



## Summer-Fall 2017



southeast wisconsin

For more information on the YWCA Southeast WI, visit: [ywcasew.org](http://ywcasew.org)

View information on the Auto Loan Access Program and watch an inspiring video featuring a client success story [here](#).

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Welcome to the Summer/Fall 2017 Financial Coaching Newsletter! We are always on the lookout for new ideas to bring our readers information on fi-

ancial coaching, so please continue to provide feedback and input for future issues. Please send comments to [fincoaching@mail.sohe.wisc.edu](mailto:fincoaching@mail.sohe.wisc.edu).

## Integrated Model Spotlight: Auto Loan Access Program, YWCA Southeast Wisconsin

Interview with Jackie Carter, Program Manager, Personal Financial Management, YWCA Southeast WI

**CFS:** Can you give us a little bit of background on the YWCA's Auto Loan Access Program?

**Jackie:** This program provides low interest car loans to credit-challenged individuals and gives them a chance to purchase a car while avoiding predatory lending. The program gives participants access to a 6% interest rate and the car loans range anywhere from \$6,000 to \$10,000.

**CFS:** How is financial coaching integrated into this program?

**Jackie:** Individuals come to us for the loan, but our primary focus is really financial capability. The program is designed to not only be an alternative to predatory lending, but to provide financial education and one-on-one financial coaching to the individuals interested in participating. The first phase of the program focuses on financial education and preparation. During this process participants complete intake and screening for eligibility. If they meet program guidelines, they attend an info session that includes financial education on topics such as budgeting, saving, and credit. If they proceed with the program, they then meet with a financial coach. During these sessions they will discuss budgeting and credit based on their specific needs and goals. Participants cannot apply for the loan program until they have completed the financial coaching component where they have created a household budget and reviewed their credit report. After financial coaching they can be presented to our volunteer advisory committee for a decision on their application. We help them throughout this process, including giving them access to a vehicle search coach. After the loan closing is complete we provide

them with ongoing case management throughout the repayment period. We also report to credit bureaus to help them build their credit.

**CFS:** How do you think the financial coaching component enhances the program?

**Jackie:** The hope is that financial coaching will help them to recognize and confront their habits and areas of difficulty. One particular client shared with me that they realized that every morning they would get off work and would stop at a store and buy something. This awareness of a problematic spending pattern was about getting to the root cause of the habit. That is one of the great benefits of financial coaching: looking from the inside out and figuring out where the issue stems from to help you make that change.

**CFS:** How do clients respond to this integrated program approach?

**Jackie:** Some clients recognize that they need more coaching. As a coach, I am honest about my own mistakes with credit in the past and that helps to build the trust between the coach and the client. I'm here to help them reach whatever goal they want to reach. The majority of the clients recognize areas for improvement on their own, which is always my goal. Once they recognize their problem areas, that helps them to stop repeating the mistakes they've made in the past. What I like about coaching is that it teaches people how to make a plan and then we can work together to develop action steps in order to build something better for the future. It's about consistent growth.

Most clients come to the program because they want the loan, but many end up realizing that the focus on financial capability is just as valuable. ●

## Financial Coaching Census 2016: Full Report Available

CFS, the [Asset Funders Network](#), and the Annie E. Casey Foundation launched the second wave of the [Financial Coaching Census](#) in the fall of 2016 to capture the size, character, and scope of the field. Key findings include:

- Financial coaching is primarily delivered as an in-person, bundled service;
- Coaches see clients a median of 3 sessions;
- Coaches are more likely to select training oppor-

tunities offered through resources such as NeighborWorks America than in 2015;

- Funding of financial coaching training is increasing;
- And, the majority of respondents reported that financial coaching "improves their clients' financial situations" and that "credit", "savings" and "budgeting" are the most important indicators of success.

View the [full report](#).



The Center for Financial Security is grateful to MetLife Foundation for supporting its research into financial coaching for healthcare settings.



## The Center for Financial Security Proposes New “FINMed” Coaching Model for Healthcare Settings

Collin O’Rourke, Center for Financial Security

The Center for Financial Security (CFS) recently released a [report](#) on the link between households’ financial management behaviors and their ability to pay out-of-pocket medical expenses. As healthcare spending continues to rise, out-of-pocket costs—for example, copayments for prescriptions or doctor’s visits—are also increasing for many people. The most common source of out-of-pocket spending is prescription drugs. Out-of-pocket costs vary widely, depending on insurance plans and other factors, but for people with chronic illnesses, they can run to \$500 or more each year.

