

# Snapshots of Financial Coaching

Bank of America & Annie E. Casey Foundation Meeting

April 26, 2010



# Context for Coaching

## Financial Capacity Building

### Information Models

- Disclosures
- Print/Web
- Interactive Web
- Workshops
- One:One
- Reminders


Therapy –  
diagnosis /  
Treatment

### Advice Models

- Technical expert (credentialed)
- Transactional guide (may have sales focus)
- Counseling (acute problem solving)
- **Coaching**

### Mechanism Models

- Defaults
- Automatic Deposit
- Product constraints

- 
- Self Control: External Monitoring
  - Executive Attention

# Typical Features of Coaching

- As used across fields
- One-one relationship over time
- Focus on self-actualization
  - Practice skills and strategies with support
- Generally goal-focused
- Typical client has potential to improve performance
  - Non-clinical; strengths based; non-crisis

# Coaching Models

## Staffing:

- Pro bono expert
- Paid staff
- Financial professional volunteer
- Lay volunteer

## Setting:

- Clients in Tax/IDA/other program
- School/work-place based
- Head Start
- Other

# Snapshot: Data Sources

- Web Survey of CNM Students
- Centers for Working Families Survey by Abt Associates
- Mail Survey of Financial Clinic MoneyUP Tax Clients

*All very preliminary: Draft not for quotation*

# Central New Mexico Community College Student Survey

April 2010



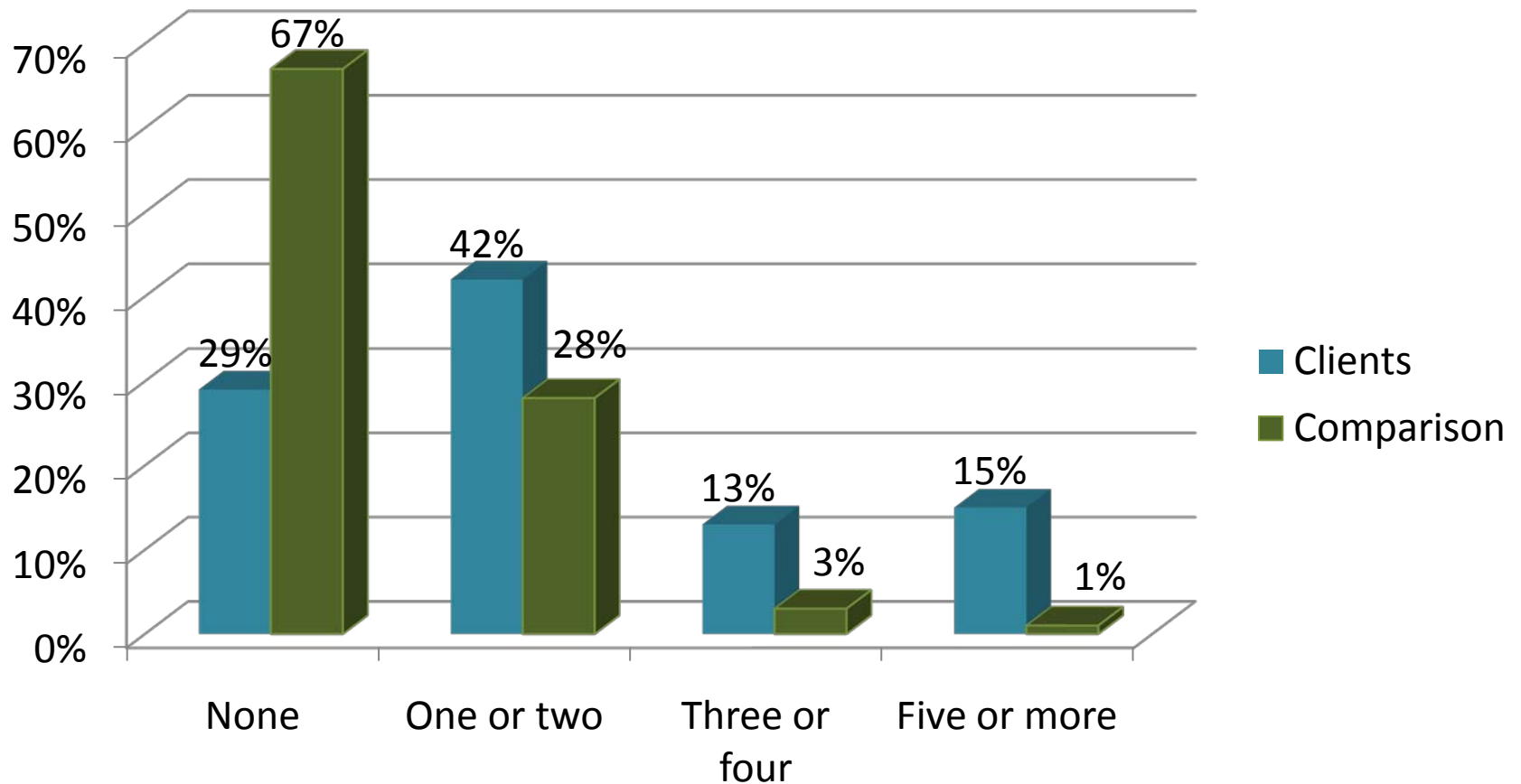
# Survey of 178 Students

- Sent to two groups of CNM Students
  - Offered Achievement Coaching (n=81)
    - “CLIENTS”
  - Other CNM students not explicitly offered Coaching as a comparison group (n=97)
    - “COMPARISON”
- Note:
  - all are CNM Students
  - Coaching not just \$\$ matters



# Comparison Group as 'Controls'?

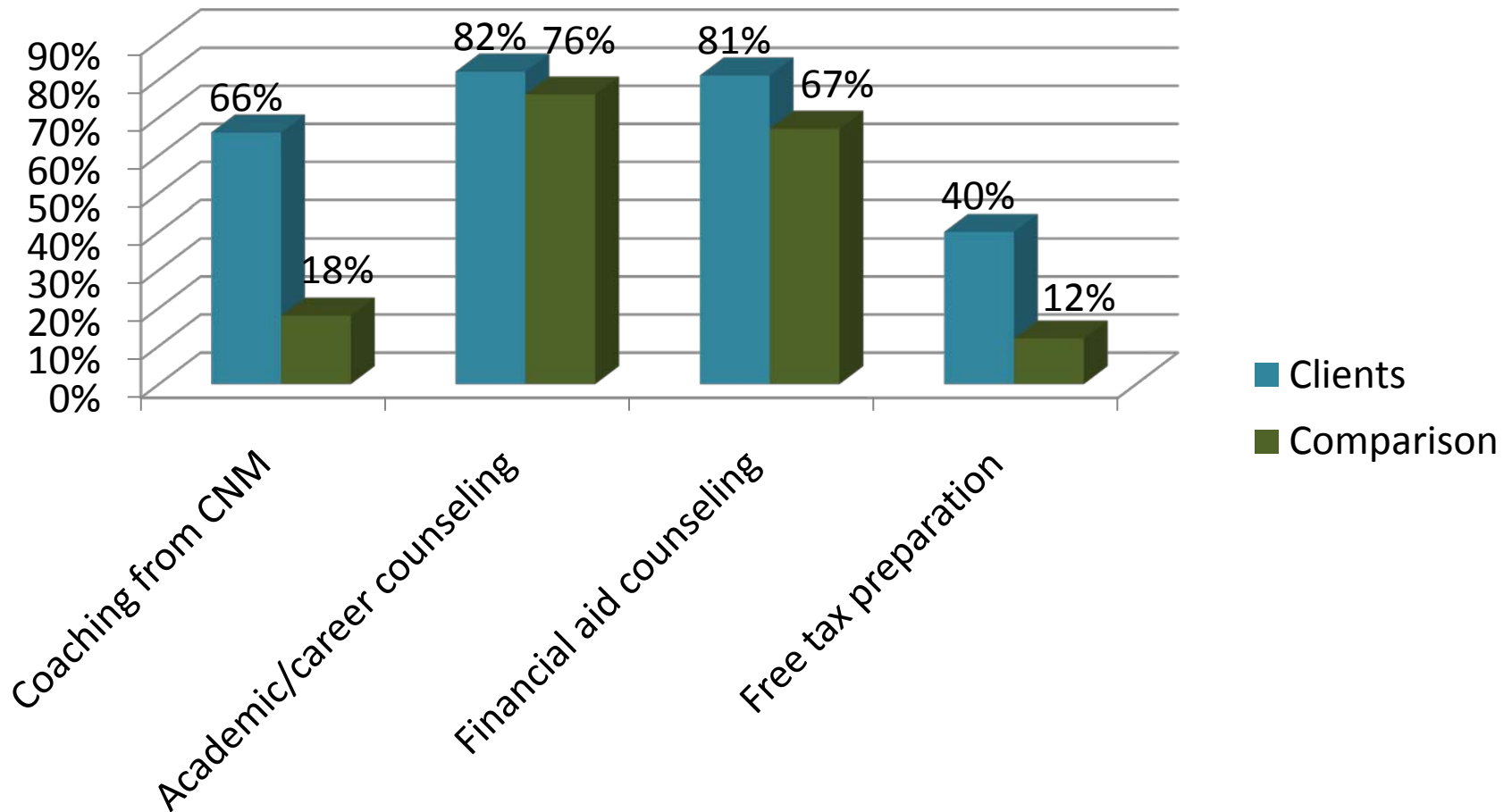
In the past 12 months, how many times have you worked one-on-one with an achievement coach?



