

MyBudgetCoach Pilot Study: Summary of Findings

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This brief summarizes key findings from a pilot study of MyBudgetCoach (MyBC).¹ MyBC is a financial coaching program designed to help low- and moderate-income adults develop budgeting skills and work towards their financial goals. Trained coaches use the program's online platform (MyBudgetCoach.org) to deliver a financial capability curriculum.

Even when using trained volunteers as coaches, financial coaching is administratively intensive and therefore difficult to bring to scale. Technology-driven approaches offer promise in helping to position financial coaching programs for growth and replication. This study explores how the online MyBC platform may contribute to this goal.

This study compares two modes of delivering MyBC: in-person versus fully remote coaching.

- **In-Person.** The MyBC online platform is used throughout the financial coaching engagement, but meetings between the client and coach occur in person.
- **Remote.** Financial coaching engagements occur exclusively through the MyBC online interface; communications between the client and coach take place via screen-sharing tools and telephone calls.

By testing financial coaching in these two contexts, this project seeks to generate a deeper understanding of how to increase the scale of coaching using technology while maintaining an individualized focus on clients' goals and promoting behavior change.

About MyBudgetCoach

MyBC is an online financial coaching platform initially designed around a sequence of 12 monthly sessions. The sessions cover budgeting techniques, financial management practices, and goal attainment strategies.¹ The platform is flexible to support the unique goals of each client, but the program puts particular emphasis on budgeting, an important first

Key Findings

Client Engagement

- Nearly one half of clients completed two or more coaching sessions, and one third completed four or more sessions, indicating high engagement.
- Saving for an emergency was the most popular financial goal; more than one half of clients who wanted to build an emergency fund reported making progress toward that goal.
- Clients reported high satisfaction with the program and strong coach-client relationships. Two thirds of clients reported that the program improved their financial situation.

Coaching Outcomes

- Coaching is associated with large declines in clients reporting that their monthly expenses exceed income.
- Clients' Financial Capability Scale scores improved across all six scale items and on the summary score. Gains appear to slow after the 4th session.
- Additional coaching sessions are associated with stronger positive outcomes.

Clients' Preferences for Mode of Delivery

Some clients assigned to the remote coaching group also met with their coaches in person; similarly, a portion of clients assigned to the in-person coaching group also met remotely. This "crossover" highlights the importance of matching client preference to program delivery modes.

step in successful financial planning. In addition to the financial content, MyBC's suite of online tools allows members to track expenses, maintain a budget, track progress towards financial goals, and communicate with their coach and other staff members. Coaches can monitor clients' progress in real time and use platform tools to encourage members to stay on track.

¹ The full report is available at go.wisc.edu/iyvheu

Solutions for Progress (SfP) licenses the platform to community-based organizations; these organizations are responsible for recruiting coaching clients. SfP trains the staff and volunteer coaches at each organization. The training familiarizes coaches with the content, features, and functions of the online platform. In addition, the training allows participants to sharpen coaching and relationship-building skills through a series of interactive role-playing exercises.

The Financial Coaching Model

MyBC uses a financial coaching approach, a recently developed service delivery model. Financial coaching programs incorporate features designed to help individuals overcome barriers to behavior change. For example, coaching clients are encouraged to identify specific action steps they can take towards their goals, and the coach helps hold them accountable for those commitments.

In line with the financial coaching approach, the MyBC platform focuses on helping clients set financial goals, identify concrete action steps, and make progress towards their goals. Coaches facilitate the process, offer encouragement, and provide accountability, but the direction of coaching is ultimately guided by the participants' goals. In that way, coaches assist clients in increasing self-awareness and self-regulation in pursuit of their goals. The long-term aim of coaching is to help clients develop skills and behaviors that they can continue to use independently once coaching ends, ideally leading to greater financial well-being.

Financial coaching remains a relatively new field, and few studies have examined service delivery or outcomes. Early studies have offered promising but not definitive findings. The most rigorous financial study to date utilized a randomized design to examine coaching at two organizations. The study found client improvements on outcomes related to savings, budgeting, payment behaviors, and curing debt as well as reductions in financial stress, although low program engagement did pose a challenge ([Theodos et al., 2015](#)).

