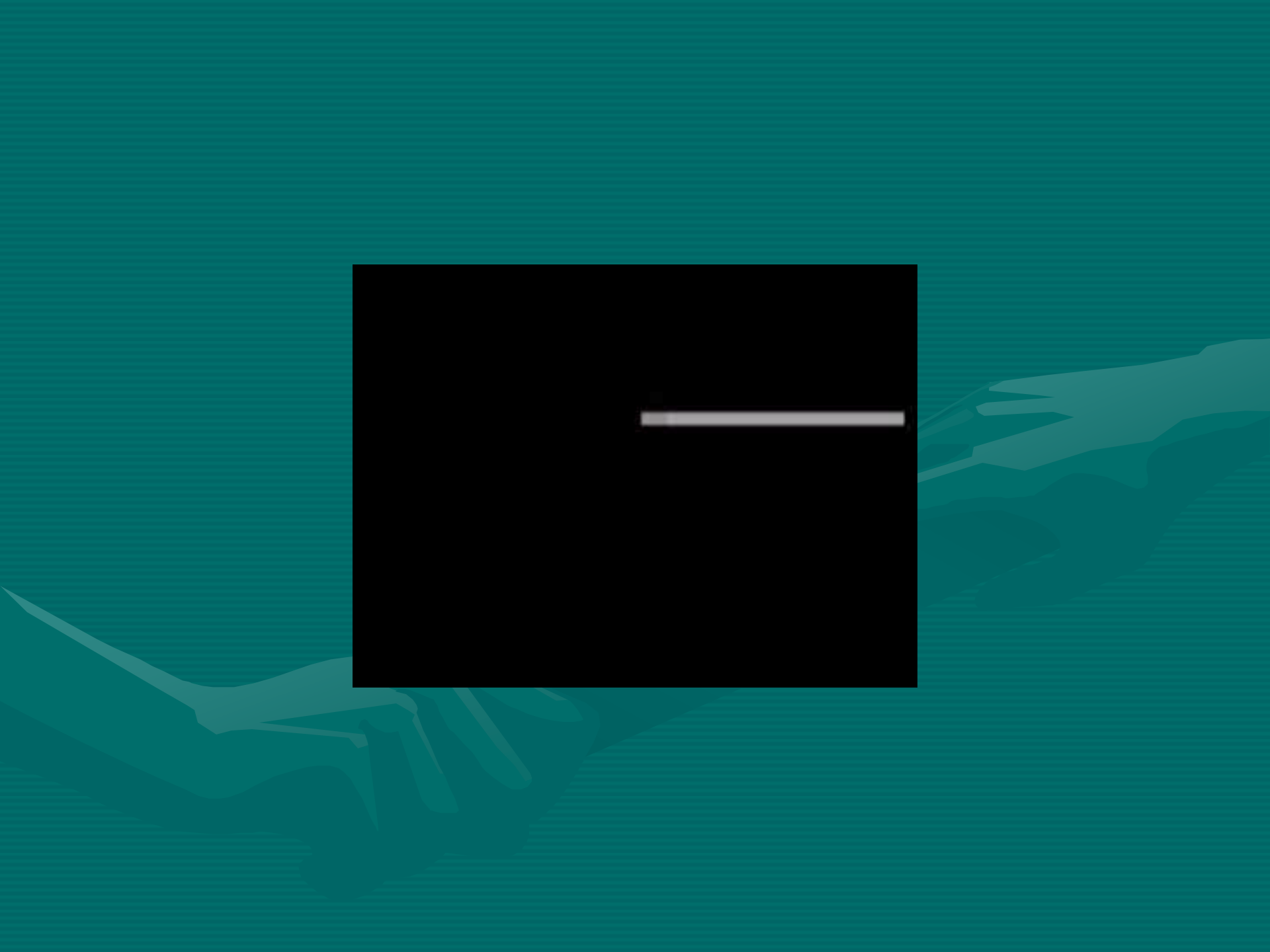


Financial Coalition of Dunn County

Financial Coaching Program
Training

A faint, stylized background image of two hands shaking, rendered in a lighter shade of teal than the background, symbolizing agreement or partnership.



Financial Coaching

- Relationship – based attainment
 - Support to reach self-active goals
- Performance improvement
 - Self-identify areas to work on
 - Follow-up as much as weekly for 6 weeks
- Examples of goals
 - Open bank account
 - Make budget and stick to it for 2 pay periods
 - Sign-up for benefits; fund savings accounts
- Not an ‘expert’ – goal setting and monitoring
 - Accountability

Working Definition of Coaching

Key Elements of Coaching

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

Steps:

1. Goal setting
2. Action planning
3. Monitoring

Steps to coaching

1. Goal Setting
2. Action planning
3. Monitoring



Components of Financial Coaching

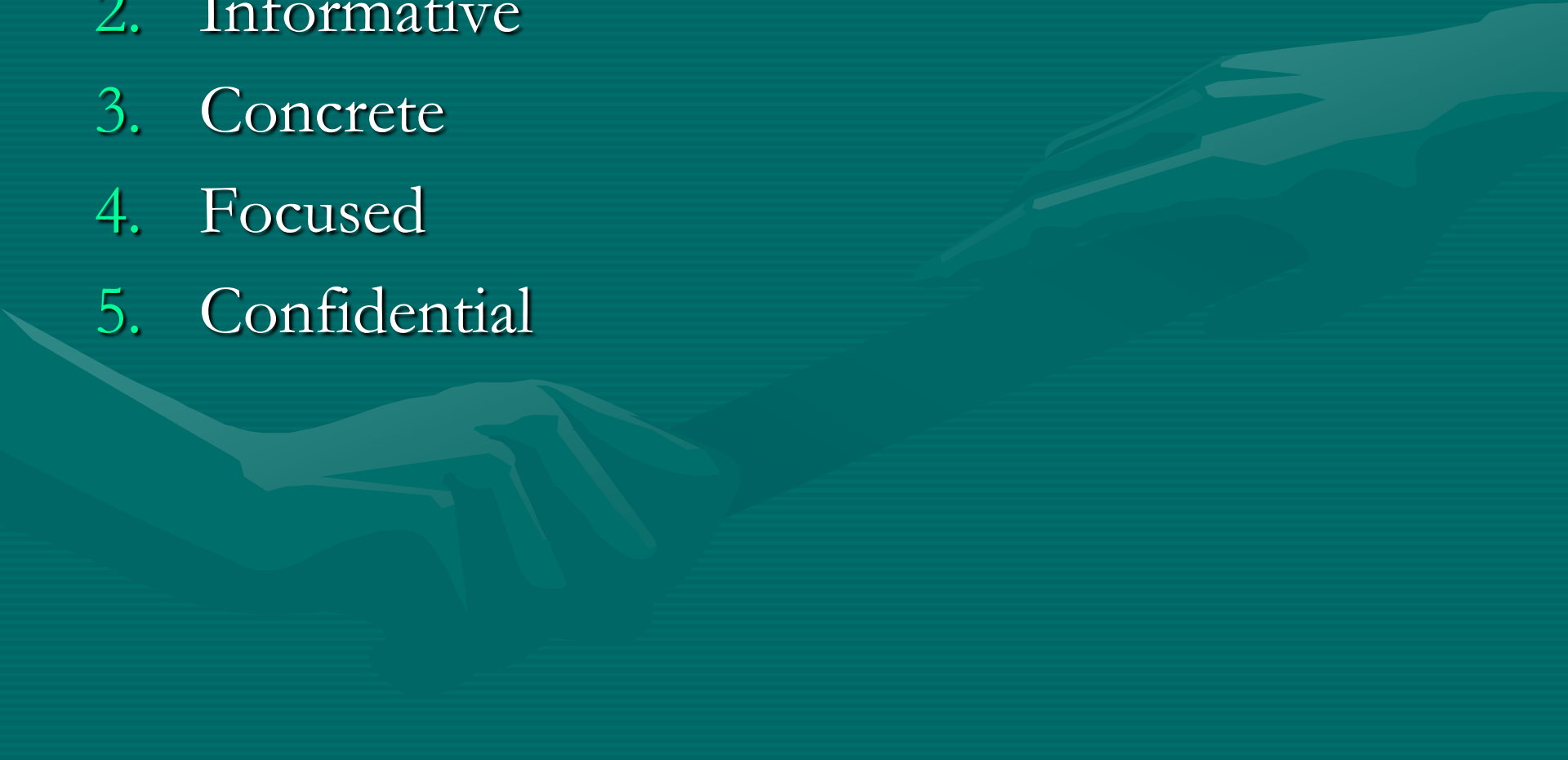
Goals of Coaching	<ul style="list-style-type: none">• Achieve client-defined goals• Address immediate issues• Support specific actions to meet goals• Improve financial situations• Change financial behaviors• Facilitate decision-making• Provide tools, resources and referrals
Typical Coaching Activities	<ol style="list-style-type: none">1. Alliance with client2. Set goals3. Develop action plan4. Identify resources, tools and services5. Monitor client progress6. Make referrals as needed

What does a
financial coach look like?



Pillars of Financial Coaching

1. Honest
2. Informative
3. Concrete
4. Focused
5. Confidential



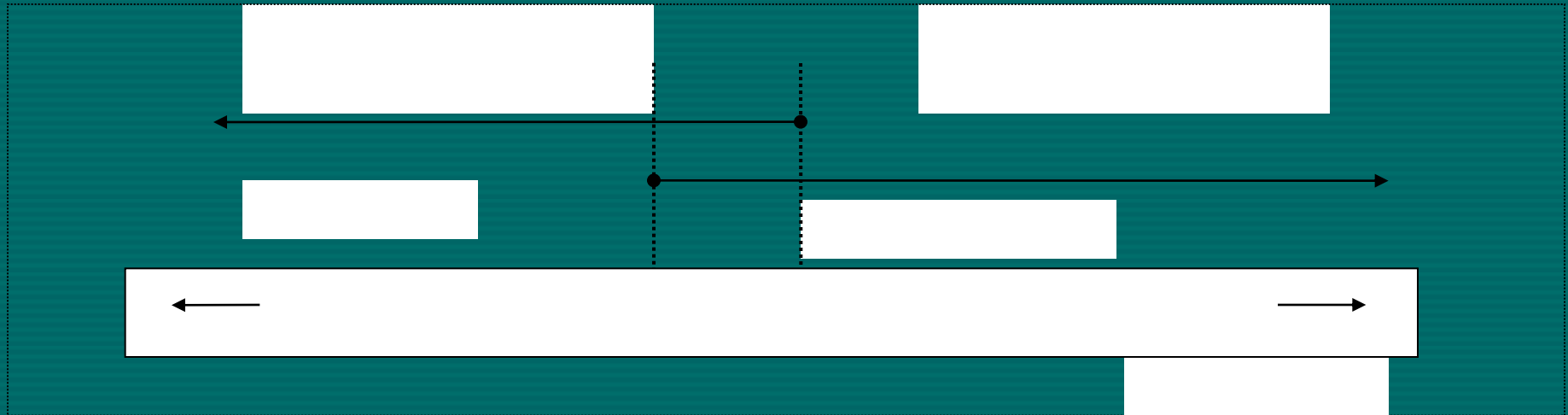
YOUR Money Values



Who are your clientele?



