European Journal of Social Work

ISSN: 1369-1457 (Print) 1468-2664 (Online) Journal homepage: http://www.tandfonline.com/loi/cesw20

Financial management in long-term low-income households: comparing perspectives of professionals and families in Portugal

Sofia P. Rodrigues, Liliana Sousa & Madalena M. Alarcão

To cite this article: Sofia P. Rodrigues, Liliana Sousa & Madalena M. Alarcão (2016) Financial management in long-term low-income households: comparing perspectives of professionals and families in Portugal, European Journal of Social Work, 19:6, 977-991, DOI: 10.1080/13691457.2015.1032895

To link to this article: http://dx.doi.org/10.1080/13691457.2015.1032895

Published online: 17 Apr 2015.

European Journal of Social Work, 2016
Vol. 19, No. 6, 977–991, http://dx.doi.org/10.1080/13691457.2015.1032895

Financial management in long-term low-income households: comparing perspectives of professionals and families in Portugal

Gestão financeira em agregados familiares com pobreza de longa duração: comparação de perspectivas de profissionais e famílias em Portugal

Sofia P. Rodrigues[a], Liliana Sousa[b]* and Madalena M. Alarcão[c]

[a]*Department of Education, University of Aveiro, Aveiro, Portugal;* [b]*Department of Health Sciences, CINTESIS (Centro de Investigação em Tecnologias e Serviços de Saúde), University of Aveiro, Aveiro, Portugal;* [c]*Faculty of Psychology and Educational Sciences, University of Coimbra, Coimbra, Portugal*

Long-term low-income households face economic hardship, together with a lack of opportunities, which restrict their social participation. There is a widely held belief among professionals that these households poorly manage their finances. This exploratory study aims to gain a deeper understanding of these households' difficulties and strategies of family financial management in Portugal, taking into account the perspectives of both members of the households and professionals. Comparing viewpoints is relevant in order to identify how they might be informing interactions and interventions. A qualitative approach based on semi-structured interviews was used; the sample comprised 10 household members and 10 professionals. The main findings suggest that professionals believe these households demonstrate *insufficient management strategies,* while household members report struggling to *manage insufficient resources*. These distinctive views seem to facilitate interaction patterns characterized by mutual distrust, which should be taken into consideration when designing interventions, particularly concerning financial management.

Keywords: community work; social development; income support; social assistance; adult protection

Os agregados familiares com pobreza de longa duração enfrentam dificuldades económicas, associadas a escassez de oportunidades, que limitam a sua participação social. Os profissionais tendem a considerar que estes agregados gerem mal os recursos financeiros. O objectivo deste estudo exploratório é compreender melhor as dificuldades e estratégias de gestão financeira nesses agregados em Portugal, considerando a perspectiva de famílias e profissionais. Comparar essas perspectivas é relevante para analisar a influência nas interacções e intervenções. Adoptou-se uma metodologia qualitativa baseada em entrevistas semiestruturadas; a amostra compreende 10 membros de agregados familiares e 10 profissionais. Os principais resultados sugerem que os profissionais consideram que estes agregados familiares demonstram ter *insuficientes estratégias de gestão*, enquanto os membros das familiares referem *esforçar-se para gerir recursos insuficientes*. Estas perspectivas distintas parecem facilitar padrões de interacção caracterizados por desconfiança

*Corresponding author. Email: lilianax@ua.pt

mútua, o que deve ser considerado no desenho de intervenções principalmente as dirigidas à gestão financeira.

Palavras-Chave: trabalho comunitário; desenvolvimento social; apoio financeiro; apoio social; proteção de adultos

Introduction

Long-term low-income households have been described as having poor practices of family financial management (FFM), i.e. inadequate management and organization of their economic resources (Sousa, Ribeiro, & Rodrigues, 2006; Sousa & Rodrigues, 2008). However, it remains unclear whether these households are low-income because of their reduced financial management skills or whether they struggle because the amount of income they have is insufficient to meet their basic needs (Zhan, Anderson, & Scott, 2006). While the literature consistently describes practitioners as perceiving the members of these households as having poor management skills, research that takes into consideration the perspectives of members from these long-term low-income households is still scarce (Despard, Chowa, & Hart, 2012; Sousa & Costa, 2010; Sousa & Rodrigues, 2008). Since intervention implies a relationship directly involving both provider(s) and recipient(s)/client(s), developing a deeper understanding of this topic demands that the perspectives of professionals and low-income household members be acknowledged (Sousa & Eusébio, 2005; Sousa & Rodrigues, 2007; Summers, McMann, & Fuger, 1997). Research that includes and compares both points of view, of professionals and recipients, opens the opportunity to develop an interpretative understanding of both realities.

This exploratory study focuses on FFM in long-term low-income households in Portugal by examining perspectives of both professionals and low-income household members on difficulties faced by these households and strategies used to overcome these difficulties. The findings show how both perspectives may interact and influence intervention, particularly in terms of FFM.

