

**Theoretically informed case study accompanying the film**

**Humanitas Financial Home Administration Programme  
Improving people's financial and administrative skills - Netherlands**



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**QR-Code to the Homepage and video:  
Link to the video: <http://www.inno-serv.eu/humanitas>**

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## **1. Short profile: Humanitas - Financial Home Administration Programme**

*Financial Home Administration* is a programme carried out by Humanitas to provide support to people unable to manage their financial and administrative work independently. Through this programme, users acquire new financial and administrative skills helping them to manage their finances and preventing problems (such as debt) becoming more serious.

### **Specific innovative elements of Humanitas**

The innovative aspect of this service is that volunteers take over an important role in the field of debt relief services. In the Netherlands, this is normally a field for professional service providers.

Humanitas volunteers develop close working relations with these professional service providers without interfering with their tasks (their role is additional and preventive). The project is innovative because the support service starts before classic debt relief services and is tailor-made: volunteers help users at home, through an individual instead of a group approach.

#### *New service for growing needs*

Humanitas offers a broad spectrum of activities such as projects for (former) prisoners, addicts, homeless people, migrants, counselling and group support for people dealing with grief and loss. The Humanitas services are free of charge and available to anyone, irrespective of age, ethnicity, lifestyle and sexual orientation. Humanitas advocates values such as: equality (of volunteer and users), responsibility (for yourself and others in society) and independence (the activities are geared towards ensuring that the users can once more take control of their lives).

### **Key characteristics of the service**

#### *Organisation*

*Humanitas* is a non-profit association, which involves more than 11,000 volunteers across the Netherlands to support people in need of social and (health) -care services.

#### *User groups*

Users are people who are not able to manage their financial and administrative work independently and often face, as a result of that, debts or arrears. In particular, the following categories of users have been identified:

- People experiencing financial troubles (i.e. as a consequence of bankruptcy, debt, displacement);
- Young adults having difficulties with financial management (i.e. as consequence of illiteracy or a low level of education);
- Ex-prisoners who need administrative support to be reintegrated into society;
- Others