Research Process

This pilot study explores the role that technology can play in facilitating coaching relationships. To do so, the study examines the online platform in two delivery modes: **In-person** meetings during which coaches and clients met face-to-face and **remote** coaching that utilized screen-sharing and telephone calls.

To compare the two service delivery models, clients from 44 programs offering MyBC were randomly assigned to either of these two groups. The 44 programs were managed by three host organizations: Solutions for Progress, the Maryland CASH Campaign, and the Ohio Association of Foodbanks. Pilot sites recruited study participants by tapping into their existing base of clients receiving other services, recruiting new clients by specifically promoting MyBC, and utilizing referral partnerships with other organizations in their communities.

A total of 305 individuals enrolled in coaching across the three participating organizations agreed to be part of this evaluation; 152 were assigned to the in-person group and 153 to the remote group.

The study enrollment period began in May 2014 and closed in March 2015, and the study ran through January 2016. Data were collected from three sources:

- **Administrative data from the MyBC platform.** Information was collected at each coaching session to track program engagement, monthly budgets and expenses, progress towards financial goals, and current financial conditions. These data were available for 301 clients.
- **Credit records.** As part of the intake process, staff pulled credit reports (soft pull) for consenting participants. A second credit report was obtained at program completion or at an exit interview. Fifty-five baseline credit reports could be matched to the follow-up pulls.
- **Client survey.** An email survey at the end of the study period gathered information on coach-client relationships, program feedback, and client satisfaction. Fifty-four surveys were completed.

Participant Characteristics

In general, the sample is comprised of working-age adults between 30 and 55 years old who are predominately female, are employed, and have at least some post-secondary education or training. The majority of participants are African American (58%), followed by whites (30%) and small proportions of Hispanics and other minorities. Almost one half reported dependents on their prior year's tax return. Nearly one in four indicated that they had previously participated in services at the agency offering MyBC, suggesting that referrals within the agency played an important role in recruitment.

Average annual household income among all participants was about \$39,000. Almost all participants reported some outstanding debt. The most common sources of debt were student loans (62%) and credit card debt (58%), followed by auto loans (45%), medical debt (42%), and mortgage debt (24%). Just over one third reported currently using credit cards. The majority of participants had both checking and savings accounts, though not all participants were banked. Only 19% reported having funds set aside for a financial emergency, and 42% had any kind of retirement account.

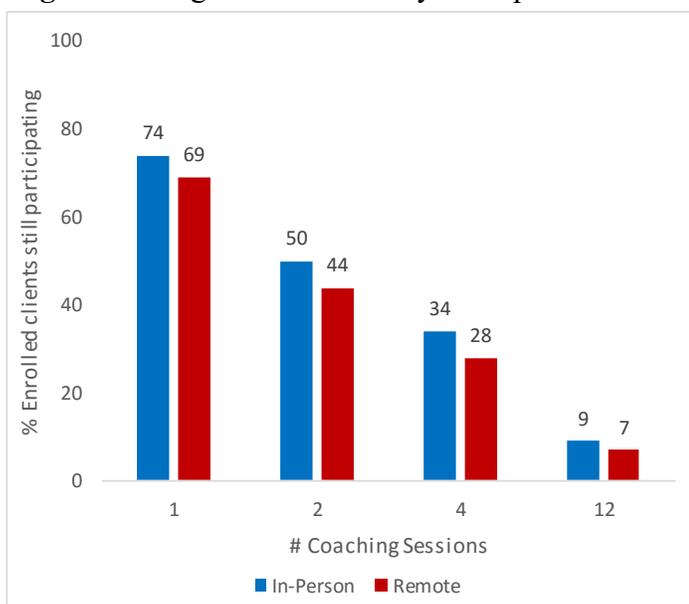
Study Findings

The following subsections highlight key findings from the data sources described above.

