



## **Embedding a Financial Coaching Model Training *Reference Guide***

*Presented by the Center on Budget and Policy Priorities' Get It Back Campaign*

### **Presenter Contact Information**

Megan Kursik – The Financial Clinic  
Assistant Director of Partnership Management  
[mkursik@thefinancialclinic.org](mailto:mkursik@thefinancialclinic.org)  
646-810-4050

Erica Davis – The Financial Clinic  
Partnership Associate  
[edavis@thefinancialclinic.org](mailto:edavis@thefinancialclinic.org)  
646-810-4050

### **The Financial Clinic Background**

- **Mission:** to build working poor people's financial security
- **Vision:** a nation where everyone is financially secure, starting with 1 million Americans by 2020
- **Approach:** direct service, capacity building, research and policy, and Change Machine (an online financial coaching platform)

### **Training Objectives**

- Understand the fundamentals of financial coaching
- Understand the relationship between organizational outcomes and financial coaching
- Learn about several strategies your organization can use to begin coaching or build upon existing coaching programs
- Identify resources to help you get started

### **What is Financial Coaching?**

- Financial coaching is focused on improving long-term financial behavior and developing new habits that lead to independence
  - Helps customers set and achieve financial goals largely on their own
- Financial Coaches help customers practice positive financial behaviors and provide assistance and accountability with those behaviors over the course of the relationship
  - The coach is a supporter and process facilitator (expert at process not content)

## Financial Security Framework

- Six essential areas for customers improve their financial security that can also pose as barriers are: 1) Goals, 2) Assets, 3) Banking, 4) Credit, 5) Debt, and 6) Taxes

## Six Characteristics of The Financial Clinic’s Coaching Model

Financial Goals as Driver	Ask open-ended question and use visioning to help customers build action driven goals. Understand the reason behind a customer’s goals and the long-term impact the goal has on the customer. Use an action plan to identify actions that customers should take.
Accountability	Serve as a resource and facilitator rather than a solution. Help customers derive creative solutions that clearly define actions and accountability.
Expertise	Provide access to correct and up-to-date financial knowledge and tools.
Judgement-Free	Use empathy and active listening to build an honest coaching relationship.
Strengths-Based	Help customers to tap into their personal strengths when problem solving.
Customer as Change-Agent	Act as a thought-partner and an active participant to help customers choose the right path for themselves.

## Goal as the Driver: Action-Driven Goals

Action Driven Goals are:

- *Asset-oriented* – Help customers focus their attention on underlying reasons and long-term impacts of their goals.
- *Forward-thinking* – Guide customers towards forward-thinking goals and away from backward-thinking goals. A forward-thinking goal example is cleaning up bad credit.
- *Passionately-held* – Customers are more likely to stick to a strategic plan if they feel passionate about their financial goals.

## Driving Your Impact with Coaching

- Incorporate coaching into everyday work habit
- Facilitate customers’ behavior changes for empowerment
- Identify barriers for your customers and create solutions that will address the barriers

## Coaching Tips and Tricks

<b>Active Listening</b>	Focus on the customers' perspective and derive the meaning of what they have said in a financial context and financial goals.
<b>Use Silence</b>	Give customers time to think before offering a response.
<b>Reflect</b>	Repeat keywords and phrases to build trust and let customers know that they are being listened to.
<b>Summarize</b>	Synthesize common themes or patterns in customers' goals and plans. Focus on areas of improvement and growth without being judgmental.
<b>Ask</b>	Ask open-ended questions to allow customers to reflect and explore new insights while affirming their personal financial goals and intended actions.
<b>Look Forward</b>	Focus on future goals and plans driven by the customers and keep them from dwelling from the past. Help them focus on their strengths, options, and what to do next.
<b>Accountability</b>	Hold customers to measurable goals with specific deadlines. Help them practice self-discipline, modify goals when appropriate, and celebrate successes when they occur.

**Erica's Advice:** You do not need to be a full-time financial coach to help customers become financially secure.

## Fundamentals of Financial Coaching

- Full Coaching
  - Facilitates strategies to address complex situations over an extended period of time
  - Customizes strategies and goals to the clients' needs
- Light-Touch Coaching
  - Focuses on simple strategies to addresses customers' financial barrier to success
  - Embedded with service delivery

## Light-Touch Coaching Sample Actions

Track Expenses	Identify Goals	Develop a Spending Plan
Calculate Financial Transaction Costs	Pull and Review Credit Report	Calculate Total Debt
Analyze Tax Refund	Document Tax History	Refer to Free Tax Prep

## Practicing These Skills

- **Explore** and discover financial security-building strategies that fit into your own work
- **Try** new strategies and keep what is effective
- **Share** findings with other staff members and incorporate their effective practices
- **Add** financial coaching to existing programs and services

## Getting Started with Financial Coaching

- **Understand resources in your community** — There may be existing strong financial coaching programs available, get in contact with them to refer customers to them. Identify local funding entities to provide financial resources for your efforts.
- **Explore partnerships and referral points** — There might be internal and external coaching resources, so inquire about partnerships. Streamline your referrals at timely touch points in your service delivery process. This will ensure customer participation and achievement.
- **Embed light touch strategies** — Use light touch strategies to identify what your staff needs to be able to deliver financial security services. Also, identify a way to track and manage your financial coaching efforts.
- **Develop a full coaching program** — Several financial coaching partners provide coaching through a volunteer-based program and some hire full-time financial coach for customers with more complex financial situations.

## Helpful Tools

- [Mini-Toolbox](#)
- [Transform Framework](#)

## Recap

- Coaching is all about being a process expert who is supportive
- Integrate coaching into the work you're already doing
- Find ways to identify barriers and solutions that work with the processes that you already have in place
- Use empathy and understanding to help customers facilitate their own success

## Q&A

*Q: How can we get customers to focus on finances when they find the financial challenges they're facing stressful and overwhelming?*

A: Uncover where the customer wants to be and set goals to reach this space. From there, break down the goals into steps. Let customers know that finances are part of the process of reaching their goals. Also, get to know your customers!

*Q: When it comes to measuring the success of coaching, what does that look like?*

A: The Clinic measures outcome goals for each of the six areas of financial security. Are customers achieving action-driven goals? What steps are they taking along the way? The customer feeling successful is most important. Organizations and programs can determine outcome metrics that reflect their values.