Long-term low-income households and social support

Long-term low-income households have been described as systems facing a lack of money and limited access to (material, cultural and social) resources, which affects their social participation (Sousa & Rodrigues, 2008). Within European Union countries, the most widely used measure of poverty is based on income (i.e. relative poverty), although sometimes complemented by material deprivation indicators that clarify the capacity of households to participate in society. The poverty line is set at 60% of the national median household income, the level considered necessary in each country for an adequate standard of living according to the revised OECD scale. Estimates provided in the EU-SILC (EUROSTAT, 2010, 2013) show that in 2009 17.9% of all Portuguese citizens were living below this poverty line, compared to 18.7% in 2012. The averages across the 27 countries of the European Union were respectively 16.4% for 2009 and 16.9% for 2012. In addition to material restrictions, long-term low-income households tend to experience multiple and long-term challenges, chronic and pervasive crisis and learned helplessness (Ghate & Hazel, 2004; Sousa & Costa, 2010; Sousa & Rodrigues, 2007, 2008; Zhan et al., 2006). This means that compared to the general population, members of such households face unpredictable or chronic stressful episodes, such as poor housing, parental stress, interpersonal conflicts and health problems (e.g. Sousa &

Rodrigues, 2007, 2008). Despite these additional difficulties, social policies continue to focus on economic criteria to define the support available to families, and as a result professionals continue to direct their intervention efforts towards the material resources and management practices of households (e.g. Sousa & Matos, 2004).

In Portugal, the support provided to vulnerable families is mainly assured by Non-Profit Private Institutions of Social Solidarity [IPSS, *Instituições Privadas de Solidariedade Social*], which have emerged from civil society (therefore, they operate in proximity to local communities), and are predominantly funded by the State (Baptista & Cabrita, 2009). In each IPSS, a multidisciplinary team of professionals (comprising a social worker, social educator, psychologist and administrative assistant) works with families to help them improve their overall standard of living, identifying problems and matching these with appropriate types of support (e.g. Sousa & Rodrigues, 2008). A major form of support to low-income households (whether long, medium or short term) has been provided through the social inclusion income (SII; *Rendimento Social de Inserção*).

European social models aim to create a more equal society; however, social models across European countries have different configurations (Barberis, Bergmark & Minas, 2010). In 1996, Portugal introduced the Guaranteed Minimum Income scheme, presently known as SII. This measure includes a monetary component (the cash benefit) structured around established criteria stipulated by the state, and an insertion programme which is based on a contract between the beneficiaries and the programme managers whereby both parties agree to develop a set of actions necessary for the gradual social and labour integration of the individual/family (Caritas Europa, 2012). The analysis of the national minimum income schemes among European countries allows to position these schemes on a continuum between two poles (Crepaldi, Castegnaro, & Naaf, 2010): encompassing benefit (the minimum income is the only or the most important income support scheme, open to all those who are without sufficient resources, not limited to specific targets of population); last resort subsidy (the minimum income is designed for all those who have already exhausted all other possible claims for targeted measures, and is therefore limited to specific groups). While the SII in Portugal was described as a last resource measure until 2010, it has since been characterized as encompassing benefit (Crepaldi et al., 2010).

From a comparative perspective (Johansson, Panican, Angelin, & Koch, 2013), namely in terms of minimum income protection arrangement, social assistance models characterized the Portuguese scheme as rudimentary assistance, i.e. combining nationally regulated categorical benefits with extensive local discretionary powers, provided by municipalities or charitable bodies (mostly in-kind benefits). The Portuguese model is characterized as follow (Gough, 2001; Marx & Nelson, 2012): extent (amount of money being spent on social assistance)—low; generosity (benefit level in a comparative perspective structure)—below average. In this time of economic crisis and austerity, the Portuguese government's social policies seek to limit socioeconomic disparities, but are poorly funded. In the State Budget for 2011, the main fiscal consolidation measures and the expected reduction of expenditure in terms of impacted produced in Gross Domestic Product included the reduction of expenditure of social benefits, namely 20% reduction in the expenses for SII.

Within this social support context, FFM assumes a major relevance, since as with other benefits the SII is based on an assessment of household income (disregarding other circumstances); households only receive support if they fall below the stipulated economic criteria. When considered for SII, household resources and their management come under the close scrutiny from professionals and society.

In the current situation of economic hardship in Portugal, insufficiency of resources is in fact a shared problem; while families struggle with lack of resources and more individuals and families find themselves in a situation where they are in need of financial/material, support providers are trying to fulfil their clients' needs despite their own lack of funds. So, exploring the way providers and long-term low-income households face a somewhat matching reality sheds new light on this relationship between providers and recipients.

FFM in long-term low-income households

The FFM process encompasses a set of behaviours and decisions that vary according to individual or family needs, abilities and priorities (Shockey & Seiling, 2004). The literature uses various terms to describe the ways households manage and organize their economic resources: financial management, home economics, money management or management of economic resources (Zhan et al., 2006; Shockey & Seiling, 2004). FFM is the most commonly used term and has been used to describe both the way households manage money (restricted sense) and other resources (e.g. assets or goods) that can be converted into money (broader sense) (Anderson, Zhan, & Scott, 2005, 2007). In this study, the term is used in its broadest sense as long-term low-income households' subsistence depends on a variety of resources.