Client Retention

Figure 1 displays the percentage of clients in both groups who completed 1, 2, 4, and 12 coaching sessions.

Figure 1. Program Attrition by Group



Source: Administrative data. (n=301 at intake)

Just under three quarters of clients who enrolled in the study completed one coaching session. A majority of clients participated in two or fewer coaching sessions, and as expected, participation declined as the number of coaching sessions increased. By the fourth coaching session, about one third of enrollees were still involved in the program, declining to about 10% at session 12. Importantly, the differences in participation rates between the remote and in-person groups were not statistically significant; neither program was associated with higher participation rates than the other. Despite the

lack of industry benchmarks, client attrition in MyBC appears to be consistent with or favorable to the rates reported in past studies.

Financial Goals

Clients worked with coaches to articulate their financial goals. Clients could identify multiple goals; most participants reported about three goals. The most common goals were building up emergency savings (61% of clients), followed by paying off debt (55%) and making a major purchase (54%). Forty-four percent of clients had goals related to improving their money management behavior. Saving for education or business expenses (e.g., starting a business) was a goal for 37% of participants. One in five clients had a financial goal outside of these categories; these covered a broad range of financial goals, such as making a will or getting health insurance.

Clients and coaches tracked progress towards financial goals using a MyBC online tool. Overall, 18% of goals had been completed by clients' last session. Of clients with financial goals relating to improving money management, 57% had taken steps to achieve those goals. About one half of clients with a goal of building emergency savings had set some funds aside. Similarly, just under one half (47%) of those striving to pay down debt had made some progress. Clients also made progress towards education, retirement, credit, and other financial goals in about 40% of cases. Goal progress and achievement were similar between the in-person and remote groups.

Expense Tracking

Clients worked with their coaches to develop budgets or spending plans and could use online tools to record monthly income and expenses. Almost three fourths of clients used the expense tracking feature, but only half kept at it for more than one month. At baseline, about one half of clients reported monthly expenses greater than monthly income, with an average deficit of approximately \$1,000. By the follow-up period, only 6% of clients using the expense tracker had a negative monthly balance, a decrease of 43 percentage points from the baseline. Expenses and monthly balance at follow-up were almost identical for the in-person and remote groups.

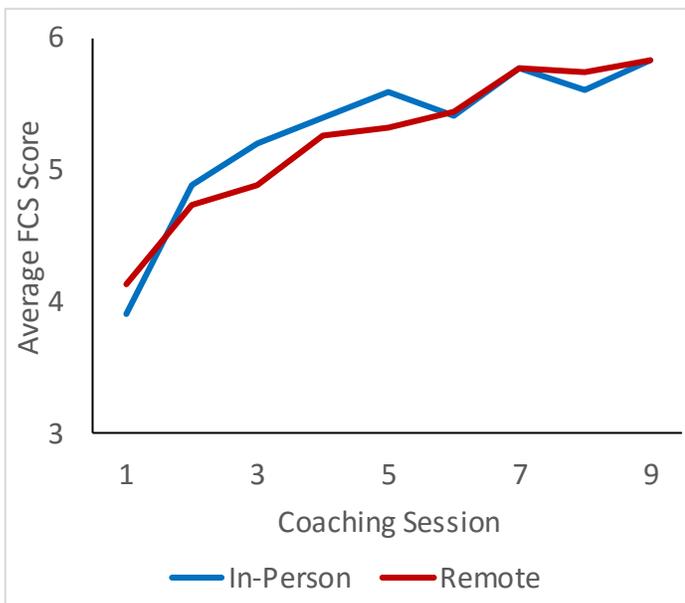
Financial Capability

The Financial Capability Scale (FCS) is a tool used to track changes in clients' financial status during and after service delivery (more information at

fyi.uwex.edu/financialcoaching/measures). The six FCS questions generate a score ranging from 0 to 8. In this study, clients completed the FCS at each coaching session.

