' impressions is, however, a potential source of bias.

Finally, the only persons interviewed were those responsible for providing the services.. No attempt was made to assess the information received against the impressions of users of the service or the evaluations of others who might be familiar with the work of the agencies. In short, the answers were taken at face value.

In all, about 260 organizations were telephoned and interviews were completed for the 126 of these who said they offered some form of credit counselling service (see Appendix B). In subsequent work with the data, the names of respondents and the organizations they represented were not used in order to maintain confidentiality.

Once the interviewing was completed the data were regrouped under the five headings mentioned above. And while it may be considered a limitation that the present report does not delineate in enough detail differences in service in the various provinces or regions, it was not intended that a preliminary survey of this type would lead to separate reports with conclusions and recommendations for each provinces or region. Rather, it was expected that those in different areas would assess the general findings and perhaps give some thought to those conclusions and recommendations which might merit further consideration, given their more detailed knowledge of conditions and problems in their own area.

Section 3

SERVICE SETTING

The specific points covered by the survey were outlined in the methodology. The results are presented in this and the next four sections under the general headings of: Service Setting, Funding and Staff, Service Delivery, Client Profile, and Other Comments. In addition to statements about dominant trends and other items of note (e.g., exceptions or exclusions) the presentation includes a brief summary at the end of each section of the points covered.

The purpose of the questions asked about the service setting was to get an idea of the number and distribution of agencies offering counselling services, the types of organizations involved, and when and why the services were established.

a) Number and distribution of agencies

Interviews were completed with some 126 of the approximately 260 organizations telephoned. However, because of problems regarding the inclusion or exclusion of certain agencies this number (126) should be considered only indicative rather than being relied on as the "right" number. A decision made during the interview stage concerning local credit unions will illustrate this point.

In part because of its small size, Prince Edward Island was one of the first provinces surveyed. Of the fifteen organizations telephoned using the initial contact list etc., interviews were completed with eleven. Of the eleven, eight were local credit unions. They were initially included because all considered credit counselling part of their philosophy and policy. As it turned out, however, these small locals really had no identifiable "program" and could afford to provide only minimal counselling as the local manager considered necessary. In light of this experience it was decided that in P.E.I. and other provinces local credit unions (and other institutions) would in general be included only if they seemed to offer an identifiable credit counselling program.

Another issue affecting the number of organizations identified was that in a few cases an agency offering credit counselling also had one or more smaller branch offices in the same city or district. In general, the existence of branch offices was noted but only the main office counted. However, it is possible that inconsistencies exist for reasons noted in the methodology.

Given these cautionary notes, the distribution of the 126 identified agencies by province is shown in Table I. No operating credit counselling services were located in the Yukon or Northwest Territories.

TABLE I

DISTRIBUTION OF ORGANIZATIONS PROVIDING
CREDIT COUNSELLING BY PROVINCE

<u>PROVINCE</u>	<u>NUMBER OF AGENCIES</u>
BRITISH COLUMBIA	23 ¹
ALBERTA	10
SASKATCHEWAN	11
MANITOBA	6 ²
ONTARIO	32 ³
QUEBEC	15 ⁴
NEW BRUNSWICK	10
NOVA SCOTIA	13
PRINCE EDWARD ISLAND	3
NEWFOUNDLAND	3
TOTAL	<u>126</u>

1. Includes two agencies (one governmental, one financial institution) that have between them 5 branch offices not shown in the total.
2. Includes two agencies (one governmental, one legal) that have between them 16 local offices.
3. Includes only one credit union although the Ontario Credit Union League indicated that many credit unions within the province offer credit counselling to varying degrees. See notes above.
4. Coverage was probably incomplete for various reasons.

Not surprisingly, it appears from Table I that the most populated provinces have the largest number of counselling facilities.

Another way of looking at the distribution of agencies is by the size of the population area in which they are located. One summary calculation showed that of the 126 agencies across Canada, 18 were in cities of 500,000 or more residents, 55 were

in cities of 100,000 to 499,000, 11 were in cities of 50,000 to 99,000, 30 were in cities of 20,000 to 49,000, 9 were in towns of 5,000 to 19,000 and 3 were in towns of less than 5,000. On the basis of these figures and the provincial breakdowns it would appear that most rural areas and many smaller to mid-size cities lack services and that some provinces (British Columbia, Manitoba, Nova Scotia) have a better distribution than others in terms of serving such areas. However, while the above figures are of some interest they would really be meaningful only in conjunction with a number of other pieces of information such as: distribution of the Canadian population, incidence of overindebtedness by area size, variations in agency size, number of cities or towns of a given size without service, and extension services provided by agencies. This type of analysis was not undertaken here. However, respondents were asked their perceptions of the adequacy of services in their area; the results are presented in another section.

b) Types of organizations providing credit counselling

A classification of the types of organizations actually providing credit counselling and the number of each type are shown in Table 2.

TABLE 2

DISTRIBUTION OF ORGANIZATIONS PROVIDING CREDIT
COUNSELLING BY TYPE OF ORGANIZATION

<u>TYPE OF ORGANIZATION</u>	<u>NUMBER</u>
Volunteer	7
Federal government	9
Provincial government	25
Social service	59
Legal Aid	6
Credit union and caisse populaire	12
Other:	
Municipal government	1
Private	2
Educational institution	2
Miscellaneous	3
TOTAL	126

Local social service agencies predominate. Typically, credit counselling is provided by these agencies as only one of several services available to clients. It should be noted that the total of 59 shown includes 28 agencies in Ontario which are members of The Ontario Association of Credit Counselling Services. These services in Ontario are established through an agreement with a local counselling agency (usually an independent Credit Counselling Service or a Family Counselling Service) and the provincial government. All were counted as "social service" organizations here in accordance with information given by respondents.

The second most frequent category consists of departments or offices of various provincial governments. The great majority of these (22 of the 25 listed here) represent offices or department branches whose function, among other services provided, is to give effect to Part X ("Orderly Payment of Debts") of the Bankruptcy Act. As the name implies, this part is meant to provide a procedure for the orderly payment of the debts of an insolvent consumer-debtor. Under it, the debtor may apply to the clerk of the Court for a consolidation order whereby the debtor undertakes to pay fixed amounts to the court for distribution among creditors on a pro rata basis until all his debts are paid in full. Upon issue of the consolidation order by the Clerk of the Court who has jurisdiction, no proceeding, as a rule, may be instituted against the debtor in respect of any debt in which Part X applies. In sum, this Part legitimizes only an extension of time to repay. At the present time, Part X has been proclaimed in force by six provinces: British Columbia (through offices of the Debtor Assistance Division), Alberta (through offices called "Family Financial Counselling" of the provincial Department of Consumer and Corporate Affairs), Saskatchewan (through the Provincial Mediation Board), Manitoba (through the O.P.D. Court Clerk), Nova Scotia (through offices of the provincial Consumer Affairs Department) and Prince Edward Island (through an office of the provincial Department of Consumer Services). In addition, Quebec offers a similar "dépôts volontaires" service (Lacombe Law) through the office of the Provincial Court in many judicial districts throughout the province.

In addition to these offices designed to give effect to O.P.D. legislation, a few of these provincial governments also offer limited credit counselling through branch offices of other departments such as the Home Economics Directorate of the Department of Health and Social Development in Manitoba, the Department of Social Services in Saskatchewan and the Department of Agriculture and Forestry on Prince Edward Island.

Another type of organization picked up by the survey was credit unions and caisses populaires. The purported distinctiveness of these institutions has already been noted; and because of problems of inclusion/exclusion (see page 7 above) it is likely that the number reported here (12) is arbitrary at best. Nevertheless, it seems clear that they represent a significant part of the credit counselling scene in Canada.

Certain offices or agencies of the federal government also indicated they offered credit counselling. These included some regional offices of the Bankruptcy Branch of Consumer and Corporate Affairs Canada and some Canadian Force Bases (Department of National Defence) that provide counselling to overindebted armed services personnel.

Two other types of organizations that reported some degree of involvement in credit counselling include a scattering of local volunteer agencies across Canada (e.g., volunteer bureau, information and assistance centres) and certain legal aid offices in a few provinces.

Only two private (profit-making) counselling services were picked up by the survey and only one service operated by a municipal government. The remainder included a couple of educational institutions, an interested individual, and a short term financial counselling project operated by one of the chartered banks.

c) Length of time services have been offered

The data in Table 3 indicate that although some services date back to the 1920's and 1930's, the provision of credit counselling is in general a recent phenomenon. Thus, the majority of services have been operating only five years or less and the median start-up year for all services is 1973. About half the services originating in the late 1960's were in Ontario, usually established through an agreement with a local counselling agency and the provincial government. Legislated (O.P.D.) services in some provinces and certain credit unions across the country account for many of the earliest services.

TABLE 3

DISTRIBUTION OF ORGANIZATIONS PROVIDING
CREDIT COUNSELLING BY START-UP YEAR

<u>START-UP YEAR</u>	<u>NUMBER</u>
1976 or 1977	20
1974 or 1975	30
1972 or 1973	22
1970 or 1971	12
1965 to 1969	17
1950 to 1964	7
pre 1950	12
unknown	6
TOTAL	126

d) Reasons service established

There was an underlying similarity in responses concerning the reasons why credit counselling services were established. The great majority of respondents, especially social service agencies, indicated they perceived a need for the service based on (increasing) "social problems associated with debt and overindebtedness". And while a fair number, especially government departments, cited "legislative mandate" as the reason for the service being provided, the legislation itself can be interpreted as stemming from perceived social problems associated with debt. For instance, early (1930's) provincial O.P.D. legislation was designed to give some protection to victims of the Depression who could not afford to pay their debts and had considerable legal costs accumulated against them. Another reason, cited by credit unions and caisses populaires, was that such service was an integral part of their philosophy and policy. In short, it appears that the establishment of credit counselling services has generally been motivated by a perception of indebted consumers as a significant social problem rather than by a concern for creditors suffering losses through bad debts.

SUMMARY

The survey results indicated 126 of some 260 organizations telephoned during June 1977 were offering credit counselling services. However, because of ambiguity about the term "credit counselling service" and other methodological

problems, this number (126) must be considered only indicative rather than the "correct" total.

It is difficult to draw conclusions about the adequacy of the distribution of services in the absence of information on need for such services and other points. Nevertheless, at first glance it appears many small to mid-size cities and rural areas lack service. Also, some provinces, especially Newfoundland, appear relatively worse off in terms of service availability.

Local social service organizations (mainly family service bureaux) predominate as the type of agency most involved in providing credit counselling, usually as one of several services available to clients. Next most frequent are departments of various provincial governments. The great majority of these are services provided by virtue of Orderly Payment of Debts (O.P.D.) legislation proclaimed by certain provinces. It appears a third significant force in the provision of credit counselling services, despite problems of inclusion/exclusion noted above, are the programs offered by a number of credit unions and caisses populaires. These lenders are in some senses unique, claiming that the provision of credit counselling is an integral part of their philosophy and policy.

On the other hand, it appears that the federal government and various voluntary agencies play only a minor role in the direct provision of credit counselling. And, with the exception of some credit unions and caisses populaires, the involvement of credit grantors themselves (banks, finance companies, major retailers etc.) is practically non-existent. Also noticeably absent are educational institutions, employers and unions. The survey uncovered only two private (profit-making) credit counselling agencies.

Though there is a fair range in start-up dates, the provision of credit counselling services is by and large a recent phenomenon: the median start-up year was 1973. Increasing awareness of the social problems associated with consumer debt/overindebtedness or a feeling that the problem is getting worse provided the main rationale for setting up credit counselling services.

SECTION 4FUNDING AND STAFF

The purpose of questions included here was to get some idea of the size of organizations involved in credit counselling, the resources devoted to this function in terms of budgets and manpower, and the relative importance of various sources of funding of such services.

a) Resources devoted to credit counselling

Points covered here include a question about agencies' total operating budget and the amount of resources devoted to credit counselling. Included also is some information about the qualifications and training of credit counselling staff.

The information gathered on total operating budget and resources devoted to credit counselling is spotty at best, with only a little more than half of the agencies providing answers in each case. Of those responding (N = 69) about 40% were later classified as small scale operations (total budget under \$50,000) while approximately 20% were clearly large organizations with total budgets of at least \$300,000. Most of this latter group was made up of social service agencies in urban centres. The rest were somewhere between these groups.

The data on proportion of resources devoted to credit counselling are also unreliable. Of the responses obtained (N = 78) about one third indicated that less than \$15,000 or less than 25% of their time was spent on credit counselling. Another quarter (21/78) said that from \$15,000 to \$50,000 was spent on this activity while the remaining 40% or so indicated more than \$50,000 or more than 50% of their time.

It is difficult to draw any conclusions from these figures, except perhaps that it was unwise to ask these questions in a telephone interview because of the inability of respondents to provide answers or their unwillingness to do so. It does appear, however, that there is a wide range in the size of organizations providing the service and that the majority of organizations devote only a small proportion of their total resources to this function. Because of the unreliability of the figures no further analysis was attempted.

A few questions were also asked about staff. These included: number of people involved in providing the financial services; minimum requirements for being a counsellor; and whether training was provided or considered necessary.

Practically all organizations provided information. Full-time staff was by far the most frequent category of workers (versus part-time or volunteer) with nearly all agencies reporting at least one full-time paid worker. The median number per agency among nearly all provinces ranged from two to four. In two instances, agencies reported 25 and 45 as the number. This highlights the possibly misleading nature of the results here due to some ambiguity. That is, in many cases the respondents appear to have meant that "x" number of full-time staff were engaged in credit counselling but that these staff might well be doing this function only part of the time. This is true, for instance, of legal aid and the responses of some social service agencies and some government workers. In general, there seems to be a split between some smaller, specialized agencies whose full-time staff of one to three persons devote most or all of their time to credit counselling versus larger agencies whose staff probably do credit counselling as only one of several duties.

Part-time paid staff are much less commonly engaged in credit counselling than are full-time staff. Many agencies did not mention use of part-time staff. Of the number of part-timers that were mentioned in a province, most would be accounted for by one organization.

Volunteers are hardly used at all. However, one agency in Ontario mentioned the use of about 100 volunteers on call for public-speaking assignments and a couple of individual agencies in other parts of the country indicated fairly extensive use of volunteers. Also, it appears that volunteers are most used by agencies in Quebec.

Regarding the qualifications needed to become a credit counsellor with the organizations, very few put emphasis on formal requirements as such (i.e., formalized requirements without which a candidate would not even be considered). In two provinces, however, (Nova Scotia and Ontario) many respondents were under the impression that qualifications regarding counsellor training and certification were in the process of being developed. Among requirements or characteristics that would be looked for by respondents in hiring, the greatest emphasis was on previous related experience. In fact many said that the previous related experience should be in the credit granting industry. Mentioned about half as often, sometimes as a secondary qualification, was specialized education; the emphasis was on finance or social work degrees. Only a few agencies specifically mentioned such personal characteristics as empathy, maturity or "common sense" although these characteristics may have been taken for granted by many others.

Of the 110 answers or comments regarding training of counsellors, almost three quarters (80/110) indicated that no formal training was given or that it consisted of on the job training. In a few cases, this included working with a more experienced counsellor for a short time. On this point it is interesting to note the view of several respondents that because of their requirement that any new counsellor have had previous experience (e.g., in the credit granting industry) they felt that no formal training was really necessary.

The other one quarter of respondents indicated that some course work training was given to counsellors, with about equal numbers saying the courses were part-time versus full time (usually for a couple of weeks). Training courses tend to be offered more by provincial government departments, such as the Debtor Assistance Division in British Columbia.

b) Sources of funding

Respondents were also asked to list the various sources of income for financing the credit counselling aspects of their operation and to give an idea of the amounts or at least their relative importance. While all but nine agencies provided information there were some problems in interpreting the results. In several cases, the respondents were unable to distinguish funds allocated to the credit counselling function from the agency's total operating budget and so provided a source of funds breakdown for the latter. Also, some said the exact amounts from each source were unknown although it was known that a certain source provided nearly all the funding and any other source was quite minor. In other cases, especially in Quebec, there was some hesitancy in answering.

Despite these weaknesses the data still appeared quite useful in terms of providing a general picture. Therefore the answers were categorized according to the proportion of an agency's funding (1-9%, 10-49%, 50-89%, 90-100%) that it received from various sources. The results are shown in Table 4.

TABLE 4

DISTRIBUTION OF ORGANIZATIONS PROVIDING CREDIT COUNSELLING
BY PROPORTION OF FUNDING FROM VARIOUS SOURCES

<u>SOURCES OF FUNDING</u>	<u>PROPORTION OF FUNDS</u>			
	<u>1-9%</u>	<u>10-49%</u>	<u>50-89%</u>	<u>90-100%</u>
Federal government	1	5	3	9
Provincial government	1	19	30	31
Municipal government	1	8	4	0
United Appeal	1	25	4	7
Credit grantors (excluding credit unions and caisses populaires)	1	10	0	1
Fees by service users	5	4	1	2
Credit unions and caisses populaires	1	4	4	8
Temporary government programs (e.g., LIP, Canada Works)	0	3	2	3
Other (e.g., memberships, donations from churches, publication sales)	6	15	1	0

Number of agencies = 117

Thus, reading the table across shows that three agencies indicated 50-89% of their funding comes from the federal government, 19 said that between 10-49% of their funding is from the provincial government, two said that 90-100% of their funding is from fees paid by users of the credit counselling service, etc.

Despite problems with the data, some broad statements about funding patterns appear warranted. First, it is clear that the various provincial governments provide the lion's share of funding for credit counselling services. Thus, 31 of the 117 responding agencies depend almost entirely on this source and over half (30 + 31 = 61 of 117) depend on provincial government

funds for at least 50% of their budget. Another 19 agencies said source provided between one-tenth and one half of their funds. In short, nearly three quarters of all responding agencies receive significant amounts of funding from provincial governments. This includes, of course, those agencies that are themselves provincial government offices or departments.

Another number that stands out is the 25 agencies that depend on United Way funds for between 10-49% of their funding. For the most part this is probably accounted for by social service agencies who receive the majority of their funding from the provincial government, supplemented by United Way funds. In some cases (4 + 7 = 11) particular agencies are quite heavily dependent on this source.

Though involved to a much lesser extent than the provinces, the federal government is a major source of funding for about a dozen agencies. These include certain offices of the federal government itself and a few projects receiving grant funds from Consumer and Corporate Affairs Canada. Municipal governments are not heavily involved in the funding of credit counselling but in perhaps a dozen cities provide at least a moderate contribution to such services.

The other significant source of funding are the credit unions and caisses populaires. For the most part this consists of underwriting their own credit counselling services. Also, in Quebec at the time of the survey the caisses populaires were providing varying amounts of funding for services offered by local Associations coopératives d'économie familiale (l'ACEF) through contributions to their central organization. In a few cases, the credit unions provide minor support to other projects.

The remaining sources of funding appear of relatively minor importance. Thus, according to the table credit grantors (exclusive of credit unions and caisses populaires) provide 50% or more of the funding for only one operation; this was a summer project on money management sponsored by the Royal Bank of Canada using university students in various cities. Much of the remaining support by credit grantors is represented by partial funding of certain Credit Counselling Service offices in Ontario.

It was noted earlier that two private, profit-making credit counselling services were picked up by the survey; it is these two that account for the two services in the table that rely completely on fees paid by service users. In some other cases, however, various types of organizations rely on fees to defray at least part of the cost of providing their service.

A very few services receive the majority of their funding from temporary government programs while a greater number are provided partial support through diverse sources such as donations (e.g., church) and membership dues.

SUMMARY

The purpose of questions included here was to get some idea of the size of organizations involved in credit counselling, the resources devoted to this function in terms of budgets and manpower, and the relative importance of various sources of funding of such services.

The data on total operating budgets and dollar amounts allocated to credit counselling were spotty at best. Nevertheless, it appears that at least a third of those agencies providing information could be classified as small scale (total operating budget under \$50,000) while about one in five were large scale (budget over \$300,000). The latter group includes some large social service agencies (family service bureaux). It seems that many of the agencies, especially the largest ones, devote only a small proportion of their total budget to credit counselling.

Credit counselling work is largely the responsibility of full-time employees as opposed to part-time workers or volunteers. In this respect, it seems that the one, two or three full-time staff of smaller, specialized agencies may devote a great deal of their time to financial counselling while the full-time staff of larger organizations often do credit counselling as only one of several duties in dealing with clients.

Very few respondents list "formal" requirements in relation to the hiring of credit counsellors. The qualification most often mentioned, however, was previous related experience with many specifying that this experience should be in the credit granting industry. Educational requirements (usually a degree in an economics related discipline or social work) were mentioned about half as often, sometimes as a secondary qualification or in lieu of experience. It seems, however, that more attention is being devoted to formal requirements in that at least two provinces (Nova Scotia and Ontario) were said to be in the process of developing minimum criteria for counsellors.

Once hired, most counsellors are not given formal training, but learn on the job. In this respect, many respondents said that because of their requirement of previous related experience they felt no formal training was really necessary. To the extent that formal training (course work) is provided, it tends to be by departments of certain provincial governments.