The understanding of FFM of long-term low-income households typically revolves around what *is lacking, inadequate or dysfunctional* (Sousa & Rodrigues, 2008). Professionals tend to consider FFM in these households as non-existent or disorganized, and they highlight difficulties with regard to establishing priorities and controlling consumption (Sousa & Rodrigues, 2007). However, these households rarely identify with this image of 'poor' FFM as perceived and described by professionals (Sousa & Matos, 2004). McKendrick and colleagues (2003) indicate that long-term low-income households apply strategies to reduce the impact of financial pressure (e.g. prioritising expenses and reducing debt) following a strategic or resigned adjustment mechanism. 'Strategic adjustment' indicates that, given limited budgets, certain needs are prioritized; this involves minimizing expenses by using purchase promotions, resorting to the cheapest options, controlling purchases and/or restricting consumption. 'Resigned adjustment' emerges over time, reflecting households' adaptation in a submissive way to their disadvantaged circumstances; it relates both to material (e.g. deprivation) and psychological aspects (e.g. getting used to the others negative attitudes).

Objective

This exploratory study focuses on long-term low-income household FFM, by examining the difficulties such households face and the strategies they use to overcome these difficulties, from the perspectives of both households' members and professionals. The research question is: what are the perspectives of both household members and professionals on long-term low-income household FFM? The findings contribute to a better understanding of how these perspectives might influence the interactions of low-income household members and professionals in positive and/or negative ways (i.e. how might those perspectives be informing the interaction and intervention?). Furthermore, the findings offer orientations and guidelines that might be applied to future intervention processes, in particular regarding FFM.

Methods

Procedures

This exploratory qualitative study used semi-structured interviews with a convenience sample. The sample comprised two groups of participants: (1) professionals working with long-term low-income households in IPSSs (local intervention, including SII) and in financial counselling services (which offer counselling concerning budget, credit, bankruptcy and housing); (2) members of long-term low-income households who had assumed the role of manager of household finances. The sample of 10 professionals and 10 household members was defined based on the exploratory character of the study and the instrument, which comprised two topics to be explored in-depth (Miles & Huberman, 1984). To recruit the professionals, authorization was first requested and granted from IPSSs and public financial counselling services. As a second step, the professionals were personally contacted by the researcher. During these meetings the project was explained and the consent forms signed (all contacted professionals agreed to collaborate). The household members' recruitment was mediated by IPSSs, which had previously participated with the authors on other projects. These institutions authorized the research and designated a professional to mediate between the researcher and potential participants. The professionals identified long-term low-income households that met the following inclusion criteria: households received SII or had an income at or below the national minimum wage for 2010 (e.g. 475 Euros per month); in addition, these households had a history of poverty, e.g. families that had lived in poverty for at least three successive generations. This final criterion was adopted in order to exclude households that were facing a one-off situation of poverty. The professionals obtained agreement from the families before they were contacted by the researcher. Then, a meeting between the researcher and the household (including all adult members, but excluding children) was scheduled to describe the objectives and methodology of the study and to explain to them what would be involved with their participation. During the process, two households declined to participate due to time constraints; therefore two additional households were contacted and agreed to collaborate. These households were asked to identify the member who should be interviewed: the person in charge of managing household finances. The literature indicates that, as a rule, one member (usually a woman) assumes responsibility for household financial matters (Ghate & Hazel, 2004; Sousa & Costa, 2010). All household members who agreed to be interviewed signed an informed consent form.

Instrument

A similar semi-structured interview (with language adaptations) was administered to both subgroups, requesting different perspectives: household members were asked to describe their experiences of financial management; professionals were asked about their professional experience of providing support to long-term low-income households. The interview was carried out focusing on two topics: (1) difficulties experienced by long-term low-income households in managing their finances (Households: *What do you find most difficult when managing your money and/or dealing with your household finances?* Professionals: *In your experience, what are the main difficulties involved in long-term low-income households' financial management?*) and (2) strategies used to overcome these difficulties (Households: *What do you do to solve those difficulties? What do you do to manage with the budget that you have?* Professionals: *What are the strategies used by* *long-term low-income households to overcome these difficulties? How would you describe the ways these households manage their money?*). The interviews were conducted at a location chosen by the participants (i.e. at home for household members and at the work place for the professionals). All interviews were administered by the first author and on average lasted 48 minutes (32–93 minutes) with household members and 57 minutes (45–100 minutes) with professionals.

Sample

The household members included seven women and three men and ranged in age between 29 and 82 years old. All household members had low levels of education: two had never attended school; five had received between 2 and 4 years of schooling; three had received between 6 and 9 years of schooling. Household composition differed between the families: five household members lived alone (three were elderly and two were working age); two household members were single-parents; three lived with adult partners (two of whom had children). The sample included five single-person households; two two-person households; two households with four to six persons and one household with eight members. Half of the households combined different sources of income; the majority of their income resulted from small pensions and social benefits (for education and housing) or from wages and SII. The other five households had only one source of income: two had small pensions; two had SII and one worked in the informal labour market.

All professionals in the sample were women, aged between 25 and 33 years old. On average, they had worked in their profession from 1 to 10 years. Seven were employed by IPSSs (e.g. four social workers and three social educators) and three worked for financial counselling services (e.g. one psychologist, one economist and one lawyer).