These costs are particularly burdensome for the most economically vulnerable households and for those without insurance, but they can create issues even for those with more resources. Many people report skipping or delaying medical treatments or putting off filling prescriptions due to their cost, ultimately leading to worse health outcomes and higher costs in the long run. Households struggling to manage their finances are generally more likely to skip a treatment or fail to fill a prescription due to cost.

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*Each year, 15% of U.S. residents fail to fill a prescription and 24% skip a medical treatment or doctor’s appointment due to the cost.*

*Source: National Financial Capability Study (2015)*

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Despite these financial challenges and their implications for health and well-being, there are no well-designed financial management interventions targeted to people whose health is at risk due to out-of-pocket medical costs. Financial interventions are not integrated into health care systems. Health care institutions generally assume that patients can figure out how to pay out-of-pocket costs on their own, and health care providers are not trained to help patients manage the financial burdens created by ongoing therapies. Nor is there much help in the financial world; budgeting for such costs is not a standard item in financial education programs.

To address this gap, the CFS report explores the links between financial management and

treatment adherence and proposes a new financial coaching model aimed at issues around health care costs, FINMed.

### **FINMed—Financial Interventions Nested into Medical Settings**

FINMed is a brief, solution-focused financial coaching session designed for people who have:

- One or more chronic health conditions (such as hypertension, diabetes, or depression)
- Regular income (including income from benefits)
- Health insurance that requires out-of-pocket copayments or deductibles that create an ongoing household expense related to chronic health conditions

FINMed is not designed to address outstanding medical debt or major medical expenses; these important health-associated financial issues require different types of support.

FINMed is conceived as an intervention for patients who have experienced a recent change in relatively small out-of-pocket medical costs (\$20–\$100 per month) or a pattern of problems paying for ongoing health care needs and who have chronic conditions requiring monthly out-of-pocket spending, such as diabetes, hypertension, anxiety, or depression. The intervention is a brief, solution-focused coaching session, delivered by telephone, that lasts **about 30 minutes** and **2–3 follow-up sessions** conducted via SMS or email. The coaching session takes the form of a structured conversation that leads the client through the process of identifying goals and defining desired outcomes. That process involves working with the client to:

- Determine his or her health goals and motivation
- Plan for the costs of obtaining health care
- Set up a process to make sure the funds needed will be available when the next prescription refill or medical treatment comes due

FINMed is distinguished from health coaching by its focus on the financial aspects of managing an ongoing health condition. Participants’ health

status and goals provide the motivation for changing their financial management behaviors, but the planning focuses on financial management.

FINMed is designed to help patients achieve three outcomes:

- Adherence to medical treatments (self-reported or based on administrative records)
- Reduced stress about paying ongoing out-of-pocket costs (self-reported)
- Engagement in more intentional, goal-focused financial behaviors (self-reported)

CFS is currently exploring different contexts and ways to integrate this model into different types of health settings and welcomes your partnership ideas.

#### Piloting FINMed

Over the next few months, CFS will be working with several organizations to pilot the FINMed model in the field. These pilots will provide insight into patients' interest in and take up of financial coaching, strategies for effectively integrating the model into health settings, and ways the model can be refined. The pilots are set to run through November 2017. CFS will release a final report

and hold a webinar on the pilots late this year.

#### Learn More

- The Center's [full report](#) on the links between financial management and medical treatment costs provides more information on the FINMed model and the research that went into creating it.
- On June 28, 2017, CFS held a [webinar](#) to introduce the FINMed model; CFS Faculty Director J. Michael Collins, Allison Espeseth of Covering Wisconsin, and Abby Hughes Holsclaw of the Asset Funders Network provided an overview of research on finances and health and discussed the model. A recording of the presentation is available on the CFS website at [cfs.wisc.edu/2017/06/28/webinar\\_finmed](http://cfs.wisc.edu/2017/06/28/webinar_finmed).
- We continue to interview financial and health coaches for feedback on the model. If you are interested in participating in one of these interviews, please contact Collin O'Rourke at [cmorourke@wisc.edu](mailto:cmorourke@wisc.edu).
- CFS will continue to release materials on the project over the coming months; a final report on the pilots will be available in December 2017. To stay informed, make sure you are signed up for the Center's financial coaching email list. Sign up [here](#).