Targeting Clients for Coaching



Low Functionality

“Major impairments in areas such as work, school, family relations, judgment, thinking, or mood...speech is at times illogical, obscure or irrelevant.”

High Functionality

“Interested and involved in a wide range of activities, socially effective...No more than everyday problems or concerns.”

DSM GAF Scale (out of 100)

Coaching seeks “performance improvements” (not therapy) for people who lack major problems which prevent change

Coaching Low-Income Clients

- Less likely to need complex financial planning services
- Fewer financial assets; less likely to have employer benefits
- May be eligible for public benefits or special private programs
- Credit management critical
- Lack of experience with financial institutions, products
- Pressure on time and limited resources

Let's talk about Poverty

<http://www.youtube.com/watch?v=jCJMegMBeH0>



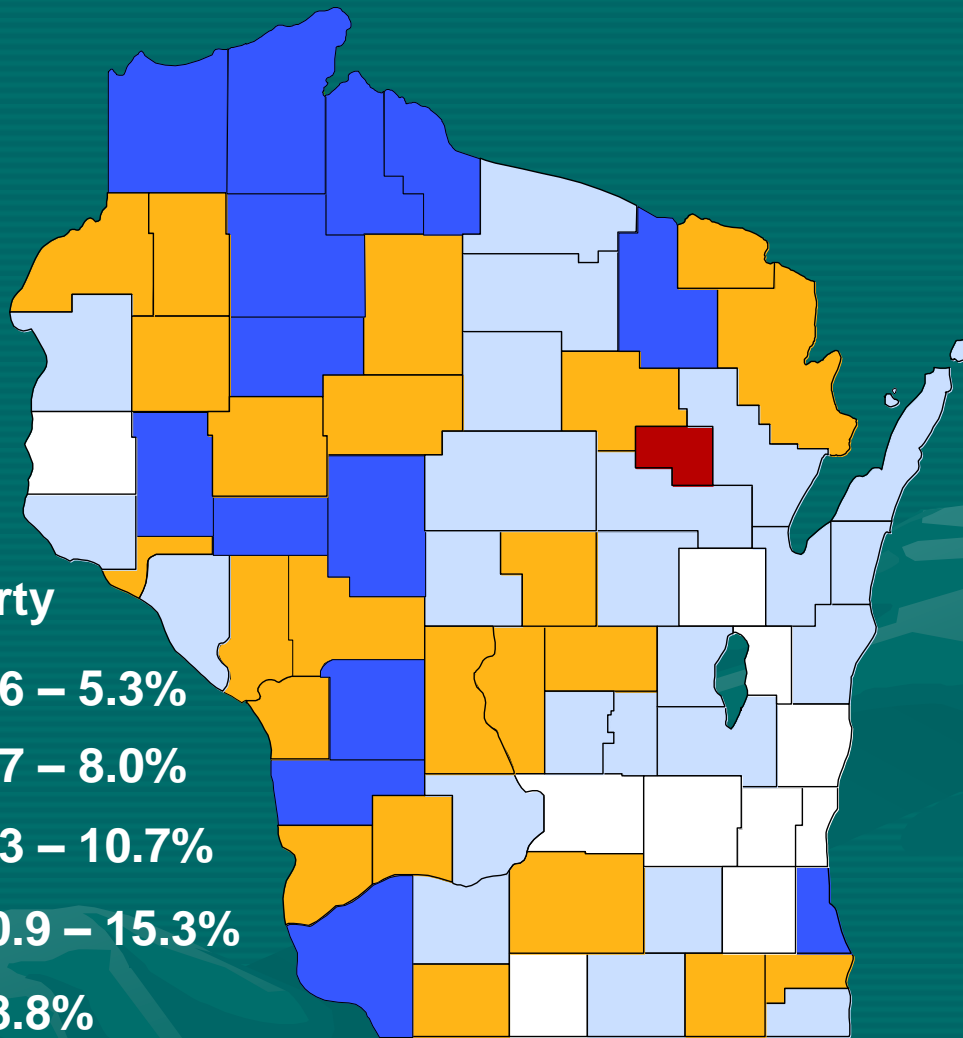
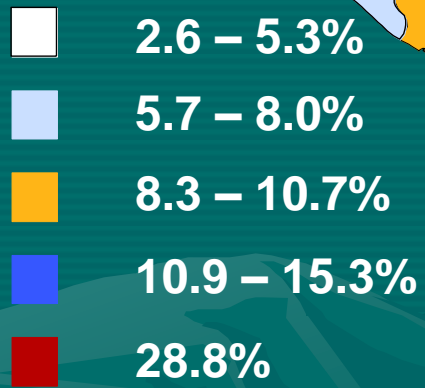
What is Poverty?

- Can you define poverty?
 - Lack of opportunities, access, assets, or means to meet physical needs, participate fully in the life of one's community, or strive to fulfill one's potential.
- What was your first experience with poverty?
Personally or poverty of others?



Poverty

- Income guidelines established by the federal government determine poverty level
 - For example: In 2008, a family of four with a yearly income of \$21,200 or less was considered poor.
- Nearly 1/3 of poor households in Wisconsin are food insecure
- In 2008, a **low income** family of four made less than \$39,200.



How does Dunn County fare?