Finally, available data on funding sources indicated the lion's share comes from provincial governments. The United Way provides moderate levels of support (usually supplementary to provincial funds) in many areas as do some municipal governments. Though involved to a much lesser extent than the provincial governments, the federal government and certain credit unions and caisses populaires finance their own credit counselling operations and provide some funding for a few other projects. On the other hand, credit grantors other than credit unions and caisses populaires are only marginally involved. Other marginal sources of financial support include fees for service, temporary government programs and miscellaneous donations, dues, etc.

SECTION 5SERVICE DELIVERY

The purpose here was to determine what services are offered. Included are questionnaire data on (a) the "accessibility" of the credit counselling services offered by the organizations surveyed, (b) the credit counselling services actually offered, and (c) the demand for these services.

a) "Accessibility" of services

Access here refers to such points as the hours of availability and location of premises, whether fees were charged, and whether the services were available to the general public or not. Information on sources of clientele (how people learn of service) is also included.

Nearly all agencies provided information on hours of business with slightly more than half (67/123) indicating only normal business hours, Monday to Friday. The others offer extended hours, either by regularly being open on some evenings or on Saturdays or by often accepting appointments to meet clients at these times. A couple of provinces seemed to vary considerably from the overall distribution; thus in British Columbia about two thirds said they offer extended hours whereas in Nova Scotia only one of eleven did.

Regarding location of premises, about one-fifth (23/116) said they were in a government building; another two-fifths (49) were in general offices and most of the remainder indicated more informal premises such as converted houses, storefront operations, community centres or church halls. Also mentioned a couple of times were educational institutions and military bases.

The vast majority of agencies (85-90%; 109 of 125) indicated no restrictions on who could use their services. Those mentioning some restriction included some credit unions (6 mentioned) who serve only their members (the caisses populaires in Quebec also prefer the individual be a member), three that were restricted to armed forces personnel, three who dealt only with poor/low-income clientele and four who said their clients were those who had applied for bankruptcy or were under trusteeship.

Also, only a small minority (slightly under 10%; 12 of 124) indicated that fees were charged for credit counselling

services. In most cases it is a modest filing fee or calculated according to a sliding scale; often it is waived or paid by someone else. Only two (the private, profit-making agencies) indicated that all those counselled are charged a fee. It should also be noted here that some agencies offering a money management course or seminars charge a fee, typically \$25 or less.

Of the three ways listed (word of mouth, referrals, advertising) in which people learn of credit counselling services, referrals were mentioned the most number of times followed by word of mouth. The most common sources of referrals, it seems, are various social service agencies, credit grantors themselves and legal advisors. Advertising was cited somewhat less often as a source of clientele. Typically this advertising is unpaid, consisting of interviews and notices. An interesting sidelight here is that while advertising was less often mentioned as a major source of clientele, many respondents thought it effective and would like to do more. However, apart from the costs of advertising, many of them feared (some from experience) that advertising would "swamp the service"; they would not be able to cope with the resulting increase in caseload if more people were made aware of help available.

b) Services offered

Respondents were asked to list the financial counselling services their agency provided. A review of the recorded answers proved mildly disappointing in that in some agencies and particularly in the province of Quebec the information given was incomplete or at least less detailed than in other cases. Consequently, a tabular presentation with detailed categories appeared unjustified.

The intent of the question was served, however, in that it was possible to distinguish certain broad functions and obtain rough indications about each. The four broad categories derived were: i) counselling, ii) mediation with creditors, iii) orderly payment of debt plans and iv) money management education. An explanation of these terms and a discussion of the review findings with regard to each follows.

1) Counselling. This refers to whether the agency offers advice to clients regarding their finances, either of a general nature or helping them work out a budget in some depth. In itself, it does not include the involvement of creditors although those who initially come in only for counselling may require other services.

The great majority of responding agencies (approximately 80%) indicated that budget counselling was available to clients. This might range from just showing the person how to list his income and expenses or assets and debts to helping him work out budget guidelines and plans for debt repayment. It might also include buying tips (in a few cases actual accompaniment to stores) or counselling the debtor himself to get in touch with his creditors. As noted above, at least some agencies do this type of counselling on a regular basis and are able to back it up with other types of service if required. This is true, for instance, of most provincial government agencies offering financial counselling and of Ontario's Credit Counselling Services.

At least half the agencies that offer this counselling also provide other types of guidance. Typically, such guidance would consist of helping the individual fill in the necessary forms for a bankruptcy or Orderly Payment of Debts application if this course of action appears justified. In some cases, the agency may accompany the person to the appropriate office. Another type of guidance is to at least refer the person to another agency (e.g., a social service agency, legal aid, consumer bureau, etc.) if the problem is out of the agency's realm.

Another service included here is that of "family counselling" wherein budget problems are examined within the context of the functioning and problems of the family as a whole. This was mentioned by about a quarter of those offering counselling, most often by social service agencies that offer credit counselling as only one of a range of family services.

ii) Mediation. This refers to whether the agency intervenes with the client's creditors in order to re-establish communications and help the debtor negotiate problems, repayment schedules, etc. with his creditors which the debtor then follows through himself.

About half of all agencies indicated they performed this service. The proportion may in fact be somewhat higher since a few of the agencies that do orderly payment of debt plans (see below) may have taken this function for granted. Again, it is typically the specialized credit counselling services (provincial government offices, C.C.S. in Ontario) that mention this service.

It is of interest to note that about one sixth of all agencies mentioned doing advocacy -- explicitly taking the

debtor's side in questioning the legitimacy of debts, or the manner in which a debtor may have been treated. This advocacy role was mentioned more often by agencies such as legal aid and certain voluntary or community service organizations than by government agencies or C.C.S. members.

iii) Orderly Payment of Debt Plans. The review indicated that several debt repayment schemes that take somewhat different forms and use differing terminology might for present purposes be grouped together. Services offered under the general heading of "Orderly Payment of Debts" in British Columbia by the provincial government's Debtor Assistance Division (D.A.D.) and in Ontario by Credit Counselling Service members will perhaps serve to illustrate this point. Thus, in British Columbia the D.A.D. is the official administrator of O.P.D. payments resulting from consolidation orders issued by the Court under Part X of the Bankruptcy Act. In addition, it administers what are called D.A.D. payments, involving a consolidation of debts negotiated by the D.A.D. itself wherein the debtor pays D.A.D. for prorated disbursement to creditors. There are also "Settlements"--arrangements made by the D.A.D. for straight prorated payout to creditors by the debtor himself.

In Ontario the Orderly Payment of Debts (O.P.D.) provision (Part X) of the Bankruptcy Act has not been proclaimed. Nevertheless, the term "orderly payment of debt program" is used by C.C.S. members to describe those situations where a member agency "handles some of the client's money, makes acceptable arrangements with creditors and makes payments to them on his behalf". Furthermore, C.C.S. has recently begun distinguishing between "agency administered OPD" and "client administered OPD", a new category.

Other variations in detail and terminology exist in other areas of the country. However, it appeared from the above example and from respondents' answers that the general function provided is that of a prorating service. Thus, for present purposes the term "orderly payment of debt" is used to refer broadly to "prorating", and "pooling" schemes (legislated or not) wherein the client's debts are consolidated and the debtor brings or sends money to the agency for (prorated) disbursement among the creditors on his behalf.

The answers indicate that about half of the surveyed agencies provide this type of service. It is done for the most part by those agencies which specialize in credit counselling. These include government offices in those provinces which have proclaimed Part X, often supplemented by a similar type of O.P.D. program for other debtors. It is also offered by members of

C.C.S. in Ontario and in Quebec by Court Clerks under the provisions of Dépôts Volontaires (Lacombe Law), although the latter were not surveyed. This type of service is also performed by some other agencies.

A distinction can be drawn between orderly payment of debt programs administered by the agency versus those administered by the client since some agencies expressed their desire to have the client himself handle the orderly payment of debt scheme once set up. However, indications are that in fact the great majority of such arrangements are handled through the agency.

There is a variation on this type of service which should be noted. For want of a better term it might be called "surrogate financial management". This refers to those cases where the agency acts as a trustee for the individual's total finances. The client's cheque may be forwarded directly to the agency or he may bring it in himself, whereupon the agency allocates money not only for creditors but also for all or nearly all the person's other expenses including rent, food, clothes, etc. Approximately 15 agencies mentioned doing this to some extent. It tends to be done by certain social service and community service organizations for some welfare and other low-income clients who are apparently unable to control their own spending.

A general question concerning follow-ups on their clients by the agencies was also asked. While perhaps three quarters do some kind of follow-up, the typical motivation for maintaining contact has to do with ensuring that conditions of a repayment plan are being met. A few said the onus was on the client to return for additional help if necessary or that follow-ups were unnecessary since each case was followed through to its resolution. Only 20-25 agencies (about one in four of those doing follow-ups) said that these follow-ups were "client-centered" (i.e., not involving collection of a loan or O.P.D. payment) and presumably many of these would be social service and local community organizations. Other comments on this point were that follow-ups were often found to be difficult (e.g., locating the client) and time-consuming, or that the agency just could not afford to devote the resources required for this activity.

iv) Money management education. This refers to whether the agency was involved in preventive efforts aimed at promoting better spending patterns, apart from its efforts to help those already in trouble. The questionnaire attempted to distinguish between guest speakers to schools and other community groups versus more formal money management courses.

A majority (about 75) said they provide speakers to schools and other groups in their community. The frequency of these speaking engagements varied considerably, from one or a few times a year to once a week; the average was perhaps five or six times a year. The size of the group is typically from 10 or 15 to 30. Many emphasized that such lectures are informally structured in that the speaker will cover a few main points or begin with a description of the services provided by his/her agency and then take cues from the audience, discussing points of interest to them. Topics include income and expenditure, saving and borrowing, using bank services, consumer rights, etc. Teaching aids such as handouts and films (e.g., "The Moneytree") may also be used though several wished that more teaching aids were readily available.¹

Only about a dozen agencies indicated they were involved in providing a money management "course" lasting two or more sessions. The course is typically offered once, twice or three times a year, and usually goes for five or six lessons, each lesson lasting two or three hours (e.g., five Wednesdays, from 7:30 p.m. to 9:30 p.m.). The course is often offered as a money management course but may be part of premarriage counselling. Some courses are offered through a co-operative effort between two agencies, such as a government department and a credit union. Variations included one case where it is offered as a five lesson correspondence course. In another case one of the chartered banks was sponsoring an experimental money management project. Under the project, university students in several cities received training and then worked for the summer in conjunction with other agencies to teach "money habits workshops" in the community.²

Topics covered in the various money management courses included: income and occupation/lifestyle, expenses and budgeting, saving, use of credit, using bank services such as a chequing account and buying tips (e.g., houses, cars). Most also cover insurance, pensions, taxes and investments. Many use teaching aids such as handouts, flip charts, worksheets, textbooks, filmstrips, guest lecturers and group discussions. Audio-visual aids (films) and group discussions were mentioned as being most helpful. A fee from \$15-\$30 on a sliding scale was a typical charge though presumably few would ever be turned away for lack of funds; some of the courses charge no fee at all. Most said the course was successful based on students' written evaluations, resulting behaviour changes and, as one agency in Saskatchewan observed, the fact that all 80 places in its twice yearly course are booked well in advance.

A few agencies also mentioned having some input regarding the teaching of money management as part of the curriculum in local schools.

c) Demand for services

Two of the questionnaire items were meant to give an idea of the extent of demand for credit counselling services. The first was a general question asking for an estimate of how many people used the agency's financial services during the latest fiscal period. The second asked whether the respondents felt credit counselling/money management services in their area were adequate to meet existing needs (yes or no) and the basis of their assessment.

Answers given over the telephone to the first question were generally unsatisfactory for deriving aggregate figures for two main reasons. First, comparative figures are difficult since respondents used different frames of reference. One might give a ballpark figure including telephone inquiries and those who received only incidental credit counselling while another agency might not; or distinctions between new versus active cases, etc. might be made differently among agencies, etc. Second, different agencies used different time periods, including some that were part-year. However, a number of the agencies had compiled statistics for their own purposes and were kind enough to forward copies. Excerpts from two of the more comprehensive and detailed reports, that for Ontario's Credit Counselling Service agencies and the Debtor Assistance Division of British Columbia's Department of Consumer Services, are presented here to give at least a rough idea of the number and distribution of people using credit counselling services in certain areas.

In Ontario the figures were provided by the Municipal Welfare Consulting Branch of the Ministry of Community and Social Services (6). These show that for Fiscal year April 1, 1976 to March 31, 1977 the total number of new cases served by the 29 Credit/ Debt Counselling agencies approved and cost shared by the Government of Ontario was 7,011. Other figures from the same report (pgs. 1, 3, 4) show that of 5,320 cases active at March 31, 1977 the breakdown was:

506	received counselling
435	received counselling involving mediation with creditors
14	were client administered O.P.D.'s (a new category)
4,385	were agency administered O.P.D.'s
5,320	

As well, the report notes that 2,063 people received telephone/ drop-in counselling during the year and another 1,516 were "no-shows", representing some 17% of potential new clients who failed to keep their appointment. On the preventive side, speeches were given to 8,310 persons in the schools and to 5,540 of the general

55 times in schools (1,496 viewers) and 15 times elsewhere (624 viewers).

In British Columbia the Debtor Assistance Division Report (1) for the period July 1, 1974 to March 31, 1976, covering the Division's first 18 months of operation notes:

"By the end of March, 1976, the division's five offices were administering: 826 consolidation orders under Part X of the Bankruptcy Act, 360 active DAD files (counselling, mediation, settlements in process) and 109 DAD pool trust accounts, for a total active clientele of 1,295... These figures do not include those people making use of the services for the purpose of information and budget counselling or the setting up of repayment schemes handled by themselves. A slight indication of the total demands on this new service to British Columbia consumers is perhaps understood better by figures which indicate more than 36,000 people telephoned the Vancouver office alone between April 1, 1975 and March 31, 1976 and approximately 6,500 counselling sessions were held by the division in the same period" (pp. 6-7).

Also of interest from the report are figures showing the disposition of 1,773 clients over a seven month period in 1975/76 (Table 5, page 20). Initial request or situation of the client is compared to the recommended course suggested by the DAD counsellor after one or more interviews over the course of one month:

	<u>% at Initiation</u>	<u>% at Disposition</u>
General Counselling ¹	47.0	19.4
O.P.D. Payments ²	11.0	11.7
D.A.D. Payments ³	5.4	16.2
Settlement ⁴	2.0	2.3
Mediation ⁵	9.6	17.8
Budgeting/Information ⁶	14.5	14.8
Bankruptcy ⁷	6.7	11.2
Court Referral	3.8	3.6
Pending ⁸	-	3.0
N = 1,773.	100%	100%

NOTES

1. Need for financial organization of a general nature
2. Consolidation of heavy debts necessitating Court Order, 5% interest and 3 to 5 years average length of time for repayment of debts.

3. Consolidation of debts where debtor pays DAD for prorated disbursement to creditors by debtor
4. Arrangements for straight prorated payout to creditors by debtor
5. Assistance of DAD to negotiate problems, payment schedules, etc. with creditors
6. Counselling needed to work out budget management in some depth
7. Either requested by client or seen by counsellor after interview as only potential solution. Referral to federal Trustee, but may or may not be followed up by client
8. Inconclusive after one month.

As well, as only one of a number of activities on the preventive side Division personnel participated in excess of 300 speaking engagements over the 18 month period.

In response to the question about the adequacy of services to meet existing needs in their area, a large majority in each province, and about 75% of all agencies (83 of 114 responding) said that services were not adequate. Reasons cited for saying that services were adequate were: no complaints or else positive feedback received from clients and users; there had already in recent years been an increase in services and they were coping with the caseload; and the small number of repeaters seen. It should be noted however that among those answering "yes", many qualified this by saying that although they could handle the present caseload or immediate area, they felt there was a large number of other people who could use their help if they were made aware of the service and would come or could be reached (e.g., in rural areas).

Among the 75% or so who said services were not adequate the main reason usually given was the belief that there was a large number of people who required the service but were not being reached. Some expressed this as "we're only seeing the tip of the iceberg" but would also point out their reluctance to advertise more in an effort to make others aware for fear their service would be swamped as a result. Other reasons for answering "no" were: present heavy caseloads meant they could not spend enough time with each client so that the service provided was limited and fragmentary; the high number of personal bankruptcies; they were trying to cover too much territory; and the fact that there were too few resources to devote to money management education, etc., -- the preventive side.

SUMMARY

The purpose here was to get an idea of the accessibility of credit counselling services, what services are offered to clients and the demand that exists for these services.

Agency services are generally quite accessible. Half the organizations offer extended hours and about 9 out of 10 said their services were available to all. Also, in those cases where there was a charge (e.g., a filing fee for O.P.D. or bankruptcy) most said the fee could be waived. Only two private, profit-making counselling services charge all clients a fee. The availability of credit counselling is known, at least among other service organizations, since the most common way in which clients learn of it is through referrals, especially from social service agencies. Many thought that advertising was also effective but feared that such advertising would result in too great a demand.

Categorizing the types of services offered presented a problem due to differences in terminology and meaning among agencies. However, four broad functions were distinguished for present purposes: credit counselling and guidance, mediation with creditors, orderly payment of debt schemes, and money management education.

Credit counselling, ranging from a general review of the client's situation to the working out of an in-depth budget and other guidance but not involving negotiation with creditors, was offered by about 80% of the agencies. About half of these also provide guidance by filling out O.P.D. and bankruptcy application forms and providing referrals where appropriate (in some cases actually accompanying the client). Also, about one quarter, mostly social service agencies, mentioned "family counselling" wherein the client's financial difficulties are dealt with in terms of a broader context of family functioning and problems.

About one half (probably more in fact) of the agencies said they offered mediation; that is, intervention with creditors to help re-establish communication and negotiate problems or repayment terms which the client then pursues himself. Also, about one sixth of agencies (not necessarily the same ones doing general mediation) mentioned taking on an "advocacy" role--taking the debtor's side in questioning the legality of debts, credit terms or collection tactics, etc. Agencies taking on this role tend to be legal aid and community service organizations rather than governmental or other large-scale agencies.

The working out and administration of various types of orderly payment of debt schemes (legally imposed or voluntary) was mentioned as a service by half the agencies. This function

of collecting money from the debtor for (prorated) disbursement to creditors is dominated by government departments responsible for Part X of the Bankruptcy Act and by other specialized credit counselling agencies. An extreme form of this function is what might be called "surrogate financial management" wherein the agency not only makes payments to creditors on his behalf but also more or less takes over the total finances of the client (including paying for rent, food, etc.) for a period of time. This type of service was mentioned by about 15 agencies, mostly by certain social service organizations for a small number of their welfare and other low-income clients who seem unable to handle their own finances at the time.

A good majority, perhaps three quarters of all agencies, do some sort of follow-up with clients. The usual motivation, however, is to ensure that financial obligations are being met (e.g., O.P.D. or consolidation loan payments). Only about a quarter of follow-ups might be called "client centred" (i.e., not involving payments), an approach dominated by social service agencies whose interests are more likely to be with broader family problems. Many agencies noted that they would like to do more in terms of follow-ups but that it was time-consuming work and they could not spare the resources.

Regarding the preventive function, a majority (perhaps 75) said they provide speakers to schools and other groups in the community although the frequency of doing so varied considerably. Often these speaking engagements are only loosely structured, with the speaker perhaps outlining the work of his agency then taking his cues from audience interests and questions. Only about a dozen agencies provide more formal money management "courses" lasting two or more sessions (typically 5 or 6). In a few cases this is a co-operative effort, such as between a credit union and some other agency. Response to courses is generally quite good.

For a couple of reasons it was not feasible to derive demand figures - the number of people using various types of service across the country.³ However, from a review of statistics regarding Ontario's Credit Counselling Service and British Columbia's Debtor Assistance Division, it appears that many (perhaps even tens of) thousands of people now receive intensive help. That is, the great majority of those coming to specialized services end up on some sort of agency administered orderly payment of debt scheme. It is presumably a time consuming task to set up each one. As a further indication of demand, the great majority of responding agencies felt that existing services are inadequate. Reasons for this assessment varied but the most common complaint was that only a portion of those requiring help are now receiving it (many used the tip of the iceberg analogy).

On the other hand, while they would like to help these people through greater advertising to make them aware of the service, many feared they would be swamped as a result. Other complaints were that caseloads were too heavy so that not enough time could be devoted to each client and that too few or no resources were available for preventive work regarding money management education.

SECTION 6

CLIENT PROFILE

In order to get an idea of the types of people using credit counselling services, respondents were asked to provide rough estimates of the distribution of their clientele along certain demographic characteristics: family income, age of client, family composition and labour force status. In some cases, these estimates were later updated using statistics forwarded by the agency.

Most often the agency would give percentage proportion estimates (e.g., 40% of clientele had incomes in the \$8,000 to \$15,000 category). The tables here show the average of all responses in a given category. While this technique was considered suitable for present purposes it ignores the fact that one agency's estimates may be based on a clientele of 100 and another's on a clientele of 500 or 1,000. In short, the figures represent averages per agency and not of all clientele. Also, while most agencies gave percentage distributions, some answered in terms like "a majority", "most", or "a few". Provision was made for this type of response in the tables.

Finally, since only the averages are given there is no indication of the amount of variation among agencies. In some cases this was considerable, usually reflecting the location or specialized nature of the agency itself (e.g., a few who cater mostly to welfare or other low-income persons). Also, as might be expected there was some variation in the averages (particularly income) between certain provinces, such as Alberta versus some less well-off provinces.

a) Family income

Table 5 shows the average distribution of respondents' replies when asked the percentage of clientele with family incomes in each of four categories.

