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Financial Coaching: A New Approach for Asset Building?

A report for the Annie E. Casey Foundation

November 20, 2007

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Executive Summary

Financial coaching has been adopted by some practitioners in the asset-building field for use with low-income clients and by some financial planners for more affluent clientele. Coaching has appeal because it is centered on changing financial behaviors over time based on an ongoing relationship between the coach and the client. The coach has expertise in process and content, but changes in behavior are left for the client to practice and incorporate into his or her daily financial life.

This report reviews financial coaching programs with an emphasis on services for low-income families. In addition to a review of the literature, 46 leading nonprofit practitioners and professionals in the financial coaching field were interviewed, including representatives from what is estimated to be more 60 percent of the financial coaching programs currently being offered by nonprofit organizations to low-income clients. Overall, financial coaching has strong potential to facilitate asset building among low-income families, although best practices to deliver coaching are still being developed.

Defining Financial Coaching. Discussions of coaching can become bogged down in semantics. Coaching is differentiated from counseling in that it focuses on changing financial behaviors, rather than focusing on a specific event or problem. Counseling tends to be more therapeutic in nature, while coaching endeavors to help a client improve his or her behavior in order to achieve self-defined goals. Of course, counseling and mentoring all can involve coaching to some degree. While far from definitive, key elements of coaching include:

(1) a focus on long-term outcomes;
(2) an ongoing, systematic, collaborative process for assisting clients to change behaviors;
(3) support to practice new behaviors; and
(4) building skills and teaching content based on the client's unique needs and goals.

Financial coaching is part of a wider field of personal coaching. This field has developed rapidly in the last decade, including the emergence of standard-setting organizations and academic studies on the psychology of coaching. Financial coaching is one of the smaller and least studied subsets of the personal coaching field.

Delivering Financial Coaching. There are at least three models for nonprofit programs providing coaching services to lower-income clients: volunteer coaches, paid financial planners, and trained in-house staff. There is also a fourth category of programs that blends planners, volunteers and in-house staff. Coaching models vary significantly from program to program, depending on the needs of clients and resources available in the community. Each has advantages and disadvantages depending on the context and type of clients served. Blended models are often the most cost-effective, assuming that an organization has staff capacity, access to skilled volunteers, and the resources to hire professional planners or recruit pro bono planners as needed. Volunteer models offer low-cost delivery, but do require training and support. Volunteer models generally cannot provide coaching to individual clients for more than a year.

In-house programs can offer coaching for a longer duration, although staff still require significant training and support, especially on financial content issues and the coaching approach. While valuable to clients, the paid planner model can be expensive to deliver. Like the volunteer model, the paid planner model requires training and support, in addition to paying for the planners' services. Professional planners are highly knowledgeable about personal finance, but not necessarily skilled at coaching or the issues of low-income clients. Novice planners offer one source of lower-cost professional planners for financial coaching, if a community has a local training program for planners.

Financial coaching for low-income households typically requires coaches with an understanding of the needs of this population, as well as of the types of social services and other programs that are available. It is important that clients be in a stable position before beginning coaching. Clients with significant emotional needs and/or major financial problems may not be ideal for a coaching relationship. Clients with such needs may require counseling in tandem with coaching services. All clients of coaching will take some time to develop trust and open communication. Low-income clients may have heightened anxiety about financial issues, and so the initial coaching sessions are critical. Coaches need access to financial professionals for technical questions, as well as to mental health professionals to manage their own feelings during the coaching process and to help assess potential problems for which clients may need more intensive help. Coaches must be trained in how to make appropriate referrals for therapeutic or other services as needed. In general, practitioners report clients "love the coaching approach," although the focus on self-determination and accountability can be intimidating, at least initially. Other findings related to delivering financial counseling include:

- Group training on specialized topics can help increase the financial knowledge of clients outside the coaching process in a cost-effective manner, allowing the coach to focus on goal setting and monitoring.
- One-to-one coaching with no peer-to-peer component misses out on opportunities for coaching clients to coach each other, learn mutually and help each other focus on attaining goals.
- The delivery of financial coaching can be improved by ensuring that coaches have appropriate training and supervision and that standardized referral systems are established for clients with more complex needs.
- One-to-one coaching can be important for initial coaching sessions, but is costly to provide. Coaching by phone is common in the private coaching and financial planning community. It is more efficient for both clients and coaches. Programs should consider substituting face-to-face meetings with phone coaching as soon as clients are ready.
- Although most nonprofit programs do not charge fees, most should consider doing so. It is a common practice among private planners serving low-income clients and has important implications for clients and programs beyond its resource value.

- Programs might have the most success by focusing on coaching clients with a baseline knowledge of personal finance, such as recent graduates from a matched savings program.

Training Coaches. Training for coaches and establishing standards among financial coaching programs will become a more important issue as nonprofit coaching programs proliferate. Financial coaching programs can learn from failed efforts in other counseling fields, such as housing and credit counseling, to establish minimum quality standards and accreditation for coaches. All financial coaches need four skills: (1) an understanding of coaching fundamentals, (2) knowledge of personal finance, (3) counseling-like communication and facilitation skills, and (4) familiarity with the client population being coached. There is currently no reputable program that can provide training in all four skill areas. Existing training programs can provide the first three, although most pools of potential coaches tend to need training in only one or two of these three core areas to add to the skills they already have. Knowledge of the client population will almost always need to be provided locally.

Critiques of the Financial Coaching Model. While financial coaching has promise, it is not a universal solution for asset building. Quality financial coaching requires support and training and can take more time and resources than financial education. It typically costs more than a financial counseling approach. Understanding these issues is instructive for designing more successful financial coaching programs, including:

- Coaches often lack financial or counseling expertise;
- Counselors and planners already do coaching;
- Clients need more structure than coaching provides;
- The costs of coaching are too high; and
- Coaches are not qualified to manage the issues related to mental health they encounter.

Next Steps. There are a number of organizations in the financial education, policy and foundation field with an interest in financial coaching. The nascent stage of the financial coaching field suggests an opportunity for collaborative efforts to standardize service delivery, training, accreditation and outcomes measurement.

The costs and benefits of various coaching models, from the use of volunteers to paid financial planners or trained counseling staff, have yet to be evaluated. The optimal mix of services for various types of clients is also unknown. Existing coaching programs include fragments of what could be included in an industry-wide outcomes measurement system, including client surveys, credit report data and tracking of goal attainment.

Finally, there are opportunities to help financial coaches and coaching programs to collaborate and share lessons learned and best practices. Based on the interviews conducted, there is strong support among practitioners for the financial coaching approach. With continuing innovations and support, coaching has great potential to help low-income clients build assets.

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1.0 Introduction

Financial coaching is an emerging approach to help individuals improve their financial situation. A trained financial coach has knowledge of personal financial topics as well as experience in how to support a client to make decisions and change behaviors. While financial coaches, variously also called wealth coaches, prosperity coaches, budget coaches and asset-building coaches, often serve clients with moderate and high incomes, coaching holds great promise for less affluent families due to its highly supportive structure.

1.1 Coaching as an Asset-Building Strategy

The Annie E. Casey Foundation, as well as other national philanthropies and leading thinkers, has focused on programmatic strategies to support asset building among lower-income families for over a decade. Antipoverty strategies historically were based on income-support models, providing needy families with subsidies to meet current expenses for basic needs. But income alone does not lead to financial self-sufficiency. Due in part to the writings of Michael Sherraden, author of *Assets and the Poor,* leaders in philanthropy began to recognize that lower-income families needed savings accounts and other financial assets. In the 1990s, programs implemented strategies to build financial assets for low-income families, including setting up matched savings programs, creating special bank accounts, offering low-cost credit products and providing financial education and counseling.

There have been many studies of asset building and its positive impacts on low-income individuals (Beverly, McBride, & Schreiner, 2003; Beverly & Sherraden, 1999; Sherraden & McBride, 2006; Sherraden, Schreiner, & Beverly, 2003). These studies suggest that holding financial assets is important as precautionary savings to get through unexpected life crises such as a job loss, illness or divorce. Additionally, assets can be used as the equity necessary for borrowing money, such as a mortgage, thus providing a foundation for risk-taking and supporting individuals to think about and plan for the future (Shobe & Page-Adams, 2001). Assets can be invested, both financially for retirement or other long-term needs, or to fund investments in human capital, such as a college education or job training. In the long run, assets also can provide an inheritance to pass on to children, changing the dynamics of intergenerational poverty.

The experiences of asset-building initiatives suggest that offering financial products or short-term financial training programs is not enough for clients to build substantial assets. Saving money requires self-restraint, confidence in investment decisions, and the strategic use of debt. For consumers with little experience in the mainstream financial marketplace, these tasks can be daunting. Many consumers need support over time to make informed decisions about spending, borrowing, saving and investing; more affluent consumers often use financial planning or other professionals to guide investment and budgeting choices. A select group of nonprofit programs serving lower-income consumers has adapted the approaches used among higher-income families to help to their client populations to make better financial choices. This field, broadly described, is labeled financial coaching.

1.2 Methodology

Since 2005, the Annie E. Casey Foundation (AECF) has supported an initiative called the Center for Working Families that aims to integrate workforce, public benefits, and asset-building services. As part of this initiative, sites are offering financial coaching to participants. In addition, starting in 2006, AECF has been supporting five organizations to develop financial coaching capacity as part of the Savings Pathway program under the Making Connections initiative. The experiences of these sites, as well as other nonprofit and for-profit efforts to deliver financial coaching, can inform practitioners, funders and policymakers regarding the potential of the coaching approach to facilitate asset building.

The research contained in this report was conducted by PolicyLab Consulting Group, LLC, between July and September 2007. The research included interviews with 46 key informants in the private and nonprofit sectors, as well as a review of program materials and a limited review of the academic literature. This research also included an analysis of training programs for financial coaches. The general goal of this document is to lay out the landscape of the financial coaching field, with an emphasis on coaching for low-income populations. The report begins by reviewing the coaching field generally and the characteristics that make coaching unique relative to other service delivery models. Section 3 describes the evolution of financial coaching, specifically, and provides a typology of how coaching is currently being delivered. Section 4 provides an overview of training and certification programs for financial coaches, and Section 5 details a framework of financial coaching models and provides examples of leading programs. Section 6 outlines common critiques of the coaching model and the implications for program design. Section 7 provides a preliminary assessment of how the outcomes of coaching might be assessed. Finally, Section 8 offers implications for new and existing financial coaching programs.

2.0 Defining Coaching

For most people, the word "coach" conjures up images of athletics. Clearly team sports, especially those for youth, require supervision and coordination. The coach plays this role. But coaches are also frequently used by mature solo athletes in circumstances where coordination and supervision are unnecessary. While stories of the successful "self-coached" athlete are inspirational, the vast majority of high-level competitors rely on a coach to reach their goals. Coaches provide guidance, set goals, monitor those goals and offer advice on how to reach those goals, as well as provide accountability if goals are not achieved. Coaches can also offer expertise on new approaches, including how to practice new skills and behaviors. The coach helps athletes achieve more than they could on their own.

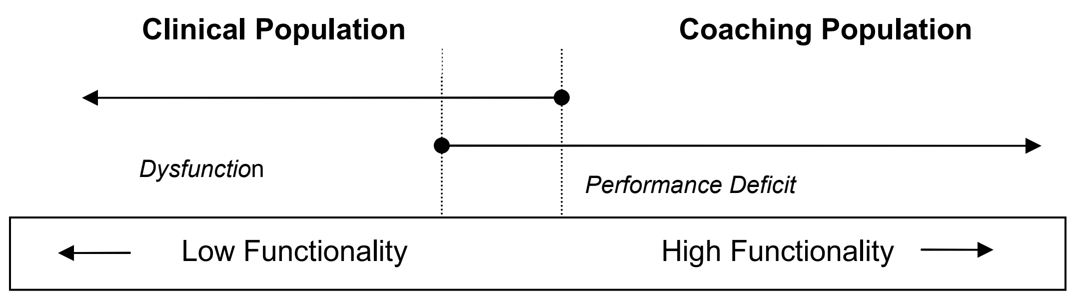
Increasingly, coaching is making its way off the playing field and into everyday life. There are health coaches who work with clients to curb bad habits like smoking or improve their diet and exercise. There are life coaches who help people to make plans and changes in their career and home life. There are executive coaches who help managers in the workplace to improve their approaches with colleagues and on projects. There are career coaches who help clients explore options for changing or advancing their job prospects. There are job coaches who help developmentally disabled people maintain steady employment. There are performance or skills coaches who work with clients on a specific task or event. And there are financial coaches or wealth coaches who help clients make changes in their financial lives. All of these coaching approaches add value to clients by providing an external force to help them to learn and improve some aspect of their work or personal lives.

2.1 Coaching and Psychology

Coaching has existed in various forms for decades, but in the 1990s the executive and life coach became more widely known. One estimate suggests there are more than 10,000 executive and life coaches in the United States (Grant, 2003). Coaches come from a variety of backgrounds and draw from multiple disciplines. As the field has developed, coaching has become more rooted in psychology. No one model from psychology dominates the coaching field; coaches may use behavioral models or one of several other theoretical models, or even hypnosis. At least three academic journals have been established regarding coaching psychology since 2000. An analysis of coaching has yet to be published in a top peer-reviewed journal, however. This is perhaps evidence of its embryonic stage of development as a concept among academic researchers. Most of the existing research is related to managerial or executive coaching, rather than personal or life coaching (Linley, 2006).

Meanwhile, there has been a surge in self-help programs, books and workshops offering psychological insights for people in search of changes in their lives. In the last decade positive psychology has become a more serious and rigorous discipline within the science of psychology. Martin Seligman launched this branch of the field as president of the American Psychological Association in 1998. Positive psychology courses have become among the most popular on college campuses, and a growing body of literature is in development (Seligman, 2000). Positive psychology studies the strengths and virtues that allow individuals to thrive, rather than studying the disorders and pathologies that have traditionally been the emphasis of psychology texts. Coaching is central to positive psychological interventions and recently gained the attention of researchers as a technique that can help people to improve their behavior and cognition. At least two universities (one in the United Kingdom and one in Australia) now offer graduate degrees specifically in coaching psychology. Australian psychologist Anthony Grant has described the psychology of coaching in a series of papers (Grant, 2001, 2003, 2006; Grant & Zackon, 2004).

One critical insight from positive psychology regarding coaching is coaching is best targeted to clients without acute psychological disorders. The ideal coaching client has the capacity to engage in behavioral change and is not hampered by a clinical disorder. Figure 1 reflects Grant's continuum of client psychopathology, with clinical populations tending toward low functionality, and coaching populations toward higher functionality[1]. In the middle are clients with mild dysfunctions and perceived deficits in their performance. Coaching clients tend to be drawn from this overlap region, with some clients served all along the continuum. A key distinction is between clients in need of *performance improvements* and those with problems which prevent them from making changes.



Source: (Grant, 2001)

2.2 Difference Between Coaching and Counseling or Mentoring

Discussions of coaching can become bogged down in semantics. Coaching is differentiated from counseling in that it is focused on achieving goals, but is not triggered by a specific event or problem. Counseling tends to be more therapeutic in nature, symptom-driven and focused on an acute problem. Case management is distinguished from coaching by focusing on coordinating the provision of appropriate resources and services for clients. Coaches may help clients identify resources, but they do not typically manage any service delivery. Coaching differs from mentoring in that mentoring traditionally involves a hierarchal structure where the mentor is an

[1] Functionality refers to the Global Assessment of Functioning in the DSM-IV. A score in the 81–90 (out of 100) range signifies "good functioning in all areas, interested and involved in a wide range of activities, socially effective" and "no more than everyday problems or concerns." A score in the 31–40 range shows "major impairment in several areas, such as work or school, family relations, judgment, thinking, or mood, " and "speech is at time illogical, obscure or irrelevant." (p. 32)

expert; coaches may or may not be peers, may or may not be content experts, but do understand how to facilitate learning in the client. The distinctions between coaches and mentors are minor, however, and are frequently used interchangeably in practice and in the academic research. Unlike coaches, tutors are more focused on imparting knowledge, not changing behavior. Of course, counseling, mentoring and tutoring all can involve coaching to some degree. Grant offers this definition of coaching: *"a collaborative solution-focused, result-orientated and systematic process in which the coach facilitates the enhancement of life experience and goal attainment of normal, non-clinical clients"* (Grant, 2003).

While far from definitive, key elements of coaching as considered in this report include:

(1) a focus on long-term outcomes;
(2) an ongoing, systematic, collaborative process for assisting clients to change behaviors;
(3) support to practice new behaviors; and
(4) building skills and teaching content based on the client's unique needs and goals.

Representatives of several programs interviewed for this report viewed their services as counseling, not coaching, despite meeting the criteria described above. Clearly the definition of coaching is not agreed upon; the elements described above can at best be viewed as a working definition for the purposes of this report. Among programs differentiating between counseling and coaching, the common trait is counseling more often has a crisis orientation or is designed around a specific event. Counseling relationships may be short, especially if they are specific to a particular issue. Coaches work more on self-mastery as opposed to therapeutic interventions. Coaches employ interaction methods and techniques similar to counselors, but rely more heavily on direction from the client. The coach will always be focused on behavior change and skill building, whereas a counselor may focus more on helping a client through a specific issue. Moreover, counseling tends to follow a set process. Coaching, on the other hand, is more client-driven. Coaches meet people where they are to help them achieve self-determined goals. A coaching relationship is generally flexible depending on the individual's needs and situation. Again, these distinctions are generalized and not all practitioners are in agreement on these specific characteristics. But among those practicing coaching, these parameters were widely echoed. Those practitioners with longer experiences in counseling tend to view coaching as either being the same as good counseling practices or a slight variation on standard counseling approaches.