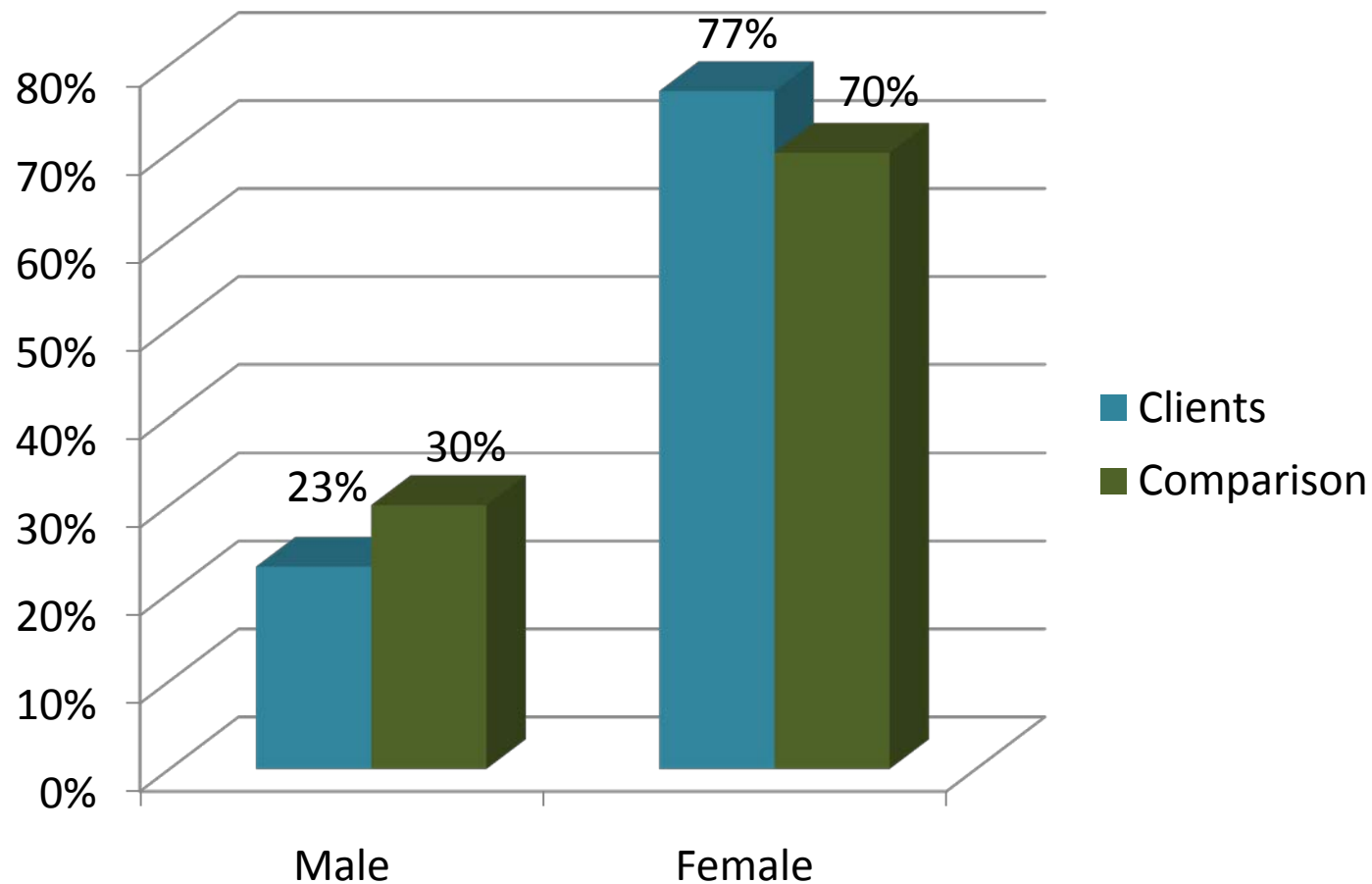


# Comparison Not Exact Control Group But Close

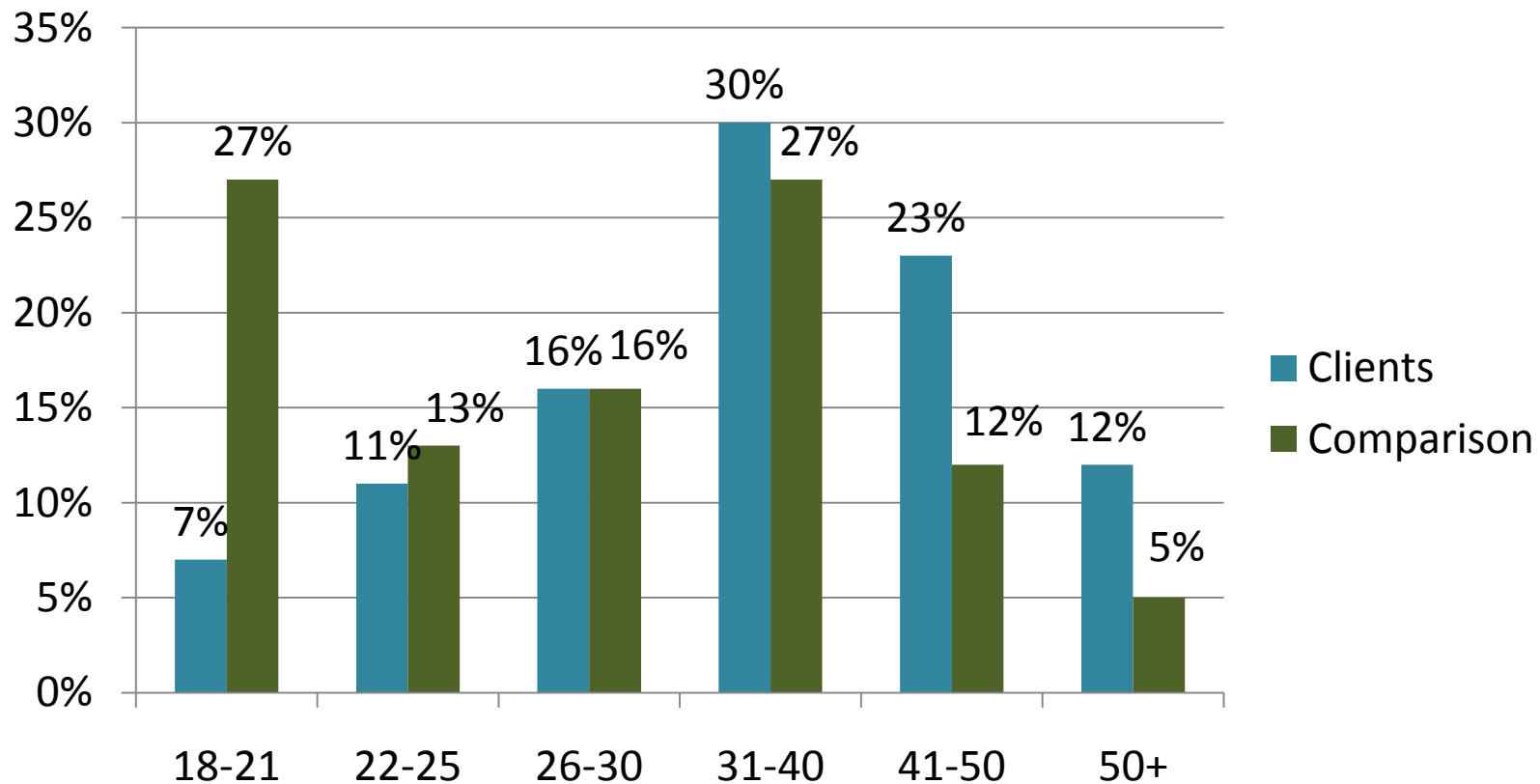
Have you ever received the following services?