TABLE 5

AVERAGE AGENCY ESTIMATES OF CLIENTELE'S
FAMILY INCOME DISTRIBUTION

<u>NO. OF AGENCIES</u>	<u>UNDER \$8,000</u>	<u>\$8,000 to \$15,000</u>	<u>\$15,001 to \$25,000</u>	<u>more than \$25,000</u>
N = 91	52%	40%	6%	2%
	7 said "a majority"	5 said "a majority"		
	2 said "most"	1 said "average is		
N = 17	2 said "average is \$6,000"	\$8,640"		
	1 said "6,000 or less"			

TOTAL = 108

On average the 91 respondents providing percentage breakdowns felt that fully 90% of their clientele have family incomes at or below \$15,000 (versus 55% of all family units in Canada in 1976 according to Statistics Canada cat. #13-206, p.11), an impression reinforced by the 17 who gave descriptive answers. In 1976 the low-income cut-offs determined by Statistics Canada for a family of four ranged from \$6,584 to \$9,054, depending on size of area of residence (cat. #13-203, p.6). A good proportion, but less than half, of credit counselling clientele were thought to have incomes at or below this level. The largest group, however, could probably best be characterized as those having "lower middle" incomes. A small proportion have incomes above that level. For an interpretation of these findings in terms of the levels of living that can be associated with various income categories, see Rainwater, L. (8, especially chapter 5).

b) Age of clientele

Table 6 shows the average distribution of respondent estimates of their clienteles age according to three groupings provided: under 25, 25 to 40, and over 40.

TABLE 6AVERAGE AGENCY ESTIMATES OF CLIENTELE'S AGE DISTRIBUTION

NO. OF AGENCIES	AGE		
	UNDER 25	25 to 40	over 40
N = 68	29%	51%	20%
N = 31	71 said "a majority"	22 said "a majority" 6 said "average age is 28-35" (28, 30, 32, 33, 34, 35) 1 said "majority are under 40" 1 said "a majority are 18-30"	

TOTAL = 99

The data here indicate that on average the respondents feel at least half (and possibly a higher proportion when the 31 giving descriptive replies are taken into account) their clientele are in the 25 to 40 age group. A significant minority are under age 25 while only relatively few (less than 20%, perhaps only 10%) are over 40 years of age. These findings can probably best be interpreted in light of the data below on family composition.

c) Family composition

Respondents also estimated the distribution of their clientele in terms of four categories of family composition (single, couples only, couples with children, and single parents). The results are shown in Table 7.

TABLE 7

AVERAGE AGENCY ESTIMATES OF CLIENTELE'S FAMILY COMPOSITIONFAMILY COMPOSITION

<u>NO. OF</u> <u>AGENCIES</u>	<u>SINGLE</u>	<u>COUPLES WITHOUT</u> <u>CHILDREN</u>	<u>COUPLES WITH</u> <u>CHILDREN</u>	<u>SINGLE</u> <u>PARENTS</u>
N = 65	13%	10%	55%	22%
N = 28	1 said "some"	1 said "a few"	2 said "a vast majority"	1 said "a majority"
			21 said "a majority"	2 said "some"
			3 said "three children on average"	
			1 said "some"	
TOTAL = 93				

The table clearly indicates that responding agencies estimate more than half (possibly three quarters including descriptive replies) their clientele consist of families with one or more children. Another significant group is single parent families while those without children, whether singles or couples, show up relatively infrequently. These findings are broadly consistent with those of Table 6 in that there is probably a great deal of overlap between those family units where children are present and the age of the head being relatively young--say 35 years of age or less. Thus, while unattached persons and couples without children make up part of the clientele, the great majority of agency caseloads, on average, are couples in early to middle stages of the family life cycle with one or more dependent children.

d) Labour force status

The question concerning employment asked respondents to estimate the percentage of clients who were employed, unemployed, or not in the labour force. A review of the answers indicated that most respondents distinguished between the "employed" versus the "not employed". In addition, some provided a further

breakdown, however rough, of the "not employed" category in terms of seasonal workers and those between jobs (i.e., the temporarily unemployed) versus those not in the labour force. Others, however, were unable to do this.

For present purposes, the answers were divided into two general categories, employed and not employed, as shown in Table 8. The percentage figures in the table, however, are somewhat misleading. That is, about half of the 40% in the not employed category are likely only temporarily unemployed (seasonal workers, those on unemployment) versus people who are not in the labour force. Also, of those giving descriptive replies (N = 25), most indicated that the majority of their clientele are in the work force. In short, the estimated percentage of credit counselling service clientele who are working or only temporarily not working is higher than the 60% indicated in the table and may well be as high as 80% or more.

TABLE 8

AVERAGE AGENCY ESTIMATES OF CLIENTELE'S LABOUR FORCE STATUS

NO. OF AGENCIES	EMPLOYMENT STATUS	
	EMPLOYED	NOT EMPLOYED
N = 74	60%	40%
N = 25	12 said "a majority" 1 said "a few"	6 said "most or a majority seasonally employed" 1 said "many season- ally employed" 4 said "some season- ally employed" 4 said "a majority unemployed" 3 said "most not in labour force" (social assistance)
TOTAL = 99		

As with a couple of other questions, a fair amount of variation in the replies was due to the type or location of the agency. In particular, those agencies in areas where fishing and logging are important sources of employment (especially certain parts of British Columbia and the Atlantic Provinces) more often made note of seasonal employment and the few agencies who deal mostly with social assistance cases noted this fact. Also, several agency representatives in Ontario noted that their services were generally only available to the employed.

SUMMARY

From estimates provided by the agencies, a fairly clear and consistent picture emerges of their clientele. Thus, perhaps as many as 80% of them are working or only temporarily unemployed due to the seasonal nature of their work or other reasons (e.g., lay-offs). Their incomes, however, are generally lower than average. Thus, while about 55% of all family units in Canada have incomes below \$15,000, agency estimates were that some 90% of their clientele have incomes at or below this level. A good proportion of these, but less than half, were thought to have incomes at or below the Statistics Canada low-income cut-off lines. The largest group, however, could probably best be characterized as those having "lower middle" incomes. A small proportion have incomes above that level.

The estimates also indicate that more than half the clientele were in the 25-40 (actually 35 or so) age group, with a significant minority under 25 but only a few (perhaps 10%) over 40 years of age. Furthermore, the agencies thought more than half, probably three-quarters, of their clientele were families with one or more children. This included a significant number of single parent families.

Combining this information, the picture of the "typical" credit counselling service client would be that of: couples (and single parents) who are in the early to middle stage of the family life cycle with one or more young children; with a family head who works either full-time or part-year due to seasonal employment, or is "between jobs"; but where the family income is inadequate or only just adequate in relation to their needs.

SECTION 7OTHER COMMENTS

Some parts of the questionnaire called upon the respondents to offer their own views on certain facets of credit counselling. One of these concerned their comments on advertising; the second asked about the adequacy of services in their area; and the third, the final interview question, asked whether they had any other comments on additional aspects of credit counselling and money management, such as its impact on the community, changes needed, etc.

Answers to the first and second questions have already been presented under "Service Delivery". Thus, although advertising ranked behind referrals and word of mouth as a way in which clients learn of the service, many felt that advertising was or could be quite effective. In this respect it was noted that they would like to do more advertising but many feared (some from experience) that to do so would result in such a great demand that their service would be swamped. The agency would not be able to cope with the resulting increase in caseload if more people were made aware through advertising of help available.

Regarding the adequacy of credit counselling services in their area, about 75% of all responding agencies said that services were not adequate. The main reason given for saying this was the belief that there was a large number of people who required the service who were not being reached, sometimes expressed as "we're only seeing the tip of the iceberg". Other reasons were that present heavy caseloads meant they could not spend enough time with each client and therefore were providing a limited, fragmentary service or the fact that there were too few resources to devote to money management education, etc.--the preventive side. Even among those who answered "yes" to the adequacy question, several qualified this by saying that although they could handle the present caseload or immediate area, they felt there was a large number of others who could use such help.

The final questionnaire item asked for additional comments and suggestions. It was an open-ended question and produced a variety of replies. Some made no comments or only one while others made two or more. A categorization of the types of comments recorded and the frequency of each are shown in Table 9.

TABLE 9

TYPE AND DISTRIBUTION OF AGENCY COMMENTS AND SUGGESTIONS

<u>TYPE OF COMMENT OR SUGGESTION</u>	<u>NUMBER OF MENTIONS</u>
Need for more money management education	53
Need for more staff and/or money for credit counselling	43
Need for more advertising to promote awareness/use of credit counselling	18
Need for tighter controls on credit granting	22
Need for greater coordination among various agencies in the community	13
Other: general comments and suggestions regarding credit counselling (e.g., funding patterns, service)	27

A majority of those calling for more work on the preventive side (money management education) were fairly specific in saying it should be done in the schools at the primary and/or secondary level. A much smaller number made specific reference to adults or to groups in the community other than school classes.

Relatively large numbers mentioned the need for more staff and/or money in order to provide credit counselling for those already in difficulty (43 mentions including 4 who specified a need to serve outlying areas) and the need for more advertising to promote awareness/use of existing services (18 mentions). This is not surprising in view of the findings presented earlier about agency views on the adequacy of services and the usefulness of advertising. In fact, a common theme emerging from these first three types of comments is that much needs to be done. Some emphasize the remedial (serving more people in difficulty or devoting more time to each), others the preventive. In both cases, but especially on the remedial side, the respondents feel more resources in terms of staff, money, teaching aids, etc. are required to do the job more adequately.

Another type of comment noted fairly often (22 mentions) was that tighter credit granting procedures are needed. Several singled out finance companies as being "too generous" in their lending practices although other lenders were also mentioned by some. Comments calling for greater coordination among various

agencies in the community also come up (13 mentions). This included some who specifically mentioned the importance of having the co-operation of credit grantors if a successful service was to be provided.

The final category includes a number of diverse comments and suggestions. About half (14 mentions) of these focussed on orderly payment of debt arrangements and bankruptcy. Some comments (5 mentions) expressed satisfaction with the way O.P.D. operates; two other respondents (located in the two provinces where no O.P.D.-type scheme exists) wished that such a service would be established. Two or three others, however, were concerned that in some areas people who are in financial trouble but do not qualify for O.P.D.-type help have nowhere else to turn. Concerning bankruptcy, some (4 mentioned) said the strictly administrative approach now characteristic of Bankruptcy Branch offices was inadequate in that many of their clients require rehabilitation counselling as well but are not receiving it. These respondents felt Bankruptcy Branch should provide such counselling.

Five comments concerned funding. Two were by respondents in Ontario who, although glad of government support, felt the requirement that the agency raise its 40% share of costs before receiving the government's 60% share imposed hardship on them. The other three comments concerned the role of various agencies (one said social service agencies should do credit counselling, another said they should not, the third felt credit grantors should not be involved in funding such services). Other comments noted such things as: the importance of a co-operative relationship with credit grantors if the service is to be successful, the need for better follow-up, the need to have high calibre counsellors for a successful service, comments about greater efficiency through computerization and the need for different philosophical approaches to the whole consumer credit and credit counselling field.

SECTION 8

CONCLUSIONS

The survey results indicate that in recent years much greater attention has been devoted to alleviating indebtedness problems associated with the consumer credit explosion in Canada. Thus, of 126 agencies covered by the survey, some 50 date back only to 1974 or later and the median start-up year for all services was 1973. Despite this finding, however, and even allowing for the methodological and other limitations of the survey, the overall results lead to the general conclusion that several issues regarding both the availability and adequacy of credit/debt counselling services demand attention. The reasons for this conclusion and some tentative suggestions for further work to determine facts and investigate problems are outlined below. It is recognized that not all conclusions and recommendations apply equally to all areas of the country. Rather, the hope is that thought will be given to those points which might merit further consideration in different cases.

1. The first reason is that remedial counselling services are not readily accessible in some geographic areas. The most obvious case is the whole province of Newfoundland, which has not proclaimed Part X (O.P.D.) of the Bankruptcy Act nor made other arrangements for the provision and/or funding of debt counselling services. Thus, apart from some part-time counselling performed by two Consumer and Corporate Affairs Canada employees (one of these positions became vacant shortly after the survey) the only recognized credit counselling service was that provided by a private, profit-making agency charging a fee to users. It is true that New Brunswick and Ontario have not proclaimed Part X (or a legal equivalent in the case of Quebec) either. However, in New Brunswick provision for at least some level of service to the most urbanized centres has been made through general provincial government funding to certain social service agencies ("Family Enrichment Centres"). And in Ontario, service is provided indirectly by the government through partial funding (60%) of 29 Credit Counselling Services throughout the province which are empowered to work out orderly payment of debt plans.

Lack of access to service in the geographic sense is also a problem within certain provinces. This is most true of rural areas but also for many small to mid-size population centres in some provinces. Thus, in the eastern half of the country, Newfoundland has only one agency in St. John's and a part-time informal service in Corner Brook. In Prince Edward Island the identified agencies were all located in Charlottetown, and in New

Brunswick the lack of service to rural areas and smaller centres was a frequent comment. Other geographic areas thought to be lacking adequate service included the northern portions of British Columbia and many of the widely scattered communities in Alberta. The data were quite spotty in Quebec but it is known that at least the "dépôts volontaires" service is available in most centres through the local office of the Court Clerk. In Ontario, the Credit Counselling Service claims to be serving some 89% of the population through its member agencies, and in Manitoba and Nova Scotia service was said to be available through local or part-time offices of one or another department of the provincial government.

RECOMMENDATIONS

- 1) Further research should be done to document or disprove the extent and seriousness of the lack of access to debt counselling in rural areas and certain small to mid-size population centres. The research design to test this notion might involve a survey of household finances in such areas where services are not available compared to those where they are. As an alternative or in addition to this approach, the research could be based on a survey of the addresses of credit counselling agencies' clients.
 - ii) If research supports the notion that residents of such areas seriously lack access to debt counselling and need such service, the efficacy of various means of providing service (e.g., extension services, part-time government offices, mobiles) should be investigated.
2. The second reason for saying credit counselling services are generally inadequate is that the demand for remedial service is not being met. This assessment is based essentially on two findings. The first is that some respondents said their caseloads were too heavy and that they could therefore provide only limited or fragmented service to each client rather than allowing the amount of time they should. The second is the argument presented by many (perhaps a majority of) respondents that although they were presently coping they felt they were serving only a portion of those actually in need of debt

counselling, or "only seeing the top of the iceberg" as some put it.⁴ Often, this argument was backed up by saying that although they would like to advertise in order to reach more people in need, they feared (some from experience) that the resulting increase in demand would swamp their service. This view can be opposed to a few other respondents who argued that because their service covered a given area and because they were able to cope with the caseload the demand for service was being met.

RECOMMENDATIONS

- i) Research should be done to determine the relationship between credit counselling service resources and demand for service in various areas. One approach would be through a comparison of Statistics Canada's survey of consumer finance data for a given area and the files of agencies serving the same geographic area. Another approach could take the form of experiments based on respondents' assertions that advertising would swamp the service (versus those who felt the demand was being met well). Selected agencies could be encouraged to mount major advertising campaigns. The resulting change in demand, if any, could then be measured. Back-up resources (e.g., extra counsellors) would be available if the demand increases. The necessary funds and/or other resources should be underwritten by government, the most suitable arrangement perhaps being through cost sharing between the federal government (Consumer and Corporate Affairs) and various provincial governments.
- ii) The potential for increasing the operating efficiency of credit counselling agencies should be explored. For instance, a study of the advantages and drawbacks of computerization might be undertaken, comparing agencies that at present do/do not now use computers.

3. The third respect in which credit counselling services are inadequate is that the range of remedial services available is too limited. This assessment is based partly on the large proportion of agency clientele that require some type of orderly payment of debts program. This indicates that many clients are seeking or receiving help only when their financial problems are quite serious. Furthermore, there is evidence that at least in

some areas there are specific criteria which must be met (e.g., levels and types of debt, income) in order to be eligible for help through O.P.D. type schemes. Where the criteria are not met little or no assistance may be available even though the debtor's problems are fairly serious.

Another respect in which the range (or perhaps the orientation) of remedial services is too limited is that few of the services are what might be called "client centred". For instance, only a minority of the agencies claim to be doing client advocacy in the sense of questioning the legitimacy of various debts or checking into the integrity of credit grantor lending and collection practices. Also, only some agencies (perhaps too few) view clients' debt problems in the context of broader family problems and functioning and only a few do follow-ups beyond making sure only that repayment terms are being met.

RECOMMENDATIONS

- i) Research should be done to determine whether eligibility for orderly payment of debt and other counselling is too restricted in any area. The research would include a comparative review of the eligibility criteria themselves. It would also include a review of the number of potential clients turned down because they do not meet the criteria and what happens to these "turndowns".
- ii) To find out if more advocacy on behalf of clients is necessary, a sample of files from various agencies should be reviewed by legal experts. The purpose would be to see whether and to what extent consumer protection laws or "proper" lending ethics are being bent or broken in the granting of credit or attempts to collect.
- iii) Follow-up interviews should be conducted with a sample of persons who dealt with credit counselling agencies to assess how well the families are functioning--financially and otherwise--and to get their opinions on their dealings with the agency. This information could be used to determine the need for follow-ups in general and as a source of ideas for ways in which service delivery should be altered. Surveys conducted by Wispinski and Fenniak, (9) and Cousineau (5) produced some interesting findings in this respect.

- iv) In light of other changes in service delivery that may be desirable, a review of the qualifications of credit counsellors should be done to determine if changes are warranted. For instance, it may be that more emphasis should be put on training in the helping professions and less on experience in the credit granting industry. As well, thought should be given to developing training programs for counsellors in all areas. The qualifications for counsellors being developed in Ontario and Nova Scotia and the training program offered in British Columbia would provide starting points for the review.

4. A fourth respect in which present credit counselling services appear to be inadequate is that too little attention is devoted to money management education--the preventive side of credit counselling. Although many agencies were involved in giving speeches of an hour or so duration to schools (and to a lesser extent other groups in the community), little information is available on the effectiveness of these speeches. Furthermore, it appears that very little is being done in the provision of money management courses, either in the schools or as part of adult education.

RECOMMENDATIONS

- i) Efforts should be made to develop one or more money management education "kits" for wide distribution. An institution specializing in adult education would be appropriate. Especially since some of the characteristics of those who are most often the clients of counselling services are known (e.g., young families with children whose income is below average) it should be possible to develop "kits" and techniques geared to these and other groups. A review of the effectiveness of existing materials and the manner in which the information is presented would be a good starting point.
- ii) Perhaps even more than among the school age population, emphasis should be placed on providing greater access to money management courses among adult groups in the community at large. A variety of institutions could be involved in this work. The encouraging response to courses offered or sponsored by certain credit unions and the efforts of one of the chartered banks in developing materials and experimental programs provide good examples of the potential. Controlled experiments (in terms of measuring course effectiveness) could be undertaken.

- 111) The various provincial governments, with input from other interested parties, should work toward the inclusion of money management education as a regular part of the school curriculum in certain grades. Again, effectiveness measures should be built into such programs.

5. Apart from particular issues noted above, there appears to be a general lack of coordination among credit counselling agencies from one area to another. This means that opportunities to share experiences and ideas are being lost. The chances of gaps in service or duplication of effort are therefore increased. The implications of proposed changes in the Bankruptcy Act (Part III) may be a case in point. Possibly much could be gained by drawing together those with an interest in the field so that planning and service delivery will be more effective.

RECOMMENDATIONS

- i) In all provinces (or regions) a meeting of parties with an interest in credit counselling services, both remedial and preventive, should be convened. The purposes of these meetings would be to discuss problems and establish research and program priorities. The study of debt counselling and debt repayment recently established by the four Atlantic Ministers of Consumer Affairs is a case in point.
- ii) The new Bankruptcy Bill provides for "express delegation to the provinces of the administration of consumer arrangements and bankruptcies to maximize the use of local counselling services". The effects of this proposal in each province should be carefully reviewed in light of the findings of the present survey.
- iii) The federal government through the Department of Consumer and Corporate Affairs should serve in a coordinating role as well as offering financial and other resources for experiments and programs on a selective basis.

FOOTNOTES

1. In this respect it is worth noting a project undertaken by the Co-operative Credit Society of Manitoba, a central organization serving 169 credit unions and 94 co-operatives in Manitoba. Though not included in the survey itself and though the Society was not cognizant of financial counselling activities of its member unions, it noted that in conjunction with its Ontario and Saskatchewan counterparts it had funded the production of a film and instructor's manual entitled "Credit and the Consumer" (1976). Sixty of these packages were then sold to member unions in Manitoba.
2. The program, which employed approximately 38 university students to provide "Money Habits Workshops" in different cities during the summer of 1977, was sponsored by the Royal Bank of Canada under its Summer Employment Program for University Students (SEPUS-Part II). A final report was issued in October, 1977 by the Social Policy Action Group (Mr. A. Levin), the Royal Bank of Canada, Head Office, Montreal, Quebec.
3. In a 1972 Report on Personal Bankruptcy by the Canadian Consumer Council, certain assumptions were made in order to derive figures on the costs of insolvency (Appendix B) versus the costs of debt counselling (Appendix C). The latter were calculated; first, for only individuals estimated as potential Part X or bankruptcy cases; and, second for a more universal scheme of counselling across the country. A general conclusion was that in both cases extra expenditures for counselling would likely be well justified in cost/benefit terms because of reductions in insolvencies.
4. Statistics Canada data provide at least indirect support for this argument. A generally recognized rule of thumb is that those families whose consumer debt (excluding mortgage loans) represents 20% or more of their gross income are a "high risk" group in terms of their likelihood of experiencing debt problems. Statistics Canada data for 1970 (currently the most recent year for which relevant figures are available) show that 18.3% (or some 1.2 million) family units, had consumer debt ratios of this magnitude. (Statistics Canada catalogue 13-547, Tables 60, 66). This estimate is for various reasons probably quite conservative.