Data analysis

All interviews were audio-recorded and transcribed. The transcripts were used for content analysis by two coders (the first and second authors) who independently coded the data. The process involved two phases: (1) the construction of categories and sub-categories and (2) the classification of interview content in to these categories and sub-categories.

In the first phase, the categorisation system was created and tested through a process of successive refining. The interviews were read by both coders and each coder identified the content relevant to the two themes (e.g. difficulties and strategies). Each coder independently created a list of categories and sub-categories for each theme and then the coders met to compare and discuss the proposed categories until agreement was reached. Afterwards, each researcher coded two randomly selected interviews according to these categories to confirm the appropriateness of the system. Afterwards, the list of categories and sub-categories, including a definition of each, was organized into a coding system (see Table 1). During the second phase, the two coders independently coded each interview (using the previous categorization system) and met to analyze their (dis) agreements. The inter-coder agreement (i.e. the number of agreements divided by the sum of agreements and disagreements) was 89.3% for the sample of the professionals and 91% for the household sample, indicating good inter-coder reliability (Miles & Huberman, 1984). Finally, the two coders discussed the answers on which they disagreed and consensus was reached in all cases (see Table 2).

Table 1. Categories and sub-categories.

FFM difficulties
Difficulties with managing limited resources: insufficient or irregular material resources make it difficult to plan/use resources to meet needs and lead to dependency on formal financial support
Difficulties with managing a day-to-day budget: difficulties with (1) defining priorities and/or controlling impulsive consumer behaviour; (2) budgeting because of a lack of knowledge of household income and expenditure and/or irregular income and (3) limiting expenditure (money spent on goods that are superfluous or harmful to health/well-being(such as buying doughnuts instead of bread)
Difficulties regarding saving-up: trouble setting aside money or controlling daily expenditure, making it impossible to save (even small amounts) to cover emergencies and ensure financial security
Difficulties with dealing with social pressure to consume: finding it hard to resist commercial intentions or consumer influences (e.g. media and financial predators), because of limited educational experiences and limited financial literacy
Difficulties with managing credit and debt: struggling to pay debts and/or manage credit (due to easy access to credit and scarcity/irregularity of income), resulting in (1) indebtedness (failure to meet payments) or (2) accumulation of credit/various loans
FFM strategies
Maximizing resources(increasing/maintaining existing resources): strategies to obtain more income or goods in order to facilitate financial management and to meet household needs
(1) Seeking support from local social services (to obtain economic benefits, such as goods or subsidies)
(2) Seeking support by way of financial credit (through financial or banking institutions)
(3) Seeking support from informal networks (sell and/or exchange personal items, obtain personal loans and/or ask for an advance on wages)
(4) Multiple jobs (e.g. combining tasks in the informal labour market or working overtime)
(5) Delaying payments or accumulating debts (e.g. buying on credit or deliberately delaying electricity payments) to prevent immediate money shortages
Reducing expenses: strategies to reduce household expenditure and to guarantee the maintenance of necessary resources to meet basic needs, i.e. to avoid debt
(1) Doing without basic necessities (e.g. 'cutting back' on food or clothing)
(2) Controlling domestic spending (e.g. reusing goods to avoid spending money on new items)
(3) Using own labour and not paying for services (e.g. subsistence farming or carrying out repairs on personal property)
(4) Setting a monthly budget (in order to control /organize spending)
(5) Asking for advice before purchasing and buying cheaply (e.g. bargain hunting, getting advice on new products, payment options or promotions)

Results

FFM difficulties

Table 2 shows that, overall, professionals identified more difficulties than household members and that these two groups had different perceptions of the main difficulties faced by these households. All professionals (n = 10) explicitly identified 'difficulties with managing the day-to-day budget' (compared to 3 household members). The most frequently mentioned difficulty identified by household members (n = 10), 'managing limited resources', was also identified by the majority of the professionals (n = 7).

Table 2. FFM difficulties and strategies.

(Sub)Categories	Professionals (n = 10) n	Professionals (n = 10) RO	Household members (n = 10) n	Household members (n = 10) RO
Difficulties				
Managing limited resources	7	3	10	1
Managing day-to-day budget	10	1	3	3
Saving-up	9	2	4	2
Dealing with social pressure to consume	6	4	1	4
Managing credit and debt	4	5	0	5
Total	39		18	
Strategies				
(1) Maximising resources				
Seeking support from local social services	8	1	9	2
Seeking support by way of financial credit	6	3	1	7
Seeking support from informal networks	6	3	9	2
Multiple jobs	4	4	4	5
Delaying payments or accumulating debts	7	2	5	4
Subtotal	31		28	
(2) Reducing expenses				
Doing without basic necessities	3	5	6	3
Controlling domestic spending	0	7	2	6
Using own labour and not paying for services	2	6	6	3
Setting a monthly budget	0	7	6	3
Asking for advice before purchasing and buying cheaply	0	7	10	1
Subtotal	5		30	
Total	36		58	

RO, ranking order.

'Difficulties with saving-up' were the second most frequently identified problem in these households, both by professionals (n = 9) and household members (n = 4).