It is clear that coaching is not a substitute for psychological therapies. Coaches do not try to solve underlying emotional problems, but rather focus on the practical issues of setting goals and achieving results within a specific time period (Grant, 2006). Coaches are expected to refer clients to an appropriate professional if psychological problems are apparent, such as depression, anxiety, post-traumatic stress or other disorders. Trained clinicians have the skills to properly diagnose and treat these problems, including pharmaceutical therapies if needed. These professionals also are required to have supervision from more experienced therapists both to guide their treatment and to manage their own stress and issues of transference (Hart, Blattner, & Leipsic, 2001).

Like counseling, coaching is largely a one-to-one activity. Coaches meet with individual clients, or couples and family members in some cases. Group training, workshops and other classroom-style activities can be important complements to coaching. These sessions might deliver content specific to a coaching session in a cost-effective manner, freeing up the coach to focus on client-specific issues. But ultimately coaching requires individual attention. Several staff of the coaching programs reviewed for this report suggested that coaching can be performed in a group setting. There are aspects of coaching that can be discussed in a group and that clients can work on individually. But almost all programs include one-on-one meetings at least in the beginning stages to engage in goal-setting and action-planning customized to individual clients.

Coaching: A Synopsis

Key elements:
(1) future orientation
(2) collaboration to change behavior
(3) ongoing practice of behaviors
(4) client-driven goal setting and training

Steps of the coaching process:
(1) goal setting
(2) action planning
(3) monitoring

Ideally, coaching is an alliance where the coach and the client are deeply involved in achieving the client's self-determined goals. In a coaching relationship, power rests neither with the coach or the client, but in the relationship between the two (Claridge and Lewis, 2005). Thus, the relationship between a coach and a client – which takes time to build and needs to be designed to meet the needs of the client - is critical to the success of the client reaching his or her goals. This relationship or alliance must contain mutual respect, trust and freedom of expression.

Coaching programs may employ a variety of strategies to guide personal interactions between coaches and clients. Many of these are techniques used by counselors, such as re-framing problems, active listening and asking probing questions. Training programs for coaches may attempt to teach dozens of these interpersonal techniques, many of which will aid coaches in their work with clients. But these techniques do not differentiate coaching from mentoring, counseling or any other interpersonal interaction, including negotiation, consulting or even sales. At its core, coaching embraces a philosophy that the client can achieve the change that he or she desires; the coach's role is to support that effort. Coaching almost always includes three components or steps: (1) goal setting, (2) action planning and (3) monitoring. Again, counseling and mentoring (and even training) will often have these components. But coaching always includes these steps and uses the collaborative, primarily client-driven process discussed above.

2.3 The Impacts of Coaching

The International Coach Federation (ICF), one of the largest membership organizations for professionals who practice business and personal coaching, sponsored a third-party survey of 210 coaching clients in 1998 (Watson & Watson, 1998). These coaching clients were mostly engaged in personal or life coaching, not financial coaching specifically. Overall, clients responded that the value of the coach was as a sounding board, motivator and mentor. Clients could select multiple characteristics of the role of their coach, and selected the following most frequently:

- Sounding board: 85%
- Motivator: 78%
- Friend: 57%
- Mentor: 51%
- Consultant: 47%
- Teacher: 41%
- Taskmaster: 31%
- Spiritual guide: 30%

Clients responded that coaching sessions helped them to become more self-aware and better at goal-setting, as well as to find a better life balance and lower their stress. Reported outcomes as a result of working with a coach included:

- Self-awareness: 68%
- Setting better goals: 62%
- More balanced life: 61%
- Lower stress levels: 57%
- Self-discovery: 53%
- Self-confidence: 52%
- Improvement in quality of life: 43%
- Enhanced communication skills: 40%

At least one peer-reviewed article studied the impact of coaching on mental health and goal attainment, concluding that coaching that used a "solution-focused cognitive-behavioral approach" (based on the transtheoretical model of change) helped clients move from self-reflection into action. Participants in the study previously failed at goal attainment but with coaching achieved their goals more often and also experienced improved mental health and perceived quality of life (Grant, 2003).

3.0 The Development of Financial Coaching

The first article about coaching in a non-athletic context was published in 1937, focused on the use of coaches in business. From the 1940s to 1980s the use of coaches for executives or employees in organizations was sporadic. By the late 1980s and 1990s the use of consultants and coaches in business became much more frequent (Maynard, 2006). The term coaching was intended to imply less of a remedial approach and to be less threatening, even when delivered in a business consulting context (Tobias, 1996). In the 1990s, many professional financial planners began to expand their practices to include more comprehensive services, and a few sought out designations as financial or prosperity coaches. Meanwhile, triggered in part by welfare reforms in the 1990s, state and nonprofit programs began to explore methods of teaching low-income clients financial skills. In addition to this financial literacy movement, in the 1990s both credit counseling and housing counseling experienced growth and rapid changes. As programs explored new avenues to help lower-income families financially, several programs began to incorporate the services of financial coaches or professional financial planners.

3.1 Financial Literacy

In the 1990s a series of studies highlighted the need to increase the financial literacy levels of American households. Efforts such as Jump$tart were begun in schools to improve high-school and middle-school students' financial skills and knowledge. Many nonprofits, including the Urban League, expanded financial literacy workshops and seminars. State welfare reform efforts in the 1990s frequently included financial education components for unemployed or under-employed parents. Supported by a group of leading foundations, the American Dream Demonstration was an effort to offer low-income households individual development accounts (IDAs) for matched savings. Financial literacy education was frequently linked to these accounts. Similarly, under the 1998 Assets for Independence Act the U.S. Department of Health and Human Services supported a five-year IDA pilot that included some support for financial education. The Department of Housing and Urban Development's Family Self Sufficiency program also included intensive financial counseling and matched savings components. In 2001 the Consumer Federation of America, with the support of major financial institutions and federal agencies, launched the America Saves campaign (www.americasaves.org). The campaign includes 36 state and local savings and financial literacy efforts that offer workshops, trainings, special events and access to financial counseling. Through the Financial Planning Association, America Saves has connected some savers to financial planners to craft plans and to "wealth coaches" to help clients set goals and implement their plans. Community-based tax preparation organizations have also begun to include referrals to financial education programs for clients receiving free tax filing services. The Center for Working Families and Making Connections initiatives represent the next generation of these efforts, integrating financial education and asset-building efforts through comprehensive services delivered in a single location or by a local collaboration of social service agencies.

The experiences of practitioners in all these contexts suggests that financial literacy is challenging to achieve (Bernanke, 2006; Lyons, 2005). Delivering education at the appropriate "teachable moment" is critical. High-school students, for example, may not retain knowledge of mortgages if they are a decade or more away from potentially being in the mortgage market. For many families, the easy accessibility of credit has led to significant credit problems or substantial debt loads, making savings difficult. For others, budgeting and financial management are too difficult given daily expenses and limited income potential. In other cases clients have successfully used IDA programs to accumulate sizable savings accounts. But these clients may struggle with how to manage their financial assets and require ongoing advice and support to grow their financial assets over time.

Financial coaching has evolved to serve as a complement to financial education, although many coaching programs instruct clients on financial topics directly in coaching sessions as well as in classroom sessions. Coaching focuses more on the aspects of financial literacy that clients need to achieve their financial goals. Coaches can also help clients practice specific skills and help monitor how well clients adhere to their action plans over time. Coaches might also refer clients to financial education workshops on special topics as needed.

3.2 Financial Planning

A financial planner is a qualified professional who analyzes a client's financial situation and develops a comprehensive financial plan based on the client's goals. Many different types of financial professionals are qualified to provide general financial planning services, and typically these professionals work in the private sector.[2] Some, but not all, financial planners are Certified Financial Planners™, meaning they have met specific education and testing requirements, agree to standards of ethical conduct, and engage in continuing education. These planners are often referred to by the CFP® designation. Meeting the CFP standard requires a significant investment of time (and testing fees). But the CFP designation is widely accepted and clients should expect quality services from a Certified Financial Planner. Some financial planners are also registered investment advisers or hold licenses that allow them to sell specific types of financial products. A fee-based financial planner is compensated through commissions on financial transactions or portfolio management. A fee-only planner is compensated only through direct client fees (typically per hour or task); compensation is not contingent on which financial products clients use.

The CFP Board of Standards specifies six steps of financial planning for CFPs:

(1) establishing and defining the relationship with the client;

(2) gathering client data, including goals;

(3) analyzing and evaluating the client's financial status;

[2] For a select list of designations for financial planning service professionals, see the Appendix.

(4) developing and presenting financial planning recommendations or alternatives;

(5) implementing financial planning recommendations; and

(6) monitoring financial planning recommendations.

Clearly these closely mirror the steps of the coaching process. While many clients of financial planners may only seek and receive one-time advice and written recommendations, professional planners tend to prefer ongoing relationships with clients with regular contact (at least once per year). Planners seeking to enhance their relationship with clients may be trained explicitly as coaches. Having the combination of the technical skills of a financial planner and the facilitation skills of a coach has proven to be successful for a growing number of planners. By acquiring coaching designations, planners can attract new clients into their services, provide more intensive services (often producing more revenue), and receive more personal fulfillment from their work. Planners may be trained to be coaches through a number of programs or may be self-taught. Many planners seem to use programs affiliated with ICF or the International Association of Coaches (IAC), although neither carries a specific "financial coach" designation. Currently, there are no industry-wide standards to define financial coaching nor any widely recognized oversight or accreditation systems.

Generally financial coaches address issues of emotions, values and goals more deeply than traditional planners, and all coaching experts interviewed stressed the notion that coaching allows for a greater emphasis on client "accountability." Traditional financial planners might be viewed as being more technically and advice-oriented, while coaches more process-oriented. Planners create task-oriented documents (financial plans) that enable clients to carry out specific actions on their own. Coaches provide support to clients to help them implement their plans. Planners and coaches also differ in the nature of their relationships with clients. Planners tend to operate on a professional-client relationship basis around the development of a plan, while coaches work under a more collaborative model involving regularly scheduled sessions. Both types of relationships can be ongoing, but the focus is different. Planners provide the tools for clients to reach their goals, while coaches give clients the support and motivation to ensure that their goals are realized. Saundra Davis of Sage Financial Solutions analogized that over the long term a planner serves as a "mechanic" to keep a plan "tuned up," and a coach acts as a "gas station" to "activate" the plan. Davis also offered the following continuum to illustrate the interrelation between financial literacy, financial planning and financial coaching:

Financial Literacy	→	**Financial Planning**	→	**Financial Coaching**
Content		Strategy in context of content		Implementation of plan

Planners are obviously paid by clients for their work. These costs, along with the perception that financial planning is only for affluent families with ample discretionary income, tend to screen out low- and even most moderate-income households. As a result, financial planning generally, including planning delivered through coaching, tends to focus on more affluent clients.

3.3 Financial Counseling

Financial counselors typically work for public or nonprofit programs, such as credit counseling agencies, housing agencies, faith-based organizations and cooperative extension programs. Some financial institutions, especially community credit unions, also tend to employ financial counselors, although the goal of these counselors is generally tied to products or services of the institution. Financial counseling helps clients resolve financial problems, such a bankruptcy, or achieve specific goals, such as buying a home. Many nonprofit and public programs rely on group financial educational classes or workshops, with the one-on-one counseling session being relatively short (typically under two hours). Some counseling programs have developed longer-term services to provide support to clients for more general financial issues, rather than just for an acute need. Unlike financial coaching among financial planning professionals, financial coaches coming from a counseling context may have more expertise in the coaching process than the technical details of financial planning or investing. Importantly, the client base for these financial coaches tends to be low- or very-low-income compared to the client served by the financial planners.

3.4 Financial Coaching for Low-Wealth Families

There are important aspects to consider when delivering financial coaching services to a less affluent population. First, lower-income clients are less likely to need the most complicated services professional planners provide, such as trusts for estate planning or sheltering income from taxes. Second, a low-income client will have few financial assets and be less likely to have retirement or insurance benefits through their employer. Third, low-income clients may be eligible for public benefits or special private programs to pay for health care, housing and education costs. While experienced practitioners will understand the nuances of these programs, most planners do not. Moreover, client eligibility for programs can be affected by how their assets and debts are managed. Fourth, credit management is critical for low- and moderate-income households given the amount of debt relative to income available. Often with decisions around budgeting and basic cash management, credit, medical debt and insurance are high priorities, while savings and investing are secondary considerations. Fifth, low-income clients frequently lack experience with financial institutions or products and will require appropriately designed products, with features that may differ from the needs of more affluent households. For example, low-income clients may face entry barriers for basic savings accounts or investment strategies due to past payment problems reported to ChexSystems or required minimums and fees. Experienced practitioners will understand the product needs of low-income clients, most planners will not. Finally, low-income populations face more pressure on their time and resources. This results in less ability to pay fees, less flexibility in work schedules to attend sessions, and increased attrition from programs.

In general the staff of programs interviewed for this study suggested that low-income clients introduced to the financial coaching approach “love it.” Clients appreciate being empowered and held accountable to meet the financial goals they desire. But they also report that clients have great anxiety about financial issues, and are intimidated about the effort required to manage their finances more closely. After some acclimation and trust-building with their coaches, however, even very-low-income clients are able effectively set and meet modest financial goals with assistance from their coach. Over time goals can become more aggressive and newly formed habits may become lifelong practices. Interestingly, programs find a similar attitude among staff. Initially some staff remain skeptical about the coaching approach, but in time find it a preferable way to deliver services and find that it boosts their morale at work.

3.5 Theoretical Models Used in Financial Coaching

There are several psychological theories that may help guide financial coaches. Azjen and Fishbein (1980) proposed the theory of reasoned action, and later Azjen proposed the theory of planned behavior. This theory grew out of social psychology but has its roots in cognitive behavioral theory based on the idea that cognition (thinking), feelings and behavior interact. Changes in one area will influence others. Attitudes are expressions of feelings about performing a behavior. But attitudes are also affected by subjective norms — the thoughts of family and peers that can affect that behavior. Importantly, behaviors can also be viewed as being limited or controlled by internal or external barriers. Clients can learn to change their perceived control of these factors. This theory is cited in hundreds of marketing articles and frequently is the source of the approaches taught to financial counselors. The key insight of this model is that behavior is not simply influenced by classical conditioning (rewards-punishments-responses), but that attitudes, feelings, thoughts and perceived control are all important factors. Counseling and coaching make extensive use of dialogue regarding thoughts, feelings and attitudes about financial issues with the goal of altering behavior.

Another theoretical model stems from the field of health psychology and is focused on changing stubborn behaviors. Prochaska’s transtheoretical model introduces stages of change. These stages are listed below, although most clients do not follow a linear progression:

- Precontemplation: Lack of awareness that changing behavior is necessary or possible
- Contemplation: Recognize problem and consider behavior change; gather information
- Preparation: Introspection, reaffirmation, desire and planning to change
- Action: Implementation
- Maintenance: Continuation of behavior

At each stage clients need different approaches. At precontemplation, simply addressing the issue may be the primary goal. At the contemplation and preparation stages more direct support can be provided. For financial coaches much of the work with clients may be focused on the preparation and maintenance stages of the behavior-change process.

4.0 Building the Capacity of Coaches

Based on feedback from professionals and practitioners in the field, financial coaches ideally should have the following four competencies to be most effective:

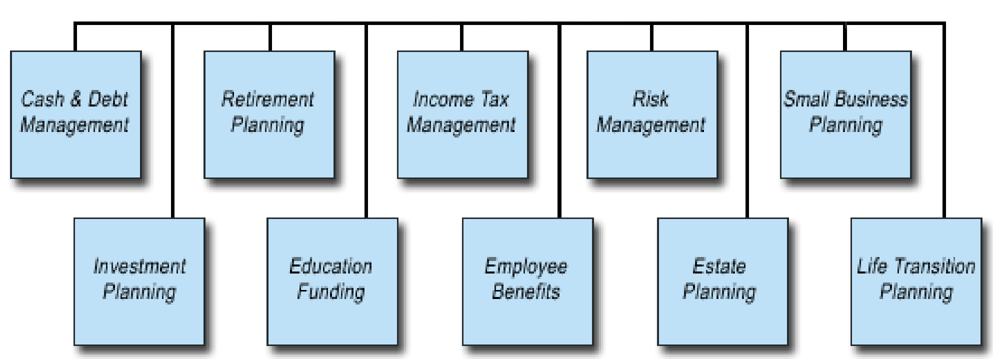
1. Financial content knowledge
2. Facilitation skills
3. Familiarity with the coaching approach
4. Experience working with the target population

This section summarizes various training programs and approaches to building the capacity of financial coaches, and provides an overview of accreditation for coaches.

4.1 Financial Content

The figure below illustrates 10 core topics covered in financial planning. For coaching low-income populations each of these may be important to some degree, although the majority of clients will require intensive work around cash and debt management. Retirement, investment and education planning are topics most clients will need to address but may not be immediate needs. Risk management — essentially the need for precautionary savings and insurance — is another important topic on which many low-income families will need help. Income-tax management and life-transition planning are also topics that may need to be addressed. In terms of income-tax management, utilizing tax credits, maximizing deductions and adjusting tax withholding tend to be the most relevant issues for low-income families. As with more affluent households, low-income families will need support in handling major life transitions, like career changes, income adjustments and shifts in family size due to marriage, divorce, birth or death. Small business and estate planning are less likely to be important with low-income clients, although many clients will express interest in both topics. Many aspire to be business owners and some will be engaged in self-employment activities. The major topics missing from the traditional financial planning content are accessing public benefit programs and taking advantage of other asset-building programs in the community.