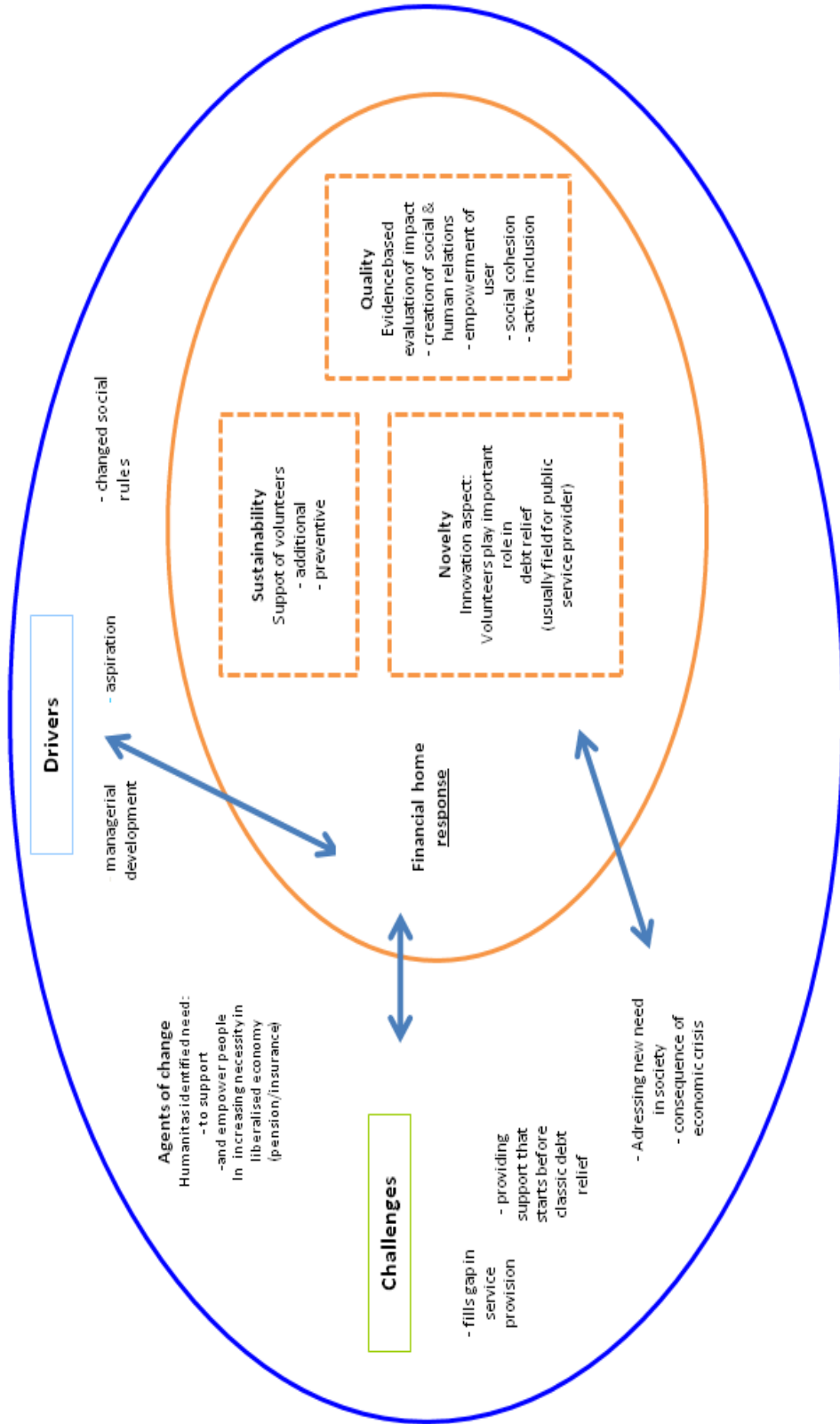
#### *Principle*

Humanitas' approach aims to enable users to grow in confidence, which they need to change their personal situation<sup>1</sup>. Based on the value of solidarity and independence, the support offered by volunteers is more than merely 'administrative' and contributes to the empowerment of the user and her/his (re)integration in society.

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<sup>1</sup> Tilburg University (2011) A Study on the Effects of the Financial Home Administration Program, Empirical Research in Organization Studies. Available at: <http://www.humanitas.nl/actueel/thuisadministratie-vergroot-zelfredzaamheid/onderzoekthuisadministratievolledig.pdf>

# Factors influencing Social Services Innovation



## 2. Policy Framework related to debt help and relief services in the Netherlands

Principle/ Guidelines	Key organisations and actors	Services provided by government	Expenditure, Resources
<p>Dutch social security and support systems put responsibility on the individual and move towards enabling and empowerment of the individual.</p> <p>Increasing privatisation of social services and social protection schemes.</p> <p>Government is responsible for the promotion of citizens' well-being and can intervene to solve poverty and inequality problems when market solutions do not work.</p>	<p><b>Government</b> (settling debt problems and balancing income is a government task)</p> <p><b>National credit bank</b> (providing a series of debt counselling and coaching services)</p> <p><b>Municipal credit banks</b> (active cooperation with local municipalities to implement debt relief programmes)</p> <p><b>Local municipalities</b> (keyplayers in the organisation of social services, also in the field of debt counselling and rehabilitation)</p> <p><b>Voluntary organisations</b> (as shown by the Humanitas project, volunteers can play an additional and preventive role working in cooperation with the municipalities).</p>	<p><b>National credit bank</b> ('Volkskredietbanken') providing services such as:</p> <ul style="list-style-type: none"> <li>- education and training programmes in schools, in companies or to individuals;</li> <li>- the analysis of underlying problems and resolving the most critical elements (c.f. housing);</li> <li>- the provision of information about the ongoing process (debt resolution and balancing income) and advice on follow-up;</li> <li>- coaching;</li> <li>- the provision of a bank card and a special account with no overdraft and amicable debt settlement between clients and debtors following a strong formalised method.</li> </ul> <p>Debt-relief programmes implemented by <b>local municipalities</b> in cooperation with voluntary organisation and/or private institutions.</p>	<p>As settling debt problems and balancing income is seen as a government task, finances mostly come from the local governments who are owners of the municipal banks. For some of the services, customers themselves also have to pay a fee.</p>

### 3. The social, political and institutional context

#### 3.1 Population/ Government

	<b>Netherlands</b>	<b>EU27</b>
Total Population	<b>16,574,989</b>	<b>501,120157</b>
Population projections 2010-2050 (2010)	<b>173,57798</b>	<b>524,052690</b>
Expenditure on social protection (% of GDP) <sup>2</sup> (2010)	<b>32.06</b>	<b>29.37</b>
People at risk of poverty or social exclusion (% of population) (2011)	<b>15.7</b>	<b>24.2</b>
Unemployment rate, monthly average (November 2012)	<b>5.6</b>	<b>10.7</b>