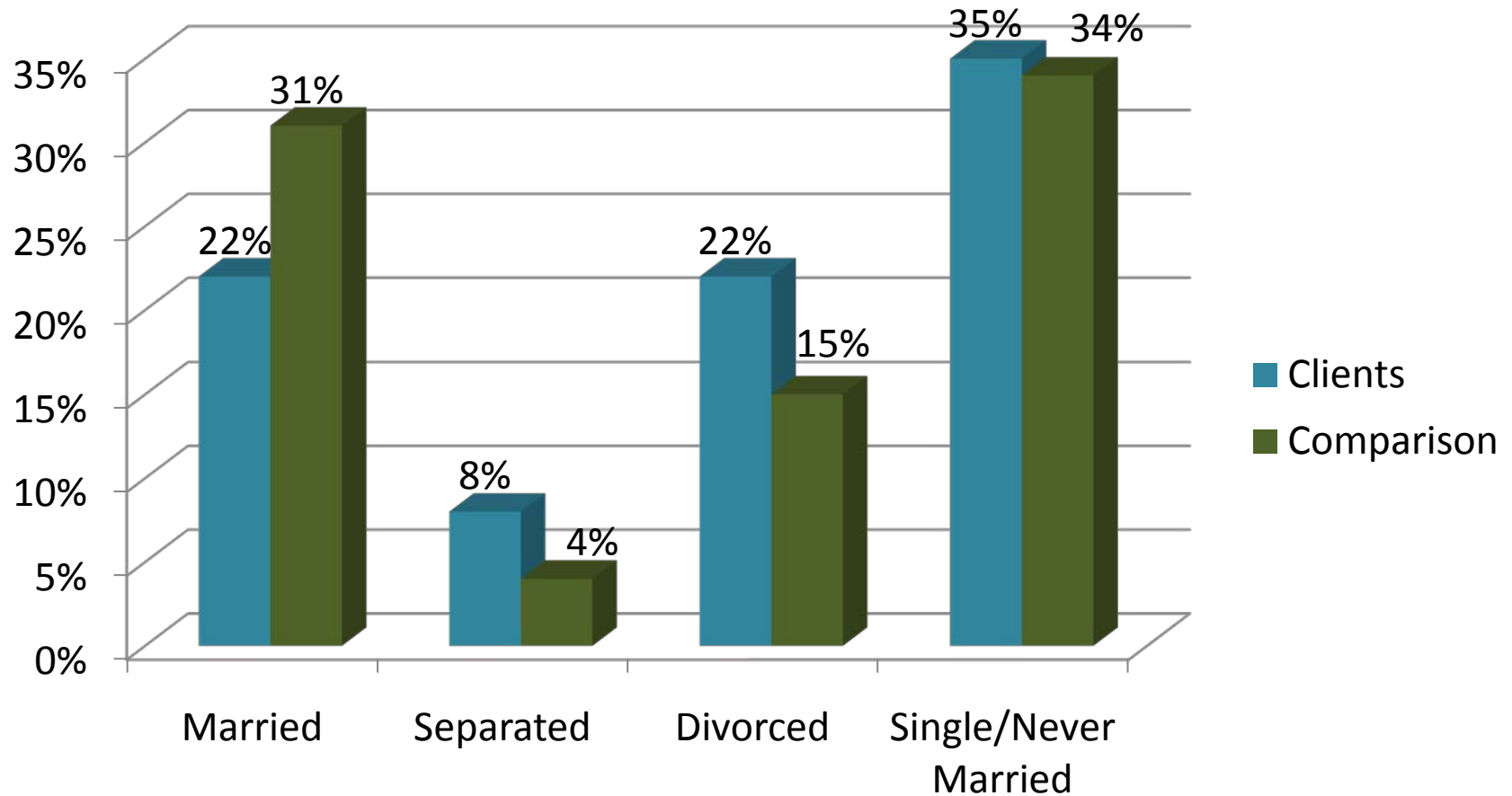
# Tendency Towards Women



# Tend to Be Older

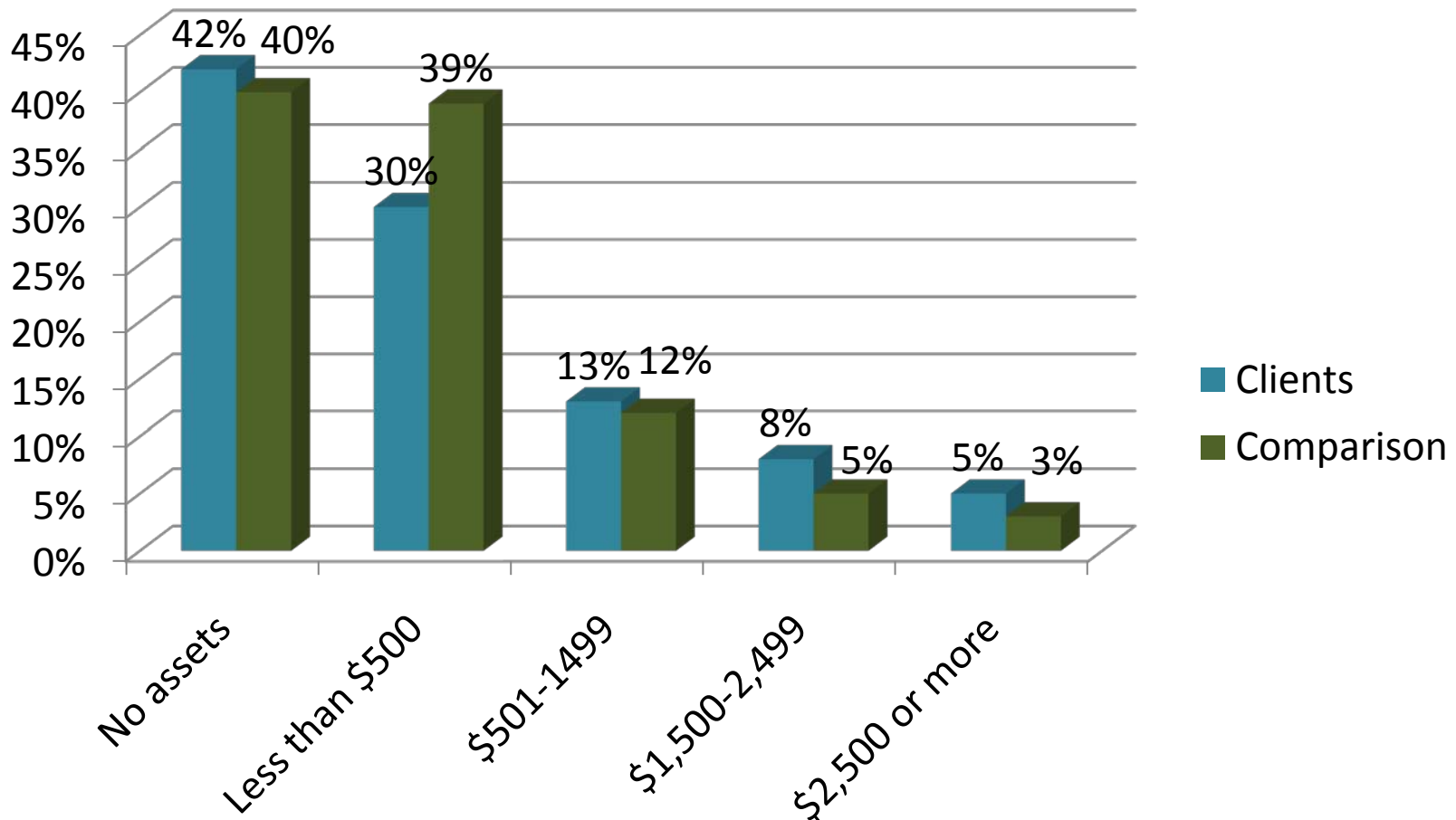


# More Likely on Their Own



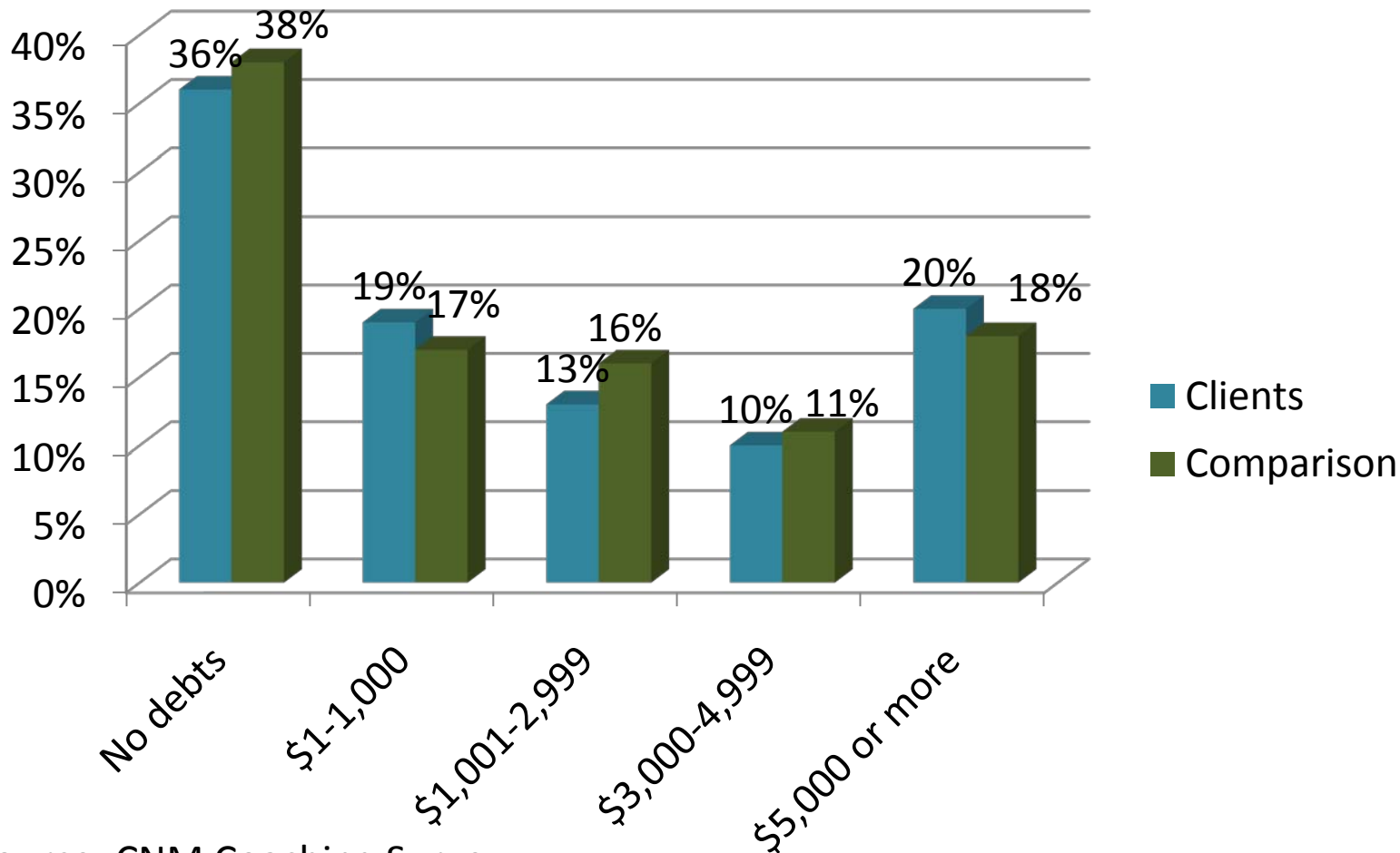
# All Students Hold Few Assets

How much do you estimate you and your spouse/partner