Regarding 'difficulties with managing limited resources', professionals and household members acknowledged the 'financial gymnastics' required to secure the households' basic needs. Household members described how low resources complicated financial planning:

> I feel all these difficulties because there's so little money and so many expenses! I have a lot of difficulties in managing everyday life. There are always times when there's no money! (Pensioner, female, age 82)

Household members justify their low resources, indicating that having an irregular income (e.g. they would often not receive fixed amounts of income and/or would not know when they would receive these incomes) brought additional financial difficulties, such as being in debt. Household members also reported that often their management processes became *disrupted* because of the fluctuating financial contributions of household members:

> I had my finances balanced, but now one of my children is back home, because he has tuberculosis and can't get a job. So, my finances are again unbalanced because I have one more person at home! (Housewife, female, age 63)

With respect to 'difficulties with managing a day-to-day budget', the professionals point to individual fault, identifying 'cash management' as the most problematic aspect for these households as they were unable to: (1) control or limit spending ('they have no idea of their limits'; economist, age 32); (2) set priorities for spending ('they think having cable TV is as essential as food'; social worker, age 31) and (3) plan the household budget ('if we ask them what they spend most on, they don't know'; social educator, age 28). Professionals mentioned that these households incompetently organized, distributed and controlled their budgets as they failed to acknowledge their limited resources. To exemplify these 'poor family/individual practices', examples were provided of situations in which household members bought goods in bulk (described as a uncontrolled and/or wasteful lifestyle), spent money on unnecessary goods (such as top-of-the-range mobile phones) and/or on items harmful to health (such as ready-made meals). Some household members acknowledged experiencing difficulties with 'cash management', but related these difficulties to household size (variable or large) and/or lack of sharing expenses among household members, pointing to low resources.

Concerning 'difficulties regarding saving-up', professionals felt these difficulties tended to occur for two reasons: (1) lack of resources to set up any kind of emergency fund ('I don't have one [*client*] that has any savings, maybe because they don't have the means!'; social worker, age 32) and (2) absence of strategies to save because of ignorance, lack of interest or lack of concern for the future ('those basic ideas that everyone has about how to save on water and electricity, they're not up-to-date with them and also sometimes they don't care much about the future'; social worker, age 31). Household members mentioned that, despite their efforts, it was difficult to save-up money and they expressed their anxiety and despair at the thought of unexpected expenses ('I can't manage to save a single cent. So then what do I do?' cleaner, female, age 37).

On 'difficulties with dealing with social pressure to consume', professionals (n = 6) emphasized that low levels of educational experience and limited financial literacy made these households easy targets for financial/commercial predators: 'They haven't got a clue about some financial concepts. The contracts come to their house and they sign them!' (economist, age 32). Only one household member acknowledged to have been cheated on a purchase bought as a result of a door-to-door sale pitch.

Only the professionals (n = 4) identified 'difficulties with managing credit', emphasizing the 'ease' with which some households got into debt or ran up credit, for example by buying brand name clothing for their children: 'Often they have no idea … everything is so accessible, that they say if other people can do it, why can't I?' (Economist, age 32).

FFM strategies

This study identified two distinct types of FFM strategies (see Tables 1 and 2): 'maximizing resources' and 'reducing expenses'. While both professionals and household members identified a range of strategies that were part of the 'maximizing resources' category, professionals only mentioned a limited number of strategies that led to reduced spending while household members identified a broad range of such strategies. Mainly professionals and household members' perspectives differ regarding strategies to reduce expenses; professionals don't see those efforts, while household members highlight those endeavours.

Maximizing resources

'Seeking support from local social services' was the most cited strategy for maximizing resources, both by professionals (*n* = 8) and household members (*n* = 9). Household members sought help to obtain subsidies, basic commodities (e.g. food and clothing) or cash to pay household bills (e.g. water, electricity and gas). Professionals reported that when these households got into debt, their members often 'pressured' professionals in order to obtain more financial support: 'They get into serious debt and afterwards they make up stories to make us feel that we owe them something! (…) or they cry a lot to put pressure on us' (social worker, age 32). Household members stated that they only requested support from formal services if they experienced a financial crisis and could not pay for the basic essentials of life: 'If there isn't enough [*money*] to pay the medicine bills, we go to the social services' (pensioner, male, age 64). However, both household members (*n* = 9) and professionals (*n* = 6) stated that before this point was reached, it was common to 'seek support through the informal network' (e.g. family, employer, friends or neighbours) to: (1) ask for a loan to cover unexpected expenses ('at these times I go and ask Mr. C. [*a shopkeeper*] for a loan' [pensioner, female, age 82]); (2) sell or exchange personal items ('I sold all my gold to get money to buy the medicines my mother needed' [unemployed, female, age 39]) and (3) ask an employer for an advance on wages ('I almost always ask for an advance from my boss' [cleaner, female, age 37]). Professionals mentioned that 'delaying payments or accumulating debt' (*n* = 7) included buying on credit or not meeting monthly payments for basic household necessities (such as water and electricity), resulted from households' 'lack of concern or irresponsibility'. Household members (*n* = 5) stated that strategically delaying payments on certain bills until the next payment was due helped them to delay an acute shortage of money. In some cases, this strategy was prolonged through a process of 'debt switching'. This strategy ensured that the household was never without money; it prevented the debt from accumulating around one single item or utility and allowed for different needs to be met with some degree of regularity (although alternately). From the professionals' point of view this strategy is irresponsible; for families/individuals it is a way of managing low resources.