Dunn County

Wisconsin

Total
population

39,858

5,363,675

Poverty Rate

12.9%

8.7%

Percent of
population with
income below
185% of poverty

28.1%

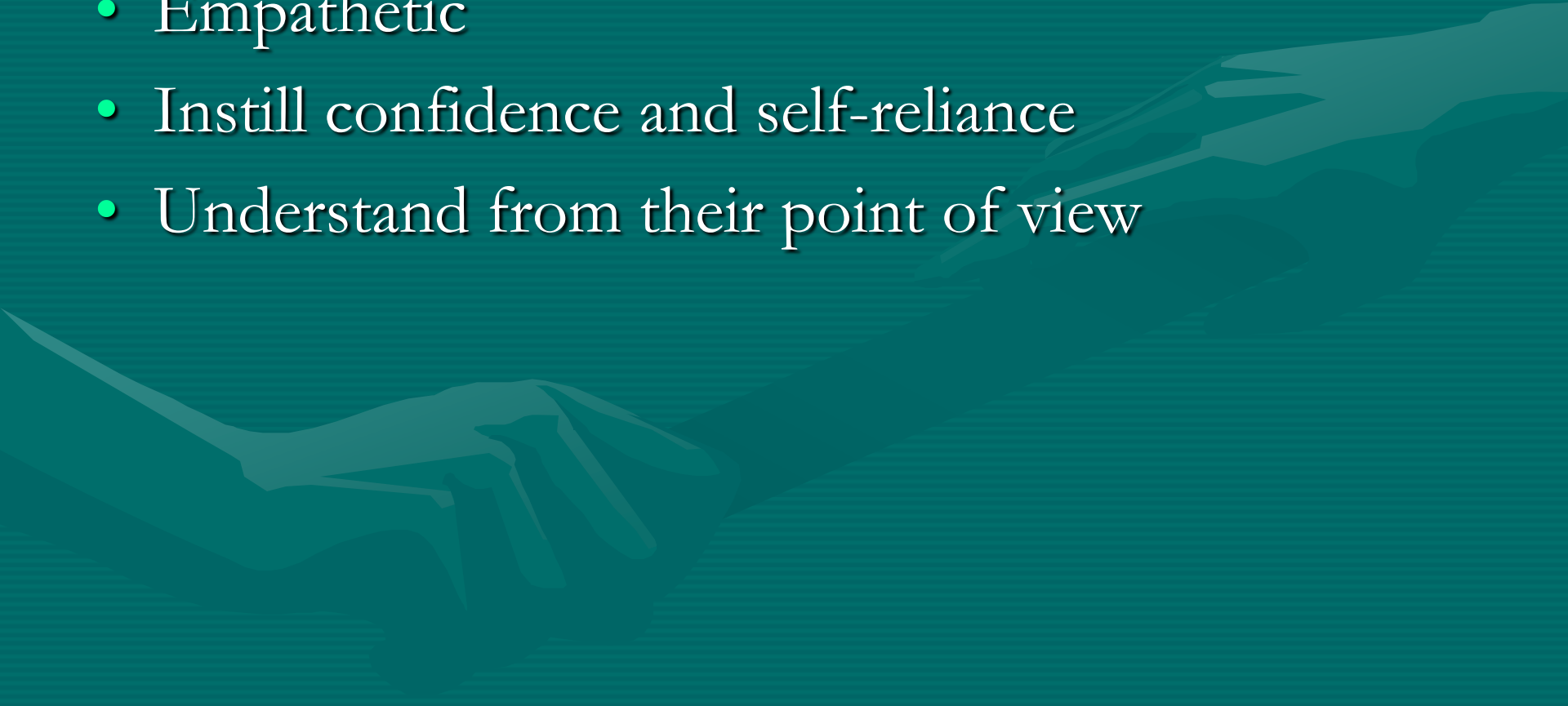
20.9%

Self Sufficiency Standard

	Dunn County	Wisconsin	County rank
Single working adult, one preschool one school aged	13.25	14.14	35
Two working adults, one preschool one school aged	8.27/adult	9.54/adult	35

Working with Clients

- Nonjudgmental
- Empathetic
- Instill confidence and self-reliance
- Understand from their point of view



Facilitation Skills

1. Setting the foundation

- Ethical and professional standards
- 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

Probing questions

- ✓ “What are your financial goals?”