## CFPB Financial Coaching Symposium: Report Release

The CFPB recognizes the value of financial coaching, an emerging practice in which trained financial coaches work collaboratively with clients to help them establish and reach their personal financial goals. That's why in April, we hosted the 2017 Financial Coaching Symposium in Madison, Wisconsin. The event brought together financial coaching leaders and researchers from across the country to discuss strategies to improve financial coaching services.

The CFPB has released a [report](#) on the Symposium that provides an overview of the conversation, including lessons learned and next steps for the field to consider. Participants developed a concrete list of actions that the field can take to ensure the continued development of accessible, high-quality financial coaching services that

help people reach their financial goals. The [report](#) focuses on:

- Competencies that Financial Coaches should have to provide quality services to clients
- Key elements of successful financial coaching services
- Research needs that the field should address to understand and increase the impact of financial coaching on people's lives

As financial coaching programs continue to grow across the country, we continue to work with partners to ensure the field provides high-quality services that help people reach their financial goals and improve their lives. Read the [full report](#).

## Upcoming Financial Coaching Training Opportunities

**Webinar:** CFS has organized a webinar to be held on August 23rd focused on providing participants with a comprehensive overview of some of the most widely utilized financial coaching trainings. Representatives from the [Association for Financial Counseling and Planning Education \(AFCPE\)](#), [Central New Mexico Community College](#), [NeighborWorks America](#), [Sage Financial Solutions](#), and the [University of Wisconsin-Madison](#) will deliver presentations that answer the "Who?", "Why?", "How?" and "What's Next?" of their coaching training models. For more information, visit: [cfs.wisc.edu](http://cfs.wisc.edu) or [Register Now](#).

**Financial Coaching Workshop:** The University of Wisconsin-Extension and CFS will offer a two-day "A|4 Financial Coaching Foundations Workshop" on September 26-27, 2017. Held at the Pyle Center in Madison, WI, this coaching training will cover skills, provide resources and strategies, allow time for demonstration and practice, and arm trainees with a coaching toolkit, among many other skills. If interested in registering for the training or to find out more, please visit: [cfs.wisc.edu/2017/07/19/september-2017-financial-coaching-training](http://cfs.wisc.edu/2017/07/19/september-2017-financial-coaching-training)



[View the full Financial Opportunity Corps report HERE.](#)

For more information on Financial Opportunity Corps, please contact Program Manager Sherria Saafir ([ssaafir@pointsoflight.org](mailto:ssaafir@pointsoflight.org)).

## Volunteer Financial Coaches Build Organizational Capacity and Help Individuals Take Control of Their Finances

A Brief on Evaluating Volunteer Financial Coaching at Points of Light  
Malikah Berry, Chief Program Officer, Points of Light

Volunteer financial coaching programs are a powerful tool for helping moderate- to low-income individuals take control of their finances and implement changes to increase their economic opportunity. [Points of Light](#), the world's largest organization dedicated to volunteerism, believes that by effectively engaging people in addressing critical community problems, we create systemic change and foster empowered individuals. That's why in 2013, in partnership with [Bank of America](#) and the [Corporation for National and Community Service](#), the organization created the [Financial Opportunity Corps](#) – a program that relies on volunteers to deliver financial coaching in low- and moderate-income communities.

Volunteer financial coaching, when integrated with other services, increases financial well-being, while also increasing the sustainability and effectiveness of an organization's financial empowerment programming. Accordingly, Financial Opportunity Corps works with nonprofit organizations to pair financial coaching and financial literacy with other services, such as free tax assistance, income supports, job training, individual development accounts, veteran services and child care services. The goal is to create scale and depth that helps ensure every client, with support from a coach, improves their financial habits.

With this in mind, the key elements of the Financial Opportunity Corps include:

- Establishing a local volunteer-implemented financial coaching program;
- Engaging traditional, resident and skills-based volunteers as volunteer coaches, mentors and trainers;
- Creating program sustainability by integrating financial coaching into the framework of participating nonprofits, thus increasing their capacity to deliver financial services.