Other strategies to obtain more resources included 'seeking support by way of financial credit' (6 professionals and 1 household) and 'multiple jobs', typically through the informal labour market (4 professionals and 4 households). This final strategy allowed households to obtain cash immediately, but according to professionals this strategy increased the households' long-term social and economic risks, as these jobs were insecure and not in compliance with protective social legislation.

Reducing expenses

The most cited strategy by households members, 'asking advice before purchasing and buying cheaply' (*n* = 10), was never mentioned by professionals. This strategy involved: (1) assessing the price/quality relationship before buying (the preference went to low-cost items) and (2) using payment facilities offered by traders (such as, buying in bulk to benefit from bigger discounts). When money was scarce, household members (*n* = 6) admitted to 'going without basic necessities': 'when we haven't got any money, you eat less' (subsistence farming, female, age 62). Professionals (n = 3) mentioned that households used this strategy to settle debts: 'they cut down on food when they get some money and want to pay off their debts' (social educator, age 28). 'Using own labour and not paying for services' was mentioned by household members (n = 2) ('I do the repairs on the house; I'm not an expert, but I'm not stupid either' [pensioner, male, age 64]) and professionals (n = 2). Household members (n = 6) further referred to 'setting a monthly budget' (not mentioned by professionals), usually in their minds rather than as a formally written-up budget ('I have a certain amount to spend at the supermarket over two months' [housewife, female, 63 age]) and 'controlling domestic spending' (n = 2) (also not mentioned by professionals), for example by economically planning meals or by giving children a quick bath using less water and soap.

Discussion

Overall, results suggest different perspectives from the interviewed actors: professionals believe that long-term low-income households need to learn how to manage their income (underline individual fault), while household members believe they simply do not have enough resources to manage (stress low resources). These findings seem to reflect the concept of *institutional identities* (Gubrium & Holstein, 2001; Holstein & Gubrium, 2000), which stresses the interconnection between institutional features of human service organizations and personal identities. Within this frame, welfare organizations presuppose particular roles and identities: to be a client means to be a person in need (i.e. a weak person), while being a provider means solving the clients need (i.e. being a strong person). This also reflects the dichotomy between individual and structural faults (e.g. Gubrium & Holstein, 2001; Holstein & Gubrium, 2000). Typically, poverty is understood from an individual perspective (deficiencies in the behaviour of the poor are the cause of their poverty), leading to an intervention focused on the needs of the poor to change their behaviour. In contrast, a structural perspective could be taken into consideration, from which social and economic conditions create greater or smaller risk of poverty. Literature has pointed out that providers, in particular, are reluctant to assume structural issues because they feel that this reduces their control (Gubrium & Holstein, 2001; Holstein & Gubrium, 2000).

However, results also suggest similarities between both perspectives. For instance, in terms of FFM difficulties the category 'difficulties with managing credit and debt' was never mentioned by the household members, while all the remaining categories were mentioned by at least one participant of each sub-group. In terms of FFM strategies, those aiming to maximizing resources were always mentioned by some participant(s) of both groups; those aiming to reducing expenses are the categories with more disparities, since three categories ('controlling domestic spending'; 'setting a monthly budget'; 'asking for advice before purchasing and buying cheaply') were never mentioned by any professional, but were mentioned by household members. In brief, similarities are more common with respect to difficulties and strategies that aim to maximize resources, while similarities are less common for strategies that seek to reduce expenses. These findings require further research in order to establish if certain groups of providers might hold views that resemble the perspective of households (*management of insufficiency*); or if perhaps certain households hold views that are more similar to those commonly held by providers (*insufficient management*).

Insufficient management versus management of insufficiency

The household members' reported daily experiences are based on the *management of insufficiency*, embedded in feelings of weariness and stress. As they have insufficient means to meet their needs, they use strategies to reduce expenses and to increase resources in an attempt to 'strategically adjust' (e.g. McKendrick et al., 2003). The professionals' perspective suggests that they consider long-term low-income households as having *insufficient financial management* (even when acknowledging the scarcity of their resources), i.e. poor management skills and ineffective use of financial resources as they seek support from the in/formal network (external solutions) rather than controlling/prioritising spending (intra-family solutions).

Incompetence versus powerlessness

The results indicate that professionals believe that long-term low-income households demonstrate *incompetence* in managing their resources (mainly because they do not control spending) and, as a result, these households are portrayed as the 'guilty party'. The household members, on the other hand, emphasize the problematic aspects of managing scarcely available resources; from their perspective they are employing every strategy within their reach and within their understanding. As such, they primarily express *powerlessness* since despite their efforts they rarely achieve improvements to their quality of life.

How might these perspectives be interacting and influencing intervention?