have in combined total savings? (excluding retirement)



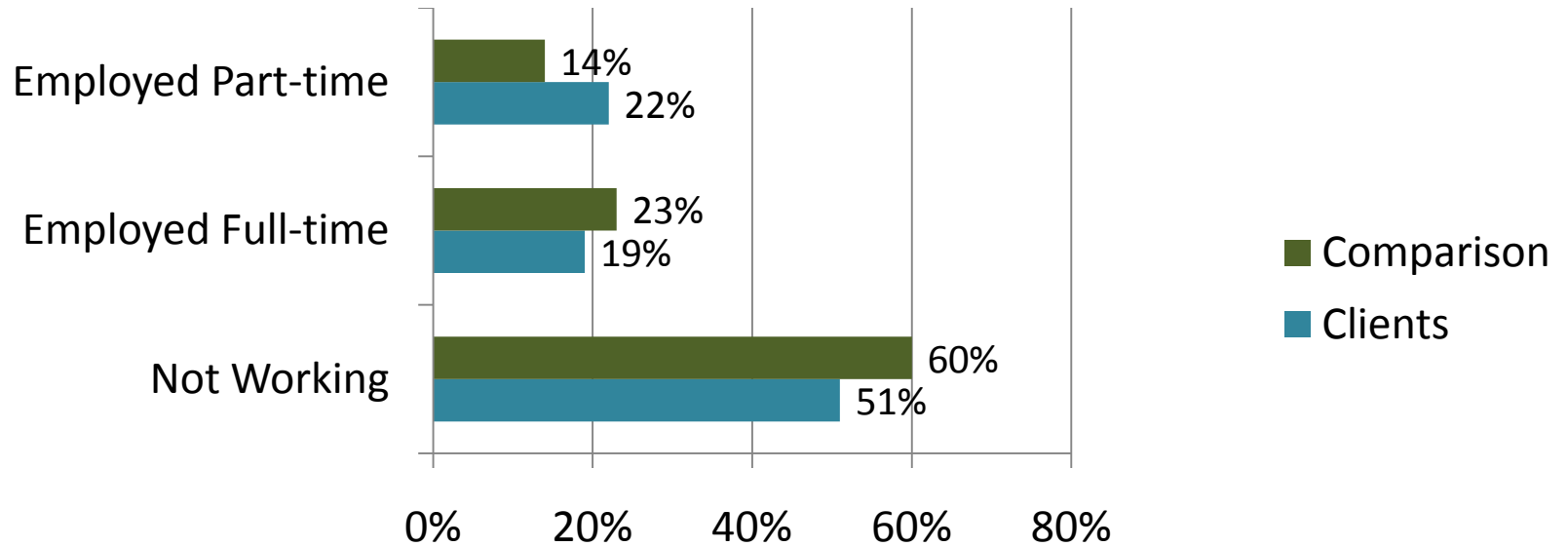
# Two-Thirds Have Debt; One-in-Five Debt > \$5000

How much do you estimate you and your spouse/partner have in combined credit card debt and consumer loans? (excluding mortgage)