The program has been very successful in its first three years. With the assistance of a data tracking tool, developed by Points of Light and powered by

Salesforce, financial coaches document their meetings with clients to help set goals and track progress. From the summer of 2013 through the spring of 2017, Financial Opportunity Corps has matched almost 1,300 clients with coaches. Nearly 90 percent of clients reported improved money habits, including putting money aside for savings, using direct deposit and creating a budget. In addition, 40 percent of participants said they felt more in control of their finances and better prepared for the future.

Financial Opportunity Corps coaching clients tend to be black women who are the primary, or sole, income earner in the household and also manage household expenses. Most respondents – 72 percent – are between 25 and 44 years old; nearly 60 percent are African-American; and more than 85 percent of respondents are female. Of the group, about 75 percent work at least part-time, 40 percent have a bachelor's degree or higher, 76 percent are single or unmarried, and 88 percent fall into a low- to moderate-income or economically disadvantaged designation.

From the summer of 2013 through the spring of 2017, more than 1,050 volunteers have been trained through the Financial Opportunity Corps, 751 of whom served as coaches for clients. Volunteers and clients spend an average of 4.1 months in a coaching relationship. Each year since the program's inception, host sites have retained a higher number of volunteers — as well as volunteers who elect to coach multiple times — and subsequently have served a higher number of clients. This is achieved as a result of the site locations creating close ties with volunteers throughout their experience and delivering results for client participants. Also, consistent communication between the host sites and volunteers helps increase the likelihood of volunteers being matched and having a strong relationship with their clients.

Two subsets of volunteer sources, Bank of America and a group the Financial Opportunity Corps has termed "resident volunteers," made up more than

half of the program's coaches in 2017, 26 percent and 37 percent respectively. Bank of America's skills-based volunteers use their career knowledge to support clients. Resident volunteers are recruited from the neighborhood being served, showcasing the program's ability to successfully engage volunteers from within the communities to help neighbors needing assistance.

Through the program, we also discovered that Financial Opportunity Corps clients are a growing source of volunteer coaches. Since the program began, 13 former clients have returned to serve as volunteer coaches for others – eight in the last year alone.

Coaches measure client improvement on a variety of skills, representing the client's financial behaviors as well as their financial knowledge and confidence. In year three, one of the most common behaviors that clients chose to work toward involved the development and maintenance of a budget (32 percent). Other key areas of interest that coaches report clients working toward include reducing debt (21 percent), improving credit (17 percent) and opening or maintaining a savings account (11 percent).

Clients can report their financial knowledge and confidence through a pre- and post-program test. Based on year three results, 79 percent of clients report feeling in control over their finances on their post-test, an increase of almost 44 percent from the pre-test. By the time of their post-test, almost 92 percent of clients report knowing how to manage their money and feel confident in their ability to achieve a self-set goal, a pre- and post-survey increase of almost 49 percent and 21 percent respectively.

Points of Light looks to increase the strength of this program by improving upon the existing metrics used to monitor the program. The organization is continually working with partners to stress the importance of collecting pre- and post-program surveys from clients. In order to accomplish this objective, the Financial Opportunity Corps program has adopted a shorter and less obtrusive approach, incorporating the Center for Financial Security's Financial Capability Scale as well as Consumer Financial Protection Bureau's Financial Well-Being Scale.

With the help of these data collection adaptations, Points of Light will continue to refine its program, connecting it more seamlessly to the needs of both the volunteer coaches and nonprofit partners. These streamlined metrics will allow both groups to provide an even more robust program to the individuals they serve – allowing them to see which strategies are working for their clients as well as sharing data and strategies across the financial coaching network.

The next iteration of volunteer financial coaching at Points of Light will be woven into the economic stability and health pillars of our Resilient Communities framework. Building on decades of experience in harnessing the power of volunteers to build healthy, vibrant and thriving communities, Points of Light community resiliency changemakers will work to improve economic stability, educational attainment, health, and the built environment. Incorporating financial coaching into this framework will help increase economic well-being, and allow volunteers to deliver real, tangible results and relief that matters. 🌟

## Resources & Outreach Opportunities

CFS is excited to alert readers to new opportunities for building our community of practice through network connections and forums for collaboration and discussion. **Prosperity Now** and **Cities for Financial Empowerment Fund** have created valuable resources to build a more connected field, which we are pleased to share. If your organization has opportunities that you would like to contribute to our next newsletter, please contact Hallie Lienhardt at [hallie.lienhardt@wisc.edu](mailto:hallie.lienhardt@wisc.edu).