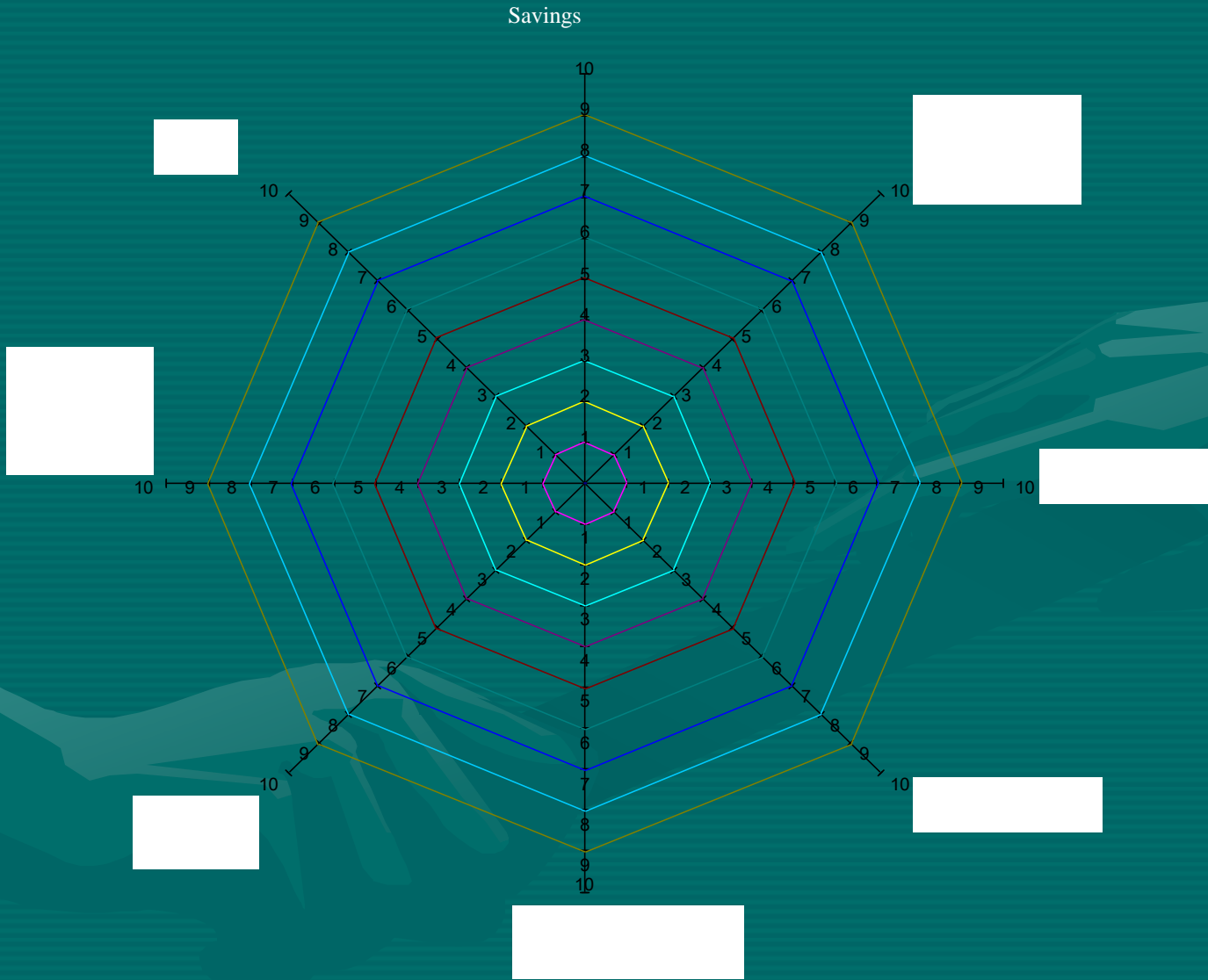
Late Payments

- ✓ “Do you want to pay all your bills on time? How is that working for you? Are you paying any late?”
- ✓ “How do you pay your bills?”
- ✓ “Are you opening the mail immediately?” “Are you paying immediately, or cutting it close and/or getting late fees?”
- ✓ “Do you pay bills around pay day, or as soon as you get them?”

Budgeting for savings

- ✓ “Do you want to be a better money manager?”
- ✓ “Are you saving for something?”
- ✓ “Do you have something saved, like for a rainy day? How about for retirement?”
- ✓ “Have you checked with your boss or HR people about what benefits you may be able to sign up for?”

Goal Setting Form



Rate your current financial status with 0 being poor and in the middle and 10 being high and at the outside of the circle.

1. Which area do you want to improve?

- ☐ Savings
- ☐ Credit
- ☐ Insurance
- ☐ Retirement
- ☐ Budgeting
- ☐ Banking
- ☐ Health Benefits
- ☐ Debt

2. What financial goal could you set for that area in next six weeks?

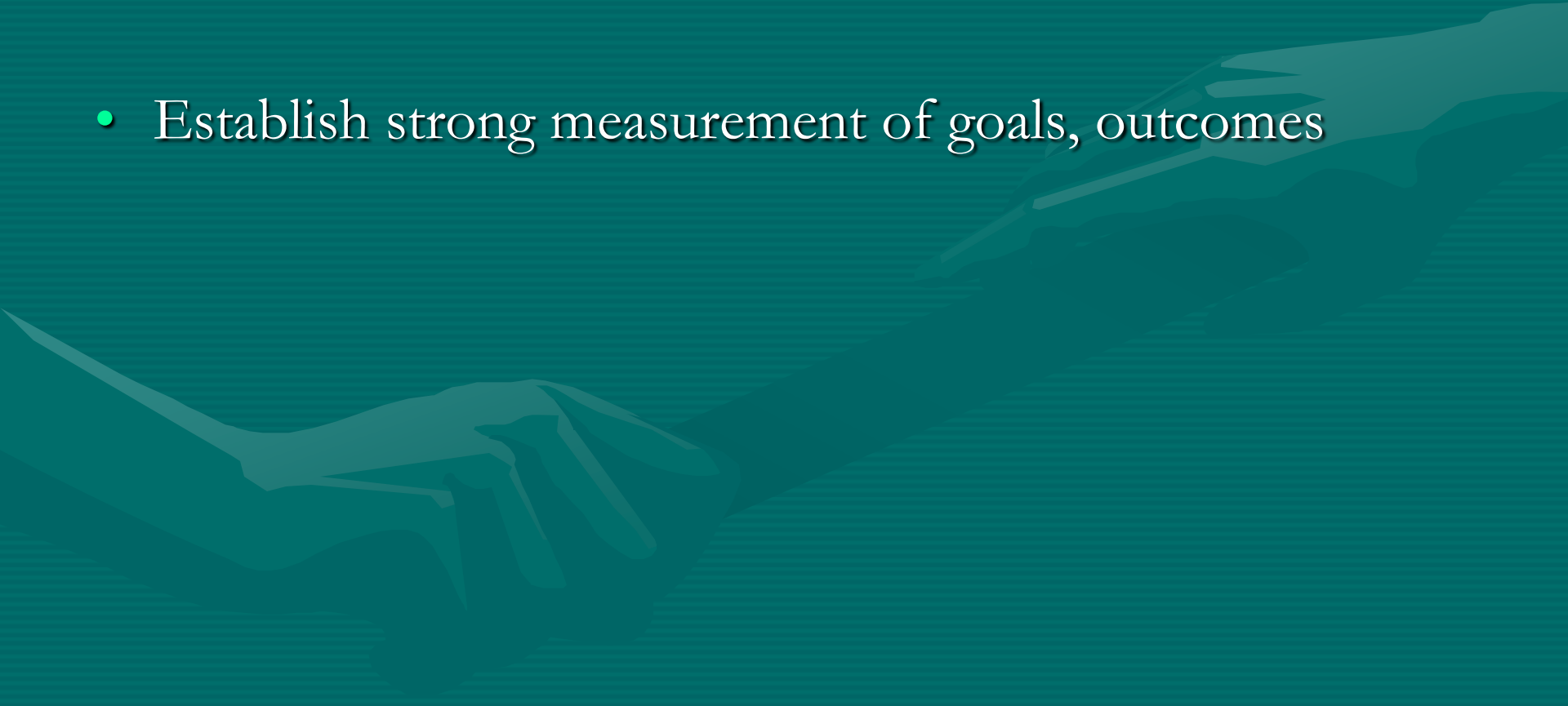
My goal is...