Core Topics of Financial Planning



4.2 Facilitation Skills

The skills used by a good coach to facilitate the coaching process are the same as those used by a good counselor, case manager or mentor. The process begins by establishing expectations and explaining the overall process. This is the "contracting" phase where coach and client make clear how the coaching process will proceed, and the importance of the client leading his or her own process. The coach will help establish a trusting relationship, but also make clear the boundaries of his or her expertise. There are a series of tactics used in coaching to help develop this relationship through mutual sharing and exploration of personal issues. Throughout the coaching process, proven interpersonal communication strategies are used, such as active listening, laddering techniques for framing questions and other tactics that help the client develop personal insights.

The ICF uses the following core coaching competencies (with more detailed information available at www.coachfederation.com) as the foundation for its credentialing process examination:

1. Setting the foundation
   - Ethical and professional standards
   - Establishing the coaching agreement

2. Co-creating the relationship
   - Establishing trust and intimacy with the client
   - Coaching presence

3. Communicating effectively
   - Active listening
   - Powerful questioning
   - Direct communication

4. Facilitating learning and results
   - Creating awareness
   - Designing actions
   - Planning and goal setting
   - Managing progress and accountability

4.3 Coaching Approach

Aside from financial content and facilitation skills, the third key component of a good coaching process is that the coach embraces the philosophy of coaching. This means he or she should understand the client-centered nature of this work and be able to differentiate his or her role as coach from that of a traditional mentor or counselor. Many organizations interviewed for this report emphasized the idea that a good coach learns through a coaching process and sees all client engagements as coaching opportunities. This can be a significant cultural shift and is not something that can easily be self-taught. Too often novice coaches want to "help" clients by doing too much and being overly prescriptive. Coaches need practice to learn to ask questions and allow the client to primarily drive the process.

4.4 Experience with Target Population

Finally, coaches working with low-income populations need to understand the client base. Financial planners with experience working with affluent families may not be prepared for the issues low-income families face. Similarly, volunteers from other professional fields need to learn empathy and to resist the temptation be overly prescriptive to clients in the coaching process. Issues of culture, experiences and education may all be factors, as well as class and race. Coaches need to learn not to impose their personal priorities or opinions upon their clients. By understanding the needs and experience of the client population financial coaches are better able to frame issues and guide clients toward their goals.

4.5 Accreditation

There is one certification program for financial coaches, the Institute for Financial Coaching. Interestingly none of the key informants interviewed for this report mentioned the IFC program. The credibility of this program is unclear. In general financial coaches tend either to lack any certification, or to become credentialed or certified in financial areas and/or as personal coaches. The International Coach Federation (ICF) and the International Association of Coaches (IAC) are leading sources of coaching accreditation, although there are other standards emerging. Through interviews conducted for this study, the ICF accreditation appears to be well accepted. There are also several sources of financial content and financial skill accreditation. The CFP is one widely known designation, but CFP Board-registered educational programs may be more intensive than many coaches need. The Association for Financial Counseling and Planning Education (AFCPE) is a nonprofit professional organization that provides training and certification to approximately 1,000 financial management professionals, mostly from the nonprofit and public sectors, annually.[3] AFCPE's 14-year old program is focused on financial counseling, but is applicable to financial coaching. AFCPE provides more of the essential content needed for working with lower-income client populations.

4.6 Standardization

Throughout the interviews conducted for this study, many key informants suggested that financial coaching is poorly defined and that "anybody can claim to be a financial coach." The concern that some financial education and counseling programs may simply change their names to "coaching" in order to attract funding without actually engaging in coaching was also mentioned by several practitioners.

The experience of housing counseling is instructive. This field failed to establish standards for service delivery, content and staff qualifications until recently, despite existing over 20 years as an industry. Without clear standards it was difficult for partners and funders to assess these programs and provide consistent support. Financial coaching is in need of clearer standards for the competency, training, code of ethics, skills, operational knowledge and performance standards of coaches.

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[3] The majority of AFCPE's certificants work for cooperative extension agencies, community development credit unions, financial aid offices, the military or credit counseling agencies.

4.7 Leading Training and Accreditation Programs

Most financial coaches will require some level of training and support, but the recommended training approach and source varies according to the staffing model employed by the program. The options range from in-house training to self-study or classroom education through external sources. The content and skills required for financial coaching are extensive enough that the costs of developing a training program *de novo* are a significant. Even in-house programs can benefit from building on existing curricula and standards.

Twenty-three training and/or accreditation programs that address one or more of the desired competencies for financial coaches were reviewed as part of this study. The length, intensity, focus and costs of programs vary significantly, as does the approach and philosophy employed. Below is a summary of the training programs reviewed by the core competency on which they focus.

Financial Content Training

Six programs that concentrate on financial content training were examined. They range from intensive training programs through college or universities, such as those for CFPs and Chartered Financial Consultants (ChFC) to targeted programs on a specific topic, like credit reports, via self-study through the Institute of Consumer Financial Education (ICFE). The majority of these options are not ideal for financial coaches of low-income families who need basic financial content training. Both the CFP and ChFC programs are too comprehensive, while ICFE's program is too narrowly focused. The programs from Maryland Cooperative Extension, Community Based Financial Planners (CBFP) and the NeighborWorks® Training Institute (NTI) offer a more appropriate level of content training; however, none of these programs offers accreditation. Moreover, both require travel to training locations and the associated costs.

Financial Content Training Programs

Training Program	Designation	Length and Mode	Exam	Cost	Curriculum Topics		
					Financial Content	Coaching Approach	Facilitation Skills
American College in Bryn Mawr	ChFC	8-course program of study primarily self-study	✓	$4,390	✓		
CFP Board of Standards	CFP	2-3 year education program at local college or university	✓	$3,695+ [4]	✓		✓
CBFP[5]	CBFP Planner	10-week course		$1,000	✓		✓
ICFE[6]	Certified Credit Report Reviewer™	Self-study guide with do-it-yourself credit file correction guides	✓	$250	✓		
Maryland Cooperative Extension	Certificate of Completion in Personal Finance	3-day course	✓	$375+	✓		
NTI[7]	Certificate of Completion for Financial Fitness	3-day course		$575+	✓		

Coaching Approach Training

The IAC appears to be the premier source for coaching accreditation. However, like the CFP Board-registered educational programs for financial content, an ICF Accredited Coach Training Program (ACTP) or the IAC certification may be far more intensive for financial coaches who need a more fundamental understanding of the coaching approach. The Annie E. Casey Foundation contracted with Tribe Coaching, one of a number of non-accredited coach training programs offered by private companies, to design and deliver a custom coaching training program for staff of Center for Working Family (CFW) sites in 2006. While Tribe Coaching's program is less detailed than ICF ACTP programs, a recent report from Abt Associates suggests that most trainees only adopt a less intensive approach in any case (Minzner, Hebert, George, & LoConte, 2006). To maximize the effectiveness of the Tribe Coaching training sessions, Abt Associates recommended that training for coaches include "training multiple staff members from a given organization (including the coaching supervisor); providing an introductory training for

[4] Based on a brief sampling of programs, course tuition appears to range from $500 to $800 per course and includes six courses. There is also an accreditation fee of $695 that is charged by the CFP Board of Standards.
[5] CBFP uses the same textbooks as AFCPE, but supplements the content with insights and case studies of low-income clients. It is considering making the curriculum available at a reasonable cost to organizations outside of its network.
[6] ICFE also offers a Certified Identity Theft Risk Management Specialist Program.
[7] NTI offers other courses on financial content, such as "Understanding Credit Scoring" and "Credit Counseling for Maximum Results."

senior management; conducting a pre-assessment of training attendees to ensure that the curriculum is customized to the given training cohort; and ensuring accurate communication about the training content so that expectations are realistic for the training." Participants in Tribe Coaching's training generally found the training transformed their thinking in terms of the relationship between staff and participants, but that this shift had to be supported organizationally. Adapting and delivering the program has proven to be a significant investment for the Annie E. Casey Foundation. As the financial coaching field begins to grow, additional training options will need to be explored.

Coaching Approach Training Programs

Training Program	Designation	Length and Mode	Exam	Cost	Curriculum Topics		
					Financial Content	Coaching Approach	Facilitation Skills
IAC	IAC Certified Coach	Online content for 15 competencies	✓	$489		✓	✓
ICF	Associate Certified Coach (ACC) — first level of credential	ACTP[8]	✓	$2,743+ [9]		✓	✓
	Professional Certified Coach (PCC) — second level of credential						
	Master Certified Coach (MCC) — advanced level of credential	200 hours of coach-specific training	✓				
Tribe Coaching		5.5-day custom designed course (over 90 days to allow for experiential learning and feedback)		$2,000+		✓	✓

Facilitation Skills Training

Sources for accreditation in facilitation skills alone are somewhat limited, as they are often included as part of another designation program, such as case management certification.[10] For financial coaches who need to enhance their facilitation skills, accreditation programs that

[8] See appendix for a complete list of ACTP programs. Individuals who have not completed a full ACTP or who have completed coach training with other schools not on the ACTP list can submit a Portfolio Application for these credentials. See the website for details.

[9] Coaches Training Institute's (CTI) certification course is face-to-face for 25 weeks and costs $7,675. New Ventures West's certification course is 16 days of face-to-face training and costs $8,500; and Coach U's telecourse is 77 hours and costs $2,443 for ACC certification. ICF also charges accreditation fees ranging from $100 to $775 depending on the type of designation and membership status.

[10] The case management certification programs reviewed require degrees, licenses or certificates in case management or social work. However, as the costs for meeting those requirements vary widely, they are not included in the accreditation costs listed in the table.

require licensing, degrees or certificates in case management or social work are neither realistic or economical. The Institute for Financial Counseling (IFC) offers financial coaches an alternative option via a self-study program that covers team building, decision-making and motivation. However, this program is geared toward experienced counselors in supervisory roles and is not centered on coaching.

Facilitation Skills Training Programs

Training Program	Description	Length and Mode	Exam	Cost	Curriculum Topics		
					Financial Content	Coaching Approach	Facilitation Skills
The Center for Case Management (CCM)[11]	Case Management Administrator Certification (CMAC)	Combination of degree and experience or equivalent certification	✓	$375+			✓
Commission for Case Manager Certification (CCMC)	Certified Case Manager (CCM)	License or certification based on a minimum educational requirement of a postsecondary degree program in a field that promotes physical, psychosocial or vocational well-being of the persons being served	✓	$130+			✓
IFC[12]	Certified Team Leader	Self-study and one-day seminar		$300		✓	✓

Comprehensive Training

Of the comprehensive programs reviewed, only five are specific to financial coaching. Three of those programs are self-study. Dan Clark Associates and the Financial Independence Foundation both offer non-accredited coaching training programs. Another seven comprehensive programs focus on financial counseling, and thus cover financial content and facilitation skills training. Yet these programs lack any training on the coaching approach, although that could be acquired through a complementary basic coaching course. Four of the financial counseling training programs are restricted to specific audiences — credit counselors, ministries or credit unions. Of the remaining financial counseling training programs, AFCPE appears to have an appropriate blend of content and skills training, along with a positive reputation and cost-effective delivery mode to support the growth of the financial coaching field.

[11] CCM also offers case management on-site training with a customized curriculum for skill development and collaboration to meet established targets, for $1,500 per day.
[12] IFC offers other courses through a combination of self-study and live seminars on financial content and facilitation skills, including the Senior Credit Counselor Program, Financial Health Counselor Program, Communications, Understanding Personality Seminar, and Holistic Approach to Financial Counseling.

Comprehensive Training Programs

Training Program	Description	Length and Mode	Exam	Cost	Curriculum Topics		
					Financial Content	Coaching Approach	Facilitation Skills
Abundant Living Ministry	Abundant Living Coach	2-hours of self-study on DVD with manual, CD and personal financial management seminars		$60	✓	✓	✓
AFCPE	Accredited Financial Counselor™ (AFC)	2 self-study college-level courses (135 hours)	✓	$850	✓		✓
Center for Financial Social Work	Certified Financial Social Work Educator	4 self-study workbooks	✓	$795	✓		✓
Credit Union National Association (CUNA)	Credit Union Certified Financial Counselor	Self-study curriculum of 8 modules in 2 parts (also classroom-based Certified Financial Counselors School)	✓	$520	✓		✓
Dan Clark Associates	Financial Coach	3-day course using the Solution Focused Financial Coaching Manual		$860+	✓	✓	✓
Financial Independence Foundation	Certified Financial Coach (CFC™)	5 days on-site training and 20 hours via telephone and online	✓	$8,349	✓	✓	✓
Institute of Consumer Financial Education (ICFE)		Solution Focused Financial Coaching self-study guide (17 chapters)		$70	✓	✓	✓
Institute for Financial Literacy Center® for Financial Certifications™	Certified Personal Finance Counselor (CPFC™)	3-part self-study curriculum	✓	$295–$350	✓		✓
The Lampo Group[13]	Dave Ramsey's Certified Counselor	5-day course		$2,000+	✓		✓
National Association of Certified Credit Counselors (NACCC)[14]	Credit Counselor Certification	Self-study curriculum with manual and CD	✓	$350	✓		✓
National Foundation for Credit Counseling (NFCC)[15]	Certified Consumer Credit Counselor	Self-study curriculum of 6 books	✓	$360	✓		✓
Port Jobs	Financial Mentor	Self-study Financial Mentoring Curriculum		$0	✓	✓	✓

[13] The Lampo Group also offers the Financial Peace University (FPU) in a classroom setting, online or via video, which includes 13 two-hour lessons on saving money; cash flow planning; relating with money; negotiation techniques; debt reduction; investments; insurance; retirement and college planning; consumerism; real estate and mortgages; careers; collection practice and credit bureaus; and the "great misunderstanding." It is recommended, but not required, that participants complete FPU before becoming a Dave Ramsey Certified Counselor.
[14] NACCC offers other certifications, including Senior Credit Counselor Certification, Financial Health Certification and Debt Settlement Specialist Certification.
[15] NFCC's certification program is only available to its member agencies.

4.8 Training and Capacity Building of Programs in This Report

The programs included in this study provide or sponsor different training opportunities to supplement the skills and experience of the staff or volunteers who are delivering their financial coaching. Many of the programs have baseline requirements for their financial coaches, whether staff or volunteers, in one or more of the following areas:

- Experience working with the target population;
- Financial content knowledge;
- Familiarity with coaching approach; and
- Demonstrated facilitation skills.

Nonprofit programs and programs targeted to low-income clients tend to develop training programs to fill in any gaps that staffs or volunteers may have in their ability to deliver financial coaching. Fifty-eight percent deliver training services in-house, and the remaining programs are split between using external sources for training and a mix of internal and external trainings. Four of the programs that deliver in-house training use existing curricula, such as Co-opportunity in Hartford, Connecticut, which uses Port Job's Financial Mentoring Program Curriculum and Program Guide. Interestingly, five out of the six private sector programs interviewed rely on external sources of training for coaches.

Two programs, H&R Block and CNM, train their financial coaches through a local service provider. Credit Where Credit Is Due (CWCID) in New York City is the only program offering a comprehensive training program with incremental options for its financial coaches. The table on the following page displays the source of financial coach training for the organizations interviewed in this report.

Illustration from the Field: ***Comprehensive Training Program for Financial Coaches***

CWCID is a nonprofit organization that provides one-on-one financial coaching and group financial education services in New York City to complement the financial services offered by the community development credit union with which it is affiliated. So far this year, CWCID has conducted 1,200 financial education workshops and provided financial coaching to 1,300 clients (ten percent of which was long-term) through five program staff.

The organization is currently undergoing a transformation that involves a new comprehensive staff training program to enhance their credibility. The existing staff have a mix of experience; some have financial backgrounds, some worked in social services, and others were in an academic field. New, inexperienced staff typically learned from senior staff through onsite training.

The new training program involves in the following components that will occur over 12 to 18 months:

→ One-on-one case management training on counseling, setting boundaries and making referrals;
→ Adult learning techniques training from Global Learning Partners; and
→ Content training from Boston University's online CFP program.

Completion of the comprehensive training program will be built into the promotion process. The cost per staff person is estimated at $1,800.

Program Use of Financial Coach Training

Type of Service Provider / Program or Professional	Delivery Mechanism	Training Source for Coaches
Nonprofit programs		
Central New Mexico Community College Foundation	Financial planners	Course on understanding the client population
Chicago LISC	Full-time coaching staff	Tribe Coaching
Seedco (New York, NY)	Staff	Tribe Coaching
Hartford Making Connections (Co-opportunity)	Volunteer	Port Job's Financial Mentoring Curriculum plus understanding client population
Louisville Making Connections	Volunteer	Curriculum by the University of Louisville; Tribe Coaching
The Church of the Resurrection	Volunteer	Abundant Living Coach Training Kit
Cleveland Saves	Volunteer Certified Financial Planner	Training workshops
Experiment in Self Reliance (Winston-Salem, NC)	Full-time coaching staff	In-house
EARN*	Full-time coaching staff	In-house
WECO Fund, Inc. (Cleveland, OH)	Full-time coaching staff	In-house
Credit Where Credit Is Due (New York, NY)**	Full-time coaching staff	Case management and adult learning training; CFP online training through Boston University
BALANCE Financial Fitness Program (national)**	Full-time staff	In-house; mentoring; NFCC Consumer Credit Counselor Certification
Consumer Credit Counseling Service of Greater Atlanta (national)**	Full-time coaching staff	In-house
Empire Justice (Rochester, NY)	Volunteers	In-house; Virginia Cooperative Extension's Financial Management Manual
Maryland CASH Campaign / Maryland Asset Building Initiative	Staff through weekly call-in television show	Tribe Coaching and Maryland Cooperative Extension
Community LINC (Kansas City, MO)	Volunteer	In-house; New Ventures West coaching
Connect, Inc. (North Carolina)	Full-time coaching staff	In-house (customer service)
One Economy Corporation*	Full-time coaching staff through partnership with Consumer Credit Counseling Service of Greater Atlanta**	In-house
Private Sector Programs		
Dan Clark Associates*	Staff	Solution Focused Financial Coaching course from Fred Waddell and distance learning from Coach University
Financial Conversations	Staff	Master Certified Coach credential from the International Coaching Federation
Financial Finesse	Certified Financial Planner (with 10 years of experience)	Ongoing, in-house training
HGK Coaching	Certified Financial Planner	Coaches Training Institute
H&R Block*	Staff	Community LINC, a local service provider
Tribe Coaching, Inc.	Staff	Master Certified Coach credential from the International Coaching Federation

* Program is in development. Program details are projected.
** Site refers to and considers its program a counseling program. However, the site's program appears to meet the working definition of a financial coaching program.

