



# RAISING THE BAR

Transforming Financial Support Services  
Through High Quality, Standards - Based  
Financial Coaching

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United  
Way





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## **RAISING THE BAR**

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High Quality, Standards-Based Financial Coaching**



## Executive Summary

From July 2013 to December 2015, United Way of Massachusetts Bay and Merrimack Valley (UWMBMV) developed and implemented a program to build the capacity of local non-profit agencies to provide community-based financial coaching services. The goal of the project was to develop a scalable and sustainable model of standards-based financial coaching that would enable low-income residents throughout Greater Boston to make measurable progress toward economic stability. The project sought to understand whether core standards, intensive training and technical assistance could strengthen financial coaching practices at UWMBMV partner agency sites and to examine the relationship between coaching quality and client financial outcomes at these sites.

The financial coaching capacity building project was designed to provide a comprehensive, multi-faceted strategy to support and nurture non-profit staff to provide effective, high quality financial coaching. Key program elements included:

- Core coaching standards and principles that provide a common framework and approach to the provision of financial coaching services;
- Financial coach training followed by individualized assistance from a master coach—typically provided in person on a monthly basis;
- Peer learning through a bi-monthly financial coach community of practice convening (led by the master coach); and
- Regular opportunities for continued training on coaching techniques and personal financial management topics.

The financial coaching capacity building project was implemented at 12 partner sites located in six cities throughout Greater Boston. During the project, financial coaching was delivered at significant scale, with more than 2,400 clients enrolled in financial coaching services.

Survey data collected among coaches and clients that participated in the project revealed the following project outcomes:

- Coaching standards helped to promote consistent, high-quality coaching, and fostered a greater sense of independence among coaches.
- Financial coaches increased their knowledge and comfort with both coaching techniques and financial topics.
- Financial coaches increased their confidence that: 1) clients can make changes in their financial circumstances; 2) they can help clients to make progress on their financial goals; and 3) clients trust them to work with them toward achieving their financial goals.
- A majority of clients who received financial coaching support during the project increased their financial capability.
- Across six UWMBMV financial stability centers where the master coach provided support to the financial coaches, clients increased their monthly net incomes, improved their credit scores and decreased their credit utilization.

Based on these outcomes, UWMBMV will continue to provide professional development opportunities for non-profit agency coaches through coach training, financial capability training, and bi-monthly coach community of practice meetings. One-on-one master coaching support will continue on a more limited basis.





## Overview

This paper presents the results and key findings from a financial coaching capacity building project designed and implemented by the United Way of Massachusetts Bay and Merrimack Valley (UWMBMV) with support from the FINRA Investor Education Foundation through a partnership with United Way Worldwide. The goal of the project was to develop a scalable and sustainable model of standards-based financial coaching that would help low-income residents throughout Greater Boston to make measurable progress toward economic stability. The project sought to understand whether core standards, intensive training and technical assistance could strengthen financial coaching practices at UWMBMV partner agency sites and to examine the relationship between coaching quality and client financial outcomes at these sites.

## Background

Financial coaching has gained significant traction in the last few years as a promising strategy for increasing client financial capability and well-being. Financial coaching is a strengths-based model that uses client goals and motivations to drive behavioral change and progress. Financial coaches seek to help clients think about their financial goals and to hold them accountable for their own outcomes over time. Clients engaged in financial coaching pursue a variety of goals, both short and long term, such as saving, debt management, budgeting and credit building.<sup>1</sup>

UWMBMV designed the financial coaching capacity building project to provide training and support for financial coaches offering services at local non-profit agencies. Through the project, UWMBMV also sought to move the local financial coaching community toward greater professionalization and effectiveness by addressing the four key measures described below:<sup>2</sup>

<sup>1</sup> Collins, Michael, "Financial Coaching: Review of Existing Research," *Center for Financial Security, University of Wisconsin-Madison*, October 2015.

<sup>2</sup> Cities for Financial Empowerment, "The Professionalizing Field of Financial Counseling and Coaching: A Journal of Essays from Expert Perspectives in the Field," accessed May 17, 2016. <http://www.cfefund.org/info/our-projects#professionalizing-field-financial-counseling-and-coaching>

- **Quality.** Coach training and continuing professional development was provided through workshops and one-on-one master coach support.
- **Consistency.** Core standards and principles were developed and implemented to provide a common framework for financial coaching provided throughout the network.
- **Accountability.** Common assessment and evaluation tools were developed and implemented across sites.
- **Community.** A financial coaching community of practice was created to provide ongoing opportunities for professional development and peer support.

The financial coaching project emerged from a five-day introductory training on financial coaching provided to 30 financial coaches from six partner sites in 2012. The training was implemented at a time when UWMBMV was increasing its investment in financial capability programming, specifically through the expansion of financial stability centers that offered integrated workforce development, financial coaching and public benefits screening services for low-income clients.<sup>3</sup> The training was well-received by participants, but UWMBMV received feedback from site supervisors that a longer-term post-training strategy was needed to ensure that front-line staff were able to successfully incorporate financial coaching skills and strategies learned during the training. Agency partners reported a variety of challenges in implementing financial coaching services following the training. Several workforce development agency partners indicated that their staff needed additional support and training in financial skills and content beyond the introductory training, since these agencies lacked experience providing financial capability services. In contrast, agencies with existing financial capability building programs indicated that their staff required significant support in developing coaching skills and strategies. In response to this agency feedback, UWMBMV developed a multi-strategy plan to provide training in both financial skills and coaching skills, in combination with ongoing relationship-based support, to help coaches provide consistently high quality, professional financial coaching services for clients across the network.

The program was delivered initially at the six partner sites that had participated in the introductory financial coaching training. In 2014, the network of partner sites was expanded to include a total of 12 sites located throughout the Greater Boston region. As the project evolved, in response to feedback from supervisors and staff, UWMBMV launched the Financial Empowerment Learning Institute (funded separately) to provide monthly professional development workshops for agency staff on an array of financial capability topics.

## The Need

The 12 sites providing financial coaching through this project serve some of the communities with the highest need in the UWMBMV Greater Boston service area. Table 1 shows the cities served by agencies participating in this project. Nearly half of the people in the region living at or below 200 percent of the federal poverty level reside in the six cities listed. Residents of these six cities are significantly more likely than other Massachusetts residents to have no high school diploma, be female single heads of household and have children that are eligible for free or reduced price lunch. In the City of Boston, where the largest concentration of individuals are living in poverty, financial coaching was available at five sites—two of which are located in the city’s poorest neighborhoods of Roxbury and Dorchester.

<sup>3</sup> The five day financial coaching training was made possible through a partnership with Boston Local Initiatives Support Corporation (LISC) through its financial stability center project.