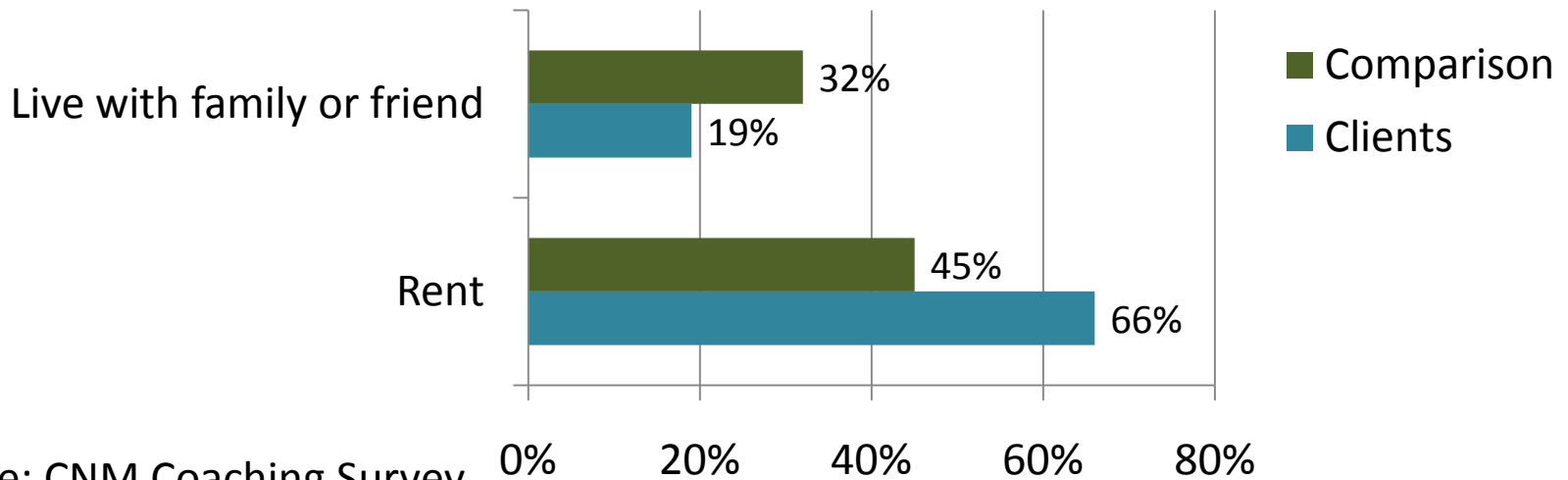


Source: CNM Coaching Survey

# About Half Working at Some Level

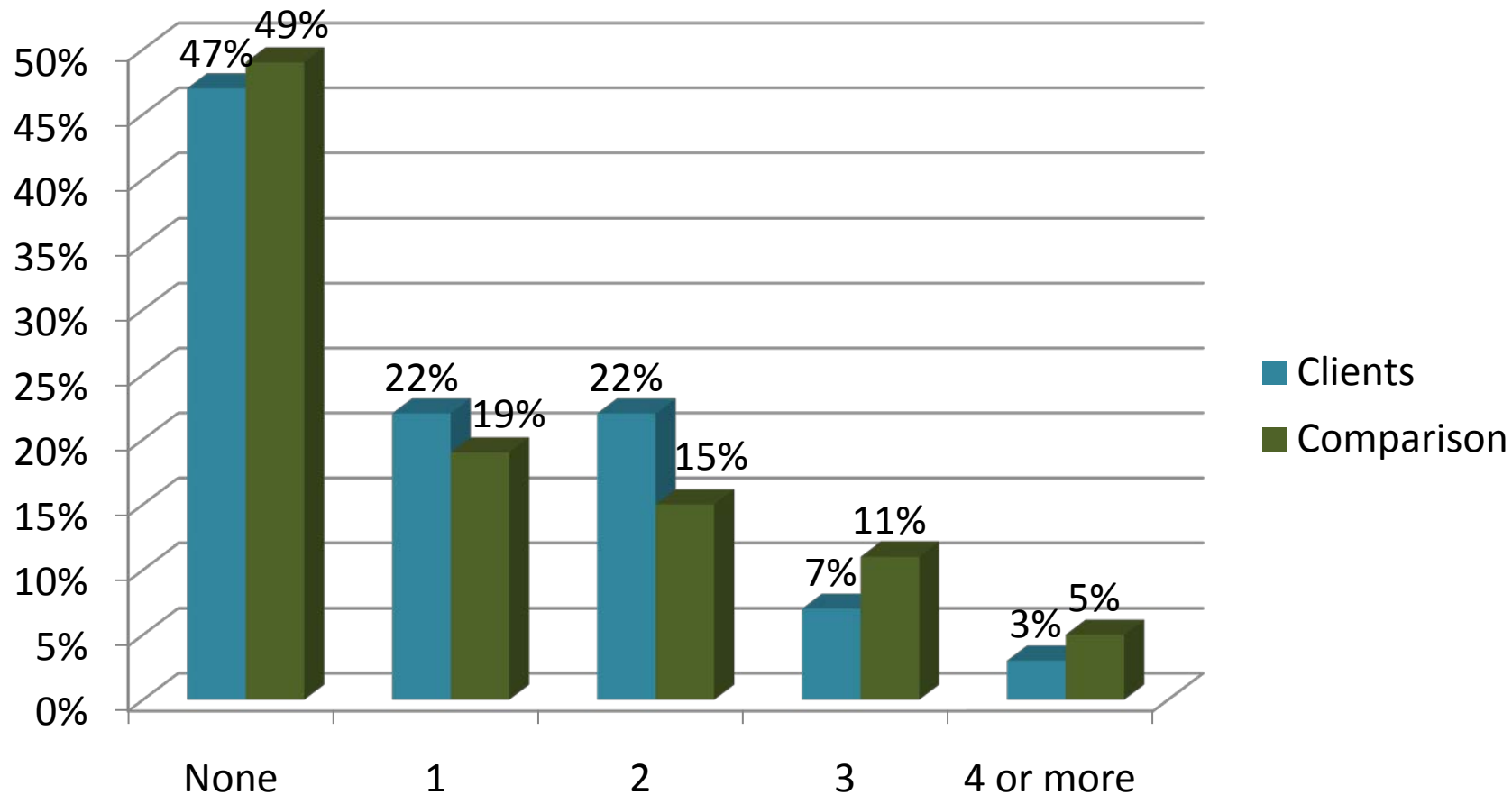


## Most Rent



# About Half Have Children in their Homes

How many children or grandchildren under age 18 do you currently care for at home?





# Coaching More Likely to Be \$\$ Focused

If you worked with an achievement coach in the past 12 months, what kinds of topics did you discuss with your coach (check all that apply)?

## Clients (125 responses)

- **Personal finance issues** 55%
- Academic issues 71%
- Childcare issues 5%
- **Scholarships** 51%
- Employment and career issues 29%
- Other issues 16%

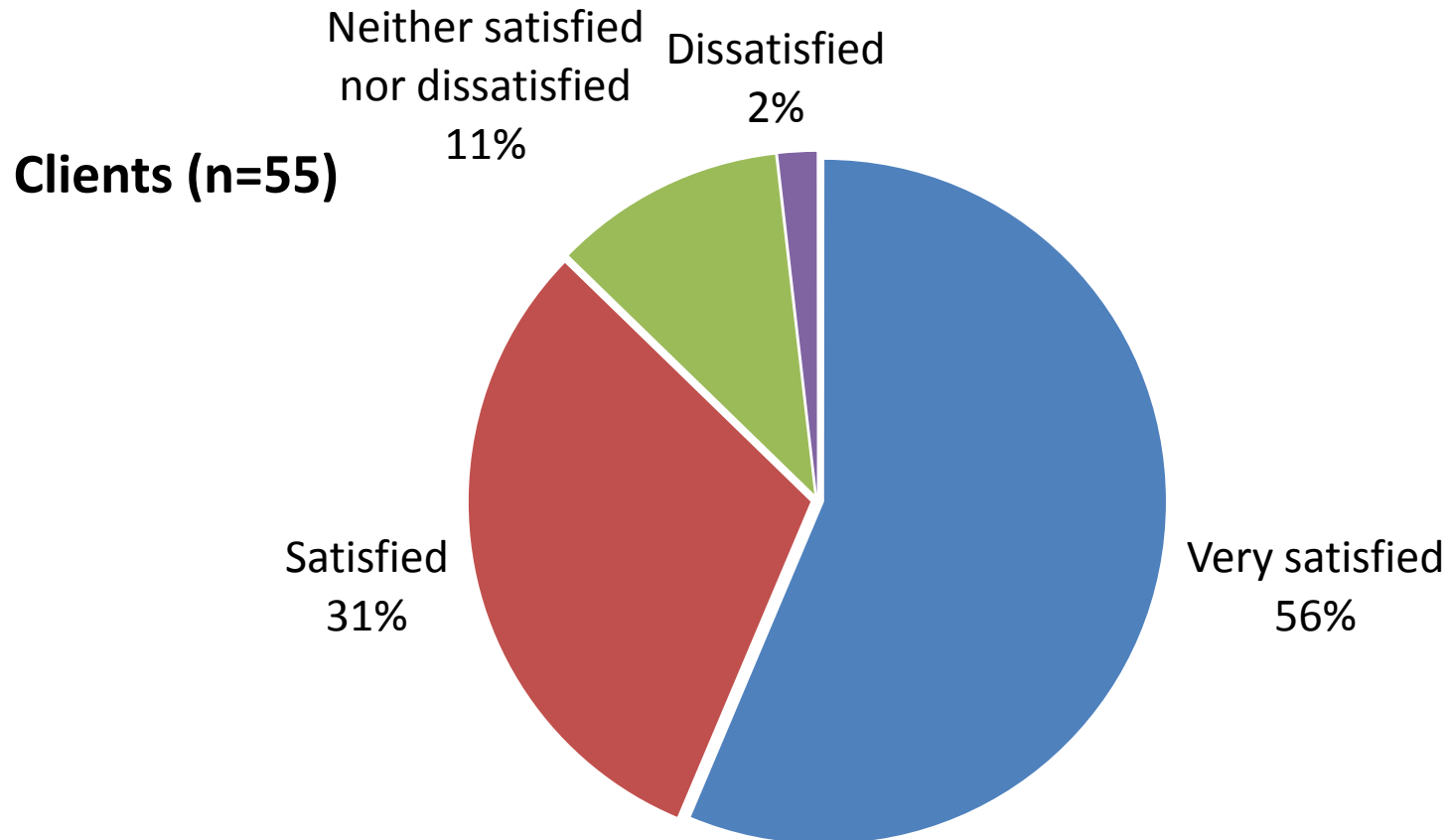
## Comparison (54 responses)