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APPENDIX "A"

Introductory Paragraph for Telephone Interviews

Ask for Director:

Hello. My name is _____ and I'm from the
Department of Consumer and Corporate Affairs in Ottawa.

We are doing a survey of money management and debt
counselling facilities across the country. This survey is being
conducted because there is very little information available on
whether such programs are offered in most communities and the
results of the survey will be very useful for future projects.

We would like to know if your organization is involved in
any way in such programs?

- if yes; Then would you mind answering some questions
concerning your organization?
- if no; Do you know of any other money management or credit
counselling agencies serving in your area (Fill in question #7
of questionnaire).

Thank you very much for your time and cooperation.

QUESTIONNAIRE

1. Full Name of the organization: _____
2. Address: _____
 Street City Province
3. Approximate population served: (#) _____
4. Area served: _____
5. Name of agency director: _____
6. Do you know of any other organization involved in credit
counselling or money management in your area? Yes _____
No _____
7. If yes, please give the name of the agency and its address:

Now talking about your organization:

8. What type of organization is this?

_____ voluntary
_____ government: federal - provincial -
_____ municipal - regional
_____ social service
_____ credit bureau
_____ legal aid
_____ adult education
_____ caisse populaire
_____ other

9. a) Who does the policy making for these financial services?

_____ board of directors
_____ advisory committee
_____ other

b) What is the composition of this board or committee?

_____ representatives of social service groups # _____
 _____ representatives of church groups # _____
 _____ government officials: identify levels: # _____

10. a) Year credit counselling/money management service was established? _____

b) Why was it set up?

Reasons: _____

11. Where is this organization located?

_____ office building
 _____ government office
 _____ community centre
 _____ storefront
 _____ educational institute
 _____ place of worship
 _____ other

12. What hours are you open?

_____ business hours _____ Certain days _____
 _____ other

13. a) What is the total operating budget for the organization for the fiscal year from _____ to _____ ? \$ _____

b) What % or (\$ amount) is spent on financial services or programs?

#	programs:	_____	\$	_____
		_____	\$	_____
		_____	\$	_____

14. What are your major sources of current income for financing the debt counselling and money management services?

15. Please give income from each of the above sources listed:

From Public Funds

AMOUNT

1. Federal	\$	_____
2. Provincial	\$	_____
3. Municipal	\$	_____
4. Regional	\$	_____
Sub-total:-	\$	_____

From Private Funds and Other

1. _____	\$	_____
2. _____	\$	_____
3. _____	\$	_____
4. _____	\$	_____
Sub-total:-	\$	_____
Total funds for all sources	\$	_____

16. I'd like to ask you now about the number of people involved in providing the financial services:-

a) What is the number of paid staff?

_____ full-time _____
_____ part-time _____

b) What is the number of volunteer staff?

_____ full-time _____
_____ part-time _____

c) What are your minimum requirements for being a counsellor? (give details about education, training, experience, personality, etc.)

17. Do you have any training before assignment for your:

a) counsellors:- _____ yes
_____ no

b) volunteers:- _____ yes
_____ no

18. Turning now to the financial counselling aspects of your service - Can you describe the financial services you provide? And why?

ex. (debt/credit counselling, surrogate financial management, rehabilitation of the bankrupt, advocacy, family counselling, legal aid, speakers to schools and community, briefs for government, money management education).

- How many times a year is the course given? _____
- What is the average class size? _____
- What is the average course length? _____

- What does the course cover?

_____ income and occupation (lifestyle - standard
 _____ of living)
 _____ expenditure and budgeting
 _____ credit/borrowing
 _____ saving
 _____ use of bank
 _____ other: _____ Insurance _____ Pensions
 _____ Taxes _____ Investments

- What type of teaching aids are used? (Circle them)

_____ slides, films, film strips, overhead
 _____ projector
 _____ cassettes/records, posters, games
 _____ handouts, worksheets, textbooks
 _____ case studies, guest lecturers
 _____ field trips

- Which are the most helpful? Any comments on aids?

- What is your opinion on the success of this course?

_____ very successful _____ somewhat successful
 _____ successful _____ not very successful

- How could you assess this course?

19. a) Do you charge any fee for these financial services?

_____ yes

_____ no

b) If yes, indicate for what services at what rates:-

c) Who pays the fee?

_____ debtor
 _____ creditor
 _____ social agency
 _____ government agency
 _____ other

20. Are these services available to the general public?

_____ Yes

_____ No, then specify: _____

21. How do people find out about these services?

_____ referrals
 _____ word of mouth
 _____ promotion

_____ advertising: _____ paid
 _____ press releases _____ free
 _____ co-op promotion:

Any comments on advertising?

22. In dealing with these financial matters with your clients, do you use the outside services of :-

	<u>voluntary/paid</u>		<u>consultation/referral</u>	
social workers	_____	_____	_____	_____
lawyers	_____	_____	_____	_____
bankruptcy trustee	_____	_____	_____	_____
financial experts	_____	_____	_____	_____
educators	_____	_____	_____	_____
consumer agency	_____	_____	_____	_____
other	_____	_____	_____	_____

23. How many people used your financial services during the latest fiscal period from _____ to _____ 197 ?
- _____
-
-

24. Have you done any profiles of your clientele?

_____ Yes _____ please send results or the study to Ottawa -

Consumer and Corporate Affairs Canada
Place du Portage, Phase 1
68 Victoria Street
Hull, Quebec
K1A 0C9

Attention: Wayne Brighton
Consumer Research Branch

(we will cover costs - send bill)

_____ No

25. Please answer if possible, these general questions concerning your clientele: - (give a rough estimate)

a) What is the percentage of your clients with family income between:-

- | | | | |
|------------------------|---|-------|----------|
| 1. \$ 0 - 8,000 | : | _____ | % (or #) |
| 2. \$ 8,000 - 15,000 | : | _____ | % (or #) |
| 3. \$ 15,000 and above | : | _____ | % (or #) |

b) What percentage of your clients are in the following age groups?

- | | | | |
|----------------------|---|-------|----------|
| 1. under 25 | : | _____ | % (or #) |
| 2. from 25 - 40 | : | _____ | % (or #) |
| 3. from 40 and older | : | _____ | % (or #) |

c) What percentage of clients fall within the following marital status categories?

- | | | | |
|-------------------------------------|---|-------|----------|
| 1. unattached individuals (singles) | : | _____ | % (or #) |
| 2. couples only | : | _____ | % (or #) |
| 3. couples with children | : | _____ | % (or #) |
| 4. single parents | : | _____ | % (or #) |

d) What is the percentage of clients with the following occupational status?

- | | | | |
|------------------------|---|-------|----------|
| 1. employed | : | _____ | % (or #) |
| 2. unemployed | : | _____ | % (or #) |
| 3. not in labour force | : | _____ | % (or #) |

26. a) Is there any follow-up done on clients? _____ Yes _____ No
Any comments?

b) Do you have repeaters? _____ Yes _____ No

27. a) Do you feel that money management and/or debt counselling services in your area are adequate to meet existing needs?

_____ Yes _____ No

- b) On what do you base this assessment?

- c) Any ideas for fulfilling these needs?

28. Are there any additional aspects of debt counselling and/or of money management services that you would like to comment on? (its success; impact on community; changes needed)

APPENDIX "B"

NAMES AND ADDRESSES OF ORGANIZATIONS INCLUDED IN SURVEY

The organizations interviewed and included in the survey in each province are shown below. They are listed according to the alphabetic order of cities and towns within each province.

BRITISH COLUMBIA

Abbotsford

Natsqui Sumas Abbotsford Community Service
2420 Montrose Street
Abbotsford
Telephone: 859-7681

Campbell River

Crisis Line and Family Counselling
207437 10th Street
Campbell River
Telephone: 287-7743

Kamloops

Debtor Assistance Division
Department of Consumer Services (prov.)
Kamloops
Telephone: 374-5676

Kelowna

Kelowna Legal Aid
Kelowna
Telephone: 763-8804

Mission City

Mission Community Services
33070 Fifth Avenue
Mission City
Telephone: 826-3634

BRITISH COLUMBIA (cont'd)Nelson

Consumer Action League
West Kootenay Branch
385 Baker Street
Nelson
Telephone: 354-4064

Penticton

South Okanagan Civil Liberties Society
Legal Information Office
320 Martin Street
Penticton
Telephone: 493-0210

Prince George

Debtor Assistance Division
Department of Consumer Services (prov.)
Prince George
Telephone: 562-9331

Human Resources Department (prov.)
Prince George
Telephone: 563-1751

Smithers

Smithers Community Law Centre
Box 2904, Main Street
Smithers
Telephone: 847-4448

Surrey

Surrey Intersection Society
10423 King George Highway
Surrey
Telephone: 588-0188

BRITISH COLUMBIA (cont'd)Terrace

Terrace Community Services Centre
46030 Park Avenue
Terrace
Telephone: 635-5135

Vancouver

B.C. Central Credit Union (2)
885 Dunsmere
Box 2033
Vancouver
Telephone: 1. CUPAC 684-8551
2. Education 684-8551

B.C. Teachers Credit Union
Suite 200
5740 Cambie Street
Vancouver
Telephone: 324-6655

Consumer and Corporate Affairs Canada
Bankruptcy Branch
P.O. Box 10066, Pacific Centre
7000 West Georgia Street
Vancouver
Telephone: 666-6971

Debtor Assistance Division
Department of Consumer Services (prov.)
535 Thurlow Street
Vancouver
Telephone: 668-2345

Downtown Community Resources Area
535 Horner Street
Vancouver
Telephone: 687-4811

Family Service Centres of Greater Vancouver
1616 West 7th Avenue
Vancouver
Telephone: 731-4951

St. James Social Service
331 Powell Street
Vancouver
Telephone: 683-3243

BRITISH COLUMBIA (cont'd)Vernon

Vernon and District Volunteer Bureau
Consumer Services Desk
Box 733
Vernon
Telephone: 545-8381

Victoria

Debtor Assistance Division
Department of Consumer Services (prov.)
-838 Fort Street
Victoria
Telephone: 387-6831

Williams Lake

Legal Information Centre
147 North 1st Avenue
Williams Lake
Telephone: 392-2941

ALBERTACalgary

Calgary Family Service Bureau
120 13th Avenue S.E.
Calgary
Telephone: 263-0720

Family Financial Counselling
Department of Consumer and Corporate Affairs (prov.)
Calgary
Telephone: 261-6107

Edmonton

Family Financial Counselling
Department of Consumer and Corporate Affairs (prov.)
10065 Jasper Avenue
Edmonton
Telephone: 427-5782

ALBERTA (cont'd)

Family Financial Counselling (Head Office)
Department of Consumer and Corporate Affairs (prov.)
9915 108th Avenue
Edmonton
Telephone: 427-5210

Family Service Association of Edmonton
9919 106th Street
Edmonton
Telephone: 424-4161

Shield Credit
425 Tegler Street
Edmonton
Telephone: 432-7767

Fort MacMurray

Family Financial Counselling
Department of Consumer and Corporate Affairs (prov.)
202 9912A Franklin Avenue
Telephone: 743-7231

Lethbridge

Family Financial Counselling
Department of Consumer and Corporate Affairs (prov.)
740-4th Avenue
Lethbridge
Telephone: 329-5360

Peace River

Family Financial Counselling
Department of Consumer and Corporate Affairs (prov.)
Bag 900
Peace River
Telephone: 624-6214

Red Deer

Family Financial Counselling
Department of Consumer and Corporate Affairs (prov.)
Red Deer
Telephone: 343-5241

SASKATCHEWANPrince Albert

Prince Albert Community Service Bureau
1521 6th Avenue West
Prince Albert
Telephone: 764-5291

Regina

Catholic Family Services Society
1120 11th Avenue
Regina
Telephone: 525-0521

Department of Social Sciences
2240 Albert Street
Operations Branch
Regina
Telephone: 565-3641

Family Services Bureau of Regina
1744 Cornwall Street
Regina
Telephone: 527-6675

Provincial Mediation Board
Court House
Regina
Telephone: 565-5404

Welfare Rights Centre
1855 Broad Street
Regina
Telephone: 527-9080

Saskatoon

Catholic Family Services
417 Birks Building
Saskatoon
Telephone: 244-7773

Co-op College of Canada
141 105th Street West
Saskatoon
Telephone: 373-0474

SASKATCHEWAN (cont'd)

Family Service Bureau
309 22nd Street West
Saskatoon
Telephone: 244-8127

Saskatoon Credit Union
309 22nd Street West
Saskatoon
Telephone: 652-3910

Self Help Council
631 20th Street
Saskatoon
Telephone: 242-8869

MANITOBAWinnipeg

Bankruptcy Branch
Consumer and Corporate Affairs Canada
300-303 Main Street
Winnipeg
Telephone: 985-3229

Community Consumer Credit Counselling Service
536½ Main Street
Winnipeg
Telephone: 944-9704

Home Economics Directorate
Department of Health and Social Development (prov.)
2nd Floor, 880 Portage Avenue
Winnipeg
Telephone: 775-8682

Legal Aid Manitoba
325 Portage Avenue
Winnipeg
Telephone: 947-6501

Mount Carmel Clinic
120 Selkirk Avenue
Winnipeg
Telephone: 582-2311

MANITOBA (cont'd)

Orderly Payment of Debts -
County Court
102 Law Courts Building
Winnipeg
Telephone: 944-3133

ONTARIOBarrie

Credit Counselling Service of Simcoe-Georgian Bay Region
39 Collier Street
Barrie
Telephone: 726-2705

Belleville

Quinte Information and Assistance Centre
27 Campbell Street
Belleville
Telephone: 962-9281

Quinte Region Credit Counselling Service
P.O. Box 283
Belleville
Telephone: 968-4902

Brantford

The Family Service Bureau
35 Wellington Street
Brantford
Telephone: 753-4173

Cambridge

The Family Service Bureau
58 George Street North
Cambridge
Telephone: 621-5090

ONTARIO (cont'd)Chatham

Chatham Kent Community and Family Services
259 Wellington Street West
Chatham
Telephone: 354-6221

Guelph

Children's Aid Society
51 Delhi Street
P.O. Box 1088
Guelph
Telephone: 824-2410

Hamilton

Catholic Social Services of Hamilton
82 Stinson Street
Hamilton
Telephone: 527-3823

Consumer Help Office
414 Barton Street
Hamilton
Telephone: 522-1867

Family Services of Hamilton-Wentworth
350 King Street East
Hamilton
Telephone: 523-5640

Kenora

Consumer Debt Counselling Service
P.O. Box 2430
Kenora
Telephone: 468-5761

Kingston

Credit Counselling Service of Kingston
124 Wellington Street
Kingston
Telephone: 542-4911

ONTARIO (cont'd)Kitchener

Catholic Social Services
74 Weber Street West
Kitchener
Telephone: 743-6333

London

Consumer Debt Counselling Service of London
200 Queen's Avenue
London
Telephone: 433-0159

Mississauga

Peel Family Service
93 Dundas Street West
Mississauga
Telephone: 270-2250

New Sudbury

New Sudbury Community Service Centre
1749 Lasalle Boulevard
New Sudbury
Telephone: 674-3151

North Bay

Family Life Centre
539 Cassells Street, Suite 2
North Bay
Telephone: 472-6515

Oakville

Halton Consumer Credit Counselling Service
168 Lakeshore Road East
Oakville
Telephone: 845-3811

ONTARIO (cont'd)Oshawa

Oshawa Credit Counselling Service
172 King Street East
Box 1074
Oshawa
Telephone: 579-1951

Ottawa

Canadian Forces Base
Department of National Defence
Ottawa
Telephone: 995-7924

Credit Counselling Service of Ottawa
122 Percy Street
Ottawa
Telephone: 235-0304

Defence Headquarters
Credit Union
152 Rideau Street
Ottawa
Telephone: 237-9494

St. Vincent De Paul Society
1963 Haig Drive
Ottawa
Telephone: 731-3349

Peterborough

Credit Counselling Service of Peterborough
64 Hunter Street West
Peterborough
Telephone: 742-4258

Richmond Hill

York Region Credit Counselling Service
P.O. Box 224
Richmond Hill
Telephone: 884-9140

ONTARIO (cont'd)St. Catharines

Credit Counselling of Regional Niagara
11 Bond Street
St. Catharines
Telephone: 685-7577

Sarnia

Social Service Bureau of Sarnia-Lambton
681 Oxford Street
Sarnia
Telephone: 336-0120

Sault Ste Marie

Credit Counselling Service of Sault Ste Marie
8 Albert Street East
Sault Ste Marie
Telephone: 254-1424

Stratford

Stratford Family Counselling Service
15 Downie Street
Stratford
Telephone: 273-1020

Thunder Bay

Consumer Debt Counselling Service
106 Simpson Street
Thunder Bay
Telephone: 623-9596

Toronto

Credit Counselling Service of Metro Toronto
74 Victoria Street
Toronto
Telephone: 366-5251

ONTARIO (cont'd)Windsor

Credit Counselling Service of Metropolitan Windsor
2260 University Avenue
Windsor
Telephone: 258-2030

QUEBECGatineau

A.F.E.A.S.
Eglise St. Jean Marie Vianney
Boul. Maloney
Gatineau
Telephone: 663-2997

Hull

A.C.E.F. de l'Outaouais
22, rue Carillon
Hull
Telephone: 770-4911

Caisse Populaire St. Joseph
250, boul. St. Joseph
Hull
Telephone: 776-3111

Centre communautaire juridique de l'Outaouais
114, rue Principale
Hull
Telephone: 771-7352

Joliette

A.C.E.F. de Joliette
190, Montcalm
Joliette
Telephone: 756-1333

QUEBEC (cont'd)Maniwaki

Centre communautaires juridique de Maniwaki
196, rue Notre-Dame
Maniwaki
Telephone: 449-4800

Montreal

Fédération des A.C.E.F.
1212, rue Panet
Montreal
Telephone: 526-0823

La Fédération nationale des services de préparation de mariage
893, boul. Ste Croix
Ville St-Laurent
Montreal
Telephone: 748-8014

The Royal Bank
Head Office
Place Ville Marie
Montreal
Telephone: 874-2110

Québec

A.C.E.F. Québec
570, rue du Roi
Québec
Telephone: 522-1568

Shawinigan

A.C.E.F. Shawinigan
213, 3ème rue
C.P. 906
Shawinigan
Telephone: 338-4755

Service d'aide aux consommateurs
1932, rue Champlain
Shawinigan
Telephone: 537-1414

QUEBEC (cont'd)Trois-Rivières

Caisse d'économie du centre du Québec
325, rue St. George
Trois-Rivières
Telephone: 374-2222

Caisse populaire/Organisme de service aux caisses
2000, boul. Recollets
Trois-Rivières
Telephone: 374-3594

Victoriaville

A.C.E.F. de Victoriaville
10, voul. Cargnan
Victoriaville
Telephone: 752-5855

NEW BRUNSWICKBathurst

Centre d'information et de communication mobile
231, rue Main
Bathurst
Telephone: 548-2455

Chatham

Family Enrichment Centre (prov.)
337 Water Street
Chatham
Telephone: 622-1050

Fredericton

Chimo Help Centre Inc.
P.O. Box 1033
Fredericton
Telephone: 455-9464

NEW BRUNSWICK (cont'd)

Family Enrichment Centre (prov.)
634 Queen Street
Fredericton
Telephone: 454-4699

Moncton

Brunswick Credit Union Federation
P.O. Box 1025
Moncton
Telephone: 855-4044

Family Enrichment Centre (prov.)
P.O. Box 2353
Postal Station "A"
Moncton
Telephone: 854-3840

Université de Moncton/Département des sciences domestiques
Moncton
Telephone: 858-4286

Oromocto

Canadian Forces Base Gagetown
Oromocto
Telephone: 357-8401

Saint John

Consumer Help Office
50 Princess Street
Saint John
Telephone: 642-7821

Family Services St. John Inc.
5 Wall Street
Saint John
Telephone: 693-1295

NOVA SCOTIAHalifax

Canadian Forces Base Halifax
Department of National Defence
Halifax
Telephone: 426-4344

City of Halifax
Social Planning Department
P.O. Box 1749
Halifax
Telephone: 426-6744

Consumer Affairs Department
Orderly Payment of Debts
Box 998
Halifax
Telephone: 424-5575

Consumer and Corporate Affairs Canada
Bankruptcy Branch
6th Floor, Montreal Tower
5151 George Street
Halifax
Telephone: 426-6099

Dalhousie Legal Aid
2157 Gallingen Street
Halifax
Telephone: 424-7039

Mrs. Doris Maley
1136 Cartaret Street
Halifax
Telephone: 423-3219

Metro Credit Union
607 Lady Hammond Road
Halifax
Telephone: 453-4741

Lawrencetown

Consumer Affairs Department
P.O. Box 117
Lawrencetown
Telephone: 584-3055

NOVA SCOTIANew Glasgow

Consumer Affairs Department
P.O. Box 236
New Glasgow
Telephone: 752-0975

Port Hawkesbury

Consumer Affairs Department
Port Hawkesbury
Telephone: 625-2524

Sidney

Consumer Affairs Department
Provincial Building
Prince Street
Sidney
Telephone: 564-8424

Sidney Credit Union
95 Townsend Street, Box 1386
Sidney
Telephone: 562-5593

Springhill

Consumer Affairs Department
P.O. Box 130
Springhill
Telephone: 597-2262

PRINCE EDWARD ISLANDCharlottetown

Department of Agriculture and Forestry
Farm and Home Division
P.O. Box 2000
Charlottetown
Telephone: 892-4101

PRINCE EDWARD ISLAND (cont'd)

Department of Consumer Services
Orderly Payment of Debt Branch
P.O. Box 2000
Charlottetown
Telephone: 892-5321

Protestant Family Services Bureau
Box 592
Charlottetown
Telephone: 892-2441

NEWFOUNDLANDCornerbrook

Consumer and Corporate Affairs Canada
Consumer Consultant/Insolvency Administrator
Herald Tower
Herald Avenue, Box 493
Cornerbrook
Telephone: 639-8958

St. John's

Consumer and Corporate Affairs Canada
Consumer Consultant/Insolvency Administrator
5th Floor, Sir Humphrey Gilbert Bldg.
115 Duckworth Street
St. John's
Telephone: 147-5411

Provincial Credit Counselling
P.O. Box 8744
Postal Station "A"
St. John's
Telephone: 579-7591

23rd Floor, Zone 5
Place du Portage, Phase I
Hull, Quebec
K1A 0C9

File: B6111-1-4

Mr. G.E. Penfold
Executive Director
The Credit Counselling Service
of Metropolitan Toronto
74 Victoria Street, Suite 618
Toronto, Ontario
M5C 2P2

Dear Mr. Penfold:

Since the Minister of Consumer and Corporate Affairs is presently absent from Ottawa on business, he has asked me to reply to your letter of July 18, 1978 regarding a survey of credit counselling services in Canada conducted by the Consumer Research Branch of this department. Perhaps the best way to respond to your letter is to take each point in turn.