Source: EUROSTAT 2010

#### 3.2 Information about the specific Welfare State: Netherlands

The Dutch welfare state has been largely founded in the post-war period when many social expenditure programmes were introduced. Welfare state expenditure expanded rapidly during the sixties and seventies. Starting from the eighties, the Government started a programme of cuts in social benefits that was completed by institutional reforms in the nineties. Since the beginning of the nineties, the government also started to reduce the tax burden and to privatise social protection schemes such as the sickness insurances and parts of the pension system. Increasingly, Dutch social security and support systems put responsibility on the individual and moved towards enabling and empowerment of the individual.

#### Social policies for debt help and relief services in the Netherlands

The Dutch government has responsibility to promote social well-being and to provide responsible credit and debt resolution when the market fails to do so. Certain issues can be tackled by restrictive laws on lending, a maximisation of interest rates and similar measures, by facilitating organisations that help solve debt problems and by organising insolvency structures at local level.

Until 1992, debt counselling was provided by social workers working for local authorities and by private organisations. At that time, national organisations worked in cooperation with local authorities. Furthermore, people could ask for advice from a regional not-for-profit organisation providing legal support.

In 1992, a proposal was made to extend the Bankruptcy Act by a law on debt rehabilitation which finally came into force in 1998. It stipulated compulsory direct cooperation between local authorities and private and semi-private debt advice agencies of the 50 municipal credit banks. Additionally, the Dutch credit institution as well as the municipal social services are allowed to make amicable settlements for over-indebted households without legal proceedings. If no amicable settlement is reached, a judge can appoint an administrator who will set up a rescue plan. Debtors have to follow the rescue plan for three years, after which they will be released from the remaining debts.

<sup>2</sup> Expenditure on social protection contains: social benefits, which consist of transfers, in cash or in kind, to households and individuals to relieve them of the burden of a defined set of risks or needs; administration costs, which represent the costs charged to the scheme for its management and administration; other expenditure, which consists of miscellaneous expenditure by social protection schemes (payment of property income and other). It is calculated in current prices (EUROSTAT)

The Dutch approach to debt reduction can be seen as a combination of three strategies:

1. Consumer laws protect clients from predatory lending and high interest rates.
2. Banking laws restrict the ways financial service providers can act.
3. A locally organised structure of municipal banks bridges the world of financing and debt resolution. Where the amicable or pre-law phase of debt resolution fails a final solution can be granted through a three year statutory debt settlement procedure<sup>3</sup>.

The office dealing with people in need of legal support is managed by the Council for legal support. Each of these offices cooperates closely with other social services in the country. All institutions that work in the context of debt counselling and rehabilitation are mentioned on publicly available websites. Debtors receive exact information on what they can do and how they can do it. They can apply for debt advice via computer and can download a questionnaire.

The Dutch system offers a large range of products and services that are provided by the national credit bank ('Volkskredietbanken') in dealing with financial problems. This includes preventive education and training programmes in schools, in companies or to individuals; the analysis of underlying problems and resolution of the most critical elements (c.f. housing); the provision of information about the ongoing process (debt resolution and balancing income) and advice for follow-up; coaching; the provision of a bank card and a special account with no overdraft and amicable debt settlement between clients and debtors following a strong formalised method.

Against this background, volunteers play an important role in many fields of social services: usually when a person gets into serious financial trouble, such as debt and bankruptcy, he/she asks the municipality or to other public services for help. Nevertheless, in order to provide adequate support, those services may, ask the person to put his/her finances in order and to give a clear overview of the situation. The service provided by Humanitas helps people to fulfil this precondition: volunteers support users in putting their finances in order and in having a clear overview of their financial situation. For this reason, the service provided by volunteers is additional to and more preventive than classic debt services. The positive results of the programme show that volunteers can play an important role in many fields of social services and support people on an individual, self-empowering basis at an early stage.

There is a steady increase of expenditure in benefits in kind of social protection benefits (including social services), that shows the growing meaning in comparison to social protection benefit in cash. The table below presents the social protection expenditure of selected countries.