### **Prosperity Now** (formerly Corporation for Enterprise Development)

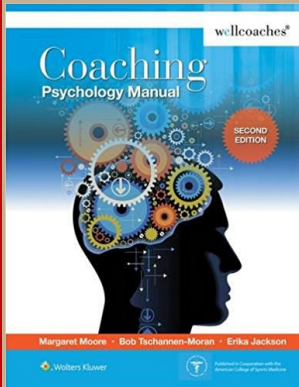
The Financial Coaching Network seeks to keep practitioners and other stakeholders informed and connected on the latest information, research and tools available through regular updates, bi-monthly peer-led calls and working groups. It is collaborative in nature and seeks partnership of other national and local partners to ensure the latest information is shared and discussed.

[Join for free today!](#)

### **Cities for Financial Empowerment Fund (CFE Fund)**

CFE Fund is seeking programs interested in joining its Financial Empowerment Center (FEC) Affiliates Network focused on fostering learning opportunities between a diverse range of entities integrating financial counseling and coaching within government services. The Affiliates Network will bring together

cities, counties, states and nonprofit organizations who provide free, one-on-one financial counseling and coaching within the context of government services. The CFE Fund will convene Affiliates both in-person and remotely to further partnerships, highlight best practices, and catalog lessons unique to integrating financial counseling and coaching within local government programs. The Affiliates Network application can be found [here](#). To learn more, The CFE Fund is holding a [series of webinars](#) about a [new funding opportunity](#) to bring the FEC model to as many as 12 additional local governments, joining the Affiliates Network, and the [three-year evaluation](#) of the Financial Empowerment Center replication initiative; [sign up now!](#)



## Review You Can Use: *Coaching Psychology Manual*

Collin O'Rourke, Center for Financial Security

The Wellcoaches ([wellcoachesschool.com](http://wellcoachesschool.com)) *Coaching Psychology Manual* is an introduction to coaching theories and practices rooted in psychology research. Although it was developed for health coaches, it covers a range of topics and principles that are universal to coaching. The manual brings together a wide range of topics in one easy-to-use guide, making it useful both as a supplement to financial coaching trainings and as a resource for experienced coaches.

The book begins by defining coaching and distinguishing it from other types of interventions; most of its chapters are devoted to psychology-based approaches to coaching. The broad parameters of coaching as it is defined by Wellcoaches—focusing on skill building and behavior change, taking a strengths-based approach, being nonjudgmental—will already be familiar to most financial coaches. However, the discussion of the research underpinning these parameters brings more depth to the understanding of them. For example, while I knew coaching was strengths-based, the book opened my eyes to the specific research supporting that approach. Further, it is clear that the authors want readers to familiarize themselves with the psychology underlying coaching before considering the structure and mechanics of coaching—the Wellcoaches' protocol for conducting actual coaching sessions is presented only in the eleventh of the book's twelve chapters.

The book offers ample food for thought for financial coaches. As I read, a number of topics came to mind.

**Environment.** The book's overwhelming focus on psychology—what's going on in a client's mind and how that affects behavior change—can detract from the role environment or context plays in the success of a coaching engagement. To take one example from the health field, [Wansink's research](#) shows that factors like the size of the plates people use affects their calorie intake. Thus, helping people reshape their environment may be an important element of coaching. The authors do acknowledge the importance of environment at some points in the book, but the concept of coaching people to modify their environments to support new behaviors is underexplored.

**Structuring coaching.** The authors' suggested structure for coaching sessions raised three issues for me. First, they say coaches should aim for a

ratio of two reflections ("I hear you saying . . .") for each question they ask. This suggestion conflicts with my previous impression that coaches give precedence to questions, but it is consistent with motivational interviewing, which the authors draw upon. Second, the authors suggest three months as a benchmark, both for how long coaching engagements last and for a time horizon for clients setting longer-term goals. Three months is much longer than many financial coaching engagements. Finally, the authors define several steps to start a coaching relationship. They do not say what a coach should do when a client is not ready for or interested in a coaching approach; the book implies the coach ends the relationship at that point.