Although this study does not focus on interaction, some implications from the results may be draw to shed some light on how the perspectives may be interacting and influencing support. These two perspectives seem to create a pattern of interaction that is characterized by little empathy and the emphasis on disqualification, a pattern that potentially creates an impasse in the processes of social support (e.g. Sousa & Eusébio, 2005). For households and professionals, seeking formal support is perceived as a sign of 'failed self-sufficiency', although expressed from different points of view: household members feel they have failed to meet their needs, even after a great amount of effort; professionals consider that the households are requesting support from formal services to avoid having to make further efforts.

In these circumstances, intervention seems to emerge in a climate of mutual distrust: (1) professionals believe that low-income households need to improve their financial management strategies and (2) households believe that professionals should support them with more resources since they are already applying every strategy within their reach. This may become a vicious cycle: the more households seek out material resources to meet their needs, the more professionals interpret this as a sign of incompetence or lack of interest in self-improving management strategies (Sousa & Matos, 2004). In this context, intervention seems to progress as a *game of hide-and-seek* that promotes distance (rather than collaboration) and mutual omission by professionals and households. Professionals will reduce practical and material help to the bare minimum, as they believe these promote household dependency on the formal system. Households, in turn, will start to use strategies to avoid professionals' reduction of practical support (such as extracting and accumulating given resources, lying to obtain resources from various sources and omitting information related to financial problems). When professionals notice this kind of behaviour, it is typically interpreted as a 'sign' of poor management and, consequently, they are prone to cut or reduce material support even further, as they find confirmation of their assumption that 'material support creates dependency'. As a result, households will once more revise their strategies to overcome professional attempts to control them (e.g. Sousa & Matos, 2004).

This approach to intervention may benefit from a change of perspective: from 'autonomy versus dependence' on formal services to a 'supported autonomy'. Success of interventions with vulnerable populations has been defined by autonomy (i.e. withdrawal from social services support), while failure is associated with dependency (i.e. remaining within the social support system) (e.g. Sousa & Rodrigues, 2007). In this context, autonomy tends to be indistinguishable from 'financial self-sufficiency', implying that successful intervention occurs when households no longer receive support from formal services (e.g. Sousa & Rodrigues, 2007, 2008). However, long-term low-income households have a budget that does not enable them to meet their basic needs and not all of these households will be in a position that allows them to stop receiving formal support completely, for instance in situations where chronic health problems occur which create physical and emotional restrictions for working individuals. Therefore, a long-term process of support that continues to foster *supported autonomy* is called for; i.e. enabling households to receive sufficient formal support while simultaneously developing skills to manage the household budget autonomously. For some households, *supported autonomy* might function as a catalyst and will result in *independent autonomy,* whereas for others it will be necessary to maintain formal support for a prolonged period of time.

Limitations and perspectives

In this study professionals and household members come from two independent samples; future studies could address dyads comprising a household member and a professional working with them in terms of financial support. This would add comprehension to how the intervention is performed. Future studies would also benefit from a larger sample, as this could lead to a deeper understanding of the situation and would allow for the analysis of the influence of variables such as gender, age or household typologies. Financial management involves and affects the whole household; therefore, it would also be relevant to include other household members' perspective. Research could further benefit from discussing findings in focus groups with professionals, to explore how these professionals reflect on their views after learning about the findings from such studies.

Conclusion

This study aimed to deepen understanding of how long-term low-income households manage their resources (money and other goods), by considering both households' and professionals' perspectives. The results suggest that professionals and household members have overall different perceptions of households' FFM: (1) households emphasize difficulties in managing limited resources and the struggle to solve financial problems, also expressing a sense of powerlessness in overcoming difficulties and deprivation (therefore asking for more resources): (2) professionals acknowledge limitations of household resources, but highlight the inadequacy of households' management strategies and their lack of competence and concern for financial management issues (therefore asking for more skills activation). Potentially these two perspectives may create a pattern of interaction that produces an impasse in the processes of social support.

Disclosure statement

No potential conflict of interest was reported by the authors.

Funding

This research was supported by a grant from the Portuguese Foundation for Science and Technology [FCT, SFRH/BD/38389/2007] and conducted at the University of Aveiro.

Notes on contributors

Sofia Rodrigues is a Psychologist and Family Therapist. She is a Ph.D. student in Psychology at the University of Aveiro, Portugal. Her research is focused in collaborative approaches to community intervention with vulnerable families; in particular she has developed photovoice interventions with several groups of vulnerable populations. She has worked in the supervision of interventions with multiple problem families.

Liliana Sousa is a Psychologist and Family Therapist. Currently, she is Auxiliary Professor at the Department of Health Sciences, University of Aveiro, Portugal, and Director of the Doctoral Programme in Gerontology and Geriatrics. She has an Aggregation in Health Sciences, and a Ph.D. in Educational Sciences. She was Pro-Rector responsible for social development at this university. She has worked and researched for several years on the field of community intervention with vulnerable families.

Madalena Alarcão is a Psychologist and Family Therapist. Currently, she is Associate Professor at the Faculty of Psychology and Educational Sciences, University of Coimbra, Portugal, and vice-rector at the same university. She is a Consultant for the National Commission for Protection of Minors at Risk, and a Social Judge at the Court of Family and Minors in Coimbra. Her research has focused systemic models for community intervention with vulnerable families.