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<sup>3</sup> European Consumer Debt network (2007), Money matters – Debt Advice services, Linz. Available at : [http://www.ecdn.eu/ecdn/index.php?option=com\\_docman&task=doc\\_view&gid=244](http://www.ecdn.eu/ecdn/index.php?option=com_docman&task=doc_view&gid=244)

**Social protection expenditure: Aggregated benefits and grouped schemes in millions of Euros.**

Time	Expenditure for social protection benefits in millions. of Euros		Increasing benefits in kind	Part of benefits in kind of social protection benefits	
	1996	2010		1996	2010
EU 27	/	3,605,678.95	/	/	34.07%
Netherlands	94,052.49	188,731.00	186.74%	25.74%	36.80%
France	379,396.42	654,238.65	84.47%	31.94%	34.17%
Denmark	45,334.15	78,367.78	102.60%	34.13%	40.00%

Source: Own calculations based on EUROSTAT 2012

**4. Challenges and Drivers of Innovation**

**Structural weaknesses of the system**

This project represents a social innovation as it fills a gap in service provision by providing a preventive support that starts before classic debt relief services in the Netherlands and addressing a new need emerged in society as a consequence of the economic crisis (and of the increasing necessity of making choices in a liberalised economy: pensions, insurances, utilities etc). It also is less stigmatising since people do not have to identify themselves as needy and show up in public institutions. The volunteers visit them at home and give tailored support.

**Drivers and Challenges<sup>4</sup>**

*‘Changed social roles’*

The inability to do home administration can be the result of many factors (i.e. illiteracy, low level of education, consequences of the economic crisis) but is mostly enforced by the absence of any social network to fall back on for support

*Increasing aspiration*

self determination and independence: this project helps users to acquire new skills to manage their finances independently and, as an indirect result, contributes to the improvement of their self-confidence.

*Evaluation*

The evaluation of the impact of the service has been driven by the increasing trend in the social service sector to provide evidence-based policies (*managerial developments*): the findings of the analysis by the University of Tilburg provides concrete evidence of the added value of the project as well as of its social impact.

<sup>4</sup> Hawker, C. and Frankland, J. (2012) Theoretical trends and criteria for ‘innovative service practices’ in social services within the EU. INNOSERV Work Package 2 report

## **Innovation:** Ideas, criteria, levels and added values

The service is innovative because it is able to meet unmet needs in society in the short-term as well as to empower users, to improve their abilities and to promote their active inclusion in society. The main reason why this programme was designed is to help and empower users to do their home administration themselves. It is conceived as a temporary support to improve people's self-determination and autonomy. There are three particularly innovative aspects of the service:

### *New form of service:*

The innovative aspect of this service is that volunteers play an important role in the field of debt relief services, which is normally a field for public service providers. Humanitas volunteers develop close working relations with these service providers without interfering with their tasks (their role is additional and preventive).

### *New form of service delivery:*

The project is innovative because the support service is an early intervention that is less stigmatising and is tailor-made: volunteers help users at home, through an individual approach, helping them to help themselves. Through the creation of personal relations, users improve their empowerment and self-confidence.

### *New way of evaluation:*

In order to evaluate the effectiveness of this service and its impact on people's lives, Humanitas commissioned the University of Tilburg to undertake in-depth research. This innovative method of evaluation represents a source of evidence-based information which can be used to better allocate resources in the future development and implementation of Humanitas projects.

Positive impacts of the project are the empowerment of users and social inclusion: being part of this programme, users not only acquire new financial and administrative skills but they also improve their self-confidence and self-determination.

## **Agents of Change**

Humanitas identified the need to support and empower people on the increasing necessity to make choices in a liberalised economy (pension, insurance, utilities...).