**Table 1: Greater Boston Cities Served by this Project  
Ranked by Total Population Under 200% of the Federal Poverty Level**

| Ranking by Number of People   | City/Town    | Total Population (2014) | # Population <200% FPL | % Pop <200% FPL |
|---|--------------|-------------------------|------------------------|-----------------|
| 1   | Boston       | 639,594                 | 224,435                | 35.09%          |
| 2   | Lawrence     | 77,364                  | 44,042                 | 56.93%          |
| 4   | Lynn         | 91,289                  | 37,981                 | 41.61%          |
| 5   | Quincy       | 92,920                  | 23,111                 | 24.87%          |
| 6   | Revere       | 53,258                  | 17,758                 | 33.34%          |
| 7   | Chelsea      | 37,084                  | 17,740                 | 47.84%          |
|   | <b>Total</b> | <b>991,509</b>          | <b>365,067</b>         | <b>36.82%</b>   |
| <b>Total Population Served by UWMBMV</b>                                  |              | <b>3,224,774</b>        | <b>754,318</b>         | <b>23.39%</b>   |
| <b>% of Total Population Served by Sites Providing Financial Coaching</b> |              | <b>30.75%</b>           | <b>48.40%</b>          |                 |

Source: US Census American Community Survey, 2009–2013

\*Lowell, Massachusetts is ranked third in terms of number of residents at or below 200% of the poverty level. It is not served by the sites participating in this study. However, UWMBMV provides funding support to Community Teamwork in Lowell to support its financial capability programming.

Additionally, the communities served by sites that participated in the financial coaching project are all Gateway Cities<sup>4</sup> for recent immigrants and are home to large Latino, Asian and Black populations. From 2000 to 2014, the Latino population in these six cities increased by 79,691 (47%), the Asian population by 29,415 (25%), the Black population by 40,037 (21%) and the White population by 13,983 (2%).<sup>5</sup> Sites selected to participate in this project are all committed to serving low-income individuals and to providing culturally appropriate programming and services. Many of the staff are bilingual and are able to provide direct service (or translation services) for clients not fluent in English.

Based on their analyses of intake data and information garnered during case management and counseling services, the partner sites all identified financial education and skill-building as priorities for clients. While the specific instruments varied by site, all of the partner sites used comprehensive intake assessment tools to help staff and clients clarify needs, goals and priorities. Clients came to the partner sites with a variety of financial challenges, including low-income, low credit scores, high debt and lack of access to affordable financial products. Many clients were unbanked and some were victims of predatory lending.

## Partner Sites: Population and Services Provided

During this project, financial coaching was provided at two types of organizations. First, financial coaching was provided by local non-profit agencies that receive multi-year funding from UWMBMV. UWMBMV requires that these agencies provide a minimum of ten hours of financial capability services per client, of which at least two hours must be financial coaching. Second, financial coaching was offered at six UWMBMV financial stability centers, which provide integrated financial coaching, employment services and public benefits screening.<sup>6</sup> The financial

<sup>4</sup> Defined by the Commonwealth of Massachusetts as a city with population greater than 35,000 and less than 250,000, a median household income below the state average and an educational attainment rate of a bachelor's degree or above that is below the state average.

<sup>5</sup> U.S. Census Bureau, 2014 American Community Survey, accessed May 16, 2016.  
[www.census.gov/programs-surveys/acs/news/data-releases/2014/release.html](http://www.census.gov/programs-surveys/acs/news/data-releases/2014/release.html)

<sup>6</sup> Financial stability centers are located at Chelsea CONNECT, Jewish Vocational Service, Lawrence CommunityWorks, Lynn Housing and Neighborhood Development, Quincy Community Action Programs and the Roxbury Center for Financial Empowerment. The Chelsea CONNECT, Jewish Vocational Service and Roxbury Center for Financial Empowerment sites were funded jointly with Boston LISC during this project.





stability center model is dedicated to supporting low-income residents in making long-term progress toward financial well-being by providing a continuum of intensive services and supports. The financial stability center model emphasizes the importance of long-term client engagement and financial coaching may be provided for up to 18–24 months per client.

A unique feature of this project was the extraordinary diversity of agency types and target populations served. The agency partners included four community development corporations, three workforce development agencies (including one site that delivered workplace training to low-skill hospital workers), a multi-service community action program, a public housing authority, a domestic violence shelter and a nationally-recognized program providing support for very high risk youth. Sites support a large number of immigrants, including six that provide bilingual direct service and training in Spanish and one agency offering direct service in Chinese. By offering financial coaching in an array of settings, we were able to explore how to best integrate financial coaching into different types of service delivery systems while ensuring that all services provided were standards-based and client-centered.

A description of each of the sites participating in this project and their primary populations and geography served is provided in Table 2.

**Table 2: Overview of sites participating in the financial coaching project**

| Agency  | Partner Type                                      | Program Description  | Primary Population(s) served                                | Geographic Area Served          |
|---|---|--|---|---------------------------------|
| Asian American Civic Association                          | Non-profit partner                                | Job skills training programs (automotive mechanics, banking, Vocational ESOL)  | Low-income, HS/GED, immigrants, primarily Asian             | Boston, Chinatown               |
| Casa Myrna Vasquez  | Non-profit partner                                | Skill building workshops and individual coaching on budgeting and personal finance for survivors of domestic violence. Spanish/English | Low-income, African American and Latino                     | Boston, South End               |
| Codman Square NDC   | Non-profit partner                                | Financial education and coaching services delivered to tenants experiencing housing instability.                                       | Low-income, African American and Latino                     | Boston, Dorchester neighborhood |
| Chelsea CONNECT   | Financial stability center and non-profit partner | Financial Opportunity Center located in Community Development Corporation using partnership model. Spanish/English                     | Very low-income, HS/GED and below, Latino                   | Chelsea, Revere                 |
| Jewish Vocational Service 1 (hospital workplace)          | Non-profit partner                                | Workplace-based program providing training for incumbent hospital workers  | Low-income, HS/GED, immigrants                              | Longwood Medical Area           |
| Jewish Vocational Service 2 (Skills training, employment) | Financial stability center and non-profit partner | Job skills training programs and one stop career center serving City of Boston. Financial Opportunity Center                           | Very low-income, HS/GED and below, immigrants               | Downtown Boston                 |
| Lawrence Community-Works                                  | Financial stability center and non-profit partner | Community Development Corporation focused on asset building and housing. Financial Opportunity Center. Spanish/English                 | Very low-income, HS/GED and below, Latino                   | Lawrence                        |
| Lynn Housing Authority and Neighborhood Development       | Financial stability center                        | Quasi-public housing authority with focus on affordable housing and homelessness   | Very low-income, HS/GED and below, Latino                   | Lynn                            |
| Neighborhood of Affordable Housing                        | Non-profit partner                                | Community Development Corporation. Contextualized financial education workshops. Spanish/English                                       | Latino, White   | East Boston                     |
| Quincy Community Action Programs                          | Financial stability center and non-profit partner | Multi-service community action program. Financial Opportunity Center   | Low-income, White, African American, Asian, Latino          | Quincy                          |
| ROCA  | Non-profit partner                                | Multi-year program for high-risk youth ages 18–24  | Very low-income, youth ages 18–24, Latino, African American | Chelsea                         |
| Roxbury Financial Empowerment Center                      | Financial stability center                        | Financial Opportunity Center with expertise in career services and job placement   | Very low-income, HS/GED and below, African American         | Boston, Roxbury                 |