**Evaluation.** The manual cites research on the effectiveness of health coaching, including several studies specific to the Wellcoaches protocol. In scanning the research titles, it struck me that health coaching evaluations appear to focus on a specific set of behaviors and outcomes, rather than health or well-being in a broad sense. In contrast, financial coaching programs typically take a much broader approach, offering coaching to a wide range of people and measuring many different types of outcomes (e.g., debt, savings, credit scores) at the same time, making it harder to tell a unified story about a program's success. The financial coaching field may benefit from experimenting with more targeted programs—an approach taken by the Center for Financial Security's recently introduced FINMed model, a coaching approach focused on managing out-of-pocket medical costs (learn more on the [CFS website](#)).

**Technology-based coaching.** Although the manual does not directly address automated or technology-based coaching, the authors offer a vision of coaching that is not compatible with current technology. They note that, "a coach needs to use every coaching skill and tool dynamically in the moment" (143), a tall order even for human coaches, one that implies coaching cannot be boiled down to a defined set of automated processes (e.g., goal setting followed by automated reminders and check-ins). This argument suggests a certain skepticism toward technology-driven approaches, at least as they exist today. Further evaluation of technological interventions is needed to distill which elements of coaching psychology are essential for behavior change.



### Ways to get involved:

- Visit the Center for Financial Security's Financial Coaching Website:  
[fyi.uwex.edu/financialcoaching](http://fyi.uwex.edu/financialcoaching)
- Share this newsletter with your coaching colleagues.
- [Tell us](#) what you would like to see in future newsletters and on our financial coaching website.
- If you are not yet on our financial coaching email list, [sign up here](#) and be sure to click "Coaching Newsletter."
- Send updates on Financial Coaching Trainings to include in our next newsletter

**Assessments.** The authors highlight an important caution in the use of assessments in coaching. Assessments provide valuable information to both coach and client, but without training in reviewing and discussing results, coaches may fall into an expert mindset focused on identifying "shoulds" and lapse into a problem- rather than strengths-focused approach. The authors encourage coaches to use assessments as a way to spur deeper discussions with clients, rather than as a tool to identify problems.

**Expertise.** Although both the Wellcoaches organization and the book primarily serve health, fitness, and wellness coaches, the coaching principles the book offers are universal. In fact, outside of examples of coaching conversations, the book does not cover health topics and behaviors in any detail. This might be taken as a suggestion that coaches do not need content expertise, but that assumption would be incorrect. In fact, the authors are careful to note that coaches must apply their expertise and intervene when clients are acting or planning to act in harmful ways—for example, not taking a medication as prescribed or over-exercising. Conversely, coaches must also refrain from giving advice outside their areas of expertise. The boundaries around and appropriateness of providing expert advice during coaching remain somewhat unclear, but the manual offers a strong caution against coaching in areas outside the coach's expertise—a caution that would apply to finances as well as health.

**Strength of the Evidence.** Scanning the studies cited in the manual as evidence of the Wellcoaches protocol's effectiveness, I found that research into financial coaching is arguably on par with, or at least not far behind, that for health coaching. The

Consumer Financial Protection Bureau's [randomized control trial of financial coaching](#) strikes me as surpassing even the strongest studies of the Wellcoaches protocol. The financial coaching field inarguably needs more research and evaluation, but the work to date provides a strong foundation.

**Cost as a barrier to health.** Given our center's recent research on this topic, I would be remiss if I did not mention one of the clear connections between financial and health behaviors—the fact that many people report failing to follow through on medical treatments due to cost (see our recent report [here](#)). Nonetheless, affordability did not come up in the authors' examples of health coaching topics and conversations. The health coaching field may want to look more deeply into the barriers finances present to positive health behaviors, and the financial coaching field could look for ways to support individuals facing ongoing medical costs, including those diagnosed with chronic conditions.

My primary critique of the manual is that the book does not spend enough time explaining how the theories it presents fit together. How does a coach use motivational interviewing, appreciative inquiry, and design thinking all at once? Similarly, the book would benefit from clearer prioritization of different skills, perhaps based on clients' motivation. A new coach cannot learn all the skills described in the book at once or even prior to starting coaching, so knowing which are most critical would be helpful. Still, the range of ideas the book brought up for me is a testament to both its depth and breadth. The domains of finance and health certainly differ in key respects, but much of the information presented in the manual readily translates to financial coaching. 🍎