Ongoing Support

Only three programs interviewed have developed formal procedures for providing ongoing supervision and support to financial coaches. Supervision typically involves reviewing files, listening to sessions or recordings of coaching sessions, and regular meetings between coaches and their manager. Support services include ongoing training sessions and peer networks to discuss cases or learn about specific topics.

In general the coaching programs interviewed have much weaker quality control processes and ongoing support systems for financial coaches than is recommended in the coaching literature. The Coaches Training Institute (CTI), an International Coach Federation (ICF) Accredited Coach Training Program (ACTP), recommends a quality control process for financial coaching including tracking of 25 coaching quality measures. At HGK Coaching all financial coaching calls are recorded and each month a supervisor will review at least one financial coaching session and to assesses each of the 25 measures. Supervisors and coaches them meet each month to review cases and to evaluate how the sampled coaching session could have been improved.

Illustration from the Field: ***Ongoing Support of Financial Coaches***

For the 10 sites included, ***Chicago LISC Centers for Working Families (CFW)*** created a peer learning community to support its financial coaches. Chicago LISC hires the best "financial coach" in Chicago, a former credit counselor, to be the coach to the coaches. Every two months, all of the financial coaches meet to talk about their cases and provide updates.

Additionally, Chicago LISC provides scholarships to financial coaches to attend relevant training courses. One of the most popular courses is "Credit Counseling for Maximum Results," offered by the NeighborWorks® Training Institute.

4.9 Implications for Building Coaching Capacity

Financial coaching programs need to carefully assess the needs of their clients, the background of their coaches, and the availability of time to invest in training coaches. In this context, the following matrix provides recommended training approaches and sources for building the capacity of financial coaches, at least initially, based on the staffing model employed by the program.

Delivery Mechanism	Training Needs	Training Approach	Resources
Volunteers from Financial Sector	Facilitation skills	In-house training	Port Jobs curriculum (section on skills and philosophy), plus module on client sensitivity
	Coaching philosophy		
	Client sensitivity		
Volunteers	Financial content	In-house training	Port Jobs curriculum, plus additional module on client sensitivity
	Facilitation skills		
	Coaching philosophy		
	Client sensitivity		
Paid Financial Planners	Coaching philosophy	In-house training	Port Jobs curriculum (section and philosophy), plus module on client sensitivity
	Client sensitivity		
Staff	Financial content	Self-study financial counseling accreditation	AFCPE self study
	Coaching philosophy	Basic coaching training via classroom or distance learning	Noncertification coaching course from ICF-accredited program

The training recommendations are based on the most practical and economical options for the intended audience. For example, using a comprehensive curriculum geared toward a low-income audience is the most efficient and cost-effective option for training groups of volunteers or paid planners on an ongoing basis. That approach, however, does require experienced staff, a partner (like Cooperative Extension), or a consultant to adapt the existing curriculum and deliver regular training. For in-house staff acting as financial coaches, a more significant investment of time and resources into training could be important for the quality of the program and the retention of staff. One approach would be to combine AFCPE's financial counseling accreditation program for content and facilitation skills with a basic coaching program that is offered in a classroom setting or via distance learning from an ICF-accredited source. In total, the cost of this training approach would range from $1,000 to $1,500 per staff person. The advantages of this approach are limited or no travel costs for staff, program flexibility with self-paced learning, and the ability to add on coaching accreditation.

Organizations using the trained staff model may want to consider incremental training options as programs grow and staff gain experience with the program. The combination of AFCPE's financial counseling accreditation program and a basic coaching program from an ICF-accredited program is an economic and efficient way to provide initial training. Appropriate follow-up training to increase staff's skills and credibility might include a combination of a CFP-Board registered educational program and an ICF ACTP. As these programs require a greater investment of time and money, the most sensible option is for organizations to offer the advanced training to seasoned staff after gaining experience and mastering more basic training. Such a training approach could enhance staff retention if incorporated into the career advancement process.

The CFP Board provides a grants program for organizations that are creating sustainable projects designed to reach non-traditional populations with financial planning services. If an organization includes financial planning services as part of its coaching program, funds from the CFP Board may be available to support staff training.[16] Moreover, some CFP-Board registered educational programs and local Financial Planning Association chapters offer scholarship programs for certification.

[16] www.cfp.net/teamup/grants.asp

5.0 Financial Coaching Programs for Low-Income Clients

Financial coaching remains a field in its early stages, even more so for coaching focused on low-income populations. And if the very definition of financial coaching remains ambiguous, the process for delivering these services is also difficult to generalize. Based on a review of reports, published literature and interviews, there are some general implications for the delivery of financial coaching that can be observed. There are approximately 40 active financial coaching programs focusing on low- and moderate-income populations being offered by nonprofit organizations and Cooperative Extension agencies currently. Key informants from approximately 60 percent of those programs were included in the interview process for this report. The research intentionally sought out programs using a variety of approaches. Programs generally used one of three delivery mechanisms: volunteer coaches, financial planners (paid), in-house staff trained in financial coaching, and in a few cases a combination of these three. Each model may be appropriate given a specific set of clients and organizational context, but each also has benefits and challenges.

Likewise, financial coaching programs tended to use three delivery modes, including face-to-face, telephone and online using the Internet. Again some programs used a mix of these modes, although many nonprofit programs focus on face-to-face sessions.

The duration of the time clients are typically in a wealth coaching program is hard to assess given that so many programs are relatively new. Many programs suggested that their coaching services are available as long as the client feels they are needed, while other had a more structured approach and a specific time frame for each client to be in coaching sessions.

Finally, few of the programs interviewed are standalone financial coaching services. They tend to offer other services that bolster the impact of coaching. Complementary products or services offered include workforce development services, financial or banking services, public benefits assistance, tax preparation, financial education workshops, individual development or matched savings accounts (IDAs), formal financial planning or other services.

The following tables summarize these dimensions across interviewed programs:

Centers for Working Families Sites						
Site	**Delivery Mechanism**	**Delivery Mode**	**Program Duration**	**Fee**	**Low-Income Focus?**	**Complementary Products or Services**
Central New Mexico Community College Foundation	Paid Financial Planner	Face	As needed	$0[17]	✓	Workforce Development Financial Services Benefits Assistance
Chicago LISC	Trained Staff	Face	As needed	$0	✓	
Seedco (New York, NY)	Trained Staff	Face	As needed	$0	✓	

[17] Services are paid for by private grants.

By definition, the Centers for Working Families sites include a wide set of complementary services. Programs tend to offer coaching free of charge for as long as needed to low-income clients. Services are delivered face-to-face. Of the programs interviewed from CWF sites, two used in-house staff trained as coaches and one used planners paid a fee (a discounted fee).

Making Connections Sites						
Site	**Delivery Mechanism**	**Delivery Mode**	**Program Duration**	**Fee**	**Low-Income Focus?**	**Complementary Products or Services**
Co-opportunity (Hartford, CT)	Volunteers	Face	3 meetings (3–4 mos.)	$0[18]	✓	Workforce Development Financial Services Benefits Assistance Tax Preparation
National Center for Family Literacy[19] (Louisville, KY)	Volunteers	Face / Phone / Online	5 meetings (5 mos.)	$0	✓ Women	
Oakland Making Connections	Trained Staff	Face	As needed	$0	✓	

Among Making Connections sites interviewed, financial coaching tended to be more frequently delivered by volunteers, but otherwise is similar to CWF sites. Louisville's Center for Family Literacy focuses specifically on women and, like Co-opportunity in Hartford, CT, coaching is provided over a limited period by volunteers.

Faith-based Organizations						
Site	**Delivery Mechanism**	**Delivery Mode**	**Program Duration**	**Fee**	**Low-Income Focus?**	**Complementary Products or Services**
The Church of the Resurrection	Volunteers	Face	4–6 meet-ings, 3–4 months	$0	✓	Financial Education Other[20]

Only one financial coaching program from a faith-based institution was included in this study. The Church of the Resurrection provides a coaching program for lower-income members. Like other programs providing services through volunteers, coaching tends to be time limited. And like most programs aimed at low-income clients, no fees are charged.

Cooperative Extension Services						
Site	**Delivery Mechanism**	**Delivery Mode**	**Program Duration**	**Fee**	**Low-Income Focus?**	**Complementary Products or Services**
Texas Cooperative Extension[21]	Volunteers	Internet	As needed	$0	✓	Financial Education Other[22]

[18] Services are paid for by private grants.
[19] In partnership with Women 4 Women.
[20] Emergency funding.
[21] In partnership with the U.S. Department of Labor Women's Bureau; target audience are women aged 22–35.
[22] Emergency funding.

Only one Cooperative Extension–based program was included in this study, although many programs have partnerships with Extension programs or receive training from these programs. The Texas program provides Internet-based coaching aimed primarily at lower-income clients.

Other Nonprofit Providers						
Site	**Delivery Mechanism**	**Delivery Mode**	**Program Duration**	**Fee**	**Low-Income Focus?**	**Complementary Products or Services**
BALANCE Financial Fitness Program (national)**	Trained Staff	Phone	As needed[23]	$0[24]		Financial Education
Cleveland Saves	Volunteers	Face; phone	48 meetings 2 yrs.[25]	$0	✓	Financial Education
Community LINC (Kansas City, MO)	Volunteers	Face		$0	✓ Home-less	Workforce Development Other[26]
Connect, Inc. (North Carolina)	Trained Staff	Phone	As needed	$0	✓	Workforce Development Benefits Other[27]
Consumer Credit Counseling Service of Greater Atlanta (national)**	Trained Staff	Face; phone	As needed	$0	✓	Financial Education Other[28]
Credit Where Credit Is Due (New York, NY)**	Trained Staff	Face; phone; online	6-12 mos.	$0	✓	Financial Services[29] Financial Education
EARN (San Francisco, CA)*	Volunteer/Paid Planner-Trained Staff Combi-nation	Face; phone	24-36 mos.	$25/yr +	✓ IDA Alumni	Financial Services Financial Education Financial Planning
Empire Justice (Rochester, NY)	Volunteers	Face	10 mtgs. 10 mos.	$0	✓	Financial Services Benefits Access
Experiment in Self Reliance (Winston-Salem, NC)	Trained Staff	Face	24 mtgs. 2 yrs.	$0		Tax Preparation Financial Education IDA Accounts
Maryland CASH Campaign / Maryland Asset Building Initiative	Trained Staff	Phone	As needed	$0	✓	Workforce Development Financial Services Benefits Access Tax Preparation
One Economy Corporation*	Trained Staff[30]	Face; phone	As needed	$0	✓	Tax Preparation Financial Education

23 Usually no more than two sessions per client.
24 Services are paid for by partnering credit unions and employers for their members and employees, respectively.
25 A one-year minimum commitment of bi-weekly meetings is required.
26 Transitional housing.
27 Transportation services.
28 Debt management services.
29 Through affiliated community development credit union.
30 Through partnership with Consumer Credit Counseling Service of Greater Atlanta**

WECO Fund, Inc. (Cleveland, OH)	Trained Staff	Face	As needed[31]	$0-$10	✓	Financial Education IDA Accounts Financial Planning[32] Other[33]

** Site refers to and considers its program a counseling program.

Twelve other nonprofit programs were interviewed, representing a wide range of delivery mechanisms and coaching structures. Most nonprofit programs tend to use staff or volunteers as coaches and do not charge any fees, but delivery modes and duration vary. The types of organizations sponsoring coaching and complementary services offered also were divergent.

Private-Sector, For-Profit Providers						
Site	**Delivery Mechanism**	**Delivery Mode**	**Program Duration**	**Fee**	**Low-Income Focus?**	**Complementary Products or Services**
Dan Clark Associates*	Trained Staff	Face; Phone	4–6 mos.	$100–$300/hr.		
Financial Conversations	Trained Staff	Face[34]; Phone	3 hrs./mo. 2-6 mos.			
Financial Finesse[35]	Trained Staff[36]	Phone		$0[37]		Financial Education Financial Products
HGK Coaching	Trained Staff	Phone	As needed[38]	Sliding scale based on annual income[39]		
H&R Block*	Trained Staff	Face[40]; Phone; Internet	6 meetings 18 mos.	Under discussion	✓	Financial Services Financial Education Tax Preparation
Klontz Coaching	Trained Staff	Phone	As needed			
Louis Barajas and Associates	Trained Staff	Face; Phone	90 hrs./yr. 1 16 hrs./yr. 2[41]	Fee based on income, assets, priorities, other	✓	Financial Education Financial Planning
Margo Geller and Associates[42]	Trained Staff	Face[43]; Phone	As needed[44]	$225/hr.		

[31] A one-year minimum commitment of monthly meetings is required.
[32] Through partnerships with local CFPs
[33] Microenterprise development
[34] Including group sessions
[35] Target audience is members and employees of partnering credit unions and employers of all income levels.
[36] CFPs with 10 years of experience
[37] Services are paid for by partnering credit unions and employers for their members and employees, respectively.
[38] A three-month minimum commitment is required.
[39] $25 / hour for < $25,000, $50 / hour for $25,001-$50,000, etc.
[40] On a limited basis
[41] A one-year minimum commitment is required.
[42] Target audience is financial planning professionals, small business owners and entrepreneurs of all income levels.
[43] Predominant delivery mode; including group sessions

Tribe Coaching, Inc.	Trained Staff	Face; Phone	2 hrs./mo.	$500/ month+		

* Program is in development. Program details are projected.

Eight for-profit programs were also interviewed. Most did not focus on low-income clients, although the approaches used still offer insights for financial coaching for low-income populations. Most charge a fee and all programs use in-house staff. Coaching is typically delivered through a blend of face-to-face and phone delivery, and typically on a time-limited basis. Sliding-scale and other variable pricing strategies based on income or other client factors also appear to be common.

5.1 High-Performance Coaching

ICF recommends that all professional coaches begin their training by being a client to another coach. The ICF suggests this is one way to gain a fuller understanding of the coach-client relationship. Most financial coaching programs do not require their staff to be coached themselves, but better programs do have sense of embracing coaching as an overall philosophy. In a research report for the Annie E. Casey Foundation, Abt Associates highlights the need for staff at multiple levels of an organization to learn about coaching methods and understand its client-centered approach (Minzner, Hebert, George, & LoConte, 2006). Almost all key informants suggested that people with strong active listening and empathy skills make better coaches. But beyond personality traits, training in how to be a coach and practice using facilitation skills are important. Section 4 details opportunities for training in more detail, but clearly self-taught coaching is not a successful strategy.

One of the important skills that coaching training programs teach is how to set boundaries. Good coaches know how to help clients to establish practices that will lead to goal attainment, without providing too much help. The key is that clients largely achieve their goals on their own, with support and guidance from the coach. Good coaches do not necessarily need be experts in all content areas, but instead can create a framework for the client to succeed. Good coaches know about available resources and are facile at making referrals for clients to other services at the appropriate times.

Finally, good coaches know when to re-evaluate the coaching relationship. Coaches and clients may work together for years, revising and extending goals as they are achieved. But as clients progress, sometimes they no longer need a coach, or need a different coach. Many people of all income levels decide they need a professional to help them make financial choices on a regular basis. Most coaching programs are focused on empowering clients to handle more and more of their financial decision-making on their own. Good coaches know when and how to push clients to take on their own work at goal attainment.

[44] A three-month minimum commitment is required.

5.2 Staffing Models

There are at least three models for providing coaching services to lower-income clients, with a fourth category of mixed models:

1. Volunteer Coaches (typically drawn from professionals in the community)
2. Paid Financial Planners (sometimes paid at lower rates than typical)
3. Trained Staff (typically with existing counseling experience)
4. Combinations

First, there is the all-volunteer model. In this approach, professionals with experience in banking, finance and other related fields are recruited and trained to become coaches on a volunteer basis. These coaches have basic financial skills and knowledge, but may not be financial planners specifically. They are then trained on how to be a coach, with an emphasis on communication skills, key content areas and client sensitivity. Volunteer coaches tend to provide services on a time-limited basis, usually for a year or less.

Second is the professional planner model. These are paid consultants, although some may agree to work at a discounted rate (especially newer planners seeking to gain experience). These coaches have specific skills and knowledge not only about financial issues but also planning. They may not be trained as coaches or understand the coaching process, however. Some financial planners are also certified in coaching. Pro bono planners typically can only provide time-limited services. Paid planners can provide services for an extended period, provided resources are available to absorb their fees. Important sources of planners or coaches are professional education programs. Aspiring CFP certificants must accumulate three years of work experience under the supervision of a CFP certificant, and a portion of that requirement may be achieved through pro bono hours. ICF's coaching certifications for Associate Certified Coach (ACC), Professional Certified Coach (PCC) and Master Certified Coach (MCC) all allow for up for 25 percent of the hours of required coaching experience to be delivered through pro bono services. Because both professions consist of skills gained through experience and frequent use, it is likely that novices would be willing to provide services at discounted rates in exchange for an opportunity to practice their skills on clients. For clients without complex issues, where novice planners may suffice, this model can be cost-effective. Of course, novice professionals also tend to be available on a time-limited basis.