The majority of sites supported during this project provide a combination of financial education and financial coaching services. As defined here, financial education provides clients with specific knowledge and skills based on predetermined competencies, while financial coaching is an individualized process that allows clients to apply this knowledge and skills to their specific situations and personal goals over time. Most of the sites provide a total of 2–4 hours of individualized financial coaching to their clients, with an average of 3.5 hours of service provided per client. The financial stability centers provide a slightly higher level of coaching, with clients receiving an average of 3.9 hours of financial coaching and 26% of clients receiving 5 or more hours of financial coaching. Table 3 provides additional detail on service intensity at each of the sites participating in this project:

**Table 3: Service Intensity by Site**

| Agency  | Average Total Hours of Financial Coaching Per Client | Average Hours of Financial Education Per Client |
|---|--|---|
| Asian American Civic Association                            | 1  | 4   |
| Casa Myrna Vasquez  | 3  | 12  |
| Chelsea CONNECT   | 3.7  | 6   |
| Codman Square NDC   | 2  | 12  |
| Jewish Vocational Service 1 (workplace in LMA)              | 2  | NA  |
| Jewish Vocational Service 2 (Skills training/career center) | 3.7  | 2–10 hours                                      |
| Lawrence CommunityWorks                                     | 5.5  | 5   |
| Lynn Housing Authority and Neighborhood Development         | 2.7  | NA  |
| Neighborhood of Affordable Housing                          | 2  | 8   |
| Quincy Community Action Programs                            | 3  | 12  |
| ROCA  | 11   | 2   |
| Roxbury Financial Empowerment Center                        | 2.4  | NA  |
| All Sites   | 3.5  | NA  |

The financial coaching project achieved its goal of serving 2,400 clients across the 12 sites. Providing a scalable and replicable coaching support program across 12 sites required a cost effective and efficient service delivery model. Overall, the cost of master coaching support was approximately \$700 per financial coach. The master coach was able to create efficiency by carefully scheduling multiple appointments at each site, using group coaching when appropriate, and supplementing individual coaching with coaching support offered through community of practice convenings typically attended by 20 coaches. The project benefited from significant economies of scale by having a master coach serve multiple sites as opposed to having each of the sites contract with a master coach separately.

## Program Design: Creating a Comprehensive Approach to Support and Nurture the Talented Staff at our Partner Agencies

The financial coaching project was designed to provide a comprehensive, multi-faceted strategy to support and nurture non-profit staff to deliver effective, consistent, high quality financial coaching. While some of the staff supported through the project are dedicated financial coaches, the majority provide other direct services and were cross-trained to provide financial coaching services. All of the financial coaches supported through this project were paid staff at agencies. The program elements included individualized and group master coaching, core coaching standards, peer learning through a financial coaching community of practice, and complementary skills training on financial education and financial coaching content. A description of each of these core program elements is provided in the following section.

### Providing individualized master coaching – shifting the service delivery mindset

The core service provided during the project was technical assistance to financial coaches from a master coach. The master coach had more than twenty-five years of professional coaching experience and was certified by the Coaches Training Institute, earning the CPCC designation as a Certified Professional Co-Active Coach. The job description for the master coaching position emphasized coaching rather than financial expertise, based upon the assumption that building and supporting strong coaching practices and techniques is a process that would take time and align best with the long-term, highly individualized service provided by the master coach. In addition, UWMBMV were interested in testing whether the financial coaches would be able to use the master coach's support to help them to set and achieve their own goals relative to financial skills professional development they might need.

The theory and principles guiding the master coach's work with financial coaches at the 12 partner sites are generally consistent with that used by other financial coaching programs across the country.<sup>7</sup> Financial coaching is focused on client-defined financial goals. The financial coach helps to hold the client accountable and to keep the goals in focus over time. Financial coaches also must be trained and knowledgeable about financial content and available external resources that might be helpful to the client. Because it may take time for clients to attain their goals and may require behavior change, financial coaching typically is a long term process that takes place during multiple meetings.

The coaching concepts and terms used throughout the project were drawn principally from the Co-Active coaching model.<sup>8</sup> In Co-Active coaching, clients are seen as "creative, resourceful and whole." This sets the stage for clients to learn about the options and resources available to them so that they can make choices and take action towards meeting their goals. As a result of this coaching mindset, clients can gain the skills to solve their own problems and develop the capacity to address subsequent challenges as they arise.

In order to help clients to gain greater confidence and self-sufficiency, the coach engages them in an alliance. The coach and client build a partnership in which they work together and share appropriate information, resources and knowledge.

The most prominent coaching skills and tools that the financial coaches were taught to support their clients include:<sup>9</sup>

<sup>7</sup> Collins, Michael, "Financial Coaching: Review of Existing Research, Center for Financial Security," University of Wisconsin-Madison, October 2015.

<sup>8</sup> Whitworth, Laura, Kimsey-House, Karen, Kimsey-House, Henry and Sandahl, Phillip, *Co-Active Coaching: New Skills for Coaching People Toward Success in Work and Life*, Nicholas Brealey Publishing, 2007.

<sup>9</sup> SMART goals, reframing, powerful questions and championing are all concepts from the Co-Active coaching model. The Wheel of Finance has been adapted from Co-Active coaching for financial coaching use.



- **SMART Goals** – Determining SMART (Specific, Measureable, Actionable, Realistic, Time bound) goals helps clients move from planning into action.
- **Reframing** – The coach offers a restatement of thoughts and beliefs that the client has shared to illustrate alternative and usually more positive, proactive perspectives without judgment or telling the client he or she is wrong. When clients are able to see a new way of looking at their situation they are more open to developing solutions and taking more responsibility in addressing their challenges.
- **Powerful Questions** – An extensive list of open-ended questions that are thought provoking and elicit insightful, forward thinking answers from the client.
- **Championing** – Providing positive feedback to clients by highlighting the strengths and positive actions they have brought to the process of financial stability. This provides a boost of confidence and self-awareness to clients who are often feeling discouraged and powerless.
- **Wheel of Finance** – A tool that gives clients a process for evaluating several aspects of their personal finances to determine areas for focus and goal setting.
- **Mind Mapping** – A method that offers clients a visual process for brainstorming and goal development to determine areas for further action.<sup>10</sup>

These coaching skills and tools serve to further clients' sense of ownership of their situations and help them make choices on goals and priorities.

Each financial coach received a monthly, in-person, 60-minute session with the master coach. The master coach also provided phone and email support in between sessions on an as-needed basis. Approximately 15% of the financial coaches exercised the phone and email support option and reported that it was helpful in moving forward with a challenging circumstance.