First, you refer to a survey "supposedly" made in 1977. Let me assure you that the survey was in fact conducted in 1977, during June and July to be more precise.

Second, you comment that you were and are very much disturbed at the prospect of any such report and that you cannot even recall providing factual data for it. Your letter suggests that no interview with your organization was conducted and that therefore the survey is not what it purports to be. A review of the original interview questionnaire shows that the Ontario interviews were conducted during the last week of June 1977. Among these is an interview with you, as Director of the Credit Counselling Service of Metropolitan Toronto, conducted by Ms. J. Chapman of the Consumer Research Branch. The interview schedule is complete, including such facts as the start-up year, funding sources, budget, estimate of number of clientele, client characteristics, etc. and various opinions and comments. We would be pleased to pursue this matter further if you so wish. In any event, the fact is that a telephone interview was conducted with you at that time and the information provided is still available.

.../2

Your letter goes on to raise certain questions, asking why a telephone poll was conducted, why there was no follow-up by mail and what use is to be made of "this questionable subject material based on word-of-mouth hastily assembled information". Perhaps the best way to answer is to note a few general points about the survey and the resulting report.

First, the main reason for conducting the survey was that very little information seemed to be available about the credit/debt counselling field for the country as a whole. In this respect the survey was exploratory in nature, meant to provide some information on "who was doing what" in the field. It was never intended to be an in-depth analysis.

Second, the survey was conducted by telephone partly because of the exploratory nature of the research. We did not know in advance exactly which organizations would be involved in any given area and using the telephone to find out appeared a reasonable approach. Telephone interviewing is currently used by a number of reputable opinion "polling" organizations and is generally considered an acceptable method of data collection for this type of preliminary descriptive research. Another reason for using the telephone was that the government telephone network could be used thereby keeping interviewing cost at a minimum.

Third, since we would be asking respondents such basic information as the name and location of their organization and the types of services they provided, etc., it also seemed worthwhile to gather other points of information, including some of their opinions and comments on matters relating to debt/credit counselling.

Fourth, in summarizing the data gathered it seemed to the principal researcher that certain conclusions could be drawn based on the patterns of the answers. Based on these conclusions some tentative recommendations for further research were put forward. This latter point is important in that the resulting report should not be interpreted as a policy paper nor even as a position paper for the department as a whole. Rather, it was meant to provide an indication of what is now being done in the field in the country as a whole and to highlight some areas where further research may be warranted to determine facts and investigate problems. In this respect the purpose in disseminating the results of the survey was merely to promote discussion and hopefully provide some information that would be of use to those with an interest in the field.

Your next comment is that your Board of Directors' Executive Committee opposes publication "of any report supposedly based in part on information reportedly obtained by telephone from this office". First, in the interest of accuracy the Board should be made aware that your organization is only one amongst many which were contacted in the preparation of this report. Therefore only a restricted part of the report is based on information obtained from your office.

Second, the Board should be made aware that we regret this position but that they may wish to reconsider it in light of the limited purposes of the survey as a preliminary stage of research. We apologize for any misunderstandings that may have resulted from these limited purposes not being made clear. As noted above, the report does not represent departmental policy nor is it even a position paper. Rather, a major purpose in disseminating the report was merely to promote discussion of issues in the credit counselling field.

Your offer to co-operate by responding to written questions concerning your operations is appreciated. If the misunderstandings that have been generated can be resolved, we would be glad to discuss what further work might be usefully undertaken.

Sincerely,

George Post



THE CREDIT COUNSELLING SERVICE OF METROPOLITAN TORONTO

SUITE 618, 74 VICTORIA STREET, TORONTO, ONTARIO M5C 2P2

July 18, 1978.

TELEPHONE 366-5251

OFFICERS:

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STANLEY HALL

Vice-Presidents:

K. J. RICH

MRS. V. S. MAIDMAN

Treasurer:

JOHN KING

Post President:

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Executive Director

G. E. PENFOLD

Hon. Warren Allmand, Minister,
Consumer & Corporate Affairs,
Parliament Buildings,
Ottawa, Ontario.

Dear Mr. Allmand,

I received a telephone call July 5th from Mr. Ronald Mason, Programme Director of Credit Counselling Services, Ministry of Community and Social Services, Province of Ontario, to inquire about a survey supposedly made in 1977 concerning credit counselling-services throughout Canada. Mr. Mason had received an advance copy of a purportedly near-to-publication report with a request from Mr. Jean Pierre Toupin, Acting Director Consumer Research Branch of your Ministry, for Mr. Mason's comments concerning the report. Mr. Mason wished to discuss this with me in my capacity as Executive Director of the Credit Counselling Service of Metropolitan Toronto, the oldest and largest service in Ontario serving all Metro Toronto, roughly 10% of the population of all Canada.

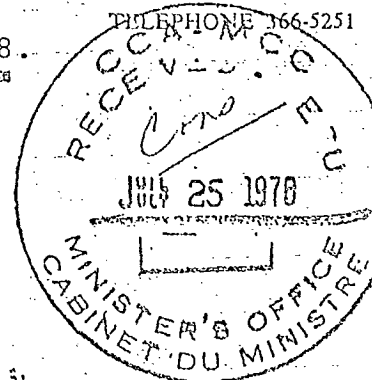
I was and am very much disturbed at the prospect of any such report, whatever its conclusions. I cannot even recall providing factual data for it, and a check of my employees here reveals no other respondent to admit to furnishing such information. Several very important questions require answers before any results whatsoever are published alleged to include statistics from this office.

1) Why was a telephone poll conducted?

This would indicate urgency and an immediate response necessary precluding researched and verified statistical data.

2) Why was there no follow-up by mail in the six months at least subsequent to this phone poll so that some documentary support would be in your Ministry's possession to authenticate results?

3) What use is to be made of this questionable subject material based on word-of-mouth hastily assembled information?



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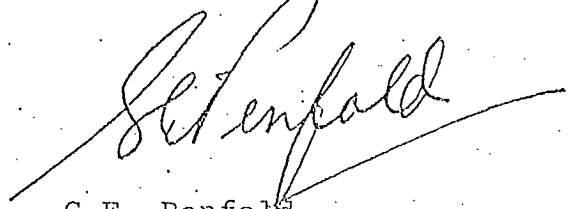
lms

July 18, 1978.

I have discussed this unfortunate situation with the Executive Committee of the Credit Counselling Service of Metropolitan Toronto Board of Directors. They have instructed me to advise you that they wish to go on record as opposing publication of any report supposedly based in part on information reportedly obtained by telephone from this office.

We will be most happy to co-operate in any way with your Ministry officials if they will submit a list of written questions concerning our operations. We have a proud record of service to this community dating back some 12 years and totalling over 20,000 cases, some with spectacularly successful results. We wish our responses to be considered and accurate, only thus can any merit whatsoever be attached to any report or summary in which we are concerned.

Yours sincerely,



~~G. E. Penfold~~
Executive Director.

GEP:so



17th Floor, Zone 2
Place du Portage, Phase 1
Hull, Quebec
K1A 0C9

Notre référence
Out file

B6111-1-4

August 1, 1978

Mr. J.G. Newbery
Assistant Vice President
Industry Relations
Avco Financial Services Canada Ltd.
201 Queens Avenue
London, Ontario
N6A 1J1

Dear John:

Thank you for your letter of July 12th. I appreciate your taking the time to read and comment on the report regarding our telephone survey of credit counselling services across Canada. Before responding to your individual comments, however, I would like first to note a few points about the purpose of the survey and the report itself.

First, the main reason for conducting the survey was that very little information seemed to be available about the credit/debt counselling field for the country as a whole. In this respect the survey was exploratory in nature, meant to provide some information on "who was doing what" in the field. It was never intended to be an in-depth analysis.

Second, the survey was conducted by telephone partly because of the exploratory nature of the research. We did not know in advance exactly which organizations would be involved in any given area and using the telephone to find out appeared a reasonable approach. Another reason for using the telephone was that the government telephone network could be used.

Third, since we would be asking respondents such basic information as the name and location of their organization and the types of services they provided, etc., it also seemed worthwhile to gather other points of information, including some of their opinions and comments on matters relating to debt/credit counselling.

Fourth, in summarizing the data gathered it seemed to the principal researcher that certain conclusions could be drawn based on the patterns of the answers. Based on these conclusions some tentative recommendations for further research were put forward. This latter point is important in that the resulting report should not be interpreted as a policy paper nor even as a position paper for the department as a whole. Rather, it was meant to provide an indication of what is now being done in the field in the country as a whole and to highlight some areas where further research may be warranted to determine facts and investigate problems.

In this respect the purpose in disseminating the results of the survey was merely to promote discussion and hopefully provide some information that would be of use to those with an interest in the field.

I will now attempt to reply to the specific comments in your letter, taking each in turn.

Your first comment is that reference to Quebec's Lacombe Law is out of place in a survey on debt counselling. This depends, of course, on how one defines debt counselling. As you know (and as noted on page 4 of the report) the term is not well defined -- as pointed out by a Canadian Welfare Council study it can cover a wide range of services. Those mentioned in the C.W.C. quotation (see p. 4, 5 of the report) includes "specific measures to enable individuals to extricate themselves from over-indebtedness", including, "plans involving the pooling of debts ... the pro-rating of debt repayments among different creditors, and direct intervention on behalf of debtors (e.g. to prevent garnishment)". Later in the report (see pages 22-26) an attempt was made to categorize the various services offered by the agencies by distinguishing certain broad functions. One of the four broad functions distinguished (see page 24) was that of prorating or pooling schemes where the agency provides for the prorated disbursement of funds amongst a debtor's creditors. This function falls within the Canadian Welfare Council "definition" outlined above. After reviewing a published description of the purposes of Quebec's Lacombe Law it seemed worthwhile to mention it in passing.

Page 13, paragraph 3. Your comment is that most cash lenders do provide a degree of debt counselling in the every day course of their business. I agree. However, in order to provide some boundaries to the survey, our general approach (see page 3) was to include "structured financial counselling programs ... but to exclude informal counselling such as having a discussion with ones bank or credit union manager".

Page 18, paragraph 5. Your comment seems to be that credit grantors will help the operation of an orderly payment of debt program by reducing their demands on the debtor. While this is no doubt true, the point being referred to in the report concerns direct funding of the agencies themselves.

Page 22, paragraph 2. Your comment is that you know of no agency which is reluctant to make its services known (advertise) for fear of "swamping the service". In reply I would only point out that what was reported was an opinion expressed by various respondents.

Page 23, paragraph 1. Your comment about counselling in conjunction with a consolidation loan regardless of the lender is well taken. The offending sentence will be removed.

Page 23, last paragraph. Your comment is that having a credit counselling agency adopt an advocacy role would certainly destroy the effectiveness of the program. The report does not, of course, specifically recommend that credit counselling agencies should adopt an advocacy role, only that an effort should be made to determine whether greater advocacy is warranted. Also, you may be aware that the criticism has been made (not in the report) that some credit counselling services go too far the other way in the sense of acting as "debt collectors" for credit grantors.

Page 43, recommendation (i) and (ii). Your comment is that you fail to see the relevance of household finances in a given area as related to the availability of a debt counselling service. The point of these recommendations was that further research is required to determine the extent of the need for credit counselling services. Although it was only a suggestion, the idea behind looking at household finances in two areas (one serviced by a credit counselling agency, the other not) was to compare the proportion of households in each area with say, debt/income ratios of a certain level or above. If, on the one hand, the area not currently served by a credit counselling agency showed fewer households with high debt/income ratios than the second area, this might mean less need for such an agency. If, on the other hand, the area not currently served showed as many or more households with high debt/income ratios as the second area, it may mean that attention should be devoted to establishing a service of one form or another.

Page 44, (i) and (ii). Your comment appears to be that because many agencies have a very high public image there is probably not much potential demand for service beyond the 1.6% of the population (in Ontario) now using debt counselling services. The opinion was expressed by some survey respondents that

although they were seeing the most urgent cases many other people, even though their financial situation was not as critical, were in need of one form of counselling or another. It was also pointed out in the report (footnote 4) that there is some indirect support for this view. In any event, the only point being made in the recommendation was that this opinion might be tested through some form of experiment.

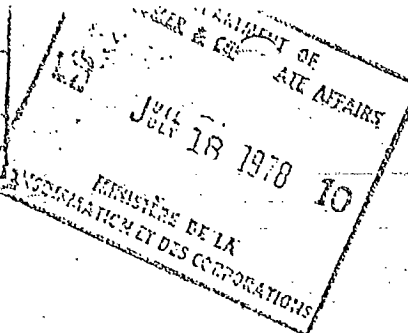
Part III of the proposed Bankruptcy Bill (S-11). We agree with your points about qualifications of counsellors and the location of offices.

If there are any questions about the above or should you wish to offer other comments and suggestions please feel free to get in touch. In the meantime, thank you again for writing.

Yours sincerely,

J.P. Toupin
Consumer Research Branch

FILE	7-1-1-1
DOSSIER	
CHGD. TO	
REMS A	



AVCO FINANCIAL SERVICES CANADA LIMITED

July 12, 1978

Mr. Jean-Pierre Toupin,
Acting Director,
Consumer Research Branch,
Consumer and Corporate Affairs Canada,
17th Floor, Zone 2,
Place du Portage,
Phase 1,
Hull, Quebec
K1A 0C9

Dear Mr. Toupin:

I most appreciate the opportunity of reviewing the results of your telephone study dealing with credit counselling services in Canada. My comments are as follows:

Reference is made to Québec's Lacomb Law as a debt counselling service. I suggest that there is no counselling involved whatsoever. While Lacomb Law can protect the wage earner's salary, it does not have the power to protect his assets. The amount of the voluntary deposit is based on a formula with one of the main components being the number of dependents. No consideration is given to the individual's circumstances. While I am not criticising the Lacomb Law in itself, it appears to be out of place in a survey on debt counselling.

Page 13, paragraph 3. I think you will find that most cash lenders do provide a degree of debt counselling in the every day course of their business. It can be said that declining application for credit by advising the applicant that he runs the risk of becoming over-involved, or suggesting that a lower priced motor vehicle would be more appropriate, are in themselves forms of debt counselling.

Page 13, paragraph 5. In many cases, in order to make the orderly payment of debt programme operative, the credit grantor is asked to reduce the debtor's obligation by either lowering or dropping all future interest,

J. G. NEWBERY
ASSISTANT VICE PRESIDENT
INDUSTRY RELATIONS

/continued.....

Mr. Jean-Pierre Toupin

July 12, 1978

or in other cases to accept a percentage of the principal balance owing.

4 Page 22, paragraph 2. I know of no agency which is reluctant to make its services known (advertise) for fear of "swamping the service". As a director of the London agency, I can state that we have made a point of actively seeking publicity through the media. The workload has its peaks and valleys. However, we have never been swamped.

5 Page 23, paragraph 1, which concludes with the following: "Also, credit unions and caisses populaires will typically do some counselling in conjunction with the granting of a consolidation loan". I suggest to you that a consolidation loan is a consolidation loan, regardless of the lender. If no counselling is given in completing a consolidation loan, not only is the lender doing the customer a disservice, but he is also placing his loan at risk.

6 Page 23, last paragraph. Effective debt counselling requires the co-operation of credit grantors, a view which appears to be supported in your report. Having an agency adopt an advocacy role would certainly destroy the effectiveness of the programme. This is why the advocacy aspects of debt are attended to by such agencies as legal aid, etc.

7 Page 43, recommendation (i) and (ii). I fail to see the relevance of household finances in a given area as related to the availability of a debt counselling service. I do, however, feel that some research could be conducted in relating household finances to the educational system within the Province. I am of the view that some educational systems, both primary and secondary, prepare students for earning a salary, but there is no emphasis whatsoever on managing household finances.

8 Page 44, (i) and (ii). In Ontario it would appear that 1.6% of the population of a given area avails itself of debt counselling services. I would also suggest that there are many agencies which have a very high public image. Therefore, possibly these agencies should be compared to other agencies with a somewhat lower presence.

9 Part III of the proposed Bankruptcy Bill (S-11) provides for the availability of debt counselling on a country-wide basis. Therefore, I support the view that

/continued.....

July 12, 1978

Again, I appreciate the opportunity to comment and only regret that time does not permit me to go deeper into your proposal.

Kind regards,

Sincerely,

JGN/vb



Ontario

Ministry of
Community and
Social Services

Municipal Welfare
Consulting
Branch

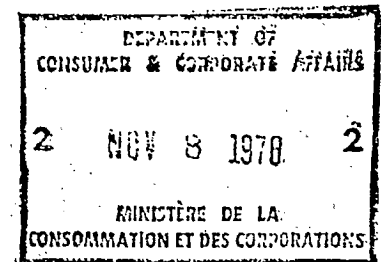
Location:
2195 Yonge Street
7th Floor
Toronto, Ontario
(965-5142)

Mailing Address:
Queen's Park
Toronto, Ontario
M7A 1E9

TO	W. J. G.
FILE	B6111-1-3/3
DOES	ONT
CHRG. TO	
REAS A	

November 2, 1978

Mr. Jean-Pierre Toupin,
Acting Director,
Consumer Research Branch,
Consumer and Corporate Affairs Canada,
17th Floor, Zone 2,
Place du Portage,
Hull, Quebec.
K1A 0C9



Dear Mr. Toupin:

— My apologies for a very belated reply to your letter of August 8, 1978. Unfortunately I did not receive your letter until the day prior to my annual vacation and did not have the time to reply immediately. Since my return, a number of urgent matters have kept me fully occupied until the present.

Your letter gives me a better understanding of the intent of this Survey and which I agree is explained in the preamble. I must emphasize, however, that I disagree with the format of the presentation as I am quite certain that many persons will accept your conclusions as fact when the intent is simply that they should be researched further. This I would not take exception to, except that I feel that some of the conclusions are not applicable to the Credit Counselling Program in Ontario. I have since had the opportunity of reading the copy revised on October 13, 1978, which is a great improvement over the original, but still does not completely satisfy my concerns.

I will briefly comment on the points that you have stressed in your letter. I regret that you have interpreted my letter as insinuating that your researchers have either lied or fabricated the data. My reason for making my own brief telephone research was that in conversation with one agency they stated they had not been surveyed. I subsequently phoned 6 agencies and read them the questionnaire. These agencies were:

- Consumers' Debt Counselling Service of London
- The Oshawa and District Credit Counselling Service
- Credit Counselling Service of Ottawa
- New Sudbury Community Service Centre
- Credit Counselling Service of Metropolitan Toronto
- The Credit Counselling Service of Metropolitan Windsor

November 2, 1978

Only 2 of these agencies could recall being questioned by a Consumer and Corporate Affairs Canada researcher, and all 6 agencies stated that they were not asked the complete questionnaire. This was most unusual as the questionnaire contained 42 questions, including sub headings, many of which would require varied data to be gathered from files to be answered.