Third is the trained staff model, in which existing staff are taught financial content, coaching skills, or both. Organizations with staff who perform coaching-like services, such as counseling, can help train staff to adapt to the coaching model. In some cases staff may lack financial content knowledge or financial planning skills, thus requiring training in those areas. Some staff, especially those with a focus on general counseling, may adapt well to the coaching model, but not quickly assimilate financial content issues. Counselors may perceive financial issues as being overly complex and out of their area of interest. As reported by the organizations utilizing the trained staff model, coaching has a powerful effect on staff who previously delivered counseling or case management. Such staff no longer "do for" clients; rather, they engage in collaborative and resourceful relationships with clients that empower them to take their own actions.

The fourth approach involves a combination of paid staff, planners and volunteers. In some cases an initial financial plan might be conducted by a paid or pro bono planner, while ongoing coaching work is completed by a volunteer or paid staff. In other cases volunteers might perform most of the coaching, calling in staff or planners as needed. This model lacks consistency of coaching staff, but may be cost-effective without sacrificing expertise. It may also work well for programs without access to a large pool of planning professionals or resources to pay fees. Using paid staff typically allows for services to be provided over a longer period of time, while allowing access to a financial planner relieves staff of becoming experts on more complicated financial topics.

Regardless of the model, training on the coaching process and/or financial topics is required. The exception might be the case of financial planners with coaching accreditation. However such professionals are often unavailable in many communities and their rates can be cost-prohibitive. In all models, coaches also require oversight and supervision. This is to ensure quality service delivery, as well as deal with technical and emotional issues. Coaches may become engaged in intensive work with clients on sensitive topics. For the well-being of both the coach and the client, coaches need someone to talk through sensitive issues as they come up. Having high-level supervisors versed in financial issues and coaching supervision is of course challenging and may require outside assistance or hiring consultants. Coaches also need to be trained when and how to establish boundaries and to refer clients to help for specific mental health or other issues as needed.

Summary of Models

	Benefits	**Challenges**
Financial Planners	• High levels of expertise • Some have coaching experience	• Cost • Not familiar with low-income populations • May require training on coaching philosophy
In-House Counselors trained as Coaches	• Lower cost • Knowledge of client population • Specific skills in counseling • Better able to provide long-term services	• May lack financial expertise or understanding of coaching philosophy • Require training for gaps in core competencies
Volunteers	• Lowest cost • May have financial expertise	• Require training as coaches • Require support • Higher turnover
Combination	• Cost-effective • Expertise as needed • Flexibility to provide longer-term services	• Lack of consistent contact for client • More complicated coordination tasks

Approximately half of the programs included in this study deliver financial coaching through full-time, in-house staff. About one-third of the programs interviewed rely on volunteers, including those who are Certified Financial Planners (CFPs) or are from the financial services field, to deliver financial coaching. Typically, these programs have at least one paid staff member to perform outreach to clients, coordinate service delivery, and recruit, train and manage volunteers. Only one interviewed site, Central New Mexico Community College Foundation (also CFW site), uses paid professional planners. Financial coaching is delivered by CFPs who are paid by the organization at discounted rates (clients pay no fees). EARN, a nonprofit that provides asset-building services in San Francisco, is in the process of developing a program involving a combination of paid and pro bono planners to develop financial plans for clients and trained staff to provide ongoing financial coaching to clients to help them implement their plans over time.

Illustrations from the Field: Working with CFPs

Central New Mexico (CNM) Community College Foundation's coaching program is aimed at vulnerable, low-income students who are taking noncredit classes, receiving limited financial aid, and/or working in a minimum-wage job. Students first meet with an achievement coach, a staff member of the Foundation who supports student success and retention through academic and career coaching and other services. Students with financial concerns are referred to a financial coach.

CNM Foundation uses financial planners who are paid for their services at a discounted rate of $50 per hour to deliver financial coaching. The financial planners are recruited through the local Financial Planning Association (FPA), and their services are paid for by private grants. No fees are charged to the students.

According to Robin Brule, CNM Foundation chose this service delivery model "because of the value-added of paying for services when trying to build long-term relationships with students who already have negative emotions. We thought that uncompensated volunteers would be less reliable. Clients recognize and value the CFP designation. Receiving 'valuable' services increases their respect and responsibility."

The goal of San Francisco's **EARN** financial planning and investment services pilot, which is under development, is to help families create an investment strategy in order to build wealth over time. The pilot will link education, coaching and planning services with access to savings, investment and insurance products that are appropriate for the needs of the target audience.

The core group from which this pilot will be launched will initially be EARN alumni – clients who have completed EARN's Individual Development Account (IDA) program and have some experience with saving. By the end of the first year, EARN will expand the program to serve non-EARN clients as well.

EARN's planned staffing model includes trained staff to provide financial coaching services throughout the duration of the program, as well as paid and pro bono planners as one-time experts to develop financial plans for clients. The coach's primary role will be to help clients develop and implement their financial plans based on self-determined goals. EARN's "wealth coaches" will be generalists who provide ongoing check-ins, monitoring and support over a multi-year relationship.

After completing pre-planning seminars to gain baseline skills and knowledge of terms before starting the financial planning process, clients will have their first meeting with a wealth coach. The wealth coach will provide the first one-on-one meeting for clients, participate in the meeting with the professional financial planner, and provide follow-up after the meeting with the planner to strategize on how to implement the financial plan. Throughout the program, the coach will continue to review financial statements and help execute any recommendations the client needs help with, clarifying that the client understands the rationale behind their financial decisions. The program will begin with a high-touch approach that will taper off as clients are empowered to make their own financial decisions, manage their finances and monitor their accounts online. Although exceptions may be made by EARN staff, the minimum requirement will be for clients to check in with wealth coaches by meeting regularly face-to-face, by phone or by email.

5.3 Fees

Professional planners who become financial coaches typically do so at least in part to enlarge their client base and to be able to charge higher fees. Financial counselors traditionally have not charged specific fees, although financial literacy programs may require workshop fees or membership-type fees. The costs of financial coaching can be significant. If professionals from the financial planning field are used, the cost could be $200 per hour or more. Even coaches without planning credentials charge $75 per hour or more. Few of the financial coaching programs interviewed charge their clients any fees, although most suggested they might consider sliding-scale fees in the future. Based on a 2006 survey of clients by EARN in San Francisco, fees of $30 to $40 per hour are acceptable even to clients with incomes under $20,000. This leaves a gap of $35 to $150 per hour, depending on the cost of the type of coach used. While some financial planners are willing to provide services for no fee or a discounted fee, it is difficult to organize a program around such an approach and generally limits the duration of coaching. Although most states require attorneys to provide pro bono legal services each year, there are no pro bono requirements for certified financial planners (Ibarra, 2005). The CFP Board of Standards is currently studying pro bono requirements for maintenance of certification, however.

Overwhelmingly, the nonprofit programs interviewed for this report provide financial coaching to clients free of charge. Only one program, WECO, in Cleveland, Ohio, charges clients a $10 fee in some cases. Most programs cover the cost of delivering financial coaching services through private grants. For example, in Chicago, full-time coaching staff are funded by a grant from the John D. and Catherine T. MacArthur Foundation, while Central New Mexico Community College uses private grants to pay discounted hourly fees of "volunteer" financial planners (at $50 per hour). Financial coaching services at BALANCE Financial Fitness Program are paid for by partnership agreements with credit unions and employers.

Several financial planning professionals suggested that all clients should pay some fee, at least a nominal one based on a sliding scale. The point of financial coaching is to encourage clients to become better stewards of their financial resources. They are required to invest their time and energy into this effort. By paying a fee, clients signal their commitment to the program. They also are forced to make sacrifices and manage their expenses so that they can pay their coaching fees. The fees might be waived for a short period for some clients, but all clients should know they are expected to pay a portion of the costs. Most clients should understand they are paying a rate below market rates, and will value that opportunity. By collecting fees, programs develop at least some earned revenue, which makes a stronger case for the program when applying for grants. In general, client fees will not cover the entire cost of services, but a graduated fee schedule will provide greater flexibility in the program to provide additional services and program features.

Illustration from the Field: ***Paying for Financial Coaching Through Partnerships***

BALANCE began as part of Consumer Credit Counseling Service of San Francisco, as an effort to offer national telephone-based financial coaching for clients of credit unions. As BALANCE grew and more credit unions created partnerships with employers to offer counseling — with employers paying fees — it was spun off as its own organization. In 2006, BALANCE received 156,000 unique calls from clients and delivered 30,000 prescheduled coaching sessions. Call volume has been growing by 20 percent annually as credit unions develop more partnerships with employers. Services are paid for through partnership agreements, based on an annual flat fee derived from the number of credit union members or employees potentially served. BALANCE also delivers coaching through fee-for-service contracts with other entities, although most of its current work is related to credit unions.

5.4 Methods of Delivering Coaching

According to a 1998 survey by the ICF, most personal coaching (not financial coaching specifically) is conducted on the telephone. That study found 94% of clients receiving coaching sessions in the previous year received at least some services on the telephone; 45% received at least some coaching via email; and 35% were coached in face-to-face sessions (Watson & Watson, 1998). The 2006 survey by EARN suggests most lower-income clients prefer face-to-face meetings, but are also willing to receive services by the telephone and email. That same survey found the typical lower-income client would ideally like an initial session lasting 60 to 90 minutes, followed by three to four follow-up sessions per year to monitor their plan and progress. Focus groups conducted by EARN suggest that clients are willing and able to engage in telephone and email communication after the initial financial plan and goals are established. Even lower-income, non–native English speaking clients expressed a willingness to use phone and Internet counseling, some suggesting that the convenience and confidentiality of these modes was important.

In practice, a single face-to-face session may not be enough to establish a relationship and complete the process of gathering information and setting goals. The initial sessions may need to occur over several weeks or even months until goals are firmly established. The role of the coach as a monitor and sounding board can continue periodically after that point and the use of face-to-face meetings can be decreased or eliminated. Many programs choose to include a face-to-face meeting periodically in order to keep the coaching relationship strong. While the initial sessions may last one to two hours, follow-up sessions tend to be less than an hour. Of course clients will periodically face challenges that demand more time or attention, such as a job loss or other issue. At these times more intensive work by the coach is required, sometimes including face-to-face meetings.

For the programs interviewed, face-to-face coaching sessions delivered by trained staff are almost always conducted in an office setting, typically that of the agency sponsoring the coaching service. On the other hand, coaching sessions delivered by volunteers are frequently carried out in public places, like the local library (which can also serve as a resource for free computer use and Internet access). Programs using professional planners as coaches may have some meetings take place at the planner's office, to the extent that is convenient for the client (in part sessions are held at planner's offices for the convenience of the planner offering pro bono or discounted services). Home-based face-to-face coaching was not used by any of the programs included in this study.

Coaching can take place in a group setting, much like group therapy. The advantage of such sessions is that more clients can be served per hour of the coach's time. There can also be a powerful peer-to-peer advantage, where clients learn from problem-solving for each other. Establishing peer networks has proven successful in changing norms of behavior and encouraging clients to adhere to their plans.

Some coaching relationships may take on more of a case manager role. The coach simply checks in to make sure the client is progressing as planned and refers clients to further services as needed. Coaches in this context can serve a higher volume of clients, although the mutual trust and open communication between coach and client must be carefully balanced. Case management can become more prescriptive and lose focus on empowering a client to take ownership of his or her self-selected priorities.

Some financial coaching programs aimed at lower-income populations employ a more comprehensive or integrated service delivery model. The Centers for Working Families are generally an example of this approach. In this model, coaching is delivered as part of a one-stop shop in addition to other asset-building and family self-sufficiency services. The other model among coaching programs for lower-income clients is a coalition model, such as organizations in the Making Connections initiative or communitywide asset-building coalitions. In these models coaches are provided by one or more agencies to clients from a variety of other programs, including financial literacy, IDAs and tax preparation services. One example is the Maryland Saves Wealth Coach program, through which financial coaches are being

Illustration from the Field:
Multiple Delivery Channels

Part of the Louisville Making Connections initiative, the ***National Center for Family Literacy*** (NCFL) has formed a financial education partnership with Women 4 Women, another local nonprofit organization, to offer financial coaching to women who have attended some financial education workshops.

Clients who are interested in financial coaching enroll in a five-month program that consists of monthly group meetings that address specific financial topics and one-on-one financial coaching sessions with professional women volunteers. At the first group meeting, clients are matched with coaches. In between the group meetings, coaches and clients are required to meet at least once a month. These meetings may be face-to-face, on the telephone or online, depending on the client's preference. As many of NCFL's clients lack computers or Internet access, one of the initial group meetings is usually held at the public library to let clients know about its free access to computers and the Internet.

developed in a variety of settings through trainings from the University of Maryland Cooperative Extension and a standardized service delivery and outcomes measurement process.

Half the programs interviewed for this study only deliver financial coaching face-to-face. One-third of the programs deliver financial coaching through multiple channels: face-to-face, online and/or via telephone. Three programs deliver financial coaching solely via the telephone, and one program uses only telephone-based and online coaching to deliver services across a state or the country. Although several of the private-sector programs aimed at all income levels provide group financial coaching sessions in addition to individual financial coaching sessions, none of the programs specifically designed to serve low-income populations uses group coaching, instead using one-on-one financial coaching sessions. However, many programs offer group financial education workshops or online financial education to complement their financial coaching.

While the staff of programs offering face-to-face financial coaching are often skeptical of the efficacy of telephone-based or online coaching, the staff of programs that do use these technologies to deliver their services cite several benefits:

- Reduces barriers of travel to office, finding child care, taking time off from work, etc.;
- The client may be in a more comfortable environment;
- Clients finds services more accessible at more convenient hours;
- May provide on-demand services;
- Provides confidentiality for sensitive, personal issues clients may not talk about in person;
- May reach more clients per hour of counselor's time; and
- Lowers the cost of service delivery when higher volumes are achieved.

One of the key challenges, however, especially for national call centers, is developing local referral networks for clients who need additional information and services. To be successful, such centers must engage in a significant amount of research and/or rely on local partners.

Of course, every program uses some elements of phone and email to support financial coaching. Telephone calls to follow up with clients in between or after coaching sessions are common. Many programs also using online tracking systems to document client progress and to perform reporting. Supplementary tools include online benefits screening software, budgeting analysis spreadsheets and other resources that help coaches to work with clients regardless of the setting.

Illustrations from the Field: ***Using Technology***

Consumer Credit Counseling Service (CCCS) of Greater Atlanta uses technology to deliver coaching services 24/7 to clients across the country in English, Spanish and TTY for the hearing impaired. CCCS has branch offices in four states, but is licensed to provide services in all 50 states, Puerto Rico and the Virgin Islands. Clients who are not near one of the branch offices have the ability to receive financial coaching via the telephone or live chats online. CCCS has an open model for service delivery with no prescreening, where can clients can call for or start an online coaching session on any topic whenever it is convenient for them. Topics range from the Lemon Law in Georgia to foreclosure and everything in between. Meeting a client's needs ranges from short and easy to complicated and requiring multiple sessions. The typical time slot for a phone-based financial coaching session is 45 to 60 minutes. If more time is needed, then another session is scheduled. CCCS also uses technology to support its integrated, online client tracking system that was developed in-house. The system captures baseline data and notes so that multiple financial coaches working with the same client will be able to access the same information and provide consistent service delivery.

Over the past year, ***One Economy Corporation*** has been researching and planning the development of a new online diagnostic tool for financial coaching. As part of the planning process, One Economy Corporation assembled an advisory committee of leaders in the financial coaching field, conducted consumer research, held focus groups with coaches, and met with behavioral economists about the tool's design. The tool is currently in the blueprint stage, but One Economy Corporation envisions it to be one of its signature tools on The Beehive, its online portal for information and resources on money, health, jobs, schools and family. The diagnostic tool will be featured at the entry point for The Beehive's money section, allowing consumers to take stock of their financial situation through a series of questions, recommending easy action steps, sending reminders via text messaging and emails, and providing help based on life events through online content. At any point in the process, a consumer will have the opportunity to meet with a financial coach via the telephone or online chat through a partnership with CCCS.

5.5 Offering Complementary Products and Services

All of the programs offer financial coaching in conjunction with other products and services. The most frequently offered complementary service is financial education via group workshops or online. Financial education supplements individual coaching sessions by providing specific content in a cost-effective manner. Another common accompanying service is to provide financial services, mainly access to accounts, either low-cost checking accounts or high-yield savings accounts, like individual development accounts (IDAs). Two programs in development — EARN in San Francisco and H&R Block — are planning to offer investment and insurance products.

A little more than half of the programs, including all of those funded by the Annie E. Casey Foundation, offer financial coaching as part of an overall asset-building strategy for low-income households that involves a suite of related products and services, including workforce development, financial services (bank accounts, loans), public benefits, community tax programs and financial education. In most cases, the full suite of products and services is provided within the organization operating the financial coaching program. In one-third of the cases, the complementary products and services are offered through a local coalition of service providers.

One important activity involved in almost any coaching session is making referrals. As clients require additional services, coaches should know where to refer clients for follow-up. Coaches typically benefit from having access to a standardized protocol for making referrals and an accurate list of resources and contact information.

Illustrations from the Field: ***Integrated Services***

WECO Fund, Inc. (WECO) provides financial services and programs to low- and moderate-income households in Cleveland, Ohio, to help them achieve financial stability. Those services and programs include financial coaching, microenterprise development, individual development accounts (IDAs), financial education and financial planning services (in partnership with local CFPs). WECO offers financial coaching as a standalone service or as part of its other programs. For example, all IDA participants receive financial coaching. Clients interested in financial planning often participate in financial coaching first. Moreover, clients who are enrolled in other programs, like homeownership, may be referred to financial coaching for additional assistance. The financial coaching program developed out of WECO's IDA program because many clients who purchased assets would contact the organization with additional questions and concerns. The program requires a minimum commitment of monthly, face-to-face meetings for one year. The first session normally lasts for one to one-and-half hours. Follow-up sessions range from 15 minutes to one hour. After the yearlong commitment, additional follow-up if needed may be delivered face-to-face, via the telephone or by email.