3. What could you do in the next 6 weeks to make progress towards that goal?

I will...

Progress

- Solicit client feedback and move towards “graduation”
- Establish strong measurement of goals, outcomes

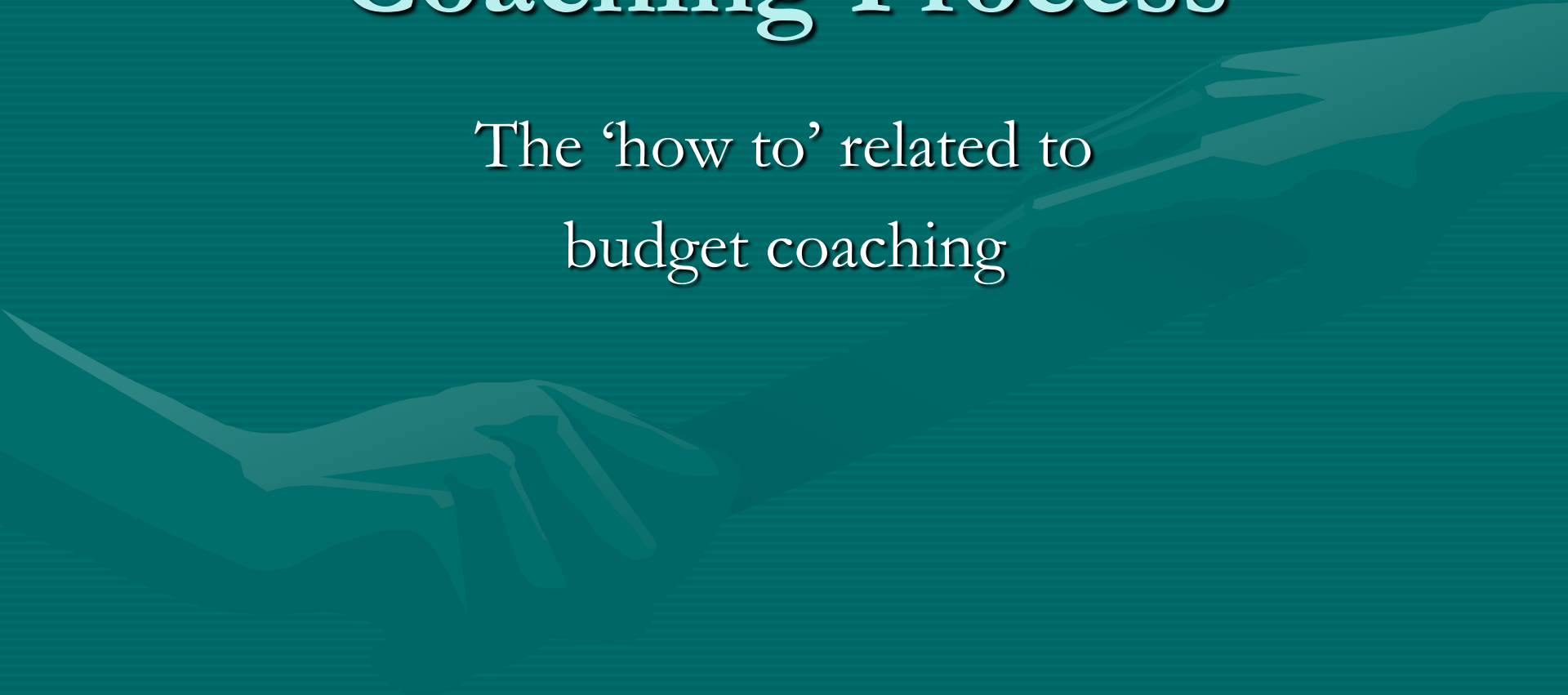


Dealing with Difficult Clients

1. Try not to make quick assumptions
2. Place responsibility and success with client
3. Restate client goals
4. Don't get sidetracked
5. Work on client's situation
6. Work on what can be changed

Coaching Process

The 'how to' related to
budget coaching



*Though no one can go back
and make a new start, anyone
can start from now and make
a brand new end.*

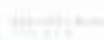
Carl Bard



If you tell your money
where it is to spend, you
will not have to ask
where it went.



UtahSaves *You Can Build Wealth*



© 2008 United Way of Utah

What Areas Do You Want to Improve ?

Budget ☐

Savings ☐

Debt ☐

Banking ☐

Credit ☐

Health ☐

Insurance ☐

Retirement ☐

What financial goals could you set for that/those area(s) the next 6 months ?