Your comment that the survey was not intended to delineate the differences between Provinces is accepted, but unfortunately too few persons reading it will completely understand this and be inclined to consider all findings as being applicable to all Provinces.

1. CONCLUSION

Remedial counselling services are not readily available in some geographic areas

2 — Your quotation of an article in the Globe and Mail on July 22, 1978, which questioned whether 90% of the Population of Ontario had reasonable access to a Credit Counselling Service is of particular interest, as I feel it illustrates the points I have been endeavouring to make; i.e. how readily an inaccurate report can be quoted and assumed to be factual. I have attached a copy of my comments on this article for your information as Appendix "A".

RECOMMENDATIONS

- i) Research is needed, etc. (ii) if it is shown, etc.

Although research has varied somewhat, for the past number of years we have employed the same basic design for making surveys. Copies of the instruments used in these surveys are attached as Appendix "B". In addition to the information gained from these sources, further information is obtained from Small Claims Courts and other sources.

Sub-Offices

Our experience with sub-offices varies from very good to very poor. It is difficult to generalize on this subject other than (1) persons have a tendency to go to the main office rather than the sub-office even if it means a much greater distance to travel; (2) the extremely limited number of cases per thousand of population yearly. Average agency receives approximately 1 case per thousand of population yearly - on this basis a town of 5000 would have only 5 new cases yearly.

In order to answer your question properly, I would have to be extremely specific as there are so many variances.

November 2, 1978

ii) Conclusion

The demand for remedial debt counselling services is not being met adequately.

This is an extremely controversial subject. In the opinion of most of the experienced credit counsellors and agency executives, paid advertising is not the answer. Free advertising by way of newspaper articles, radio and T.V., is a better approach, and many agencies have had good publicity through these media. In spite of the comments you gathered "afraid to advertise etc.", I know of no agency that has turned down the opportunity for publicity and many actively pursue it. It does not appear to significantly affect their caseload except very temporarily.

3
The statement that "more advertising is required" indicates there is some confusion in the minds of those questioned as to the difference between "Demand for Service" and "Need for Service". At the present time in Ontario, the "Demand" is being met adequately with few exceptions. The "Need for Service" is very subjective and few persons apply for service until they are in a crisis situation. Agency experience has shown that unless a person wants the service and is willing to co-operate, little can be accomplished.

I would agree, however, that this whole area should be researched.

RECOMMENDATIONS

ii) The potential for increasing the operating efficiency

Ontario worked for 3 years or more on the setting up of a computerized information system for family counselling agencies. The credit counselling program was integrated in this. The costs became so high that it was felt to be impractical and this has now been discontinued. A much simpler system would be practical but of little benefit to most agencies as the costs would be greater than the benefits derived.

iii) Conclusion

The range of remedial services is too limited in some areas

Your explanation is accepted but does not explain why the conclusion was worded in such a way that the meaning is obscure.

November 2, 1978

RECOMMENDATIONS

- i) Research is needed to determine whether eligibility for various orderly payment of debt schemes etc.

I have checked with a number of agencies and have yet to find one that insists that a person be working. Agencies will seldom set up an O.P.D. scheme for a person who does not have sufficient income to make a payment on his debts after meeting necessary living expenses. The respondents in answering this question may have confused the difference between working and income.

- ii) In view of the apparent uniqueness etc.

accept ✓
I have further discussed this point with a number of credit counselling agencies and also credit grantors. Both these groups question the present ability of the credit unions to do credit counselling, and also many feel that as the credit unions are credit grantors, they could not be considered impartial.

- iii) An effort should be made to determine etc.

While research is always of value, surveys that have been made of the credit counselling clients in Ontario indicate that this is not a serious problem. Individual cases are either handled by the counsellor or referred to the proper authorities. You will note that the Training Manual for Credit Counsellors in Ontario brings possible illegalities to the attention of the counsellor and cites the proper authorities to whom such cases should be referred.

- iv) Interviews should be conducted etc.

For this to be of any value, I feel it would require a well conducted research covering a considerable number of former clients, both Successful and Unsuccessful, of a number of different types of credit counselling services.

- v) Review of qualifications of and training provided etc.

A copy of the Manual for Credit Counsellors will be mailed to you shortly, and as further training devices are developed you will be kept informed. For some time we have exchanged all pertinent information with Alberta, British Columbia and Saskatchewan, and any other Provinces that have shown any interest.

- ii) Emphasis should be placed on etc.

Your comment that some efforts appear to have been successful is interesting, and I would be interested in hearing further about them. Most successful projects of which I have been informed have involved so few persons and

Mr. Jean-Pierre Toupin - 5 -

November 2, 1978

iii) The various provincial governments etc.

This is an ongoing problem that our agencies keep stressing to both school boards and teachers. We are probably making progress and possibly the schools are doing a better job than we give them credit for. The persons in financial difficulties are only a very small percentage of the population - who taught the remainder?

v) Conclusion

There appears to be a general lack of co-ordination etc.

I would agree that a meeting would be of great value.

I would summarize in saying that this is a useful report in the context of which it was intended but must emphasize my concern that it may not always be read and used in that context.

If I can be of further assistance to you, please feel free to call upon me at any time.

Yours very truly,



R. M. Mason,
Program Consultant.

Attach.

Copy sent J. Makin, S. Laidlaw, & Ray, A. Laidlaw, J. Makin, & Laidlaw

July 24, 1978

"A"

D. Alfieri
Director
Municipal Welfare Consulting Br.

R. M. Mason
Program Consultant
Municipal Welfare Consulting Br.

Credit Counselling Program

Globe and Mail Article, Saturday, 22nd July, 1978

"Ministry contends all of Algoma is served by single debt counselling office in the Soo"

Attached is a copy of an article that appeared in the Globe and Mail on Saturday, the 22nd July, 1978.

The writer, Kirk Makin, has not reported the facts as I gave them to him and is deliberately or otherwise being misleading.

The criteria used in arriving at the 93% figure of population served was explained at some length and is:

- (1) Area claimed to be served by agency.
- (2) Access to agency of population centres distant from agency.
 - how are these served - sub offices, etc.
 - shopping and service centres in area.
- (3) Actual count of numbers of cases in areas removed from agency to ensure that area is being served on representative basis.
- (4) Population figures for areas established as being served as given in Municipal Directory, 1977-79, published by Ministry of Treasury, Economics and Intergovernmental Affairs. It was acknowledged that in any large area there would possibly be a very small percentage of the population that did not have reasonable access to the service but that this was offset by the fact that some persons residing in areas we do not claim to serve were in fact being served.

The seven agencies in Northern Ontario represent one agency for every 100,000 of population while in Southern Ontario there is an agency for every 340,000 of population. He was advised that we do not claim to serve all of Northern Ontario and that this is where part of the unserved 7% reside.

It was pointed out to Mr. Makin that the Sault Ste. Marie agency has maintained a sub office in Elliot Lake and the counsellors who travel there make intermediate calls as required. This information was omitted from the article.

The part regarding distances in Algoma is so garbled I am not sure what is meant.

Hornepayne is probably an area that is not being served and could be considered one of the small remote areas I referred to previously. The population of the Township of Wickstead which includes Hornepayne amounts to 1,633 persons. Residents of Wawa make frequent trips to Sault Ste. Marie. He was advised that the agency does have a number of clients from Wawa.

I am unaware of my making any reference to either Fort Frances or Atikokan. Both of these places are in the District of Rainy River which we do not claim to serve.

Mr. Makin omitted stating that if a client lacks means of transportation, the agency is able to arrange this in most cases.

My statement in regard to population figures has been taken out of context. I stated that our figures were based on the Municipal Directory and not on Chamber of Commerce or similar organizations' figures which are often inflated.

I have spoken to Mr. E. Lang who denies that he stated he was skeptical of the Ministry's figures.

It is interesting to note that in spite of Mr. Makin's implied contention that Algoma is not being adequately served, the statistics for the Sault agency indicate otherwise. For the past 3 years, the Sault agency has had more new cases per thousand of population than any other agency. The 1977-78 figures show:

New Cases per Thousand of Population

Sault Ste. Marie	2.7	(Based on Population of District of Algoma)
Next highest agency	1.7	
Average all agencies	1.0	

These indicate that no agency is even close to the Sault and the Sault is 2-3 times higher than most agencies, even those serving a compact area.

Ministry contends all of Algoma is served by single debt-counselling office in the Soo

By KIRK MAKIN

The provincial Ministry of Community and Social Services is convinced that its debt-counselling service offices serve 93 per cent of the people of Ontario — it's just not sure how it knows.

Debt-counselling program consultant Ronald Mason found himself unable yesterday to explain the criteria used in arriving at the statistic, liberally used in speeches by Minister Keith Norton and in ministry publicity statements. The 29 debt-counselling offices, which offer Ontarians advice and help in planning their budgets and repaying debts, are scattered through the province, but only seven are not located in the south or east.

Mr. Mason conceded some extremely large distances are regarded as "served", such as the whole of Algoma district, which the ministry considers served by its Sault Ste. Marie office.

Mr. Mason said it was unlikely anyone would want to travel that far anyway, since Algoma district alone covers the same distance as northern Ontario.

"There are people up there who need to travelling somewhat larger distances than we are down here."

This is just as well, since among those the ministry considers serviced by the Sault Ste. Marie office are the residents of Hornby

(210 miles by road) and Wawa (110 miles by road).

Debt-ridden residents of Fort Frances must go 95 miles to the Kenora office which serves them, while prospective clients in Atikokan have to travel 110 miles to the Thunder Bay office.

Transportation is not the problem it might seem, said Mr. Mason. "Very few of our clients in smaller towns up north would not have cars . . . I'd say 90 to 95 per cent have cars," he said.

He was, however, inclined to agree that since car-owners apparently dominate the clientele of the northern agencies, the theory that those without cars can't make it to the offices in the first place might be reinforced.

"But if they haven't got a car, they probably aren't in debt," he said.

The director of the London debt-counselling agency, Edward Lang, was skeptical of the ministry's figures in an interview. "He's going on an educated guess as much as anything else," he said of Mr. Mason.

Though Mr. Mason did not abandon the figure of 93 per cent, he did say, "I'd be the first to admit some of the areas we say we're serving — if you actually went out there, you'd find two or three thousand people that there'd be no way they would find the offices accessible."

Another problem in com-

puting this sort of percentage is population figures, which Mr. Mason "takes with a grain of salt".

"In some of these places

the chamber of commerce likes to puff 'em up a bit. Let's just say I like to be a little more factual than that."

"B"

While its accuracy can be questioned, it does give some indication of the possible numbers of potential clients. In making any assessment of the returns it must be realized that the average client has 7 creditors and as a result many of the returns would be referring to the same persons.

The group Banks and Financial Institutions would include Banks, Finance Companies, Acceptance Companies, Trust Companies and Credit Unions.

The group Merchants Retail would include large Retail Stores, Oil Companies etc.

The group Service Agencies - Welfare Departments etc., would include both private agencies and government departments.

Ex Group Banks etc. - 14 Questionnaires mailed
 13 " returned

<u>8</u>	<u>3</u>
Yes	No

R.M. Mason
May 2, 1977

Banks and Financial Institutions

CREDIT COUNSELLING SERVICE

QUESTIONNAIRE - DEBT COUNSELLING

The information provided in this questionnaire will be treated in confidence. Your copy is coded and needs no further identification. Upon completion of this survey, the participants will be notified of its results.

INSTRUCTIONS:

Please answer all questions.

If not applicable, mark n/a.

If you prefer not to disclose information, mark con. for confidential.

If you are uncertain of information, please give best estimate.

Are you involved with individuals in personal financial difficulties _____
yes-no

(needing debt counselling)

How many per year _____.

Do you initiate garnishees _____.
yes-no

How many per year _____.

Do you action voluntary assignments _____.
yes-no

How many per year _____.

Do you presently assist individuals in financial distress _____.
yes-no

By counselling _____ By assisting in pro-rating _____.
yes-no yes-no

In your opinion, is Debt Counselling a meaningful service _____.
yes-no

If yes, would cooperate by referring individuals with problems _____.
yes-no

Would you waive interest and service charges during pro-rating _____.
yes-no

Would you request that the credit bureau be advised of these on pro-rating _____.
yes-no

Please add any comments, suggestions or recommendations.

Other Credit Institutions

CREDIT COUNSELLING SERVICE

QUESTIONNAIRE - DEBT COUNSELLING

The information provided in this questionnaire will be treated in confidence. Your copy is coded and needs no further identification. Upon completion of this survey, the participants will be notified of its results.

INSTRUCTIONS:

Please answer all questions.

If not applicable, mark n/a.

If you prefer not to disclose information, mark con. for confidential.

If you are uncertain of information, please give best estimate.

Are you involved or aware of individuals in personal financial difficulties

yes-no

How many per year _____.

How many garnishees are you aware of being issued in one year _____.

Voluntary assignments per year _____.

In your opinion is Debt Counselling a meaningful service yes-no.

If yes, would you cooperate by referring individuals with problems yes-no.

Would you waive interest and service charges during pro-rating yes-no.

Would you request that the credit bureau be advised of those on pro-rating

yes-no

Please add any comments, suggestions, or recommendations.

Merchants - Retail

CREDIT COUNSELLING SERVICE

QUESTIONNAIRE - DEBT COUNSELLING

The information provided in this questionnaire will be treated in confidence. Your copy is coded and needs no further identification. Upon completion of this survey, the participants will be notified of its results.

INSTRUCTIONS:

Please answer all questions.

If not applicable, mark n/a.

If you prefer not to disclose information, mark con. for confidential.

If you are uncertain of information, please give best estimate.

Are you involved with individuals in personal financial difficulties _____.
(needing debt counselling) How many per year _____.
yes-no

Do you initiate garnishees _____. How many per year _____.
yes-no

Do you action voluntary assignments _____. How many per year _____.
yes-no

In your opinion is Debt Counselling a meaningful service _____.
yes-no

If yes, would you cooperate by referring individuals with problems _____.
yes-no

Would you waive interest and service charges during pro-rating _____.
yes-no

Would you request that the Credit Bureau be advised of those on pro-rating
_____.
yes-no

Please add any comments, suggestions, or recommendations.

• Industry

CREDIT COUNSELLING SERVICE

QUESTIONNAIRE - DEBT COUNSELLING

The information provided in this questionnaire will be treated in confidence. Your copy is coded and needs no further identification. Upon completion of this survey, the participants will be notified of its results.

INSTRUCTIONS:

Please answer all questions.

If not applicable, mark n/a.

If you prefer not to disclose information, mark con. for confidential.

If you are uncertain of information, please give best estimate.

Number of employees in Plant Office Total

Are you aware of employee financial problems .
yes-no

Do employees voluntarily disclose financial problems .
yes-no

Do you experience garnishees . How many per year .
yes-no

Voluntary assignments . How many per year .
yes-no

Do you presently assist in these problems .
yes-no

By counselling . How many per year .
yes-no

By pro-rating . How many per year .
yes-no

In your opinion, is Debt Counselling a meaningful service .
yes-no

If yes, would you cooperate by referring garnishees .
yes-no

Voluntary disclosures .
yes-no

Would you cooperate so far as to participate in personnel consultation .
yes-no

Payroll deductions for pro-rating .
yes-no

Please add any comments, suggestions, or recommendations.

CREDIT COUNSELLING SERVICE

QUESTIONNAIRE - DEBT COUNSELLING

The information provided in this questionnaire will be treated in confidence. Your copy is coded and needs no further identification. Upon completion of this survey, the participants will be notified of its results.

INSTRUCTIONS:

Please answer all questions.

If not applicable, mark n/a.

If you prefer not to disclose information, mark con. for confidential.

If you are uncertain of information, please give best estimate.

Are you involved with individuals in personal financial difficulties
yes-no

(needing debt counselling)

How many per year .

Do you initiate garnishees .
yes-no

How many per year .

Do you action voluntary assignments .
yes-no

How many per year .

Do you presently assist individuals in financial distress .
yes-no

By counselling . By assisting in pro-rating .
yes-no yes-no

In your opinion, is Debt Counselling a meaningful service .
yes-no

If yes, would cooperate by referring individuals with problems .
yes-no

Would you waive interest and service charges during pro-rating .
yes-no

Would you request that the credit bureau be advised of these on pro-rating .
yes-no

Please add any comments, suggestions or recommendations.



Consumer and
Corporate Affairs Canada

Consommation
et Corporations Canada

17th Floor, Zone 2
Place du Portage
Hull, Quebec
K1A 0C9

Your file Votre référence

Our file Notre référence

B6111-1-4/4

August 8, 1978

Mr. R.M. Mason
Program Consultant
Municipal Welfare Consulting Branch
Ministry of Community and Social Services
Queen's Park
Toronto, Ontario
M7A 1E9

Dear Mr. Mason:

Thank you for your letter of July 18. I appreciate your taking the time to read and comment on the report regarding our telephone survey of credit counselling services across Canada. Before responding to your individual comments, however, I would like to note a few points about the purpose and context of the report and thereby hopefully clear up some misunderstandings.

First, the main reason for conducting this preliminary survey was that little information seemed to be available regarding the credit/debt counselling field for the country as a whole. In this respect the survey was exploratory in nature meant to provide some general information on "who was doing what" in the field. It was never intended to be an in-depth analysis (you will note that nearly all recommendations relate only to further research).

Second, the survey was conducted by telephone partly because of the exploratory nature of the research. We did not know in advance exactly which organizations would be active in any given area and using the telephone to find out appeared a reasonable approach. Another reason for using the telephone was the availability of the government telephone network.

Third, since we would be asking respondents such basic facts as the name and location of their organization and the types of services they provided, etc., it also seemed worthwhile to gather other points of information, including some of their opinions and comments on matters relating to debt/credit counselling.

Fourth, in summarizing the data gathered it seemed to the principal researcher that certain conclusions could be drawn from the answers. Based on these conclusions some tentative recommendations for further research were put forward. This latter point is important in that the resulting report should not be interpreted as a policy paper nor even as a position paper for the department as a whole. Rather, it was meant to provide an indication of what is now being done in the field in the country as a whole and to highlight some areas where further research may be warranted to determine facts and to investigate problems. In this respect the purpose in disseminating the results of the survey was merely to promote discussion and hopefully provide information that would be of some use to those with an interest in the field.

I hope you will agree that viewed in this light the report's purposes are generally consistent with those expressed in your letter. That is, it was our intention that the report's be viewed as preliminary and as a starting point for further research. I am sorry if this was not clear. Such clarification will be added in the event that any further copies are distributed.

I will now attempt to reply to the specific comments in your letter, taking each in turn.

Your first comment concerns the format of the report, including conclusions and recommendations, and the fact that it was produced by Consumer and Corporate Affairs Canada. You note that these should indicate a well researched and factual report but you feel this is not so. I feel that the points outlined above about the survey's purposes, etc., are relevant here. It is true that the principal researcher drew certain conclusions. These conclusions were based on the information provided by the respondents, including their opinions on certain matters and on his overall impressions of patterns emerging from the data. Most of the recommendations called only for further research to determine the merit of the issues noted. In this respect we feel the report is "factual" in that it presents the data. So far as being "well researched" we feel that given the context and the recognized limitations of the methodology, the research was adequate for the intended purpose. You are free to disagree but we feel the research at least represents a needed first step.

Your second comment questions the use of telephone interviews and strongly insinuates that some interviews were not conducted at all. Regarding the first point, we feel that while telephone interviews have disadvantages, this approach can be defended given the context and purposes of the research and the availability of the government telephone network.

Your insinuation that some interviews were not conducted (that we either lied or fabricated the data) is deeply disturbing. You do not state which six of the credit counselling agencies in Ontario you surveyed. However, I assume that Mr. G.E. Penfold of the Credit Counselling Service of Metropolitan Toronto was one of them. I say this because he has since written to the Minister of this Department stating that he was telephoned by you and that he "cannot even recall providing factual data for it [the survey] and a check of my employees here reveals no other respondent to admit to furnishing such information." As it happens, a review of the original questionnaires shows that the Ontario interviews were conducted during the last week of June, 1977. These include an interview with Mr. G.E. Penfold in which all questionnaire items were answered. If you wish to pursue this point please provide more information. Also, is it true, as you indicate, that because the agencies are continually giving out information to various interested parties they attach no significance to the questions and only give superficial answers? If so, this is a disservice to the various interested parties.

Your next comment is that the survey does not delineate the differences in the programs in the various provinces and regions sufficiently. It was never our intention that a preliminary survey of this type would lead to separate reports with conclusions and recommendations for each province or region. Rather, we expected that those in different areas would assess the general findings and give some thought to which conclusions and recommendations merit further consideration in their area. It is certainly true, as you suggest, that not all conclusions and recommendations apply equally in different areas. In fact we feel that Ontario is one of the better served provinces in many respects. Nevertheless, it is understandable that you have applied the conclusions and recommendations only to the Ontario situation in your comments. I will attempt to respond to each of these comments in turn on this basis. Please note, however, that we feel the different conclusions and recommendations apply more in some provinces or regions than others.

1. CONCLUSION

Remedial counselling services are not readily available in some geographic areas

You state that over 90% of the population of Ontario has access to credit counselling services and that while the conclusion is correct the emphasis is biased.