5.6 Content of Coaching Sessions

The predominant focus of most financial coaching programs is to help clients achieve self-determined goals. In addition, coaches work with clients on changing financial behavior and facilitating decision-making. The content provided in financial coaching is driven by clients' needs and goals, ranging from basic life skills to investments or even foreclosure prevention, as needed. Similarly, the activities included in any specific coaching program will vary according to the need of clients.

A key component of any coaching session is to build the relationship between the coach and the client (also known as designing the alliance or contracting). The relationship between the coach and client is the foundation of coaching (Flaherty, 2005). Most coaching relationships begin with a lengthily session to set expectations, boundaries and logistics. This session also involves the goal setting, where coaches ask clients "what does success looks like to you?". Flaherty suggests coaches must believe that a client's goals can be achieved, even if they seem far-fetched.

The typical goals, content and activities that are involved in financial coaching programs follow.

Components of Financial Coaching for Low-Income Clients

Goals of Coaching	• Achieve client-defined goals • Address immediate issues • Support specific actions to meet goals • Improve financial situations	• Change financial behaviors • Facilitate decision-making • Provide tools, resources and referrals
Content of Coaching	• Asset accumulation • Expenses • Income • Savings • Credit • Debt • Investments • Insurance • Mainstream financial products and services • Public benefits • Identification issues • Taxes • Employment	• Fringe financial services • Education • Careers • Filing systems • Transportation • Community resources • Legal issues • Foreclosure or eviction • Emergency issues • Loan defaults and overdue bills • Basic life skills
Typical Coaching Activities	• Design alliance with client • Define and set goals • Assess current financial situation • Develop new or review existing spending plan • Develop action plan • Identify resources, tools and services • Address client-specific issues • Pull credit report	• Track expenses • Analyze income and liabilities • Develop debt reduction plan • Monitor client progress • Make referrals as needed

Illustration from the Field: ***Content and Activities***

The ***Chicago LISC CFW*** sites employ full-time financial coaches supported by a grant from the John D. and Catherine T. MacArthur Foundation. Coaches focus on seven core areas with clients: (1) expenses, (2) debt, (3) savings, (4) investments, (5) insurance, (6) taxes, and (7) identity security. Chicago LISC has developed a "Financial Coach Problem Solving Manual," which outlines the steps and resources to address the most common financial issues.

Financial coaching services tend to be more intense and take longer at the beginning of the coaching relationship. As the coach and client get more comfortable with each other and the issues being addressed, the length and frequency of sessions decreases unless a pressing issue arises (in which cases meetings may even be daily). Typical activities of coaches in this program are:

- → Pulling a credit report
- → Assessing current financial situation
- → Creating an income statement and analyzing availability of disposable income to save
- → Developing a spending plan/budget
- → Creating a balance sheet
- → Tracking expenses

After these activities are complete, coaching services depend on the client's specific needs and goals. Monthly meetings are not required, but regular meetings with clients are encouraged.

Chicago's program uses a needs assessment tool based on the stages of financial stability developed by Alternatives Federal Credit Union in Ithaca, New York, including: (1) Chronic Borrower; (2) Transactor (someone who is paying bills on time and managing debts); (3) Saver (someone who is setting aside money on a regular basis; and (4) Investor (someone who is obtaining and managing assets). Most clients at the CFW sites are in stage 1, chronic borrowing, but can move to stage 3, saver, within three to four months after the first meeting with a financial coach. Coaching ends for clients when the investor phase is reached, although the program remains in its early stages and few clients have progress to that point.

5.7 The Duration of Coaching

Individual financial coaching sessions may take from 30 minutes to two hours, with the average lasting for one hour. Initial sessions tend be longer, while follow-up sessions may be as short as 15 minutes, especially if conducted via the telephone.

Roughly half the programs are structured to deliver financial coaching as often as needed for as long as needed, as determined by the client's needs and goals. The other half of programs have a set program structure with a limited number of meetings over a specific period of time. For structured programs, the frequency and duration may range from as little as three meetings over three to four months at Co-opportunity in Hartford, Connecticut, to monthly meetings over two years at the Experiment in Self Reliance in Winston-Salem, North Carolina, and Community LINC in Kansas City, Missouri. The majority of private-sector financial coaches support open-ended relationships, but approximately half of them require a minimum commitment of three months of regular meetings. Only two programs that focus on low-income populations require minimum commitments from clients; however, they require a longer minimum commitment of one year of coaching.

Illustration from the Field: ***Highly Structured Program Using Volunteers***

Co-opportunity, part of the Hartford Making Connections initiative, offers a highly structured budget coaching program that is geared toward families who lack a spending plan and experience tracking expenses as a first step to plan for their financial future. Financial coaching is provided by volunteers mainly recruited from private-sector corporations in cooperation with the United Way. Each coach is matched with one client at a time. Unlike other financial coaching programs, Co-opportunity is very specific in terms of helping clients to develop and implement a spending plan to achieve their self-defined goals.

Clients first meet with Co-opportunity's budget coaching program manager, who gauges their interest, assesses their current financial situation and pulls a credit report. After the initial one-hour meeting, the budget coaches meet with their assigned clients for three two-hour meetings over three to four months for a total of seven hours in the program. In between each meeting, the program manager checks in with clients via brief telephone calls. After the last meeting, the program manager holds follow-up meetings with each client to refer them to any appropriate programs or services, as well as for tracking purposes. Throughout the entire process, the focus of the program is on the client's goals, his or her spending plan and the steps he or she needs to take to achieve the goals.

The first session with the coach is used to set the client's goals. The client's homework after this session is to track his or her expenses. The second session is used to develop the spending plan. The client's homework after this session is to use the spending plan. The last session with the coach is to review the spending plan and make any necessary adjustments.

Laura O'Keefe explained the rationale for the program's focus on budgeting by describing a budget as "a springboard for financial security. A budget links to everything else — credit, savings and investments. Budgeting is something that everyone needs to do regardless of how much money someone has, so clients view it as a nonthreatening word."

Co-opportunity trains its volunteer coaches based on the budgeting unit from Port Job's[45] "Financial Mentoring Program (FMP) Curriculum and Program Guide." The training, which is offered quarterly, is eight hours over one to two sessions. Co-opportunity is continually revising the training and recently added a section on client sensitivity. This year, 49 coaches were trained and 26 teams were engaged in the program.

Along with the local United Way, ***Empire Justice*** is a lead agency of CASH (Creating Assets, Savings and Hope), a community coalition in Rochester, NY, established in 2002 to help working families build stronger financial futures through free tax preparation, alternatives to predatory lending practices and asset development programs. One service offered through CASH over the past two years is a 10-month financial coaching program that is delivered by volunteers from the community tax program and partners in the coalition. The purpose of the program is to set specific financial goals, and then identify the resources and next steps needed to achieve them. During the first year of the program, 25 teams started in the program and 10 completed it. This year, 30 teams were started and 17 completed it.

As a prescreening tool, a senior associate interviews clients who say they are interested in the program. From there, clients are invited to enroll in the program, which begins with a 30-minute orientation session that is attended by clients and coaches to review the program's commitments. Directly after that session, clients meet with their coaches to sign a contract and plan to meet monthly at a mutually agreeable time in a public place.

[45] Port Jobs is a nonprofit organization working to increase access to living wage jobs and foster a more vibrant and equitable economy for residents of Seattle and King County. A toolkit designed for people and organizations exploring whether and how to do financial mentoring, the "FMP Curriculum and Program Guide" is designed to help clients gain a working knowledge of key financial concepts and learn how to apply them in daily life.

To measure the program's impact, each client's net worth is calculated at the beginning and end of the program. In addition, clients are asked to complete pre- and post-program questionnaires about their financial skills.

Empire Justice worked with a local nonprofit, the Credit Education Bureau[46], to develop an in-house training program for volunteer coaches over two four-hour sessions, for a total of eight hours, that covers coaching skills, client relationships, setting values, and budgeting and credit issues. The program is staffed by two full-time employees: the CASH coordinator at Empire Justice and the executive director of the local education bureau.

5.8 Client Recruitment and Management

Although one practitioner interviewed for this study suggested that the ideal client for financial coaching is "someone who has a handle on his/her finances, is out of crisis mode, has some financial stability, is ideally working with a steady income, and has stable housing," those characteristics do not represent the clients being served by the majority of programs. All of the existing programs interviewed have an "open-door" policy for financial coaching, and thus serve a large portion of clients with credit issues and limited resources. In fact, many practitioners referred to their target audience as "vulnerable." They also talked about the fear and negative emotions many clients have surrounding financial issues, as well as the prevalence of mythology or misinformation among their target populations. Due to the nature of their complementary products and services, like workforce development, some programs are providing financial coaching to a disproportionate number of unemployed or underemployed households. Several programs target specific segments of the low-income population, such as the National Center for Family Literacy in Louisville, Kentucky, which serves women only; Community LINC in Kansas City, MO, which serves the homeless; and CNM, which serves community college students. Certainly coaching can and does work in these settings, although these clients may need more intensive work, more careful referrals to other services and more emphasis on counseling to complement coaching.

In general, programs recruit clients for financial coaching in one or more of the following ways:

- Referrals from in-house complementary programs and services;
- Referrals from other service providers or partners;
- Program requirements, like IDAs;
- Word-of-mouth referrals; and
- Marketing and outreach strategies.

Empire Justice, a lead agency of the CASH coalition in Rochester, NY, recruits clients for its 10-month financial coaching program through its community tax program. To test a client's

[46] The Credit Education Bureau is the nonprofit subsidiary of a full-service credit bureau that provides collection and credit-reporting services to businesses across the country.

commitment to the coaching program, Empire Justice schedules a pre-screening interview with a CASH staff person. Only after attending that session are clients invited to enroll in the program. Emerging programs from H&R Block and separately EARN in San Francisco are considering minimum qualification requirements for their financial coaching programs, which might include maximum debt-to-income ratios, stable housing, stable income and/or employment, experience with budgeting and saving, no credit problems, and/or a minimum savings amount. Clients failing to meet the minimum requirements will be referred to alternative programs and services in an attempt to help them to begin to reach these minimums.

Client Retention

Coaches can be thought of as having an implicit contract with clients. Coaches help the client set goals and practice skills, but ultimately the client drives the learning process. Research suggests that behavior changes are more successful when people can create enforcement mechanisms for themselves. The coach plays that role. Some clients, however, will not cooperate with this approach. For some the coaching model may not be appropriate; they have other issues that impair their ability to monitor and control their behavior. Other clients may simply prefer a more prescriptive process. Even among clients for whom coaching is a good match, some will drop out over time. In one sense clients "graduating" to the point where a coach is no longer needed is a success. But other clients may drop out because of other reasons and no longer pursue their goals.

All programs should expect some attrition over time. How much to pursue clients who have lost touch with their coach is not always clear. Some coaches continue to attempt to work with uncooperative clients several times. After three or more attempts a client may be considered terminated. Other coaches continue to contact clients and encourage participation, while others terminate relationships for only one missed meeting. The exact nature of how financial coaching programs manage attrition depends on the nature of the clients being served. In general it is good coaching practice to periodically allow clients to assess their progress and their goals and re-consider if coaching still is a priority. Clients can be given an option to formally "graduate" rather than simply drop out if coaching is no longer a match and some goals have been achieved. Some clients will need and want coaching for several years. Others may prefer that coaching only last a few months. Programs need the ability to screen clients based on their needs and the flexibility to address various types of clients.

Of course, all financial coaches need to be sensitive to the mental health needs of coaching clients. Financial issues often unearth problems of self-control, which can be a symptom of more serious disorders. Supervision of coaches by trained mental health professionals is ideal, and all coaches should be able to make appropriate referrals to more intensive services as needed (Griffiths, 2005; Whybrow & Palmer, 2006).

Approximately half of the programs interviewed require specific time commitments from clients up front, which helps to manage expectations and, in turn, increases retention rates. Other client retention strategies include:

- Using incentives, like IDAs, lower interest rates on loans, access to low-cost bank accounts or free credit reports and scores;
- Holding regularly scheduled meetings; and
- Having participants and coaches sign a contract.

Illustration from the Field: ***Client Retention***

EARN, a nonprofit in San Francisco, is in the process of planning a financial planning and investment pilot program for alumni of its IDA program. The pilot will involve a number of integrated services over a several-year period, including group financial education, financial planning, financial coaching and financial services. To keep clients engaged in the program, EARN envisions using the following retention strategies:

→ Setting appropriate expectations by developing simple handouts on the program's requirements;
→ Developing client participation agreements;
→ Communicating with clients frequently and regularly;
→ Beginning with a high-touch approach;
→ Highlighting success stories;
→ Strategically reconnecting with clients at specific points in the year, such as the tax-filing season;
→ Offering meaningful and proven incentives, like gift cards;
→ Watching for clients who are in danger of dropping out of the program; and
→ Creating commitment devices and emotional investments such as public announcements of goals.

6.0 Critiques of the Financial Coaching Model

A number of challenges to the idea of financial coaching for low-income clients were discussed in interviews conducted for this study and in a review of the literature. Certainly not all of these issues create problems for all types of financial coaching programs, and none suggest that coaching is without merit. Indeed, most of these potential problems can be addressed. These critiques can help to improve and shape financial coaching and are important to understand.

6.1 Coaches Lack Financial or Counseling Expertise

Financial coaching combines the skills and knowledge of financial planning with the approach and techniques of personal coaching. A good financial coach would be well versed in the content of personal finance and the discipline of coaching. There are standards for coaching, although there is not one universally accepted accreditation (the ICF standard appears to be gaining wider acceptance, however). There is a well regarded standard for financial planning, the CFP designation. However, many financial counselors or consultants operate under other auspices, or have no professional designation at all. There are no specific standards for financial coaches. Most of the programs interviewed for this study have struggled with having coaches who may be more skilled at personal finance than coaching, or vice versa. Arguably, financial coaches do not need deep expertise in personal finance when serving low-income populations. Knowledge of program eligibility may prove more useful than knowledge of estate tax laws, for example. A good coach can operate with lower levels of content expertise if he or she knows how and when to refer clients to other sources of more technical services or how to find information than can help the client overcome obstacles to their goals. Having solid coaching skills is obviously very important. But the primary factor is that the coach understand how coaching works and his or her specific role in the process. If he or she can embrace the role of a coach, then the facilitation skills commonly taught to counselors, consultants and other professionals will be useful.

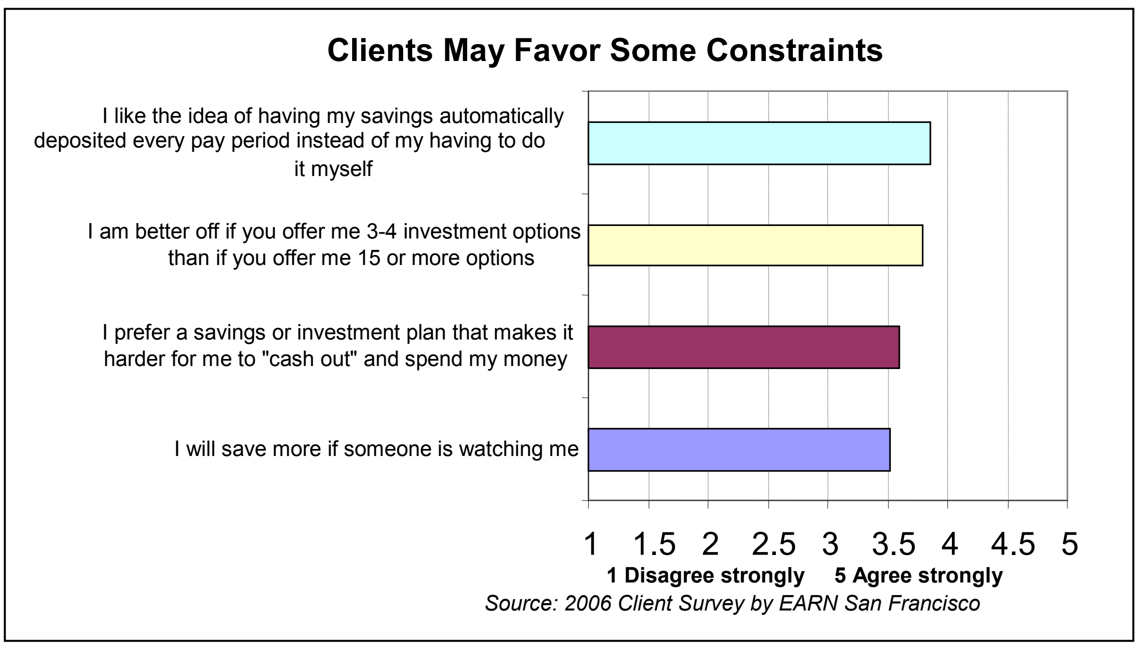
6.2 Counselors/Planners Already Do Coaching

A very common comment by nonprofit practitioners in the financial education field is to label financial coaching a “funder-driven fad.” The argument is that financial coaching is just a re-branding of financial education and counseling efforts. Certainly there is some validity to this complaint. Even strong financial counseling and education programs can struggle to find support for their work. As financial coaching programs are developed and successfully obtain grant funding, this naturally creates some tension. However, coaching need not be a threat to counseling and education, and in fact can be a useful complement to those services. If clients are viewed along a continuum, counseling and education may be viewed as introductory or even remedial services needed to bring clients up to a higher level of control over personal finances. Coaching represents the next stage, one where clients begin to operate more autonomously. As coaching programs garner financial support, there is a risk that some agencies will angle for funding by calling their financial counseling or case management efforts “coaching programs” without any expertise, training or changes in service delivery. Establishing standards for financial coaching programs could help to limit the number of charlatan programs.