What could you do in the next 6 weeks to make progress toward that/those goal(s) ?

Strategies

Budget/Spending Plan

Create a written spending plan

Write down some short term – attainable goals

Allow room for adjustments

Consider budget plans for utilities if possible

Track ALL of your spending

Strategies

Savings

- Open a savings account
- Consider direct deposit
- Include a regular savings amount in your spending plan

Strategies

Debt

List out all amounts owed

Write down an obtainable goal to have some/all paid off

Record the amount payable to each in your spending plan

Strategies

Banking

Locate a financial institution that offers “no fee” savings or checking

Learn to balance your accounts BEFORE opening a checking account

Balance your account EVERY month

Strategies

Credit

Obtain your free credit report

Correct or dispute any incorrect information

Pay off any derogatory accounts

Pay down the balances on your credit cards

Do not open any new accounts

Strategies

Health

Obtain health insurance or health benefits (MA or other public health coverage)

Budget a monthly amount in your savings plan for health care expenses you may be responsible for

Strategies

Insurance

Obtain high deductible or liability insurance for your vehicle(s)

Budget a regular amount to meet this deductible as soon as possible

Strategies

Retirement

Take advantage of any “matched” retirement fund through your employer

Do not look to your retirement funds as available money in emergencies

What is a Spending Plan?

- A tool to plan and monitor income and expenses
- A tool to diagnose and correct spending problems
- An instrument to channel resources to goals
- A mechanism for foreseeing and avoiding problems
- A tool to direct and control spending
- A means to evaluate and coordinate priorities

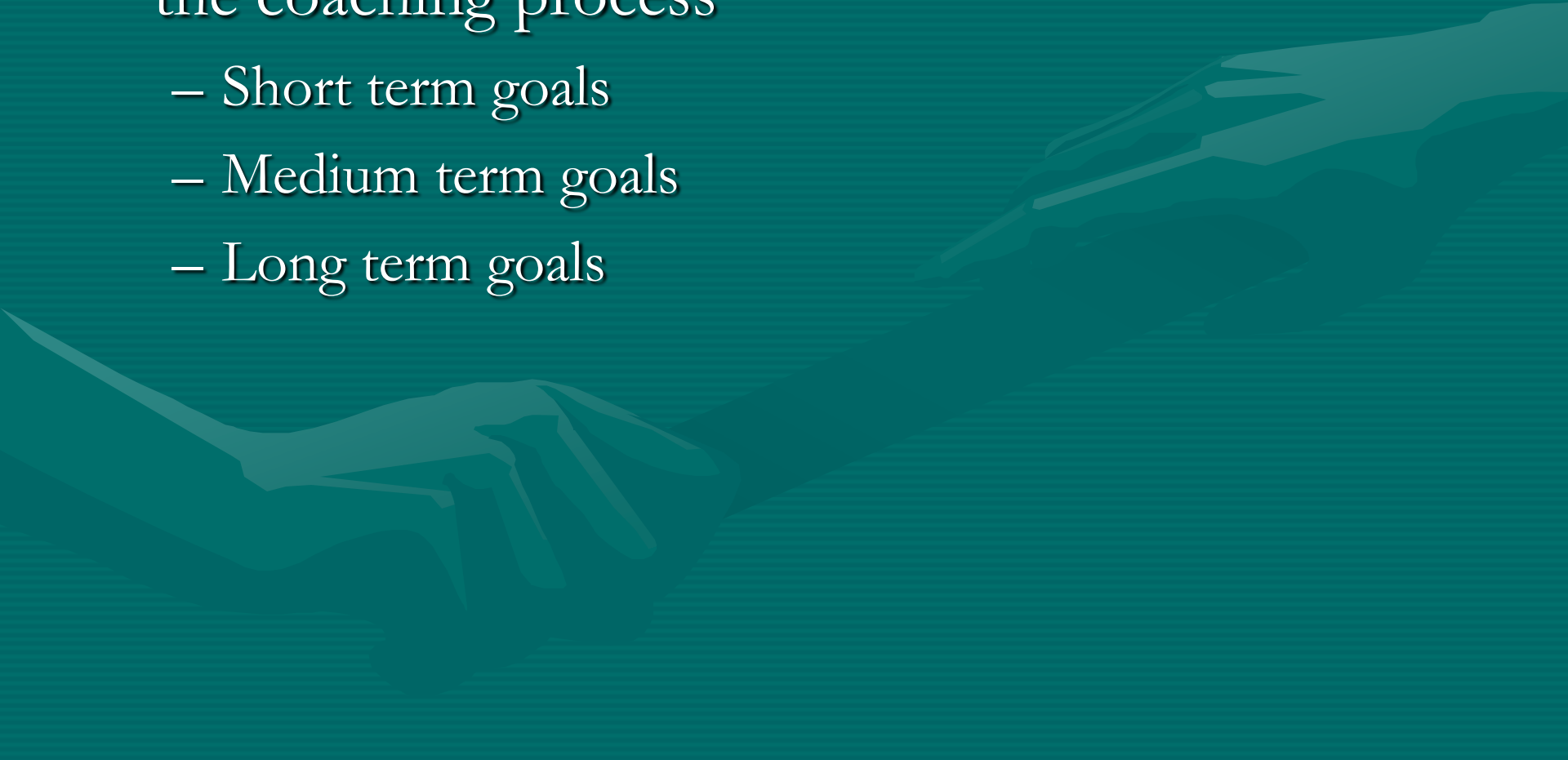
Benefits of a Spending Plan

- Frees up time
- Eliminates stress
- Achieve goals
- Greater control of your money
- Improve relationship
- Reduce guilt