During the course of the project, 59 coaches received individualized master coaching support, 24 of whom received coaching for more than a year. The number of coaching sessions provided by the master coach ranged from 2 sessions to 32 sessions per financial coach, with the average number of coaching sessions equal to 12 sessions (nine sessions – median). The twelve partner sites enabled the project to achieve considerable scale, with approximately 2,400 clients served during the course of the project.

The master coach also conducted sessions with pairs or small teams of financial coaches. This allowed coaches that shared clients or those with similar challenges to discuss and develop strategies for addressing challenging situations. By working in pairs or with teams, financial coaches discovered the value and insights available through peer relationships and agencies.

### Creating core standards for the delivery of high quality financial coaching

In June, 2014, UWMBMV published “Financial Coaching: Core Standards and Principles,” authored by the master coach. The core standards were developed in consultation with the partner sites and evolved from the master coach's work with them during the first year of the project. The standards provided a clear definition of the coaching approach and established nine guiding principles for the delivery of financial coaching, which were adapted from both the Co-Active coaching model and the International Coach Federation Code of Ethics and Core Values. A detailed description of these coaching standards and principles is provided in Appendix A of this report.

<sup>10</sup>

Buzan, Tony, *How to Mind Map: The Thinking Tool That Will Change Your Life*, Thorsons, 2002.

The nine financial coaching standards are:

1. Coaching is based on “designing an alliance” between the financial coach and the client, working together on the client’s goals and aspirations.
2. Confidentiality is essential in the coaching relationship.
3. Coaching is most effective when the coach approaches clients as creative, resourceful and whole.
4. Coaching is driven by client goals.
5. Coaching depends on proficiency in self-management and flexible communication.
6. Coaching is focused on the future and on creating long-term change and learning.
7. While coaching is driven by client goals, financial coaches can provide further direction to guide clients toward external resources coaches cannot offer.
8. At times, clients may need specific advice or counsel rather than coaching, such as when a client faces a legal dispute.
9. Financial coaching programs should maintain a performance management system to assess whether clients are making progress toward their goals.

The financial coaching standards were shared with both supervisors and financial coaches and were regularly reviewed during coaching sessions and at the community of practice. In addition, all participants in the Introduction to Financial Coaching training and all new financial coaches working with the master coach received copies of the financial coaching standards. While UWMBMV did not require the sites to formally adopt the standards, the master coach used the financial coaching standards to guide her work with financial coaches and strongly encouraged the financial coaches to use these standards when working with clients.

### **Promoting peer learning and support through a coaching community of practice**

Bi-monthly community of practice meetings were convened throughout the project to offer the coaches additional opportunities to deepen coaching skills and share resources and challenges with colleagues from other agencies. These meetings were well attended, with an average of 20 coaches at each session. Coaches expressed great enthusiasm for the opportunity to expand their knowledge, share ideas and practice their coaching techniques with each other. Topics explored in-depth included:

- Client engagement and retention
- Balancing approaches across coaching, counseling and case management
- Financial stability in the context of domestic violence
- Web resources for financial management and analysis
- Motivational interviewing
- Credit and banking
- Workforce development
- How to work with client motivation factors



The community of practice was designed to complement master coaching support. The master coach led the planning and facilitation of the community of practice sessions, designing sessions that were highly interactive and relevant to the issues and challenges facing clients. The close connection between the master coach and her coaching clients ensured that the topics covered in the community of practice were useful and of interest to the participants.

### **Providing complementary skills training on financial education and financial coaching content**

With support from the FINRA Foundation, UWMBMV developed two financial coaching workshops designed to complement the individualized master coaching and community of practice support available through this project. UWMBMV developed a three-day introductory financial coaching training to provide foundational coaching skills and financial content. Since 2013, 80 coaches have completed this course, with the majority of the financial coaches working with the master coach after attending this introductory training. In 2015, UWMBMV sponsored the development of a full-day advanced financial coaching class for staff that have completed both the introductory class and have provided at least 100 hours of direct financial coaching.

While UWMBMV had initially anticipated that the financial coaches would be able to use the master coaching process to develop their own professional development plans related to ongoing financial training, the lack of affordable, convenient financial training for non-profit staff proved an insurmountable barrier. Both the supervisors and the financial coaches interviewed during an independent mid-term review expressed a critical need for additional training on financial capability content.<sup>11</sup> In response, UWMBMV established the Financial Empowerment Learning Institute (funded separately) in 2014. The Institute has developed into a training hub for financial capability in the Greater Boston area, with financial coaches and financial educators travelling from around the state and New Hampshire to attend. Trainings are provided monthly in the form of professional development workshops, including credit building and credit repair, designing financial education workshops, and the Your Money, Your Goals Financial Empowerment Toolkit for Social Service Organizations. Since its inception, the Financial Empowerment Learning Institute has trained more than 150 individuals from 60+ agencies, over 30 of whom have participated in five or more trainings. An independent evaluation of the Financial Empowerment Learning Institute's first year of operation concluded that participants gained knowledge and confidence in the financial topics covered during the trainings and that they were using the newly acquired tools in their work with clients.

The development of core standards was intended to create a shared framework for the delivery of high quality financial coaching services at our partner sites. The standards provide a common approach that is reinforced in individual master coaching sessions, the community of practice and in financial coaching trainings.

<sup>11</sup> Rodriguez, Esthefania, "Mid-Term Qualitative Review of the Financial Coaching Capacity Building Project", United Way of Massachusetts Bay and Merrimack Valley, April, 2013.

UWMBMV recently took the creation of coaching standards a step further by developing a pilot final “certification” exam for graduates of the Introduction to Financial Coaching course. The certificate program is designed to ensure that graduates of the financial coaching program demonstrate an understanding of both coaching and financial concepts. UWMBMV will continue to explore strategies for driving the field locally toward greater accountability by requiring grant recipients to ensure that their financial coaches have a demonstrated mastery of the key financial coaching concepts. In addition to its own home-grown financial coaching certification program, UWMBMV will examine nationally recognized certifications such as AFCPE and NeighborWorks Financial Coaching Certification.

## Key Project Results

The financial coaching project sought to strengthen financial coaching services available to clients served at area non-profit agencies. To assess the effectiveness of this strategy, the project retained an independent firm to guide the overall evaluation of the financial coaching project.<sup>12</sup> The independent evaluator developed and implemented two assessment tools for the project. First, an in-depth coach survey was developed to assess the effectiveness of the various capacity-building elements provided during the project. Second, the evaluator helped to design and administer a simple pre- and post-survey based upon the University of Wisconsin Financial Capability Scale. In addition, in October 2015, UWMBMV retained a student team from the Kennedy School of Government to conduct an independent evaluation of client-level financial outcome data for the six financial stability center sites that provided financial coaching during the project.