This conclusion was meant to apply to some other provinces much more than it does to Ontario since Ontario is probably one of the best served provinces in this respect. Whether your conclusion (assumption?) that over 90% of the population is serviced is accurate is in some doubt. For instance, according to an interview with you appearing in the Globe and Mail of Saturday, July 22, 1978 your ministry considers as serviced some people who are located distances of 95 miles, 110 miles and 210 miles by road from the nearest office.

RECOMMENDATIONS

i) Research is needed, etc. (ii) if it is shown, etc.

Your comment is that in Ontario there are extremely few areas where research has not been done to document the need for service and that rural and small town centres are served through 20 sub-offices. We would be very pleased to receive copies of such research. Also, I am sure that other provinces would be glad to learn how Ontario goes about documenting the need. Furthermore, we would be anxious to know more about the efficacy of sub-offices as a means of providing service.

ii) Conclusion

The demand for remedial debt counselling services is not being met adequately.

Your comment is that this is an assumption not supported by any facts and that a number of Ontario agencies could with their present staff serve a considerably larger caseload. With all due respect, we still maintain it is a conclusion based on a review of the data provided to us, especially the opinions of credit counsellors. As well, you will note the reference to Statistics Canada data on debt/income ratios (footnote 4 in the report) which we feel provides indirect support for the conclusion. With regards to the Ontario situation, it may well be that a number could with their present staff serve a considerably larger caseload. Our response to this point is that many agencies, including several in Ontario, were of a different opinion regarding advertising and the numbers of people requiring assistance. You will see also that we do not blindly accept this as being the actual situation but suggest that research be done on the relationship between need and the availability of service.

Recommendations

(ii) The potential for increasing the operating efficiency

Your comment is that you fail to see the basis for this recommendation since the questionnaire did not ask whether services are computerized. The basis for the recommendation is that a couple of respondents mentioned it in their general comments. On reviewing the data collected, it seemed that the idea might have some potential and that therefore it was worth noting. In this respect it was interesting to learn from your letter that Ontario has done some research on this matter. No doubt others would be glad to learn from Ontario's experience.

iii) Conclusion

The range of remedial services is too limited in some areas

Your comment is that the statement is too general - presumably geographic areas are meant. The basis for this statement can be found on pages 44 and 45 of the report. To some extent the conclusion refers to geographic areas but also to the need to see if problem debtors can be reached and assisted at some point before more serious intervention (such as an orderly payment of debt arrangement) is required.

Recommendations

i) Research is needed to determine whether eligibility for various orderly payment of debt schemes, etc.

Your comment is that in Ontario the only restriction is residence and work location. This seems a very reasonable criterion, although we understand from some respondents that the client must also be working. The recommendation was directed more to some other provinces where it seems there are eligibility criteria relating to the level and types of debt. Our only concern was whether people who could benefit from counselling of one type or another are able to receive it.

ii) In view of the apparent uniqueness, etc.

Your comment questions the appropriateness or credibility of credit unions in relation to credit counselling. Your points are well taken. Just in passing, it is interesting to note that the credit union movement is considering the notion of supplementing their financial services to customers with various social services. (according to a recent interview with Mr. George May appearing in the Globe and Mail, Sat. July 15, 1978, p. B3).

iii) An effort should be made to determine, etc.

Your comment is that in Ontario the policy of the O.A.C.C.S. is that credit counsellors should be advocates of their clients and should have sufficient knowledge to be aware of illegalities but that these should be referred to the proper authorities. This policy is interesting to note. However, the recommendation should not be interpreted as saying that credit counsellors themselves should determine such illegalities. Rather, the purpose here was to recommend that a sample of files in different agencies across the country be reviewed to determine whether there is a problem in day to day operation. Only if it were found that a problem exists would a review of present policies be considered as a recommendation.

iv) Interviews should be conducted, etc.

Your comment is that this might have some merit. We would appreciate hearing of any ideas you might have.

v) Review of qualifications of and training provided, etc.

Your comment is that in Ontario this has been done and progress is being made in developing a training course. Again, I am sure that other provinces as well as ourselves would be pleased to learn more about Ontario's experience.

Conclusion

Too little attention, etc.

Your comment is that this could be an assumption that may or may not be correct but that prior to any recommendations the whole subject needs far greater research. The conclusion was based on the opinions expressed by survey respondents. We agree with your view, however, that more research on the matter is needed.

Recommendations

i) Efforts should be made, etc.

Your comment is that many such kits are now being distributed but further research is needed to determine whether they are of any value. We agree that a study of the effectiveness of present materials and the manner in which the information is presented would be a good starting point.

ii) Emphasis should be placed on, etc.

Your comment is that experiments have been disappointing and that further research and pilot projects are required. We agree with your comment about research and pilot projects and would be glad to discuss your experiences to date in this area. I might also point out that at least some efforts appear to have been successful and perhaps these projects could be part of an overall review.

iii) The various provincial governments, etc.

Your comment is that Ontario has a course but that implementation at the local school (school board) level has been a problem. Other provinces could no doubt benefit from Ontario's work in this area. Also, do you have any thoughts about overcoming problems at the local level?

v) Conclusion

There appears to be a general lack of co-ordination, etc.

Your comment is that you agree but that because of inter-provincial differences the idea is still under consideration. I think you will agree that several of the points you have made above would be of interest in other provinces and that a meeting of various parties at least to discuss the range of issues and exchange information would be very useful.

Recommendations

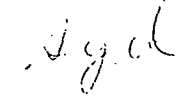
Your comment is that you agree except that you criticize using the present survey as the basis for any far reaching review. We appreciate your support of further work being done. Perhaps the best way to answer your criticism is to refer back to the opening paragraphs of this letter concerning the purposes and limitations of the survey. Whether those with an interest choose to disregard the content of the survey entirely is much less important than the fact that they exchange ideas on what the issues are and how they should be approached. If the survey did nothing more than encourage such exchange a major purpose will have been served.

Your final comments is to criticize the reference to Puckett in the introduction. We agree that the Puckett study was weak and this is one reason we decided to do the survey. While Ontario and Alberta have done research, it was nevertheless true that we could find very little information regarding the situation in the country as a whole. This was one reason for this first attempt.

In summary, I would like to emphasize again the tentative nature of the present survey, its purposes in terms of its preliminary nature, etc. and its limitations. It was not intended as a departmental policy paper. I am sorry if the purposes and limitations of the report and its accompanying conclusions were not made clear enough. Hopefully, these misunderstandings have now been cleared up.

We do appreciate your taking the time to read the report and comment on it. If you feel it necessary, we would be glad to discuss further our reply to your comments and the potential for further work in the credit counselling field.

Sincerely,



J.P. Toupin
Consumer Research Branch



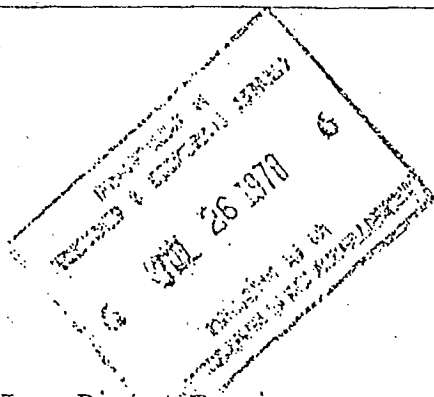
Ontario

Ministry of
Community and
Social Services

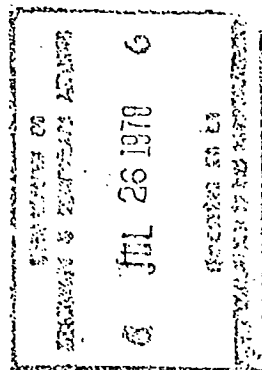
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July 18, 1978



TO	J. P. Troupin
FROM	B6111-1-4/4
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CHGD. TO	
REMAIS A	

Mr. Jean-Pierre Troupin
Acting Director
Consumer Research Branch
17th Floor, Zone 2
Place du Portage
Phase I
Hull, Quebec
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Dear Mr. Troupin:

Thank you for sending me a draft copy of the "Survey of Credit Counselling Services in Canada" and asking me for my comments.

I am somewhat hesitant in giving my comments as this Survey has undoubtedly been prepared at considerable time and expense. The format of the study, including conclusions and recommendations, and the fact that it was produced by Consumer and Corporate Affairs Canada would indicate that it should be a well researched and factual report.

This I feel is not so and if it is produced at all I would suggest that it be amended and produced only as a matter of interest.

A report of this depth where the research was done by telephone is open to question. I subsequently made a brief telephone survey myself of six credit counselling agencies in Ontario to inquire if they had answered the questionnaire as purported to have been used. Two of these agencies remember answering some of the questions but state very definitely they were not asked the majority of questions. The other four agencies have no recollection of answering such a questionnaire. They all state most emphatically that they would have remembered a questionnaire of such depth. All agencies state that they are continually giving out information to various interested parties and if questioned, they attached no significance to the questions and only gave superficial answers. As these six agencies serve a population of over 4,000,000 persons, it would indicate that the Survey does not portray a true picture.

July 18, 1978

A further problem with the Survey is that it does not delineate the differences in the programs in the various Provinces and Regions sufficiently. While these are mentioned, the differences in the programs are so great that the drawing of Conclusions and Recommendations are superfluous unless it is indicated to which program they should apply.

Throughout the Survey I could enumerate many questionable conclusions and recommendations but I will confine my comments with one exception to the Summary.

f) Conclusion

Remedial counselling services are not readily available in some geographic areas.

Over 90% of the population of Ontario has access to credit counselling services and while the conclusion is correct the emphasis is biased.

Recommendations

(i) Research is needed, etc. (ii) If it is shown, etc.

There are extremely few areas in Ontario where research has not been done to document the need for service. As regards investigating extension of services, etc., proper research in Ontario would have revealed that extension of service has been practised for some years. In 1977 there were 28 agencies (now 30) and these agencies served rural and small town centres through 20 sub-offices where counsellors were available ranging from a daily to a monthly basis or as required. In addition other small centres have been served on request.

ii) Conclusion

The demand for remedial debt counselling services is not being met adequately.

This is an assumption not a conclusion. I fail to see in this survey any facts to support this assumption. The so-called "tip of the iceberg" is not based on any data presented. In Ontario a number of agencies could, with their present staff, serve a considerably larger caseload. They have not been successful in increasing this in spite of advertising campaigns, etc. While there may be a greater potential demand than an actual demand until such time as the potential is translated into an actual demand it is questionable whether any assessment is of real value.

Recommendations

ii) The potential for increasing the operating efficiency (e.g. through computerization of certain functions) of credit counselling services should be explored.

As the questionnaire did not ask whether services were computerized, I fail to see the basis for this recommendation. It is my understanding that in some Provinces this has been done. In Ontario, a very detailed and lengthy research was

done on certain aspects of this. The project was discontinued last year as the variables were so diverse, the cost outweighed any advantages that might accrue.

iii) Conclusion

The range of remedial services available is too limited in some areas.

This statement is too general - presumably geographic areas are meant.

Recommendations

i) Research is needed to determine whether eligibility for various orderly payment of debt schemes, etc.

In Ontario the only restriction is residence and work location. Due to local funding of 40%, some agencies insist client resides or works in community where agency is funded.

ii) In view of the apparent uniqueness, etc.

While this might be of value it should be understood that not all credit unions have displayed the same philosophy when the client is no longer a member of the group.

They could certainly extend their counselling services but as regards acting as a trustee in handling an O.P.D., their credibility would be suspect by creditors as they themselves are credit grantors.

iii) An effort should be made to determine, etc.

In Ontario it is felt that credit counsellors should refer such matters to lawyers, legal aid, Collection Agency Act, Consumer Protection Act, etc. The Ontario Association of Credit Counselling Services policy is that credit counsellors should have sufficient knowledge to be aware of illegalities but that these should be referred to the proper authorities. This approach has been found to be much better. The credit counsellor should be an advocate of his client but the determination of the legality of a debt or collection practice is better decided by the proper authorities.

iv) Interviews should be conducted, etc.
This might have some merit.

v) Review of qualifications of and training provided, etc.

In Ontario this has already been completed and progress is being made in developing a training course.

iv) Conclusion

Too little attention, etc.

This could be an assumption that may or may not be correct but prior to any Recommendations being made this whole subject needs far greater research than was done in this questionnaire.

Recommendations

- i) Efforts should be made, etc.
There are many of these presently being distributed - requires further research to determine whether they are of any value.
- ii) Emphasis should be placed on, etc.
Experiments in this area have been to say the least disappointing. It again requires greater research and pilot projects to determine whether it would be of any value.
- iii) The various provincial governments, etc.
Ontario has an excellent money management course that can be included in the school curriculum as a credit course. Agencies and other interested parties are continually advocating schools to adopt this but to date the results have been rather disappointing.
- v) Conclusion
There appears to be a general lack of co-ordination, etc.
This undoubtedly is a fault but owing to the differences in the various Provincial programs this is still under consideration.

Recommendations

I would agree with the Recommendations as presented with the exception of number 2. While the recommendation may be valid I do not feel that this study has been conducted in such a manner to warrant any far reaching review being made.

I previously stated I would confine my comments to the summary with one exception. This exception is the reference to a report by Puckett in the Introduction. This report was so inadequately researched that it has no credibility. It is interesting to note that although mention is made of the paucity of his report, it is now being quoted as having some authority. It is quoted saying "with a few exceptions...very little systematic information seems to be available about debt counselling services in Canada." This was certainly not true either in regard to Alberta or Ontario. Both of these Provinces had very complete data on such services but Ontario and possibly Alberta were never asked to furnish the authors of the report with the data. This illustrates the danger of producing an inadequately researched survey.

In summary I feel that this report is only of value as a preliminary report to be used in further research. It should not be published in its present form as it is misleading and not factual.

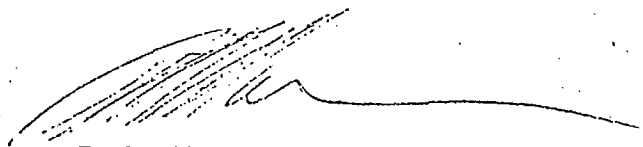
Mr. Jean-Pierre Toupin

-5-

July 18, 1978

I would welcome the opportunity of assisting further if this was to be used as a starting point to further research.

Yours truly,

A handwritten signature in dark ink, appearing to be 'R. M. Mason', with a long horizontal flourish extending to the right.

R. M. Mason
Program Consultant



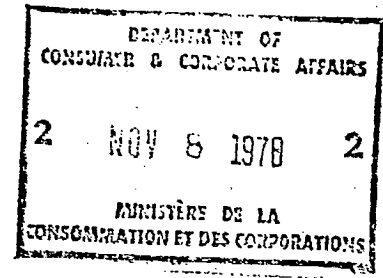
THE ONTARIO ASSOCIATION OF CREDIT COUNSELLING SERVICES

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Dr. John L. Evans
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Dear Dr. Evans:

I am writing to let you know how pleased we were to meet Mr. Wayne Brighton at our general meeting of October 25 and 26, 1978. After our extensive correspondence regarding the survey of credit counselling services in Canada, it was nice to meet the author of that report in person.

I was very pleased to see the final version of that report. I felt that the author had taken a lot of care to incorporate our suggestions into the manuscript, and to make it more realistically reflect the situation here in Ontario. We also appreciated receiving a copy of the research report for each of our member agencies.

Now that this initial exploratory report has been completed, I hope that we can continue to exchange ideas. As noted in the survey, there is much research which remains to be done. We here in Ontario are also very interested in meeting with our counterparts in other provinces. Any initiatives which the Department of Consumer and Corporate Affairs could make in this direction would be gratefully appreciated.

Yours truly,

Amy Cousineau
Amy Cousineau
President

/mb

cc E.W. Lang



17th Floor, Zone 2
Place du Portage, Phase I
Hull/Ottawa
K1A 0G9

Your file Votre référence

Our file Notre référence

December 6, 1978

Ms. Amy Cousineau
President
The Ontario Association of
Credit Counselling Services
Department of Family Studies
University of Guelph
Guelph, Ontario
N1G 2W1

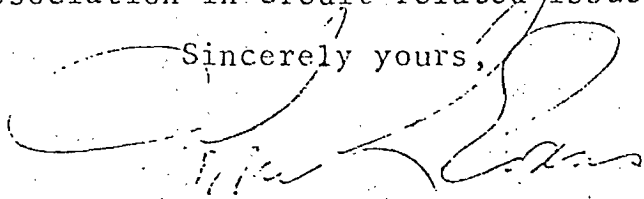
Dear Ms. Cousineau:

— Thank you for your letter of October 31, and for your kind remarks; I apologize for the delay in replying.

We agree that much research remains to be done, not only on credit counselling services but on a variety of issues concerning consumer credit and families' use of their financial resources. As you may be aware, we are now close to completing a few preliminary reports on such topics as access to credit, general attitudes and behaviour with respect to credit, and over-indebtedness. Particular projects will be outlined in the next edition of our Research Newsletter which should be available soon.

Once these projects are completed we will be drawing the results together in an overview report. I am hoping that this will be completed by late spring of 1979, and would suggest that the feasibility of a general meeting of those with an interest in the field be considered at that time. In the meantime I would be glad to keep in touch and to draw on the experience of your Association in credit related issues.

Sincerely yours,



J.L. Evans
Director
Consumer Research and
Evaluation Branch



17th Floor, Zone 1
Phase 1
Place du Portage
Hull, Quebec
K1A 0C9

Your file Votre référence

Our file Notre référence

October 2, 1978

Ms. Amy Cousineau
President
The Ontario Association of
Credit Counselling Services,
Department of Family Studies
University of Guelph
Guelph, Ontario
N1G 2W1

Dear Ms. Cousineau:

Dr. Evans has asked me to write, thanking you for your letter of September 19, 1978. Also, your M. Sc. thesis has been duplicated and the original is enclosed.

I look forward to attending the general meeting of OACCS in Toronto and the opportunity to discuss issues of mutual concern. In the meantime, in case you have not already seen them, I am enclosing two articles which appeared on page T9 of The Globe and Mail of September 28. I think the content of these articles sheds further light on the apparent disagreement between ourselves and Mr. Mason with regard to demand for service and the merit of advertising the availability of service as applied to the Ontario case.

Thanks once again for your comments and interest in promoting further useful exchange on the credit counselling field.

Sincerely,

Wayne Brighton

W. Brighton
Consumer Research and
Evaluation Branch

Encl.



THE ONTARIO ASSOCIATION OF CREDIT COUNSELLING SERVICES

AMY E. G. COUSINEAU, M.Sc.

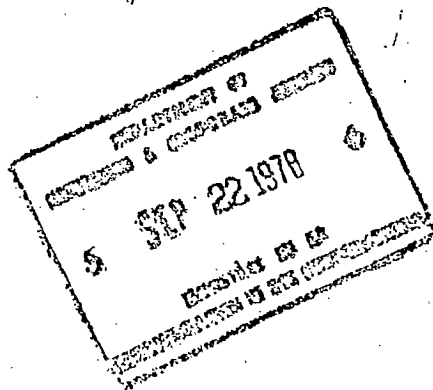
PRESIDENT

Department of Family Studies
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EXECUTIVE DIRECTOR

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TO	D. Lang
FILE	P. 611-1-3/3
COPIES TO	
REMARKS	

Dr. John L. Evans
Director
Consumer Research and
Evaluation Branch
Consumer and Corporate
Affairs Canada
17th Floor, Zone 2
Place du Portage
Phase I
Hull, Quebec
K1A 0C9

Dear Dr. Evans:

Thank you for your letter of September 14, 1978 regarding the Survey of Credit Counselling Services in Canada. I appreciate your serious consideration of our submission and the thought which went into your reply. It was particularly helpful to have some of the passages in the report clarified.

Wynne
I am enclosing a copy of my M.Sc. thesis, a follow-up study on credit counselling clients, as requested on page five of your letter. Feel free to duplicate it, but I would like to have the original back after you use it. I have scanned the documents which you sent to me on Credit and Debt in Atlantic Canada and on the "Standard Package", but I need to look at them more carefully before commenting.

I am glad that the survey provided an opportunity for OACCS and the Consumer Research Branch to become acquainted. I trust that we will continue to exchange views on topics of mutual interest. We look forward to having Mr. Brighton with us in October, and to an eventual meeting of all those interested in credit counselling in Canada. I would appreciate receiving a copy of the final report on the Survey of Credit Counselling in Canada when it is released.

Yours truly,

Amy Cousineau
President

/mb

17th Floor, Zone 2
Place du Portage
Phase I
Hull, Quebec
K1A 0C9

September 14, 1978

Ms. Mary Cousineau,
President,
The Ontario Association of
Credit Counselling Services,
Department of Family Studies,
University of Guelph,
Guelph, Ontario.
N1G 2W1

Dear Ms. Cousineau:

I wish to thank you for your letter and enclosures of September 1, 1978 addressed to Mr. J.P. Toupin, who was acting in my place during an absence this summer. I appreciate the fact that the Ontario Association of Credit Counselling Services has taken the time to comment on our Survey of Credit Counselling Services in Canada and will try to respond here to the several interesting points raised in your letter.

Perhaps I should begin by making a few general points about the purpose and content of the report before dealing with your individual comments. In this respect I note that Mr. P. Mason showed you a letter dated July 18 that he sent to us concerning the survey. I do not know if he also showed you our reply. In case you have not seen it and because parts of it are relevant here I am enclosing a copy for your information. For instance, some general points that should be made about the purpose and content of the report are covered on page 1 and the first half of page 2 of our letter to him, and I refer you to these.