References

Anderson, S., Zhan, M., & Scott, J. (2005). Developing financial management training in low-income communities. *Journal of Community Practice*, *13*, 31–49. doi:10.1300/J125v13n04_03

Anderson, S., Zhan, M., & Scott, J. (2007). Improving the knowledge and attitudes of low income families about banking and predatory financial practices. *Families in Society*, *88*, 443–452. doi:10.1606/1044-3894.3654

Baptista, I., & Cabrita, J. (2009). *Portugal: Minimum income schemes*. Expert Report for Peer Review in Social Protection and Social Inclusion. Retrieved from www.peer-review-social-inclusion.eu

Barberis, E., Bergmark, A., & Minas, R. (2010). Rescaling processes in Europe: Convergence and divergence patterns towards multilevel governance? In Y. Kazepov (Ed.), *Rescaling social policies* (pp. 367–414). Surrey: Ashgate.

Caritas Europa. (2012). *The impact of the European crisis*. Brussels: Author.

Crepaldi, C., Castegnaro, C., & Naaf, S. (2010). *The role of minimum income for social inclusion in the European union 2007–2010.* Brussels: European Parliament. Retrieved from http://www.europarl.europa.eu/document/activities/cont/201106/20110620ATT21867/20110620ATT21867EN.pdf

Despard, M., Chowa, G., & Hart, L. (2012). Personal financial problems: Opportunities for social work interventions? *Journal of Social Service Research*, *38*, 342–350. doi:10.1080/01488376.2011.638733

EUROSTAT. (2010). *EU-SILC: European Union statistics on income and living conditions.* Luxembourg: Author.

EUROSTAT. (2013). *EU-SILC: European Union statistics on income and living conditions 'At-risk-of-poverty rate by poverty threshold, age and sex'.* Luxembourg: Author.

Ghate, D., & Hazel, N. (2004). *Parenting in poor environments stress, support and coping.* London: Policy Research Bureau. Retrieved from http://www.prb.org.uk/publications/P150%20Parenting%20Summary.pdf

Gough, I. (2001). Social assistance regimes. *Journal of European Social Policy, 11,* 165–170.

Gubrium, J., & Holstein, J. (2001). Introduction: The constructionist mosaic. In J. Gubrium & A. Holstein (Eds.), *Institutional selves* (pp. 3–10). Oxford: Oxford University Press.

Holstein, J., & Gubrium, J. (2000). *The self we live by*. Oxford: Oxford University Press.

Johansson, H., Panican, A., Angelin, A., & Koch, M. (2013). *Combating poverty in Europe*. Lund University. Retrieved September 24, from http://cope-research.eu/wp-content/uploads/2013/12/WP6_Comparative_Report.pdf

Marx, I., & Nelson, K. (2012). *Minimum income protection in Flux*. London: Palgrave Macmillan.

McKendrick, J., Cunningham-Burley, S., & Backett-Milburn, K. (2003). *Life in low income families in Scotland* (Research report). Edinburgh: Scottish Executive Social Research. Retrieved from http://www.scotland.gov.uk/library5/social/lili-00.asp

Miles, M., & Huberman, A. (1984). *Qualitative data analysis*. Beverly Hill, CA: Sage.

Shockey, S., & Seiling, S. (2004). Moving into action: Application of the transtheoretical model of behavior change to financial education. *Financial Counseling and Planning*, *15*, 41–52.

Sousa, L., & Costa, T. (2010). The multi-professional approach: Front-line professionals' behaviours and interactions. *International Journal of Social Welfare, 19*, 444–454.

Sousa, L., & Eusébio, C. (2005). When multi-problem poor individuals' values meet practitioners' values! *Journal of Community and Applied Social Psychology*, *15*, 353–367.

Sousa, L., & Matos, A. (2004). How multiproblem families try to find support in social services. *Journal of Social Work Practice, 18*, 65–80. doi:10.1080/0265053042000180590

Sousa, L., Ribeiro, C., & Rodrigues, S. (2006). Intervention with multi-problem poor clients: Towards a strengths-focused perspective. *Journal of Social Work Practice, 20*, 189–204.

Sousa, L., & Rodrigues, S. (2007). Promoting success in social intervention with multi-problem poor families. In L. Kane & M. Poweller (Eds.), *Citizenship in the 21st Century* (pp. 55–91). New York, NY: Nova Science.

Sousa, L., & Rodrigues, S. (2008). Reviewing diagnostics: From problems to the evolution patterns of problems. In L. Sousa (Ed.), *Strengthening vulnerable families* (pp. 59–77). New York, NY: Nova Science.

Summers, J., McMann, O., & Fuger, K. (1997). Critical thinking: A method to guide staff in serving families with multiple changes. *Topics in Early Childhood Special Education*, *17*, 1171–1214. doi:10.1177/027112149701700106

Zhan, M., Anderson, S., & Scott, J. (2006). Financial management knowledge of the low-income population. *Journal of Social Service Research, 33*, 93–106. doi:10.1300/J079v33n01_09