The following is a summary of key findings:

### *Financial Coach Survey Results*

Financial coaches completed a survey designed to assess the effectiveness of the range of capacity building supports available through the project. Seventeen financial coaches completed pre- and post-surveys, with the majority completing the survey 18 months following the initial survey.<sup>13</sup> In addition, a focus group was conducted with nine financial coaches from seven of the partner sites. Key findings from the coach survey are described in the following section.

The independent evaluation found that financial coaches gained knowledge and comfort with both technical coaching and financial topics during the project. In addition, the evaluation found that financial coaches felt more confident that they could help clients make progress toward their financial goals. Key findings included:

### **Financial coaches gained knowledge and comfort with coaching tools and techniques**

- Overall, financial coaches were most knowledgeable about and comfortable with setting and prioritizing SMART goals and the Financial Wheel (>90%).
- A majority (>70%) were knowledgeable about and comfortable with the following tools by the end of the project: the Financial Wheel; the Wheel of Life; the COACH model; priorities chart; and mind mapping.

<sup>12</sup> Mt. Auburn Associates, “Evaluation of the Financial Coaching Capacity Building Initiative,” January, 2016.

<sup>13</sup> Seventeen out of a total of twenty financial coaches (85%) completed matched pre- and post-surveys. Additional coaches completed baseline surveys, but were ineligible to complete the follow-up survey either because they left their jobs prior to meeting an 18-month follow-up requirement or worked at one of the two agencies that did not complete the project.



- Financial coaches reported moderate comfort with an array of coaching techniques (such as brainstorming, powerful questions and holding the client accountable). The pre-survey comfort range was between 1.6 and 2.8 and the post-survey comfort range was between 1.9 and 3.2 with an average gain of 0.5 out of a total scale of 4.0.

#### **Financial coaches' knowledge and comfort of financial topics increased during the project**

- Financial coaches believe they are most knowledgeable and comfortable with creating a budget and least knowledgeable and comfortable with creating a balance sheet, planning for future savings, and asset development.
- Financial coaches made the most gains in improving their knowledge and comfort with establishing credit and assessing the advantages and disadvantages of different types of financial institutions, products, and services.

#### **Financial coaches gained confidence that they can help their clients**

- Compared to the pre-survey, financial coaches increased their agreement with the following statements by almost 50% in the post-survey:
  - ✓ their clients can make changes in their financial circumstances;
  - ✓ they can work with their clients to make progress on their financial goals; and
  - ✓ clients trust them to work with them towards their financial goals.
- Focus group participants strongly agreed with the notion that building financial coaching skills and being a better financial coach will help their clients achieve better financial outcomes.

Additional findings from the financial coaching survey and focus group include:

#### **Master coaching was the most valued support provided**

Based upon the coaching survey and a focus group with financial coaches, one-on-one master coaching was the most valuable professional development support provided by this project. Notably, financial coaches supported by the master coach in this project experienced first-hand the same empowering benefits their clients received as a result of the financial coaching process. Financial coaches reported feeling more supported in their work after receiving master coaching services and that this support helped them to provide more effective services for clients. Other benefits of master coaching support included:

- Establishing a trusting, confidential relationship with the master coach (a skilled, non-judgmental listener) who also modeled the use of coaching skills and tools.
- Learning new coaching skills and obtaining tools to better serve clients. These tools and skills included a variety of communication techniques, decision-making and goal-setting tools, as well as mental frameworks that helped the financial coach see situations in different ways.
- Developing a system of accountability so that there was follow up and communication on the strategies discussed in coaching sessions. This also served as a model for how the financial coaches should work with their clients.

- Supporting financial coaching skill development in smaller agencies and in agencies where there were no other financial coaches on staff. Having a master coach provide ongoing support was highly valued by these individuals, who do not have colleagues in-house to help with skill development and case conferencing.

One financial coach equated his support from the master coach as “similar to getting a regular oil change,” describing it as an important part of his own approach to self-care and self-reflection related to his financial coaching practice.

Financial coaches felt extremely supported by the master coach, with 94 percent stating they felt very or extremely supported. In the post-survey, 100 percent reported that the level of support contributed to their ability to provide adequate services.

### **Financial coaches are aware of and follow financial coaching standards and principles**

- All but two of the coaches report that coaching standards exist at their agency.
- Of the coaches whose agencies have coaching standards, 93 percent say they are familiar with and follow the coaching standards that are provided in the Financial Coaching Core Standards and Principles handbook.
- Of the coaches whose agencies have coaching standards, 93 percent feel that coaching standards encourage them to be independent.

### **Financial coaches are well-educated, but have relatively few years of financial coaching experience**

- All but three financial coaches (82%) had a post-secondary degree, including 35 percent with master’s degrees.
- The majority (59%) of financial coaches have provided direct client services related to financial stability for two years or less.
- Most financial coaches (76.5%) attended the three-day introductory financial coaching training offered by UWMBMV and many attended other trainings on financial coaching and financial education.

### **Financial coaches have a moderate caseload and financial coaching is just one part of their job**

- The majority (about 60%) of financial coaches have an active caseload of fewer than 50 clients.
- For the majority, financial coaching is just one part of their job.

### ***Client Results***

By strengthening and professionalizing financial coaching provided at partner sites, UWMBMV sought to ensure that high quality, effective services were provided to clients. UWMBMV used two assessment tools to determine whether financial coaching clients were making progress toward greater financial capability and financial

well-being. First, we measured changes in client financial capability at ten of the twelve sites.<sup>14</sup> Second, staff tracked client financial outcomes using the LISC Family Financial Tracking (FFT) system. The use of common measurement tools across sites enabled UWMBMV to ensure that a consistent methodology was being used to understand program impact and to compare program outcomes by site. Clients' progress in increasing their financial capability and financial well-being during this project is summarized in the following sections.

### *Measuring client financial capability – Financial Capability Scale*

To assess overall client progress during the project, UWMBMV developed a client survey tool modeled on the University of Wisconsin Financial Capability Scale (FCS). The FCS is a diagnostic tool that can be used to assess clients' progress along key indicators of financial capability such as spending, saving, budgeting and consumer confidence. The FCS allows for common measurement across programs, since different programs use a wide range of methods for measuring financial well-being. The FCS involves six simple questions and takes four to five minutes to administer. It is a field-tested instrument that has been statistically correlated with other measures of financial capability such as financial stress, assets, debt and emergency savings. As an individual's assets and emergency savings increase, she or he tends to score higher on the FCS. Higher levels of financial stress and debt are correlated with a lower FCS level.

Table 4 below provides a summary of the key concepts in the client survey and the results. A total of 1,263 baseline surveys were completed during the project, which were matched with 352 follow-up surveys, a 28% match rate. The average number of months between pre- and post-surveys was 6.2 months.