- Personal finance issues 25%
- **Academic issues** 84%
- Childcare issues 0%
- Scholarships 25%
- Employment and career issues 19%
- Other issues 16%

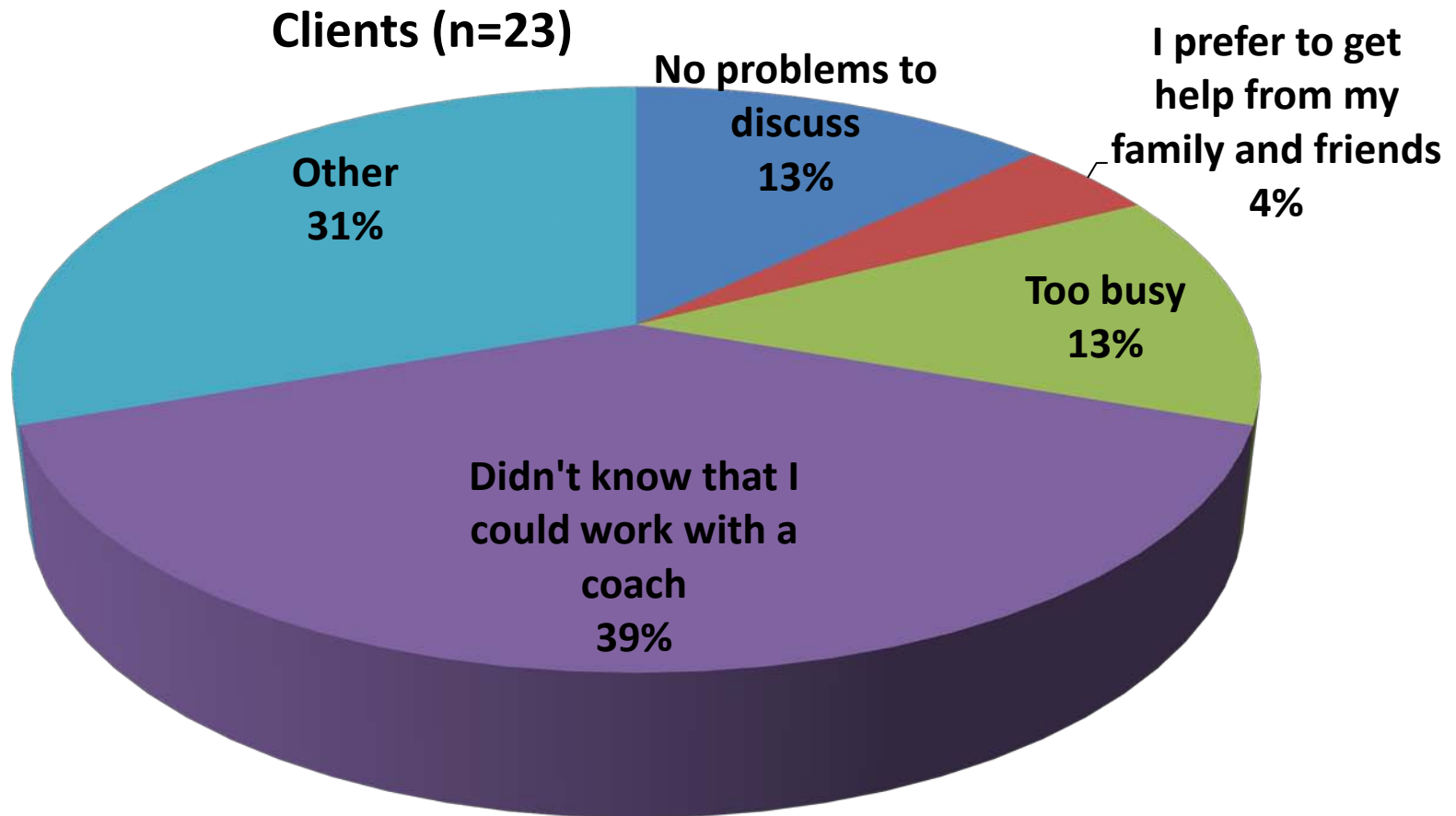
# Satisfaction:

## Most Coached Clients Are Happy with Services

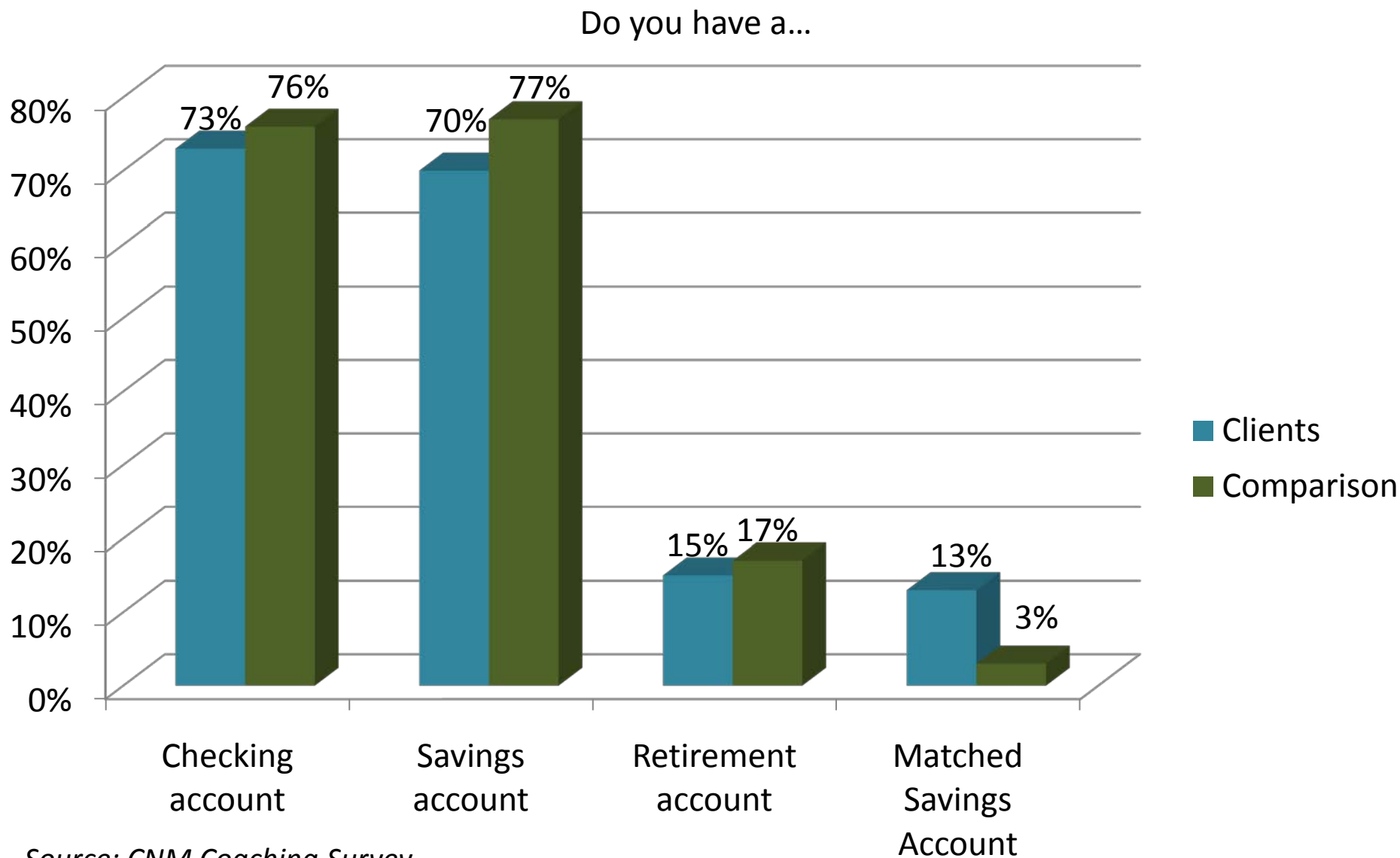
How satisfied are you with how well you and your coach work together to solve your problems?