Financial planners will argue that a good financial planner always acts as a coach. Many planners do not simply generate a financial plan without working with a client to develop goals and to address issues they need to work on together. For planners seeking more affluent clients, the discussion over accreditation and competition between planner-coaches as opposed to standard financial planners is more relevant. Among low-income populations there are few active financial planners and most cannot afford to engage in providing longer-term services as would be entailed in a coaching relationship.

6.3 Clients Need More Structure

Another critique of coaching is that it can be overly focused on the client for setting direction and taking action. Research in psychology and behavioral economics increasingly suggests that people need some constraints, especially when making financial decisions. They need more limited choices, decisions that require less cognitive processing and frameworks that overcome aversion to risks. This school of thought suggests that some level of "enlightened paternalism" benefits clients — at all income levels. If coaching is overly client-focused and flexible, the client will not proceed toward greater asset-building or self-sufficiency. Recent data from low-income clients of EARN in San Francisco support this point. Clients agreed that some structure and limits would help their financial decisions. It is important that coaches, especially those working with clients who have a history of struggling to make and adhere to financial decisions, balance being client-focused with setting limits and strategically framing choices.



6.4 One-to-One Coaching Misses the Role of Peer Support

Peer-to-peer interactions are frequently part of behavior change programs in any number of contexts — from addiction to exercise promotion to weight loss. Working toward a goal with a peer group helps establish peer norms which create pressure to change behavior. By making a goal public and being accountable to others seeking similar goals, most people will perform better. Moreover, clients experiencing similar issues can provide mutual support and advice. Any one-to-one model of service delivery has the potential to miss out on the power of peer groups. However, coaching can occur in a modified form in groups, and clients working with a coach can additionally take part in sessions with groups of clients working on similar issues. Coaching programs should examine how clients might be provided opportunities to work together and provide peer support.

6.5 The Costs of Coaching Are Too High

The costs of any one-to-one service are higher than services delivered to a group of clients. Because coaches have special skills in personal finance and the coaching process, they may command higher compensation than counselors or other service providers. If professional planners are used, the cost per hour of coaching can be substantially higher. Because few coaching programs for low-income families can generate fees from clients, they must rely on grants and other subsidies to operate programs. Over time this model may not be sustainable. The costs of coaching can be reduced, however. Using volunteers or para-professional coaches (such as planners in training) is less expensive than paying market rates for planners. Also, the number of sessions can be reduced and more sessions can be delivered on the phone or by email. The use of some group sessions for skills training and peer groups for monitoring can also be more cost-efficient than purely one-to-one interactions. Ultimately the question is not does financial coaching cost more than other approaches, but given its costs, does it have more sustainable effects on low-income clients? This is an empirical question that has yet to be studied, supporting the idea that financial coaching needs a systematic evaluation of costs and outcomes.

6.6 Coaches Are Not Qualified To Do Therapy

Coaches often cite cases of clients who made major emotional breakthroughs in their coaching sessions. Such anecdotes are powerful but also raise potential problems. Unless coaches are trained as mental health professionals, they need to be careful monitors of their clients' mental status. Specifically, they need to know when to refer clients for more intensive support. Better coaching programs should offer supervision as is common in therapeutic settings, where coaches can bring cases to an experienced professional to help talk through various responses and strategies. This can also help coaches to process their own feelings that may have been triggered during the coaching session. The coaching field in general needs to be cautious about the boundaries between coaching and therapy. State regulatory boards have begun to examine coaching relative to the practice of licensed therapists, and may apply the standards regulating therapists to coaches. This would entail much more scrutiny and regulation. The ICF and other coach groups are aware of these issues and educating state regulators about these distinctions, while also trying to be more clear about the limits of coaching for practitioners and clients[47] (Whybrow & Palmer, 2006).

[47] For credentialing purposes, any time providing a service other than coaching, such as consulting or therapy, is not counted toward certification as time spent coaching.

7.0 Measuring Results

Because financial coaching is such a new field, it has not been part of any systematic evaluation. The coaching process is highly diverse, with clients pursuing a wide range of goals and outcomes. But proving the value of financial coaching to funders, policymakers and clients will be important to the future of the field. Moreover, the costs and benefits of various approaches to financial coaching, from more costly programs intensively using professional planners to less costly programs offering limited-duration coaching provided by volunteers, are unknown.

Most coaching programs include some measures of the outputs of their programs, such as the number of coaching sessions, demographics of clients and retention rates. Others collect data on client financial conditions at the start of the program, ideally also collecting data after the coaching process may have had an effect. Still others record how many clients have achieved the financial goals they have established. All of these approaches are encouraging.

Most financial coaching sites are not collecting common data points, however. The result is that program results cannot be aggregated or compared across sites. Such data could help programs to benchmark how well their financial coaching model works compared to other models. It could also help make the case on behalf of the larger field that coaching has merit and deserves wider support. There are many examples from similar fields — notably housing counseling and credit counseling — where a collection of nonprofit programs struggled for years to agree on common standards for delivery and outcomes measures. As a result, organizations continue to be challenged to provide evidence of their efficacy.

It would be ideal if financial coaching programs serving low-income clients committed to collecting a standard array of client characteristics and measures using prevailing software. These data could be collected over time, creating a standard for the time and costs of particular types of clients for achieving their goals. For example, very-low-income clients with significant credit issues might require eight hours of coaching and $1,200 in resources to reach a specific savings goal using one approach, but six hours and $700 in resources at another. The exact nature and intensity of clients needs will not be equal across sites, but comparing major differences between categories of clients and categories of outcomes can be very helpful.

Regardless of whether the ideal structure can be achieved, there is a basic set of tools either in use or under development that could be used by financial coaching programs. These tools include surveys, credit reports, focus groups, financial ratios and self-reported financial well-being indices. These can be used individually or in combination.

Pre-post Surveys. For an issue such as financial coaching, client-level data is required to be collected over time. This includes a baseline assessment and then follow-up data at regular intervals. A simple approach would be to collect data at intake and exit from the program. Such a survey might include basic demographics; a list of current savings, investments and debts; questions about financial knowledge and attitudes; and financial goals. However, programs may want to measure results before clients leave the process, and trying to collect data from terminating clients can result in many clients not submitting any follow-up information. Another approach is to conduct the survey quarterly or at some other regular interval. The process of distributing and collecting surveys can be challenging, however. If response rates are low then the validity of the data may be in question.

Goal Tracking. Most programs have systems to document each client's goals and steps toward achieving those goals. Good goals are concrete and measurable, such as a client achieving $500 in savings or reducing debt by 20 percent. If goals are recorded at the time they are created by the client and then tracked over time, the time and resources required to progress to each stage can be assessed. Systems might be integrated into the beginning of all coaching sessions, and even include an online component for monitoring by the client, coach and administrators.

Credit Reports. Credit reports offer one avenue for tracking client financial conditions. Credit reports include payment behavior, outstanding credit, available credit, open accounts, and other factors, including credit scores. Improvements in any of these factors might suggest a client is bettering his or her financial status. In addition to rich data, credit reports can be gathered without requiring the client to fill out a survey; the data are not self-reported. The disadvantages of credit reports for research on financial coaching are the cost of pulling the reports (typically $15 to $20), the lack of data on client knowledge, attitudes and goal attainment, and the need to obtain client consent to access the data. The costs of pulling reports can be negotiated slightly, but not entirely. One strategy is to randomly sample clients for credit report analyses, thus reducing the number of reports required. Reports can be combined with surveys to gather more comprehensive data. Client consent to pull credit reports at a specified time point in the future, such as 12 months after a coaching relationship begins, can be obtained during the contracting phase of the program. Note that agencies pulling credit reports should make sure their requests are classified as "soft inquiries," and are not recorded as if the client were seeking another source of credit.

Focus Groups. Program staff can learn a great deal about how their program is working by conducting regular focus groups with coaching clients. These results are difficult to analyze across sites, however. Focus groups are best when conducted in a systematic fashion and the responses are analyzed over several groups or sessions. It can be time-consuming work, and clients typically need incentives to participate. However, the transcripts of focus groups can be very helpful when analyzing how a program works in reality and what attracts clients to and keeps them in a program.

Financial Ratios. Another approach is to collect data on client accounts, either from direct access to their accounts or by collecting copies of financial statements voluntarily submitted by clients. Some programs provide specific financial services or IDA accounts that allow such data to be monitored continuously without the client having to bring in information. The other alternative is to have clients share copies of bank and other statements at each coaching session. By gathering data on account balances, income and spending, a series of financial ratios can be tracked.

Financial ratios commonly used in the financial counseling process are relevant to the service delivery process and also useful for monitoring progress (Bi & Montalto, 2004). Common ratios include the following:

- Liquid assets/monthly fixed expenses, or months of precautionary savings;
- Liquid Assets/Non-Mortgage Debt, or asset/liabilities ratio; and
- Savings/income, or savings rate.

Self-Reported Financial Well-being. One technique that can be incorporated into surveys or a regular tool to start each coaching session is to use a standardized, subjective financial well-being index. These simple self-reported indicators can be valid indicators of overall financial well-being (Prawitz, Garman, Sorhaindo, O'Neill, Kim, & Drentea, 2006). The scales involved in these indices have been tested in various settings and can be administered in many cases using 10 or fewer questions that require less than three minutes to complete. Surveys could be conducted periodically in person, via mail or email and can easily be automated given the simplicity of the design. These measures provide information on how a client's perception of their financial condition has changed and how their baseline and changes compare to their peers.

Software Systems. Many financial coaching programs may benefit from software that includes client tracking and reporting, financial analysis tools and coaching management components. While many financial planning software programs may offer these comprehensive features, these tend to be designed for use by professional planners working with high net worth clients. Community Based Financial Planners (www.cbfp.com), a private sector firm that offers low-cost financial planning services to working families in Western Massachusetts is in the process of developing proprietary financial planning software. The system has two parts. Eggplant is essentially financial planning software, while Enchilada, an online case management tool, is designed to aid coaches working with low-income clients.[48] Eggplant is a rules-based program that collects demographic and financial data, performs analyses, allows for scenario comparisons and generates reports. Enchilada offers a web-based case management framework to share information across staff or sites. As programs will likely vary in terms of their service delivery process and data collection needs, a unified communications platform would be required to aggregate and/or compare data across sites. This product is still in its initial design, but may prove useful to financial coaching programs.

Illustration from the Field: ***Measuring Results***

Chicago LISC *created a 32-question diagnostic to measure client financial habits in seven core areas. This diagnostic, along with a credit score, is used to develop a client's baseline profile. Every six months, the profile is updated by re-administering the diagnostic survey and analyzing income statements and personal balance sheets. The credit score is rechecked after 12 months. The financial coaches also use a customized tracking system developed by Chicago LISC to record every issue they work on with a particular client. All of these data points together are used to measure the success of the financial coaching program.*

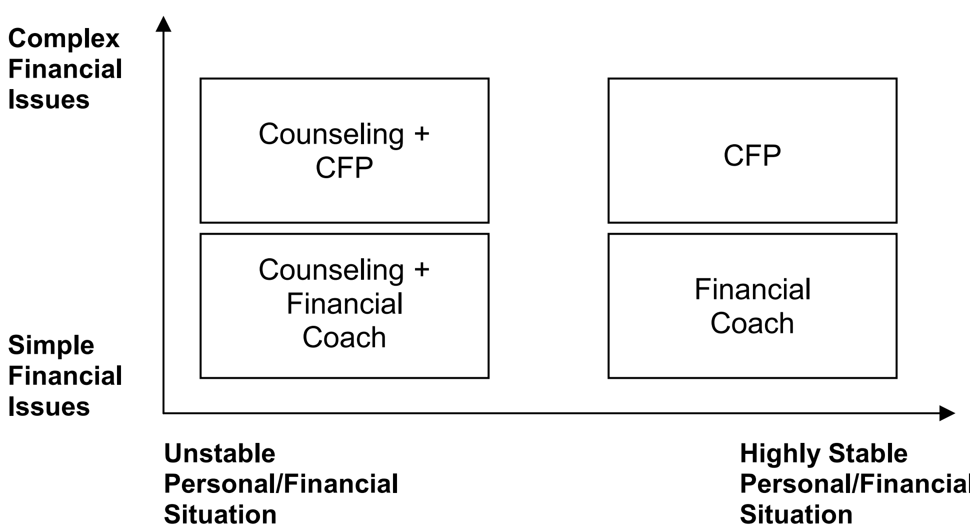
[48] These are currently in the testing phase.

8.0 Implications and Conclusions

Clearly, financial coaching is different from financial counseling or financial planning and has strong potential to help low-income clients improve financial behaviors over time. Although the models of delivering coaching services vary across providers, several themes emerge in terms of best practices in coaching which may be instructive for existing programs and new programs still in development.

8.1 Matching Client Type to Program Model

The programs reviewed in this study use a variety of approaches. It is impossible at this stage to recommend the use of professional planners over the use of volunteers or trained staff. However, it is clear based on interviews and a review of the coaching psychology literature that programs engage in a matching process to deliver services most appropriate to the client population served. Every financial coaching program serving low-income clients has to effectively recruit and retain clients, and ideally focus on clients most appropriate for coaching. Programs also have to face the realities of the available human and other resources in the community. The figure below provides one framework for illustration. On the horizontal axis is the typical client's personal and financial stability — similar to the functioning continuum provided by Grant's review of personal coaching. On the vertical axis is the complexity of the client's financial needs. A highly stable client is one with no major emotional issues and steady employment, consistently affordable housing costs and controlled debt and credit issues. These clients are ripe for making progress toward financial goals. Examples of these clients might be recent graduates of an IDA program or clients receiving a large refund through a tax preparation program. For clients with basic financial issues, such as budgeting, savings and perhaps education and retirement planning, a financial coach with a sound understanding of financial finance is ideal. For the minority of these stable clients with more complex financial issues, such as an inheritance or other issue, a professional planner or CFP may be more appropriate.



For clients with less stability in their personal or financial lives, such as those with issues of depression, inconsistent income or high housing and debt expenses, counseling may be required in addition to coaching. If clients with more instability also have complex financial issues, there may be a greater role for a professional planner to provide technical guidance.

Of course in reality clients may straddle these boxes, requiring a mix of services, depending on where they lie along the continuum.

8.2 Community Context

Aside from the needs of clients, the other important factor in determining the design of a financial coaching program is the availability of counseling, planning and other financial and coaching professionals in the community. If a community has major employers with large numbers of professionals with skills in personal finance, and the business community is supportive of efforts to engage employees in volunteer efforts, then using volunteers may be an ideal approach. Volunteers reduce the costs of delivering coaching, although volunteers must be trained and supported as with any other coach. Volunteers also may not be as appropriate for longer-duration financial coaching. Volunteers must be committed to the coaching process, as an inconsistent coach could do more harm than good. However, the experiences of successful student mentoring programs using volunteers are consistent with the concept that volunteers can be reliable under the proper structure. One other key issue is that volunteer coaches are trained not just on coaching and financial content, but also on understanding the targeted client population.

If an organization has existing staff with strong counseling skills who are eager to be trained on the philosophy of coaching, using in-house coaches may be most appropriate. In this case volunteers might play a less substantial role or not be used at all. Staff may be able to provide services more regularly and for a longer duration. Staff will generally have strong knowledge of the client population. Most staff will be weak on coaching fundamentals and/or personal finance issues. Staff may need customized training opportunities to remedy these areas. Of course, even paid staff will turn over and new staff will require training. Likewise, existing staff will need continuing education, especially on personal finance topics.

A community with a strong financial planning association, including firms specializing in low-wealth clients, or even better a local school training future financial planners, may be ideal for fostering the professional planner model of coaching for low-income clients. For example, CNM Foundation's financial coaching program, which uses financial planners who are skilled at coaching, recruited through the local FPA, trained on the client population and paid at discounted rates to deliver coaching, is highly replicable and successful. CNM Foundation has witnessed increased student retention rates in its community college among students who have received coaching services. As indicated by staff at CNM and a recent survey of low-income clients by EARN, clients clearly value the services of professional planners. If programs have access to low-cost planners who are skilled at coaching and understand the client population, it could be advantageous for them to deliver financial coaching through paid professional planners.

Private-sector firms are beginning to focus more on low-wealth clients, including Louis Barajas and Associates in Los Angeles, Community Based Financial Planners in Western Massachusetts and Sage Financial Solutions in San Francisco, all interviewed for this report. As these types of firms expand, more partnership opportunities may emerge.

Illustration from the Field: ***Planners Specializing in Low-wealth Clients***

Sage Financial Solutions has been funded by the CFP Board to create a financial planning incubator to further extend the reach of planning services among low-wealth individuals in the San Francisco Bay Area. Individuals who have completed a course of study at a CFP Board-Registered Program will be offered support to start providing planning services targeted to low-income working families. During the three-year program, novice planners will be involved in workshops as well as one-on-one and group training sessions.

"The incubator will create a bridge between new planners who want to start a business but have limited capital and prospects (clients) who want to work with a planner but need to pay a reduced fee," founder Saundra Davis explains. "The incubator environment can accommodate the needs of both parties by offsetting the high costs of starting and operating an independent firm" while also offering affordable planning services.

Incubator graduates will enhance low-cost planning services for low-wealth individuals and hopefully also enhance the diversity of the financial planning profession itself. The program seeks to increase the demand for financial planning services in underserved communities and also to inspire some clients to become planners. The financial planning community has been strongly supportive of the incubator. If successful this model could be replicated in other communities.