**Table 4: Key Concepts and Client Survey Summary Results**

| Key Concept and Survey Question  | % FCS increased | % highest FCS at baseline and did not change | % all other FCS with no change | % FCS decreased |
|--|-----------------|--|--------------------------------|-----------------|
| <b>Confidence and self-efficacy:</b> I am confident I can make progress toward achieving my financial goals. (Q1B) | 23%             | 49%  | 13%                            | 15%             |
| <b>Spending:</b> My spending is less than/equal to/a little more/much more than my income. (Q2)                    | 34%             | 29%  | 16%                            | 21%             |
| <b>Late fees:</b> Over the last three months, I have paid a late fee on a loan or bill. (Q3)                       | 24%             | 52%  | 12%                            | 12%             |
| <b>Savings:</b> Over the last three months, I have set aside money for savings. (Q4A)                              | 18%             | 41%  | 31%                            | 9%              |
| <b>Budgeting:</b> Over the last three months, I have set a monthly budget for myself and kept it. (Q4B)            | 27%             | 29%  | 32%                            | 12%             |
| <b>Emergency Fund:</b> If I have a financial emergency, I have enough money to pay my bills for one month. (Q5)    | 14%             | 44%  | 33%                            | 9%              |
| Total Financial Capability Scale = Questions 1B+2+3+4A+4B+5  | 52%             | 7%   | 11%                            | 31%             |

<sup>14</sup> Two of the financial stability center sites were unable to implement the financial capability scale participant survey in time to be included in this research.



During the project, a majority of respondents (52%) experienced an increase in their FCS. A subset of this group increased their FCS substantially, either by moving from a low FCS to a moderate or high FCS (14%) or from moderate to high FCS (12%).<sup>15 16</sup> The project experienced gains across all of the sites, though the overall increases were relatively modest, with the FCS increasing 1.7 points from 15 points at baseline to 16.7 points at follow-up (on a 24 point scale).

A minority (31%) of clients experienced a drop in their FCS during this period. A number of factors may have contributed to this reduction in financial capability, including answering the questions more candidly after engaging in a financial coaching relationship, gaining increased knowledge and understanding about the precariousness of their own financial situations and, in some cases, experiencing an actual worsening of their financial situation.

Overall, 67 percent of clients reported making progress on at least one of the six questions measured in the Financial Capability Scale. Greatest improvements were seen in those indicators related to short-term financial behaviors, such as spending (34%), budgeting (27%) and late fees (24%). Clients also gained confidence in their abilities to make progress toward their financial goals (23%). Financial coaches interviewed indicated that these attitudes and behaviors are the first step in working with many of their clients to establish a plan for achieving greater financial stability and success. Clients experienced less progress on long-term indicators of financial capability related to savings, such as setting aside money for savings (18% made progress) and having enough money to pay bills for one month (14% made progress), which are more challenging goals given the high cost of living in the region and relatively low income levels of clients.

### *Measuring client financial well-being – Financial Stability Centers*

UWMBMV supports a network of six financial stability centers located throughout Greater Boston, three of these in collaboration with Boston LISC.<sup>17</sup> The financial stability centers provide integrated services in three core areas: financial coaching, employment and public benefits access, which together help low-income clients make progress toward financial stability. All of the financial coaches employed at the financial stability center sites received master coaching and training during this project. While the exact connection between client financial outcomes and the professional development supported by this grant is not known, the theory of change assumes that more highly skilled financial coaches will provide better quality services, which will in turn result in better client outcomes. Thus, staff were interested in exploring whether the services available at these six sites are yielding measurable financial results for clients. Three key financial metrics are tracked by financial stability centers: net income; net worth; and credit scores.

UWMBMV retained a student team from the Kennedy School of Government (KSG) to conduct an independent analysis of financial outcome data available for the financial stability center sites. Data were available from October 1, 2014 to September 30, 2015, which also coincided with the start of financial coaching training and master coaching support for four of the six sites (two of the sites began receiving these supports at the start of the project in 2013).<sup>18</sup> Based upon their review of client-level data, the KSG team found that clients:

<sup>15</sup> 18% of respondents showed no change in their FCS from baseline to follow-up, including 7% who responded at the top of the scale at baseline and had no room for improvement. When netting out the respondents who did not change their FCS, 63% showed improvement and 37% declined in their FCS.

<sup>16</sup> Low FCS is defined as a score 0–9; moderate FCS is defined as a score 10–15; and high FCS is defined as a score 16–24.

<sup>17</sup> Financial stability center sites are located at Chelsea CONNECT, Jewish Vocational Service Boston, Lawrence CommunityWorks, Lynn Housing Authority and Neighborhood Development, Quincy Community Action Programs and Roxbury Financial Empowerment Center.

<sup>18</sup> Data for Chelsea CONNECT was analyzed for the period July 1, 2013–September 30, 2015.

- Increased their monthly net income by \$427, on average.
- Improved their credit scores by 7 points, on average. Of those who increased their credit scores, the average increase was 38 points.
- Decreased their debt-credit utilization levels from 66.5 to 34.8 points.

With the exception of Chelsea CONNECT, the evaluation was limited to the one-year time frame for which data were available. Several of the sites were still in the process of ramping up services during the first few months of the year and had limited client outcomes data to report. In addition, metrics such as net worth and credit scores take time to improve. Given the limited time frame for the study and inconsistencies in the available data, the KSG team was not able to draw clear conclusions about the impact of programming on net worth across sites.

UWMBMV conducted additional analysis of credit data for the 6 sites for the period from October 1, 2014 to January 31, 2016 (four months beyond the time frame analyzed by the Kennedy School team) and found that credit scores had improved by nine points on average during this period.<sup>19</sup> In addition, clients who received financial coaching for longer periods of time experienced greater credit score increases – with those engaged in financial coaching for nine months or longer experiencing a 19 point improvement, on average. In addition, eight clients went from unscored to scored during this period, with an average credit score of 656 points.

## Key Lessons Learned

The project yielded a number of insights on the issues associated with promoting high quality, standards-based financial coaching.

### *Coaching standards promote consistency and quality*

The independent evaluation revealed that financial coaches are using the financial coaching standards and found these standards to be helpful in promoting high quality financial coaching at most sites. Several factors may have contributed to the success of this program element. The standards were created with input from both supervisors and financial coaches, fostering a sense of shared ownership. The master coach presented the financial coaching standards to each of the financial coaches during her individual sessions and referred back to them frequently. This process of feedback and reinforcement ensured that the financial coaching standards were utilized and embedded in the financial coaching ecosystem both within each agency and across the community of practice.

Marleen W. exemplifies why integrated financial stability services are important for so many low-income clients. Marleen, a recent immigrant, came to CONNECT in Chelsea to learn more about how “things work in the US.” She enrolled in financial coaching and opened a savings and checking account and learned how to write checks. She established credit using a LISC Twin Account, a credit building loan product, and went from not having any credit to a score of 676 in one year. She received employment services, tax preparation services and took technology classes. She is now learning to drive and plans to purchase and finance a car so she can continue to have even better employment opportunities.