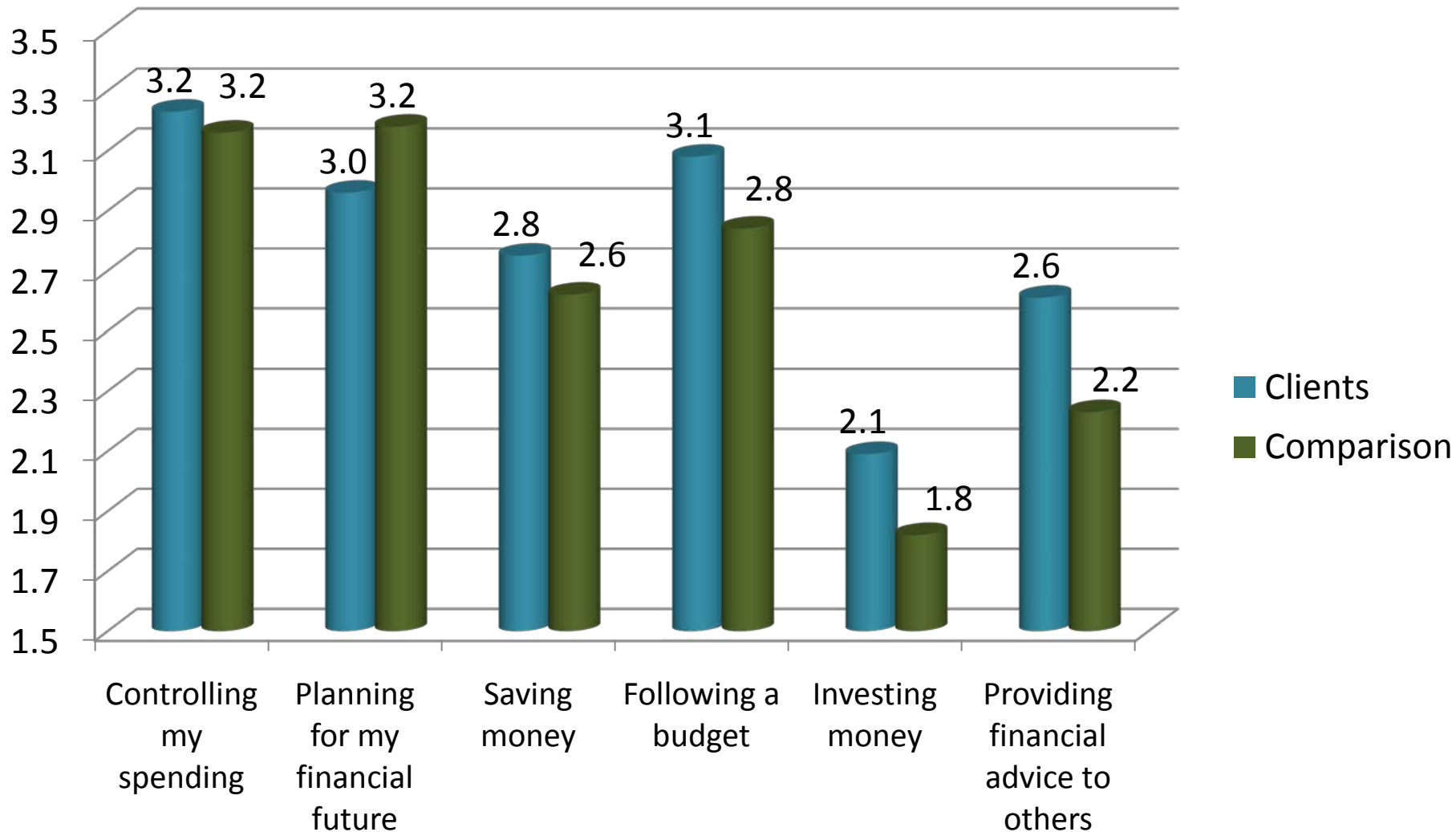
# What is the main reason you have never worked with an achievement coach in the past year?



# Coaching Clients Show Signs of Less Financial Interaction; More Supports



# How do you rate yourself in the following areas during the last 3 months? (1=poor, 5=excellent)

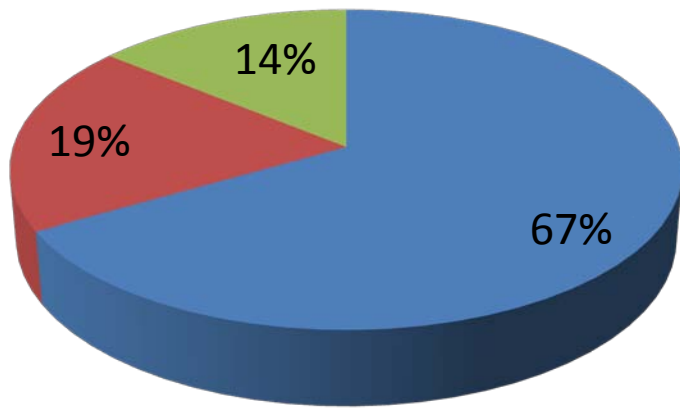


Source: CNM Coaching Survey

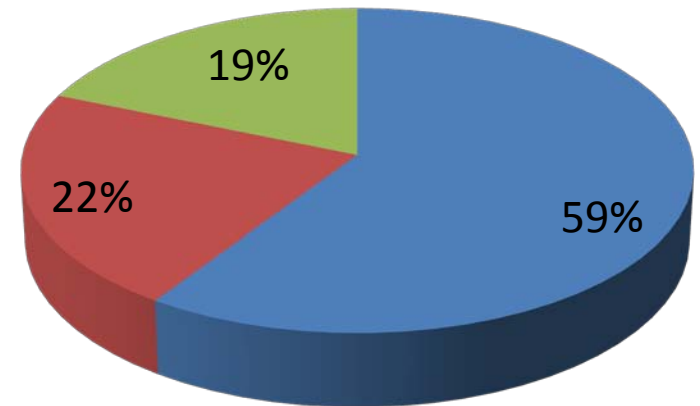
# Most have Consumer Credit to Manage

How many credit cards do you have?