With regard to the specific points in your letter, the first is that the O.A.C.C.S. regrets the decision to write a report which limited about the country as a whole. Mr. Mason's letter also raised this point and our response can be found in the last paragraph of page 3 of our reply. As stated there, it was our expectation that those in different areas would

.../2

a report on general findings and five were thought to those
 which might merit further
 investigation. The latter, on the other hand, of conditions
 in their own area.

One second point concerns the survey methodology. You
 agree that telephone interviews were a good way to collect
 information for an exploratory survey of this type but argue that
 more accurate responses might have been obtained if a letter
 survey of the area had been sent out before calls were made or
 if the survey had been supplemented by a mailed questionnaire. It
 is difficult to send out letters restricting the
 survey in terms of calling because of the exploratory nature
 of the survey. We did not know in advance of literally hundreds of
 potential respondents (from our initial contact lists) were
 involved. And, while more accurate responses on some points,
 such as agency funding, might have been obtained
 through mailed follow-up (recognizing the disadvantages of mail
 survey), I think that criticism regarding our findings about
 client characteristics is based on a misinterpretation. I will
 try to clarify this since we feel the findings are of importance.

Specifically, you say "the client profile referred to in
 several places is 'young families with children and below average
 (or low) income'". We can find no such quotation anywhere
 in the report. But the report does say regarding income levels
 is that in 1976 the 51 respondents providing percentage
 breakdowns said that 60% 34% of their clientele have incomes
 below \$12,000 (versus 55% of family units in Canada in 1976
 according to Statistics Canada cat. 113-206, p.11), an impression
 reinforced by the 17 who gave descriptive answers" (p. 24).
 Also, the respondents say "a small proportion of them [clients]
 have incomes of or below the poverty level (the working
 poor). The others are above this level but clearly would be
 best described as only 'getting along' or 'struggling to
 survive'". (p. 19). Finally, the comments of the "typical"
 client of the service client incomes 18% were in income in
 saying "the 18% income is low-income or only just adequate in
 relation to the rest of the area".

But our critics seem to be that we are
 stating that clients are considered poor. This is not the
 impression that the above quotations intended to convey. It
 should be noted, however, that in 1976 the low-income cut-off
 determined by Statistics Canada for a family of four ranged from
 \$7,173 to \$9,654 for non-rural areas, depending on size of area

of residence (cat. #13-266, p.6). It is true that the respondents indicated that a good proportion (but less than half) of their clientele had family incomes at or below this level. Most of the remaining clientele could be characterized as having "lower middle" level incomes with a small proportion having incomes above that level. This would be probably more true in Ontario where average incomes are somewhat higher than in some other provinces. In short, I do not necessarily disagree with your statement about most clients in Ontario being of middle to lower middle income, but I think your criticism on this point was based on a misinterpretation of the data as presented.

I can understand that the rainwater classification referred to on page 34 may not be clear and that paragraph will be deleted. However, in the event that you wish to learn more about the "standard package" of consumption concept I would refer you to the book itself, listed in the bibliography of the report. As well, I am enclosing a copy of a draft paper in which the concept was applied to data on consumer credit patterns in Canada. I would be glad to get your comments.

Your next point concerns four references to Ontario in the report which you feel indicate the interviewers may have misunderstood the respondents. I will attempt to respond to each comment in turn.

First, you refer to a sentence on page 10 of the report as being incorrect on the matter of how individual Credit Counselling Services are established. We understand your point about creditors and the United Way not being directly involved in the contractual relationship between the local credit counselling agency and the provincial government. The report will be amended accordingly.

Second, you feel the reference to "Ontario's Credit Counselling Service" on page 11 of the report implies there is one umbrella service. I think this point is related to the one above and the reference will be reworded.

Third, you note that on page 15 reference is made to the comment by some respondents that they were under the impression the provincial government in Ontario was working on a counsellor training program when in fact it is the O.A.C.C.S. that is working on a counsellor training and certification program. This too will be amended.

Fourth, you make reference to a sentence on page 42 as saying "... Service is provided directly by the government...". The sentence actually reads "And in Ontario, service is provided indirectly by the government through partial funding (60%)...". Perhaps your photocopy of the report was not clear.

Your next point is in relation to the conclusions drawn from the study. Since you say that you fully concur with the ideas expressed in Mr. R. Mason's letter to us the most practical way of answering is to have you review our reply to him beginning at the bottom of page 3. With regard to the broad conclusion on page 42 of the report, we agree that the remark should be qualified by pointing out that the various conclusions and recommendations are probably more applicable in some provinces or areas than others. I note that your statement about coverage provided by agencies in Ontario is somewhat different from Mr. Mason's. His letter states that over 90% of the population has access to credit counselling services (see our reply, top of page 4) while yours says only that the agencies "serve counties and regions containing 90% of the population". While I do not disagree with your statement we still maintain the issue of effective coverage is a real one, even in Ontario.

Your next set of comments concerns the conclusions relating to the availability and range of credit counselling services as applied to the Ontario case. First, you state that you are unsure to what extent the demand for service is being met in Ontario, adding that more rigorous research would be needed to find out whether there really are people in Ontario who need service but are not receiving it. I think these statements are broadly supportive of our recommendations that further research is required on this issue. One idea put forth in the recommendations on page 44 of the report is that an experiment be conducted wherein selected agencies could be encouraged to mount major advertising campaigns and the resulting change in demand, if any, measured. Just in passing, it is interesting to note an interview with Mr. V. Romanara of the credit counselling service of Peel Family Services appearing in the Toronto Star of July 18, 1973 (p. A4). In the interview Mr. Romanara asserts that active cases to the end of June, 1970 represented an increase of 44% since June 30, 1971. He then added that "the rapid increase in new cases can be attributed partly to the depressed economy and partly to an increased awareness of the credit counselling service". (underlining mine)

second, you state that while the range of services might be expanded, you feel that Ontario services are indeed "client centred" in that "the idea is to help the client meet his goal, not to help his creditors (or?) creditors". Without necessarily disputing this claim, I would draw your attention to an article in the Star of April 24, 1974 (p. 27) concerning a change in the Board at Brantford-Brant County family service bureau. According to the article, "the issue emerging is whether the debt counsellor at a private agency that is publicly financed should be an advocate for the interests of his client, or a referee in a system which now insures that the debtor repays the creditor". After noting that at the core of the Brantford-Brant County dispute are two divergent views of the role of a family service bureau in credit counselling, the article goes on to say that "one of these views is that the whole family service bureau debt counselling in Ontario, although financed with public money, is so weighted in favour of the creditors that it is a de facto collection agency". Perhaps further attention to this issue is warranted.

Third, you state that provision is made for follow-up interviews very six weeks. This is commendable although it might be interesting to know the extent to which counsellors are actually able to do this in relation to their other duties. Again, I would refer you to page 31 of the report which presents the finding that for the country as a whole "many agencies noted that they would like to conform in terms of follow-ups but that it was time-consuming work and they could not spare the resources".

Fourth, you make reference to a small follow-up study conducted by you in 1973. We would be pleased to receive a copy.

Fifth, you refer to statements on page 31 of the report as factors leading to the conclusion that services are inadequate. Specifically, you say that page 31 states there are administrative problems in setting up debt repayment programs and that respondents felt that service was inadequate. Your response to the first point is that you are not aware of any severe problems in administration of repayment programs in Ontario. I should point out that page 31 does not refer to "administrative problems". All it says is that to set up agency administered orderly payment of debt schemes is presumably a time consuming task.

.../c

Your response to the second point is that you would welcome a study of accuracy based on valid, non-subjective criteria. We agree and I think you will find that more than one of the recommendations in the report call for further research regarding the adequacy of service and related matters.

Your support of the recommendations on page 47 of the report is appreciated. In this respect I understand that a report entitled Credit and Debt in Atlantic Canada was recently completed. Although the report is still considered confidential, I am attaching a copy of a summary of the report's purposes etc., forwarded to us for inclusion in the next issue of our Research Newsletter. Much of the report's contents would appear to be of direct interest to others working in the credit counselling field. That the C.A.C.C.C. is in favour of more interaction with other provinces has been noted and thought will be given on how to promote such interaction if enough people express an interest. If a meeting takes place that may be the best forum for establishing further research topics and priorities.

The thought behind the recommendation regarding the bankruptcies bill was to ensure that proper consideration is given to the interests and general welfare of insolvent debtors as a result of any changes in the handling of consumer arrangements and bankruptcies. While few details are known at this time, we will be watching developments in this area with great interest.

With regard to your closing paragraph, I hope that our reply to Mr. Mason has made clear that we consider the report as exploratory in nature, representing a needed first step. As pointed out to Mr. Mason, whether those with an interest choose to disregard the content of the survey entirely is much less important than the fact that they exchange ideas on what the issues are and how they should be approached. If the survey does nothing more than encourage such exchange a major purpose will have been served. In the meantime, please be assured that your comments, those of others will be carefully considered and that the report will be appropriately cleaned before any further copies are distributed. We were pleased to receive your kind invitation to your general meeting at the Casino Inn in Toronto on October 26 and 27. Unfortunately, I have a prior commitment but Mr. Branton is available and will make arrangements to attend.

.../7

- 7 -

If you have any further comments regarding the above
please get in touch.

Sincerely,

John L. Evans,
Director,
Consumer Research and
Evaluation Branch.

Encls.



THE ONTARIO ASSOCIATION OF CREDIT COUNSELLING SERVICES

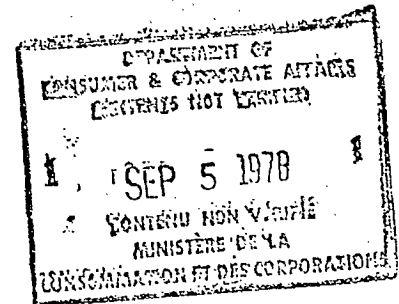
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78 09 01

Mr. Jean-Pierre Toupin
17th Floor, Zone 2
Phase I
Hull, Quebec
K1A 0C9

Dear Mr. Toupin:



On behalf of the Ontario Association of Credit Counselling Services, I would like to thank you for the opportunity to comment on the Survey of Credit Counselling Services in Canada written by J. Wayne Brighton. We share the concern of the Consumer Research Branch about the lack of even the most basic descriptive data on credit counselling in Canada. My own research efforts have been hampered by this, and I have had to rely on U.S. information frequently in the past. I hope that this very exploratory study will be followed up by more in depth research in the near future.

It is obvious that much valuable information was collected in the Survey that was not previously available. However, the Ontario Association of Credit Counselling Services regrets the decision of the author to write a report which generalized about the country as a whole. Because of this decision much valuable information has been lost and all the service being provided to overindebted consumers is made to look inadequate. However, those familiar with credit counselling in Canada know that some areas, such as Ontario, Alberta and British Columbia are highly developed, while in other areas no service is available at all. If the research report is published in its present form, the provincial summaries mentioned on page six would be a valuable addition.

I feel that telephone interviews were probably the best way to collect information for an exploratory survey of this type. However, more accurate responses might have been obtained if a letter describing the survey had been sent out before the calls were made, or if the calls had been supplemented by a mailed questionnaire. Certainly the information about agency funding and client characteristics would not be instantly available to respondents without some prior warning.

An aspect of the report which is of some concern to us is probably a result of this problem. The client profile referred to in

several places is "young families with children and below average (or poverty) incomes". We do not feel that there is enough justification for this generalization since it is based mainly on the rough guesses of those interviewed. Certainly in Ontario, most clients would not be considered poor, but of middle to lower middle income. The relevance of the Rainwater classifications referred to on page 34 is not clear.

In the report there are four references to credit counselling services in Ontario which indicate that the interviewers may have misunderstood the respondents. On page 10, we find the sentence "This service in Ontario is generally set up under an arrangement between credit grantors, the Provincial government and other agencies in the community such as United Appeal". In fact, all Ontario services are established through an agreement with a local counselling agency (usually an independent Credit Counselling Service or a Family Counselling Service) and the provincial government. While creditors and United Way are important because they usually support the agency financially, they are not directly involved in the relationship with the province or in running the agency. On page 11, there is a reference to "Ontario's Credit Counselling Service". This implies that there is one umbrella service, while in fact many of our independent member agencies use variations of Credit Counselling Service as part of their name. On page 15, it states that some respondents thought the provincial government in Ontario was working on a counsellor training program. The Ontario Association of Credit Counselling Services is currently developing a counsellor training and certification program. On page 42, it states that "in Ontario, service is provided directly by the government...". This is not quite correct since the service is provided by independent community agencies, who are *partially funded* by the province.

The Ontario Association also has some concern about the conclusions drawn from this study. I have reviewed the submission sent to you by Mr. Ron Mason on July 19, 1978 and fully concur with the ideas he has expressed. Our association particularly regrets the broad conclusion found on page 42 that "credit counselling services in Canada are generally inadequate". While service may be inadequate in some areas of the country, *most of the reasons cited for this conclusion do not apply to Ontario.* Remedial counselling is available from 30 agencies in Ontario which serve counties and regions containing 90% of the population of the province.

We are unsure to what extent the demand for service is being met in Ontario. We do know that all those who request service are seen by a counsellor, although there may be a waiting list for service in a few agencies. More rigorous research would be needed to find out whether there really are people in Ontario who need service but are not receiving it. While the range of services might be expanded, we feel that Ontario

Mr. Toupin
Page 3
78 09 01

(92)
services are indeed "client centred". Although many contacts with clients on debt repayment programs may centre around the repayment program, the idea is to help the client meet his goal, not to collect money from creditors. The Program Manual for Credit/Debt Counselling in Ontario specifies that follow-up interviews should be carried out every six months. Referring to recommendation iv (p. 45) a small follow-up study carried out by me in 1973 indicated that former clients had stable financial situations and positive attitudes to the agencies from which they received help. I would be happy to loan you a copy of that study if you wish. Other factors which seem to have led to the conclusion that services are inadequate were cited on page 31, where it states that there are administrative problems involved in setting up debt repayment programs and that the respondents felt that service was inadequate. I am not aware of any severe problems in administration of repayment programs in our province. We would welcome a study of adequacy based on valid, non-subjective criteria.

Although we cannot support the whole text of the report, the Ontario Association of Credit Counselling Services supports the major recommendations of the study found on page 47. While we have good communication among services in Ontario through our Association and Mr. Mason's office in the Provincial government, we would like to have more interaction with those providing similar service in other provinces. We would welcome any efforts of the Department of Consumer and Corporate Affairs to foster such liaison. In addition we agree that much more research is needed and would encourage federal government involvement in this area either in the form of in-house or contract research.

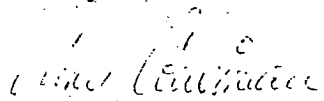
Our understanding of recommendation (ii) is that the delegation of powers under the Bankruptcy Bill should be reviewed on a province by province basis. It is probably correct to assume that not all provinces have existing services capable of taking on this important responsibility. We are confident however, that the delegation of these powers in Ontario will be the best way to serve those consumers who find themselves in need of bankruptcy proceedings.

I hope that our comments will assist you and Mr. Brighton to produce a factual and informative report. As stated in the report, an exploratory study is only the first step in investigating this important consumer service. In closing, on behalf of the executive of the Ontario Association of Credit Counselling Services, I would like to invite you and Mr. Brighton to attend the general meeting of our association at the Chelsea Inn in Toronto on October 26 and 27. I have enclosed a copy of the agenda for your information.

Mr. Toupin
Page 4
78 09 01

If our Association can be of assistance to you in future, please do not hesitate to contact me, or our Executive Director, Mr. Ted Lang.

Yours truly,



Amy Cousineau
President

/mb

Encls.: General Meeting Agenda
Bibliography on Credit
Counselling



THE ONTARIO ASSOCIATION OF CREDIT COUNSELLING SERVICES

AMY E. G. COUSINEAU, M.Sc.

PRESIDENT

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OACCS FALL CONVENTION 1978

PROPOSED AGENDA

Thursday, October 26th, 1978

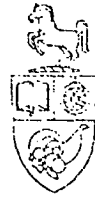
- for clients*
- 9:00 to 10:00 A.M. - Registration
 - 10:00 to 10:15 A.M. - Welcome and Announcements
 - 10:15 to 12:00 Noon - Regional Meetings
 - 12:00 to 1:30 P.M. - Luncheon with Speaker from Ontario Welfare Council
 - 1:30 to 2:00 P.M. - Seminar - 'Funds and Resources' *- in session*
 - 2:00 to 3:00 P.M. - Seminar - 'Public Relations - Who Needs It?'
 - 3:00 to 3:30 P.M. - Coffee Break
 - 3:30 to 4:30 P.M. - Seminar - 'Case Control'

Friday, October 27th, 1978

- 8:00 to 9:00 A.M. - Executive Committee Meeting
- Other Committee Meetings at Call of Chair
- 9:00 to 11:00 A.M. - Standards Training Committee,
Seminar on Training Manual and its Uses *9-9-45*
- 10-30* - 11:00 to 12:00 Noon - Business Reports
- 12:00 to 2:00 P.M. - Luncheon with Speaker from the Banking Industry
- 2:00 to 4:00 P.M. - Panel Discussion on Credit Practices

10-10-30 - stylization of form

*The mid
4 consensus edu. forum
- Nov 7-10
- Consensus Credit
- How Terry*



University of Guelph

COLLEGE OF FAMILY AND CONSUMER STUDIES

DEPARTMENT OF FAMILY STUDIES

Credit Counselling Bibliography

Amy E.G. Cousineau

August 1978

Churanam, Charlotte V. and Martha L. Garrison. Family Money Management Counselling: A Systems Approach. Umporium, University of Maryland, College Park, MD., 20770. (\$6.00 in U.S. funds) 1976.

A book of readings. Proceedings of a workshop sponsored by the Department of Family and Community Development, College of Human Ecology.

Cousineau, A.E.G. "Family Counselling and Resource Allocation of Over-indebted Families: An Exploratory Study". Unpublished M.Sc. thesis, University of Guelph, 1973.

A study of two groups of clients of credit counselling agencies. Objective was to determine whether provision of family counselling along with debt repayment programs would have a better long term rehabilitation effect.

Cousineau, A.E.G. "Competencies for Credit Counsellors". Unpublished report of a data collection project carried out for the Standards and Training Committee of the Ontario Association of Credit Counselling Services, 1976.

Report on counsellors' and directors' opinions of what skills and competencies are important for credit counsellors in Ontario.

"Credit Counselling in Ten Cities". In Consumer Credit and the Lower Income Family. The Canadian Welfare Council, 55 Parkdale, Ottawa 3, Ontario. pp.106-113, March 1970.

A general description of credit counselling in Canada from interviews with a few credit counsellors.

Credit Counsellor Training Handbook. Credit Counselling Centres Inc., Suite 280, Southfield Office Plaza, 1700 West Eighth Mile Road, Southfield, Michigan 48075, 1976.

Short history of credit counselling centres. Basic concepts are explained. Excellent how-to-do-it manual, including forms.

Feldman, Frances Lomas. The Family in Today's Money World, 2nd ed. Family Service Association of America, 44 East 23rd Street, New York, N.Y. 10010, 1976.

Part of one chapter discusses U.S. credit counselling.

Goldberg, F.S. "Problem Users of Consumer Credit as Seen by a Case-worker". In Consumer Credit In Family Financial Management. Washington: American Home Economics Association, 1967, pp. 87-92.

Personal impressions of overcommitted debtors and reasons for their actions as told by a financial counsellor.

Hall, P.B. Family Credit Counselling--An Emerging Community Service. Family Service Association of America, 44 East 23rd Street, New York, N.Y. 10010, 1968.

Scientific study of credit counselling programs in the United States. Eight agencies are studied in detail. One section gives characteristics of debtors.

Irving, Hillary and Carol Little. "Alternatives to Debt Counselling for the Overindebted". Unpublished undergraduate research project, Department of Family Studies, University of Guelph, 1976.

Investigated how clients who "dropped out" of credit counselling solved their debt problems.

Laughlin, J.L. and Bressler, R. "A Family Agency Program for Heavily Indebted Families". Social Casework, V. 52, #10, (Dec. 1971), pp. 617-626.

Gives background of credit counselling. Describes program set up by Nassau (N.Y.) County Family Service Agency with case examples.

National Foundation for Consumer Credit. A Financial Counselling Manual.
National Foundation for Consumer Credit, 1819 H Street, N.W.,
Washington D.C. (\$3.50) 1977.

Modules to Accompany the Manual:

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Asking Questions and Clarifying Client Statements, 1977.

Common Types of Financial Problems, 1977.

Manual and Modules are part of the American education and certification program for credit counsellors.

Puckett, T.C. Debt Counselling Programs in Urban Canada. McMaster
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Survey of credit counselling available in 12 major urban centres in
Canada.

Van den Heuvel, Rita and Elinor Phillips. "Future Time Orientation of
Credit Counselling Clients Before Counselling and After Successful
Completion from a Counselling Program". Unpublished undergraduate
research project, Department of Family Studies, University of
Guelph, 1977.

Found that those who had completed a credit counselling program
were more future oriented than those just beginning counselling.

Warrick, M.T. Manual: Family Debt Counselling Procedure. International
Consumer Credit Association, 375 Jackson Avenue, St. Louis, MO 63130,
1964.

How-to-do-it manual. One page on need for counselling. Includes
ways to estimate expenses.