<sup>19</sup> Data for Chelsea CONNECT was analyzed for the period July 1, 2013-September 30, 2015.

### *It takes time and experience to develop financial coaching skills*

While the three-day introductory financial coaching trainings provides a valuable foundation for aspiring financial coaches, it takes time to develop coaching skills. Coaches must learn new tools and strategies for working with clients and must have opportunities for practicing these new techniques over time. Likewise, clients come to those relationships expecting to receive services, not to be actively engaged, held accountable or empowered to take charge of their own situations. The process of training counselors and case managers in coaching and helping them assimilate a coaching approach into their work requires practice and cumulative experience. The support provided by the master coach and the related training available both in workshops and the community of practice enabled newly-minted financial coaches to build their skills at their own paces using a process that allowed them to participate in their own coaching relationships and to experience the benefits of coaching first-hand.

### *Financial behavior change also takes time and practice*

While some clients benefit from short-term financial coaching to achieve a specific goal, many benefit from a longer term financial coaching relationship because financial behavior change happens over time. People are not always ready to take action, but through coaching and education, clients can build a greater sense of efficacy, self-confidence, and control, which are important antecedents to behavior change. Cumulative financial education and coaching offered in an interesting and engaging style can help to reinforce skills and facilitate changes in behavior.

### *Aligning services with client goals supports client motivation and behavior change*

A common element across all sites is the identification and use of client goals to guide the coaching process. Changing financial behavior is not easy. Aligning services to clients' goals and aspirations helps to ensure that they will be motivated to take steps to change their financial behaviors. A growing body of evidence suggests that stand-alone financial education training delivered in a vacuum does not work.<sup>20</sup> Instead, financial knowledge is most effective when delivered "just in time" or when a person is ready to act.<sup>21</sup> Connecting financial education to specific and measurable client goals and related programming such as homeownership, college enrollment, adult education or job training taps people's intrinsic motivation to pursue self-identified goals and aspirations.

### *Financial coaching and financial skill development may require two separate training tracks*

Coaching and financial skill development require two substantially different training strategies. While the coaching support model employed during the project was based on the assumption that building coaching skills was a process that would happen over time and would require consistent, ongoing support, the development of financial knowledge such as budgeting, credit repair and credit building was best learned through classroom-style learning, text books, web-based platforms, etc. Similarly, during the community of practice, guest speakers and several experienced financial coaches took the lead in conducting training on financial topics, while the master coach focused exclusively on the development of coaching skills. Practitioners interested in implementing similar support strategies should consider the importance of these two different types of training modalities in designing and delivering effective systems change.

<sup>20</sup> Collins, Michael, "Financial Coaching: An Asset Building Strategy," *The Asset Funders Network*, accessed May 16, 2016. [http://assetfunders.org/images/pages/AFN\\_FinacialCoaching\(WEB\\_version\).pdf](http://assetfunders.org/images/pages/AFN_FinacialCoaching(WEB_version).pdf)

<sup>21</sup> Sledge, Joshua, Gordon, Sarah and Knisley, Matthew, "Making the Shift From Financial Education to Financial Capability: Evidence from the Financial Capability Innovation Fund", *Center for Financial Services Innovation*, 2011.



### ***Integrating financial coaching into existing programming helps promote client engagement***

While several of the sites provide stand-alone financial coaching and education programs, most of the sites embed financial coaching in existing programs and services. The content of programs connected to financial coaching varies greatly, ranging from workforce development services, housing stabilization services, domestic violence services, asset-building programs and a multi-year program for high-risk youth. In all cases, the sites reach more people since they have already engaged clients in a needed service.

### ***Cross-training of non-profit staff to provide financial coaching may be an effective strategy***

While several of the sites employed dedicated financial coaches, the majority of the sites opted to cross-train existing staff to provide financial coaching. One promising model is being implemented by JVS-Boston, the largest workforce development agency in Greater Boston. JVS employs a project manager to serve as an internal master coach, who ensures that workforce development program staff throughout the agency are trained in and are delivering high-quality financial coaching to clients enrolled in long-term skills training programs. An additional benefit of cross-training non-profit staff is that it ensures that expertise is not concentrated in single individuals, whose departure from the agency can be disruptive to ongoing programming.

### ***Support from coach supervisors is essential for program success***

Supervisor support of the goals of the financial coaching project was essential for its success. The professional development opportunities provided through this project were extensive and required supervisors to authorize significant time away from work, including time each month for the master coaching sessions and bi-monthly participation in the community of practice. In addition, a condition of participation in the project was the administration of the FCS client survey. Recognizing the importance of supervisor buy-in, the project principal met individually with every supervisor prior to the launch of the project at each site and oriented them to the project goals and requirements. These meetings gave the project principal the opportunity to identify any concerns and to customize the program design as needed. Supervisors were also consulted during the development of the core financial coaching standards, which ensured that they would be adopted and used to guide financial coaching practice at each of the sites.

### ***Master coaching economies of scale can be achieved***

While master coaching support is a promising strategy for helping to ensure that high quality financial coaching services are available to clients,

### ***Scaling up Financial Coaching***

On October 15, 2014, the City of Boston announced the opening of the Mayor's Office of Financial Empowerment. The Office is working closely with the UWMBMV to integrate financial coaching into its service delivery model at the Roxbury Center for Financial Empowerment, a city-chartered career center, and at JVS-Boston, a state-chartered one-stop career center serving 13,000 clients annually. The master coach has provided support to financial coaches at each of these sites through individualized coaching and the community of practice. The City eventually seeks to integrate financial coaching and financial empowerment strategies into additional workforce programs citywide.

it can be costly. This project was able to achieve economies of scale by having a master coach under contract to deliver support to a network of partner sites. United Ways and other funders interested in implementing master coaching for financial coaches should consider using a similar model of network support to ensure that this service can be delivered cost effectively and at scale.

### *Further growth of the program will require significant investment*

While UWMBMV funding has successfully established a local cohort of agencies to provide financial coaching for a sizeable population, real scalability of financial coaching beyond UWMBMV's immediate service area will require significant public investment and alternative modalities for providing financial coaching services. One promising model involves the provision of financial coaching using telephone and web-based tools such as Skype and FaceTime, which allows financial coaching to be delivered to individuals residing in rural areas and communities not served by free or low-cost financial coaching services.<sup>22</sup> Incorporating financial coaching into existing publicly-funded service delivery systems (e.g., statewide efforts to allow workforce development vouchers to be used for financial coaching, promoting financial coaching through HUD Housing Counseling agencies or first time homebuyer programs, providing financial coaching as part of a package of wrap around services available to homeless families transitioning out of shelters) would further promote scalability of financial coaching strategies.

## **Program Challenges & Questions**

While the project yielded promising results both in terms of improved financial coaching quality and positive client outcomes, various challenges and questions remain in determining whether the program design and interventions developed for this project can be applied successfully elsewhere. These are summarized below.