Achieving Goals

Goals should be included in the spending plan and the coaching process

- Short term goals
- Medium term goals
- Long term goals



Tracking Personal Spending

- Keeps you on track financially
- Helps you make informed choices
- Helps provide for future purchases
- Eliminates the need to turn to credit when the money is gone

Methods of Tracking Spending

- Envelope method – maybe one or more
- Recording each purchase in small notebook
- Receipt method
- Check book register
- Accounting software
- Review and communicate regularly – all methods

Spending Plan

MONTHLY INCOME	gross pay per check	take-home pay per check	total take home pay monthly / per person
* Salary/wages 1			
* Salary/wages 2			
* Other:			
* Other:			
Total Monthly Income \$			

MONTHLY FIXED EXPENSES:		Estimated Monthly Amount
* Mortgage/Rent		
* 2nd Mortgage/ lot rent/ association dues		
* Utilities: electric		
* Utilities: gas/oil		
* Phones - home and long distance		
* Cell phone / pages		
* Cable / internet / satellite		
* Vehicle payment		
* Vehicle lease payment		
* Monthly insurance - auto/home		
* Monthly insurance - renters/health insurance		
* Monthly daycare or child support paid		
* Student Loans paid monthly		
* Loans paid monthly		
* Other		
	Total:	\$

PERIODIC EXPENSE ITEMS		Amount	How Often	Monthly
Estimated / Set Aside / Save		You Pay	=	Average
* Property taxes (if not escrowed in mortgage)				
* Insurances (ones not paid monthly)				
* Vehicle maintenance and repair				
* Vehicle license tabs				
* Home repair/maintenance				
* Water / Sewer				
* Garbage removal				
* Health costs: medical, dental, eye care				
* Co-pays & prescription costs				
* Gifts - birthdays and parties				
* Gifts - holidays and special occasions				
* Vacations / travel				
Tuition/preschool costs/memberships				
Back to school costs / sports for students				
Veterinarian Costs				
Clothing (if not purchases monthly)				
Other:				
	Total:\$			

FLEXIBLE EXPENSES	
Daily & Weekly Spending Needs	Estimated monthly spending needs
* Gasoline, bus, parking, ride-share, taxi	
* Food: groceries, convenience foods	
* Food: dining out & vending machines	
* Food: school lunches & work lunches	
* Household misc: toiletries, discount stores	
* Household misc: baby items	
* Household misc: laundry supplies	
* Household misc: pet supplies	
* Miscellaneous:	
* Miscellaneous: allowances	
* Miscellaneous: tobacco, alcohol	
* Miscellaneous: donations, tithe	
* Miscellaneous: postage	
* Miscellaneous: hair cuts and care	
* Entertainment: movies, movie rentals	
* Entertainment: sports, hobbies	
* Entertainment: books, magazines	
* Entertainment: babysitters or fun	
* Other:	
	Total: \$

Total Income:

\$

Total Expenses:

\$

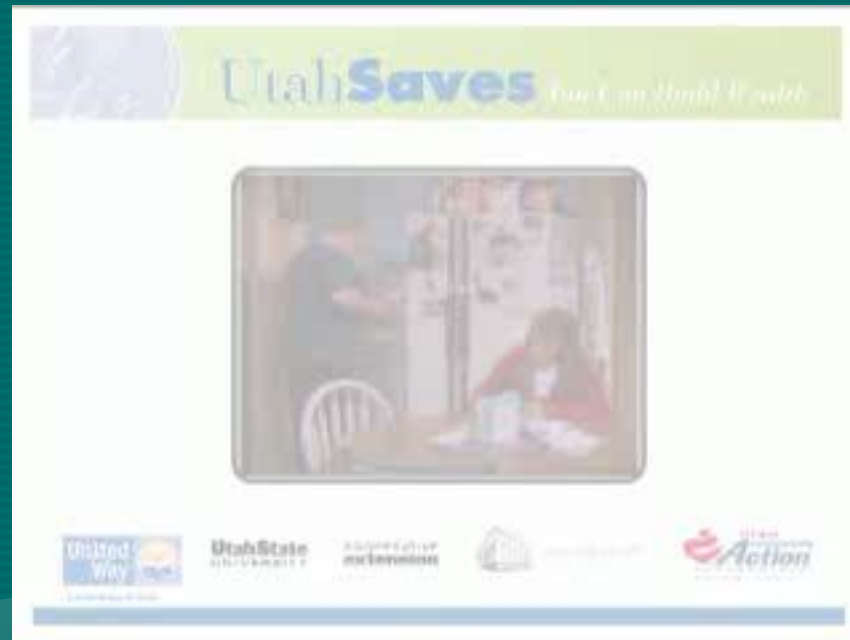
Surplus/Shortages:

\$

Action Steps

1. Increase income
2. Decrease expenses
3. Debt repayment
4. Restructure debt
5. Discharge debt
6. Do nothing

Video



Goal Setting

1. Help the client recognize what they value
2. Help to define goals according to these values
3. Establish resources to support these goals
4. Help the client see that procrastination, mismanagement, and waste will not achieve the goals

Remember...

- Your role is not to resolve every little problem
 - Help the client help themselves
- Help the client to identify central issues or concerns
- Address these concerns
- Remember your resources and referrals!

Coaching Checklist

- ☐ Initial contact with client
- ☐ Schedule appointment
- ☐ Talk about roles (theirs and yours)
- ☐ Make notes about the client
- ☐ Follow up contact (phone, email or in person)
- ☐ Next coaching session
- ☐ Document progress and notes
- ☐ Schedule follow-up contact (phone or in person)

Let's look at your
resources!