## 5. Key innovative elements of this example

Field of service	Welfare and education
Establishment of organization	2001
Type of the organization	nonprofit association
Financing	The local projects have several sources: local authorities, banks, social housing companies, energysuppliers, charities, churches etc.
Size of organization	More than 300 professional staff, more than 10,000 volunteers, more than 40,000 users
Members and Participation	University of Tilburg , AUSER Association is a member of SOLIDAR, a European network of 59 NGOs active in over 90 countries working to advance social justice in Europe and worldwide.
Contact Name of the innovative example Homepage	<a href="http://www.humanitas.nl">www.humanitas.nl</a>

### Organisation

*Humanitas* is a non-profit association which involves more than 11,000 volunteers across the Netherlands to support people in need of social and (health)-care services. Humanitas offers a broad spectrum of activities such as projects for (former) prisoners, addicts, homeless people, migrants, counselling and group support for people dealing with grief and loss. The Humanitas services are free of charge and available to anyone, irrespective of age, ethnicity, lifestyle and sexual orientation. Humanitas advocates values such as: equality (of volunteer and users), responsibility (for yourself and others in society) and independence (the activities are geared towards ensuring that the users can once more take control of their lives). Commissioning the University of Tilburg to undertake in-depth evaluation, Humanitas used a new form of investigation to assess the impact and the added value of the service.

This project represents a social innovation as it fills a gap in service provision by starting before classic debt relief services in the Netherlands and concretely addressing a new need emerged in society as consequence of the economic crisis (and of the increasing necessity of making choices in a liberalised economy: pensions, insurance, utilities etc). The project aims at preventing social poverty and social exclusion. In addition, it contributes to the empowerment of users, improving their skills and abilities as well as promoting their active inclusion and (re)integration in society.

Being part of this programme, users acquire new financial skills and abilities and learn (step by step) how to manage their administrative work independently. This programme offers them concrete help to overcome existing financial troubles and to prevent problems from becoming more serious. Learning new skills and acquiring new abilities as well as establishing a personal relation with the volunteer, users improve their self-confidence and independence. It is also less stigmatising since people do not have to identify themselves as needy and show up in public institutions. The volunteers visit them at home and give tailored support.

In order to evaluate the effectiveness of this service and its impact on people's lives, Humanitas commissioned an in-depth evaluation from the University of Tilburg. This innovative method of evaluation represents a source of evidence-based information

which can be used to better allocate resources in the future development and implementation of Humanitas projects.

The projects and activities of Humanitas are organized by local departments across the Netherlands. Each year more than 10,000 Humanitas volunteers give support to 36,000 users.

The Financial Home Administration programme involves more than 300 people, representing Humanitas professional staff and more than 10,000 volunteers who have helped more than 40,000 people in need of support to independently manage their home finance.

In order to evaluate the effectiveness of the Home Financial Programme and its impact on people's lives, Humanitas decided to commission an in-depth evaluation from the University of Tilburg<sup>5</sup>. The aim of this study is to investigate the effects of the project as experienced by users and to assess whether or not they have acquired skills to manage their administrative work independently following support by the volunteers. This is done by conducting both quantitative (88 surveys) and qualitative (interviews with two clients and two volunteers) research. From this view, the following research question was formulated: "To what extent has the administrative assistance of volunteers had an effect on clients? "

The findings generated within this research represent evidence-based information about the project which can be used to better allocate resources in the future development and implementation of Humanitas projects.

This new form of collaboration between Humanitas and the University of Tilburg is to be considered as an innovative instrument used by the organisation to evaluate the effectiveness of services provided and assess the added value of its impact in order to optimize its provision.

Main results of the research carried out by the University of Tilburg:

- The findings show that the high quality of support received is one of the most important sources of satisfaction of the users of this programme. Users indicate having experienced activating incentives and a safe space to exercise new/renewed skills.
- The quality of the support has been proven to be much more effective on the empowerment of users than the amount of time spent by volunteers: increasing the frequency of the support does not lead to higher satisfaction of the user.
- On the other hand, the skills and capabilities of volunteers can make a significant difference on the level of satisfaction of users: users show an increase in self-confidence and self-determination thanks to the 'transfer of skills', which is defined as the extent to which the volunteer is capable of transferring skills and abilities to the user.

These findings imply that, in order to improve the quality and effectiveness of the service and maintain the users satisfaction, Humanitas needs to invest in the training of volunteers, providing them with the appropriate competencies and knowledge to be able to transfer the adequate skills to the users of the project.

Two of the important challenges that Humanitas is going to address in the future are:

- How to position the work of volunteers in the area of social services, without exceeding the limitations of volunteering?
- How to find enough funding for the work to be done?

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<sup>5</sup> Tilburg University (2011) A Study on the Effects of the Financial Home Administration Programme, Empirical Research in Organisation Studies. Available at: <http://www.humanitas.nl/actueel/thuisadministratie-vergroot-zelfredzaamheid/onderzoekthuisadministratievolledig.pdf>

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