### *Staff turnover*

Staff turnover is a reality for non-profit agencies located in this region and a challenge that these agencies must consider when investing heavily in the types of professional development and support provided to staff. Of the original 24 financial coaches receiving master coaching support beginning in 2013, only nine were working at these sites in 2015. Notably, the staffing retention rate improved dramatically in 2014, with 14 new financial coaches completing baseline coaching surveys. All but two of them are employed with these partner sites at the time of this report.

### *Financial coaching is costly, so are there ways to provide it more efficiently?*

Individualized financial coaching is a labor intensive intervention. Most financial coaches participating in this project had active caseloads of fewer than 50 clients and only two reported carrying an active caseload over 100 clients. More research is needed to better understand the relationship between service intensity and client financial outcomes to determine whether a lighter touch model can yield comparable results. Cost-effective models for delivering financial coaching at greater scale, including group coaching, peer support models and remote coaching, should be supported and evaluated.

### *More rigorous research is needed to determine the relationship between financial coaching quality and client outcomes*

Based upon the evaluation results, the project yielded substantial gains both in terms of financial coaching quality and client financial outcomes. However, the relationship between improved financial coaching quality and client financial outcomes is difficult to prove. Rigorous research is needed to clarify the effectiveness

22 The Midas Collaborative, "2014 Impact Summary," accessed May 16, 2016. <http://www.massassets.org/news/Midas-Impact-Report-2014-FINAL.pdf>

of financial coaching in supporting behavioral change leading to improved financial outcomes for low-income individuals and in determining whether supporting the development of high quality financial coaching can lead to even better financial outcomes.

***Identifying a credentialed and experienced master coach may be critical to the success of the program model***

The results of this project hinged on the services of a credentialed and experienced master coach. The project would have been adversely affected had she left and not been replaced by a similarly talented coach prior to project completion. Further, identifying a skilled master coach and implementing this model in smaller metropolitan regions or rural areas may be challenging and could require project directors to be creative in developing a realistic and cost-effective plan for delivering master coaching support. Remote financial coaching, either over the phone or through other technology (for example, Skype or FaceTime), might be an alternative for delivering master coaching support to financial coaches in cities or regions without a supply of qualified master coaching talent.

***Financial coaches may benefit from support to help them improve their own finances***

Many of the financial coaches supported through this project find themselves in personal financial situations similar to their clients. Yet, few of the financial coaches are able to afford a personal financial coach or advisor to help them manage their day-to-day finances or plan for the future. In the focus group, several acknowledged that they do not follow a budget. One financial coach indicated that she has benefited from working with a certified financial planner, who has helped her to better manage her personal finances and has provided useful strategies that she has incorporated into her own financial coaching practice with clients. Further research is needed to assess whether supporting financial coaches to improve their own finances can yield positive outcomes both for themselves and for their clients.

## Conclusions

The financial coaching project developed a model for providing standards-based financial coaching that was delivered at significant scale, with more than 2,400 clients served during the project. Financial coaches supported during this project indicate that they benefited from the combination of supports available and are much more likely to believe that their clients can improve their financial circumstances, that they can work with their clients to make progress towards their financial goals and that clients trust them to partner to work with them towards their financial goals. Clients supported during the project demonstrated measurable improvements in their financial capability and in key financial outcomes, including net income, credit scores and debt utilization. Further research is

EP is a longtime client of Quincy Community Action Programs (QCAP). He works part-time and currently receives SSDI benefits. He began working with a financial coach at the Quincy REACH Center in November 2014. He uses QCAP's free income tax assistance and fuel assistance. He was also a client of the IDA program, using his matching funds to pay for classes to help him obtain a bachelor's degree. Between November 2014 and August 2015, he increased his monthly net income by almost \$200 through a combination of reducing expenses and increasing hours at his work. With support from his financial coach, he has dramatically improved his net worth by \$67,000, partly through efforts in paying down credit card balances, and by receiving a forgiveness of his student loans due to his disability. His credit score is now a respectable 719.





needed to determine the exact connection between improved financial coaching quality and the financial capability and financial well-being metrics used in this project.

The financial coaching model will be sustained beyond the term of this project through continued UWMBMV funding, which will be used to support the coaching community of practice, financial empowerment trainings and master coaching support. Going forward, UWMBMVs anticipates that the Financial Empowerment Learning Institute will provide the platform for sustaining the financial coaching capacity building incubated during this project. In addition to continuing to sponsor monthly financial capability training, the Financial Empowerment Learning Institute will provide a more limited program of master coaching support for new financial coaches (up to six sessions) and will ensure that the bi-monthly community of practice continues to meet to nurture and support high quality coaching standards and practices.

## Appendix A: Summary of Financial Coaching Standards

- 1. Designing the Alliance:** Establishing the Coaching Relationship: The coaching relationship is similar to a partnership in that the coach and client decide how they will work together. The coach will work with the client to determine the guidelines and specific parameters of their working relationship, taking into account the client's working and learning style.
- 2. Confidentiality is Essential in the Coaching Relationship:** While it takes time to establish trust, maintaining confidentiality is critical to this process. It is the coach's job to create a safe, supportive environment that produces ongoing mutual respect and trust, expressing genuine concern for the client's welfare and future.
- 3. Coaching is Most Effective When the Coach Approaches Clients as Naturally Creative, Resourceful and Whole:** While clients come to coaching with concerns about their financial situations, it is important to see clients as naturally creative, resourceful and whole.
- 4. Coaching is Driven by Goals:** Planning, action, accountability and expected and measureable outcomes are all essential elements to a successful financial coaching engagement. The guideline for setting goals is the use of the SMART acronym.
- 5. Coaching Depends on Proficiency in Self-Management and Flexible Communication:** One of coaching's greatest challenges is to maintain objectivity and to keep personal values, opinions and approaches out of the relationship. The coach also needs to be able to communicate effectively during coaching sessions and use language that has the greatest positive impact on the client.
- 6. Coaching is Focused on the Future and on Creating Long-Term Change and Learning:** Assessing whether the client is ready and motivated to engage in a productive coaching relationship is an important component of a successful coaching program.
- 7. Financial Coaching Must Blend Receiving Direction With Providing Direction:** While financial coaching is driven by client goals and the belief that clients have their own answers to the challenges they face, coaches often provide further direction to guide clients toward external resources or expertise they cannot offer. Therefore, it is essential for coaches to be knowledgeable about the external resources available that can support client goals.
- 8. To Coach or Not To Coach?:** There are times when it is not clear whether the client is in need of coaching or specific advice or expertise. While remaining unattached to the client's choices, the coach may offer some feedback to help the client see the need for other services, information or expertise.
- 9. Performance Management:** It is important that financial coaching programs maintain a performance management system to assess whether clients are making progress toward their financial goals. In general, programs can assess the level of impact of financial capability programming along the following continuum: program satisfaction; knowledge and skills; attitudes and beliefs; practices and behavior; and financial condition.

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