Across all six of the individual questions and for the aggregate score, clients' responses exhibited statistically significant improvements from baseline to follow-up. For example, the percentage of clients who indicated that they had a budget or spending plan increased from 35% at baseline to 93% at follow-up, a finding consistent with the program's overall goal of promoting budgeting. Figure 2 shows changes in overall FCS score by number of coaching sessions, broken out by in-person versus remote coaching.

Figure 2. FCS Score by Number of Sessions



Source: Administrative data. (n=301 at intake)

FCS scores mirrored each other across the two groups. For both groups, scores tended to increase most steeply during the initial coaching sessions and then appeared to stabilize around sessions five and six.

Credit Records

Given the small sample size, few of the credit variables showed statistically significant changes from baseline to follow-up. Nonetheless, the general patterns observed are consistent with clients making progress towards paying down debt and resolving negative items on their credit reports. The small sample restricts the ability to analyze results by group.

Client Survey

The follow-up survey focused on clients' experiences with coaching and also asked for additional financial data. Survey results indicated that a portion of coach-client pairs met in a mode other than what had been assigned (e.g., some clients in the remote coaching group met in person with coaches). The occurrence of some crossover was verified by program staff. These findings indicate that a subset of clients and coaches were unsatisfied with their group assignment and that matching mode of delivery to client preferences is important.

The surveys documented strong satisfaction with the program. Eighty-nine percent of respondents agreed that the program helped change their financial situation, with 67% reporting that their financial situation was better after coaching. Survey responses also indicated high motivation towards goals, strong feelings of being held accountable, and trustworthy relationships with coaches. Responses were similar between the two groups.

Coaching Intensity

To investigate whether attending more coaching sessions is associated with stronger outcomes, we looked at select follow-up outcomes for clients who completed four or more sessions ("high intensity") compared to clients completing fewer than four sessions ("low intensity"). This analysis suggests that higher intensity clients experienced greater gains. For example:

- Almost all clients attending at least four coaching sessions utilized the expense-tracking tool to document income and expenses (99%).
- At follow-up, only 4% of these clients had monthly expenses greater than income, while 18% of clients completing fewer than four sessions had expenses that exceeded income.
- Clients in the high-intensity group also reported greater achievement of financial goals, with 72% completing at least one goal; only 12% of the low-intensity group completed one or more goals.
- The last observed FCS score was 1 point higher in the high-intensity group compared to the low-intensity group (5.7 versus 4.7).

These findings were also supported by more rigorous regression analyses presented in the full report.

Discussion

Client engagement was high with MyBC, but most clients failed to complete all twelve sessions. Given that few clients complete even six sessions, it is important that the content be customized to each client. In particular, coaching programs may benefit from mechanisms that allow coaches and clients to customize the sequence of modules.

Fully remote coaching models provide flexibility in coach and client location and enable coaching to continue even if either party moves away from the host community. In this study, clients were based in Maryland, Pennsylvania, Ohio, and Texas, but coaches were located around the country and internationally, with coaches as far away as Germany and Japan (see solutionsforprogress.com/mybcbeccs). While remote coaching offers potential benefits, some clients assigned to the remote coaching group met with their coaches in person. However, fully remote coaching may not be preferred by all clients.

Clients reported high satisfaction with the program and strong coach-client relationships. Participating in financial coaching was associated with several measured improvements in clients' financial behaviors and outcomes. Coaching is also associated with large declines in the percentage of clients reporting monthly expenses exceeding income. Additional coaching sessions are associated with greater gains across a variety of measures.

Conclusions

Clients using the MyBC platform showed improvements in financial behaviors and outcomes; this is especially true for clients who remained in the program longer. Both modes of program delivery were associated with similar results, suggesting that remote online coaching is a viable delivery method for financial coaching. Maintaining client engagement is a challenge for the coaching field, and

the MyBC program appears to perform as well as or better than peer programs in this regard. The availability of an online model may support client retention. Importantly, the crossover observed after random assignment—clients assigned to the remote coaching group meeting in person, and vice versa—highlights the importance of matching client preference to program delivery modes.

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