8.3 Support for Coaches

Regardless of the model of a financial coaching program, all coaches, be they staff, volunteers or planners, need ongoing support in several forms:

- Ongoing training and continuing education on personal finance topics, client issues, changes in relevant programs and helpful programs for referrals (such as tax preparation or benefits screening).
- Supervision from staff or a consultant with a background in counseling and mental health issues to discuss any important emotional issues that arise in coaching sessions.
- Technical support from an expert on personal finance, income tax law, education funding, retirement benefits and other topics. This might take the form of an accountant, attorney or advanced financial planner who is available for technical questions by phone or email as needed.
- Standardized referral systems so that coaches know when and how to send clients to an appropriate suite of complementary products and services that will help them achieve their goals.

- Retention strategies to ensure the long-term success of the program. Failing to retain a key employee or volunteer is costly. Keeping staff or volunteers engaged requires quality supervision, clear expectations, open communication lines, use of personal talents and skills, proper tools, time and training, opportunities for personal development and frequent rewards, recognition or appreciation.

- A support network for coaches, planners and other financial experts at the organizational, community or regional level with opportunities to share lessons learned and advancements in practices. Attendance at personal financial counseling conferences might be one important resource.

8.4 Coaching Components

The programs interviewed for this study used a wide range of approaches for their coaching services. Many of the approaches appear to be highly effective and also consistent with existing research in psychology and financial behavior. These are not critical components of all financial coaching programs, but do appear to be useful for programs to consider:

- Offering clients opportunities for peer-to-peer group meetings in addition to one-to-one coaching. These sessions can help reinforce commitments to goals and help clients to learn from one another.

- Using group education as a complement to financial coaching. Conveying financial knowledge in a one-on-one setting is time-consuming and expensive. Basic financial content on special topics, such as insurance, retirement accounts, or tax planning, can be more efficiently (and consistently) taught in a group session depending on the program's capacity.

- Explore technology. BALANCE offers web-based education on a variety of topics with exams that generate evaluation scores at the end of each module. For programs that lack the capacity to offer group financial education, this might be an appropriate complement to coaching. If a client needs more information on credit scores, she or he could complete the online training on his or her own. The coach can use the score as evidence of completion.

- Focusing on not only on client-driven goals, but also on helpful constraints as appropriate. The philosophy of coaching is to allow clients to focus and develop according to their needs and demands. However, imposing some structure, time limits and narrowing the field of choices for clients can often help them to make stronger progress.

- Using one-on-one coaching as needed, but defaulting to phone or email as soon as possible. Establishing trust is critical to financial coaching, and so initial sessions seem to be best held in person. But more sessions can be delivered at lower costs to the program and the client, taking account of their time, if alternative methods of coaching are used.

- Soliciting feedback and moving toward "graduation." Coaches need to make sure they are still adding value and that the client is fully engaged as the process continues. At some point the benefits of the coaching process will decline and the coaching relationship will need to be brought to closure. Coaches should be trained to conduct regular check-ins, and programs should have a way to make sure coaching is still relevant for each client.

- Strong measurement of goals, outcomes and client characteristics. Program staff often feel overwhelmed with reporting and data-tracking responsibilities. The relative newness of the financial coaching field provides an opportunity to establish evaluation standards and tools across providers and avoid a proliferation of metrics and tracking programs.

- Charging clients at least nominal fees. Charging fees is appropriate for a program focused on financial management and issues. Even a small fee is a signal of a client's commitment to make coaching a priority. In any case, if financial coaching is to expand to a larger population, programs need to explore more sustainable (less grant-dependent) business models.

8.5 Implications for Funders and Policymakers

Foundations like the Annie E. Casey Foundation as well as leaders in asset-building policy should find great promise in the financial coaching field. It seems to be overcoming some of the shortfalls of financial education or programs providing financial products by offering tailored services over time. In the short run there are several opportunities to further the efforts of financial coaches for low-income clients:

- Support for training of financial coaches in financial content. Two potential avenues worthy of consideration are AFCPE and the Center for Financial Social Work. These are existing programs geared toward nonprofit financial counselors or social workers, respectively, to deliver personal finance content. Both programs offer self-study education with no required travel costs.

- Support for training of financial coaches on coaching skills and approaches. One low-cost means of conveying the fundamentals of coaching is to offer a noncertification course though an ICF-accredited certification training program. Both the Coaches Training Institute and New Ventures West Coaches offer a basic three-day course regionally several times annually for $695 plus travel. Coach U offers a four-week program for $49 using email, web pages and telephone conference calls. Although its current content focuses on coaching as business development, it may be adaptable for teaching the fundamentals of coaching.

Because no one-stop financial coaching training program can cost-effectively serve nonprofits training coaches to serve low-income clients, a combination of these two approaches would be required. None of these specific programs were carefully evaluated as part of this study, but they do provide examples of the types of programs that could be matched to deliver cost-effective financial coaching training. Ideally AFCPE or another organization could include financial or wealth coaching as a track at future conferences, providing training, certification and networking opportunities for this growing field.

Existing financial coaches also need support and ongoing education. Supporters of the emerging financial coaching field could consider various tools to encourage the growth of these professionals, including:

- Peer-to-peer learning opportunities by establishing a network for low-income financial coaches. Membership in the group would be self-selected, but a national entity could offer a listserv and quarterly calls among coaches with a focus on specific topics. As a model, the National Community Tax Center (NCTC) supports a Tax Roundtable listserv to facilitate the peer exchange of information on tax policy and procedures and advocacy alerts.

- Ongoing continuing education on best practices and lessons learned, modeled after the regional efforts of financial coaches in Chicago across the LISC CFW sites. Coaching sessions could be included at conferences that staff from coaching programs already attend, or be held in conjunction with other events sponsored by funders, AFCPE, ICF or other entities.

- The National Endowment for Financial Education (NEFE) has been an active supporter of financial education and counseling, has an interest in coaching and funded the development of Port Jobs' Financial Mentoring Curriculum, one of the leading self-study programs for financial coaches. NEFE might be a partner in developing training materials or client handouts for using in coaching sessions or as a co-sponsor of conferences and training events.

- Support for a resource bank of national experts in personal finance topics as support to coaches, modeled after Texas Cooperative Extension's Wise Up project. These might include more complicated legal or other issues regarding program eligibility, taxes, estates and other issues.

- Administration of an online resource library of coaching and personal finance tools and information. Models include NCTC's resource library for community tax programs and the Corporation for Enterprise Development's resource library for IDA programs.

Finally, as more nonprofit programs appear to be interested in offering financial coaching programs there are several opportunities to help guide the development of the field in a systematic way. In addition to disseminating information about best practices, training sources and delivery models, programs could be encouraged to meet standards to be labeled a "financial coaching" program. Another need is for technical assistance for establishing new programs or improving existing programs. Also important is support for a coordinated effort to standardize outcomes measurement, develop or endorse client tracking tools and conduct program outcome and cost evaluations across program and client types. A better understanding of what approaches are most effective for each category of client can lead to more efficient and effective delivery of coaching services.

8.6 Conclusions

The field of financial coaching as applied to low-income populations is in an exciting stage of development. Staff of programs feel their approaches are effectively engaging clients and are optimistic about the future. Clearly financial coaching holds great promise for low-income clients, mirroring the successful services more affluent clients regularly obtain from financial, accounting and legal professionals. In combination with other services, financial coaching seems well poised to help even very-low-income people to reduce debts, maintain a budget, save money and ultimately build financial assets.

Financial coaching is clearly not a universal solution. Clients have to be ready for the approach for it to be effective. The costs of coaching remain significant relative to group education services, although using a mix of staff and volunteers along with technology has the potential to reduce the costs per client. Several successful models appear to be in operation, each well matched to the client population served. However, there is as yet no careful evaluation of the costs or benefits of the financial coaching approach, even though initial staff and client feedback are quite positive. The next two to three years will be central to the development of this field. As more nonprofits in more communities adopt the financial coaching model, there is hope many more lower-income families can begin to achieve their asset-building goals.

9.0 Appendix

Interview List

	Name	Affiliation
1	Louis Barajas	Louis Barajas and Associates
2	Suzanne Boas	Consumer Credit Counseling Service of Greater Atlanta
3	Amy Brown	Consultant
4	Robin Brule	Central New Mexico Community College Foundation
5	Sharon Burns	Association for Financial Counseling and Planning Education
6	Dan Clark	Dan Clark Associates
7	Tim Clegg	Community Based Financial Planners
8	Veronica Conway	Tribe Coaching
9	Liz Davidson	Financial Finesse
10	Saundra Davis	Sage Financial Solutions
11	Becky Dickens	Pennsylvania Office of Financial Education
12	Rita Eybabroad	Empire Justice
13	Ana Fremont	Credit When Credit Is Due
14	Margo Geller	Margo Geller and Associates
15	Madelynne Green	Maryland Cooperative Extension
16	Danny Haire	Experiment in Self-Reliance
17	Ann Lynn Hall	Central New Mexico Community College Foundation
18	Christine Henry	WECO Fund, Inc.
19	Elizabeth Hilton	Cleveland Saves
20	Hilary Hunt	Pennsylvania Office of Financial Education
21	Holly Gillian Kindel	HGK Coaching
22	Brad Klontz	Klontz Coaching and Consulting
23	Chauncy Lennon	Seedco — New York
24	Ben Mangan	EARN
25	Teresa McClain	Community LINC
26	Mark McDaniel	Center for Community Capitalism, UNC
27	Robin McKinney	Maryland CASH Campaign/Maryland Asset Building Initiative
28	Amy Minzner	Abt Associates
29	Jennie Mollica	Oakland Making Connections
30	Jeannine Moore	Balance Financial Fitness Program
31	Brent Neiser	National Endowment for Financial Education
32	Laura O'Keefe	Co-opportunity
33	Barbara O'Neill	Rutgers Cooperative Extension
34	Jackie Savage	Connect, Inc.
35	Rev. Dr. Clayton L. Smith	The Church of the Resurrection
36	Donna Stark	AECF
37	Gina Strayer	One Economy
38	Christopher "Happy" A. Tan	Chicago LISC Center for Working Families
39	John Thompson	H&R Block
40	Margo Waddell	National Center for Family Literacy
41	Jane Walsh	Louisville Making Connections
42	Jane Walstedt	U.S. Department of Labor Women's Bureau
43	Andrea White	Financial Conversations
44	Reeta Wolfsohn	Center for Financial Social Work
45	Justine Zinkin	Credit When Credit Is Due

Interview Guide

1. What is the typical/ideal model for delivering financial coaching services?
    a. Staff role versus volunteers?
    b. Time per client and scope of services?
    c. Typical client path at your program?
    d. How do clients react? What attracts them? What retains them?

2. How do you define coaching versus counseling?
    a. Is it wealth coaching or financial coaching?
    b. How does a coach differ from a planner? From a counselor?
    c. Do coaches deal with deeper issues? Longer-term issues?

3. Why does coaching work?
    a. What is the key piece of coaching that makes it better than other approaches?
    b. Does it work better for certain populations? Who is the ideal client?

4. What are measurable outcomes of a successful financial guidance program of any kind?
    a. Asset sizes?
    b. Types of investments or decisions?
    c. Over time?

5. What can coaches learn from life, career or other types of coaching?
    a. What makes wealth coaches different?
    b. What qualities are important for a coach? Can anyone do it, or is it too specialized?

6. How are financial coaches trained? How should they be trained?
    a. What resources exist to support the training of coaches?
    b. What curricula are most useful and why?
    c. What is missing from the field?

7. How long should the coaching relationship last?
    a. At what point is "closure" reached? Can coaching go too far?
    b. Do you see coaching as a bit of a fad? Are some programs posing as coaching programs to angle for funding? How do we control quality?

8. How is coaching paid for? Is financial coaching sustainable?
    a. Can clients pay fees? Should they?
    b. What is the typical cost per client? Is there efficiency of scale as volume rises?
    c. What else can make costs per client lower?
    d. What is the role for technology? Could initial sessions be in person, followed by Internet or phone? Could all coaching be performed on the phone?

Select List of Designations for Financial Planning Service Professionals

Organization	Designation
American Academy of Financial Management www.financialcertified.com	Registered Financial Specialist (RFS™) in Financial Planning – a financial professional certified in financial planning
American Bankers Association® Institute of Certified Bankers (ICB) www.aba.com	Certified Trust and Financial Advisor (CTFA) - a financial services professional who has completed a professional certification program on the provision of fiduciary services related to trusts, estates, guardianships and individual asset management accounts
American College in Bryn Mawr www.theamericancollege.edu	Chartered Financial Consultant (ChFC) – a professional with a designation in financial planning that enables him/her to apply a comprehensive financial planning process to clients' needs
American Institute of Certified Public Accountants (AICPA)	Personal Financial Specialist Credential – a certified public accountants (CPA) who specializes in personal financial planning and has earned a specialist's designation
Association for Financial Counseling and Planning Education (AFCPE) www.afcpe.org	Accredited Financial Counselor™ (AFC) – a financial counselor who has certified skills to assist individuals and families in the process of financial decision making
Certified Financial Planner (CFP®) Board of Standards www.cfp.net	Certified Financial Planner™ – a financial professional who has met CFP® Board's education, examination, experience and ethics requirements
CFA Institute	Chartered Financial Analyst® (CFA®) – a financial professional with designation of professional excellence within the global investment community
Credit Union National Association (CUNA) www.cuna.org	Credit Union Certified Financial Counselor- a credit union staff person who is certified to help members prevent and resolve financial problems
Financial Planning Association (FPA®) www.fpanet.org	FPA® Member – a financial professional who advance the financial planning process and recognize the CFP® certification as the hallmark of the profession
International Association of Registered Financial Consultants (IARFC) www.iarfc.org	Registered Financial Consultant (RFC) – a financial adviser awarded a professional designation by agreeing to meet high standards of education, experience and integrity
National Association of Personal Financial Advisors (NAPFA) www.napfa.org	NAPFA-Registered Financial Advisor – a registered fee-only financial professional
NASD	NASD Registered Representative – a registered securities industry professional or stockbroker who is affiliated with a stock exchange member broker/dealer firm and recommends to clients which securities to buy and sell and earns a commission on all trades as compensation
Registered Financial Planners Institute (RFPI) www.rfpi.com	Registered Financial Planner (RFP) – a financial professional with a financial planning designation
U.S. Securities and Exchange Commission (SEC) ww.sec.gov	Registered Investment Adviser – a financial professional who is registered with the SEC as an investment adviser

ICF ACTP Programs in the U.S.[49]

Organization	Program Name	Web Site	City	Delivery
Co-Creative Alliance	Coaching for Leadership Certification Program	www.cocreativealliance.com		Classroom and online
Corporate Coach U International (CCUI)	Corporate CoachU Certified Graduate Program (CCUCG)	www.ccui.com		Classroom
Accomplishment Coaching	The Coaches' Training Program	www.accomplishmentcoaching.com	San Diego	Classroom
Coach for Life	Certified Life Coach (CLC) Program	www.coachforlife.com	San Diego	Classroom
Coaches Training Institute (CTI)	Co-Active Coaching Certification Program	www.thecoaches.com	San Rafael, CA	Classroom & online
College of Executive Coaching	Certified Personal and Executive Coach	www.executivecoachcollege.com	Ventura, CA	Online
Fielding Graduate University	Graduate Level Evidence Based Coaching Program	www.fielding.edu	Santa Barbara	Online
New Ventures West	Professional Coaching Course	www.newventureswest.com	San Francisco, Boston, Chicago Seattle, Los Angeles, Denver	Classroom
The Hudson Institute	Coach Certification Program	_	Santa Barbara	Classroom
Coach U	Certified CoachU Graduate	www.coachu.com	Steamboat Springs, CO	Classroom
Institute for Life Coach Training	Life Coach Certification Program	www.lifecoachtraining.com	Fort Collins, CO	Phone
Newfield Network, USA, LLC	Coaching for Professionals and Personal Mastery	www.newfieldnetwork.com	Boulder	Classroom only
Georgetown University, Center for Professional Development	Leadership Coaching Certificate Program	cpd.georgetown.edu	Washington	Classroom
SECA	SECA Corporate Coach Certification Program	www.seca-1.com	Atlanta	Classroom
Mentor Coach, LLC	The Mentor Coach, LLC Coach Training Program	www.mentorcoach.com	Bethesda, MD	Phone
CoachVille LLC	Graduate School of Coaching	www.coachville.com	Hopatcong, NJ	N/A

[49] ACTP certified graduates who have fulfilled all requirements are eligible to apply for ICF credentials using the ACC, PCC or MCC ACTP Graduate Applications.

iPEC Coaching	Coaching Certification Program	www.iPECcoaching.com	Los Angeles San Francisco, Tampa Bay, Chicago, Boston, Washington, New York.	Classroom
Gestalt Center for Organization & System Development	International Gestalt Coaching Program	www.gestaltosd.org	Cleveland	Classroom
Breakthrough Enterprises	Falling Awake Life Coach Training	www.lifecoachtraining.com	Rapid City, SD	DVD, Phone, workbook formats
University of Texas at Dallas	Executive and Professional Coaching Program	http://som.utdallas.edu/coaching	Richardson, TX	N/A
Success Unlimited Network (SUN)	SUN Coaching Certificate Program	www.successunlimitednet.com	Reston	Classroom & online
Academy for Coach Training	Certification Program	www.LYVcoaching.com	Edmonds, WA	Classroom
Adler School of Professional Coaching	Professional Coaching Certificate Program	www.adlercoach.com	Toronto, Phoenix	Classroom with follow-up support by phone and email
Erickson College	The Art and Science of Coaching	www.ericksoncollege.com	Vancouver, BC	Classroom

Source: www.coachfederation.org/ICF/For+Current+Members/Coach+Training/For+Prospective+Students/ACTP.

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