**Clients (n=78)**



**Comparison (n=95)**

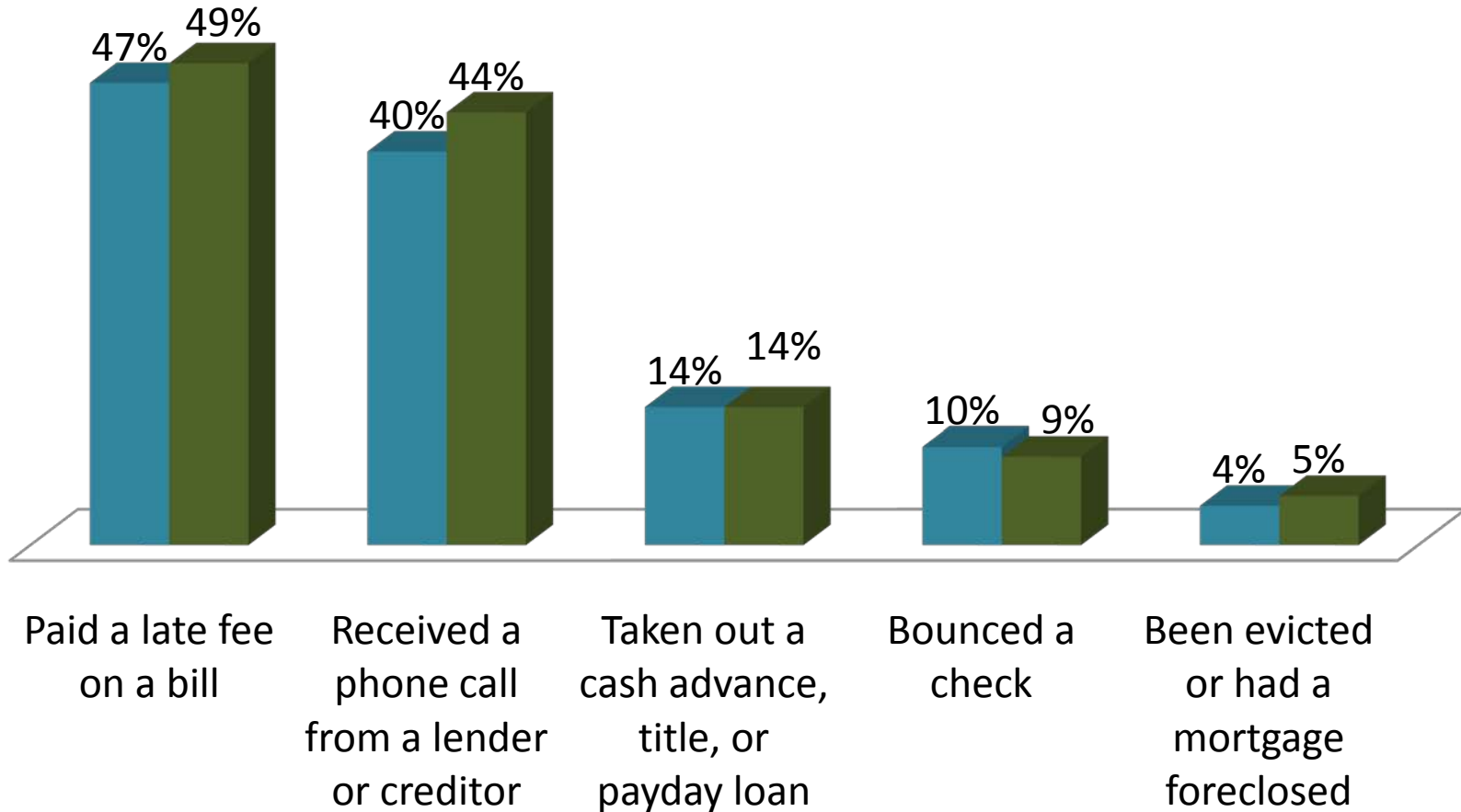


■ 0  
■ 1  
■ 2 or more

# Negative Financial Management Events Common

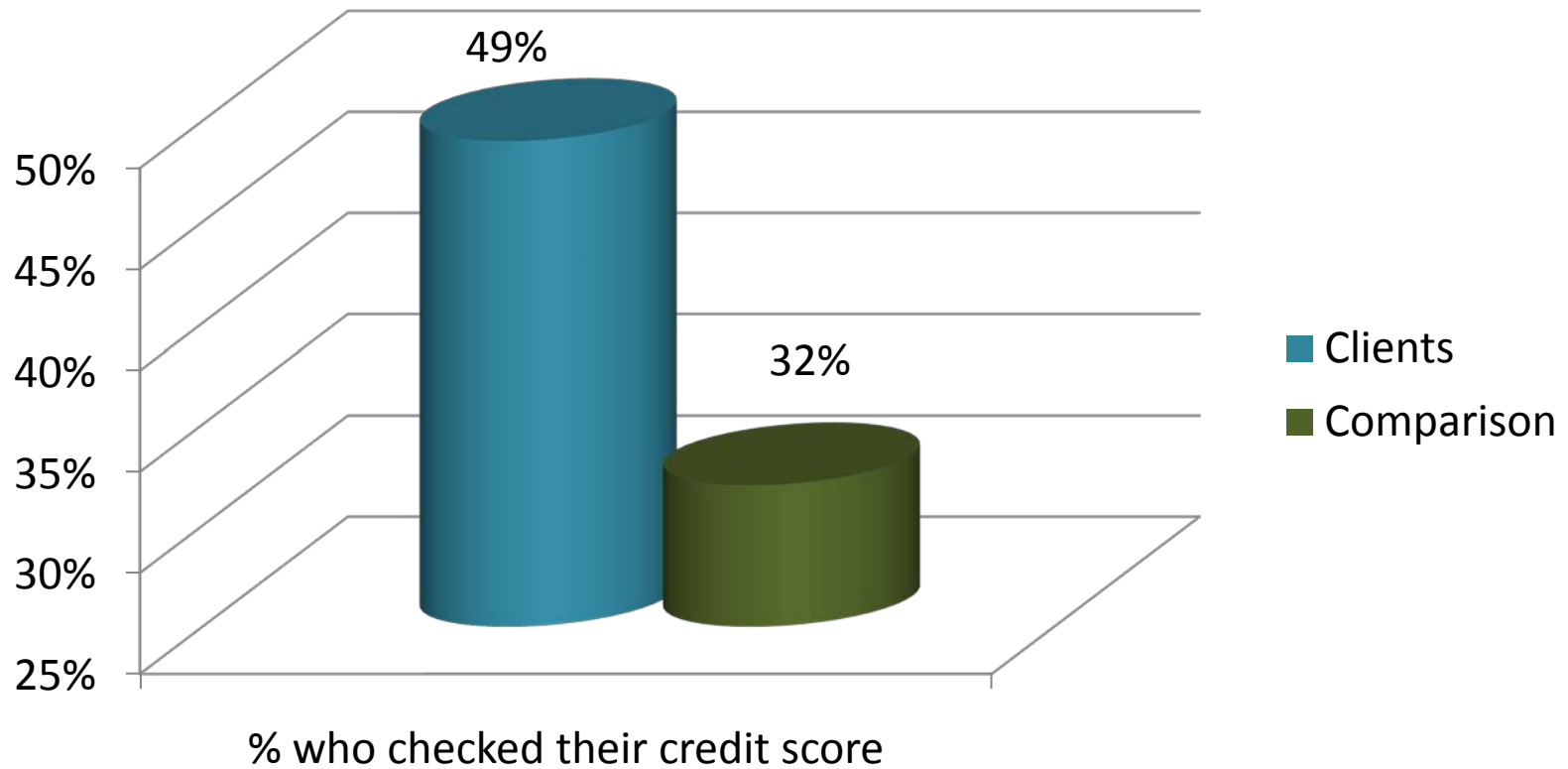
In the past 6 months have you...

■ Clients ■ Comparison



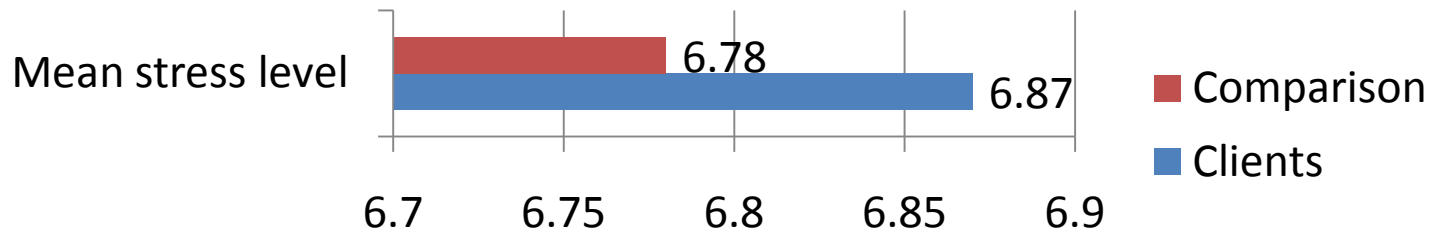
# Focus on Credit

Have you checked your credit report in the past year?

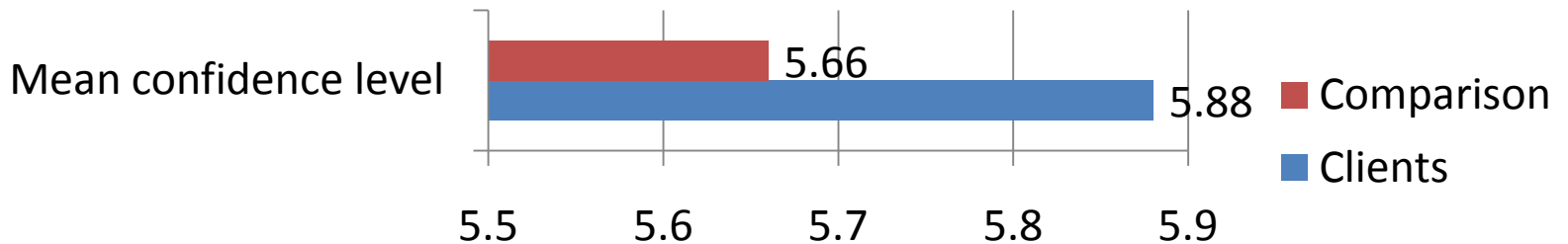




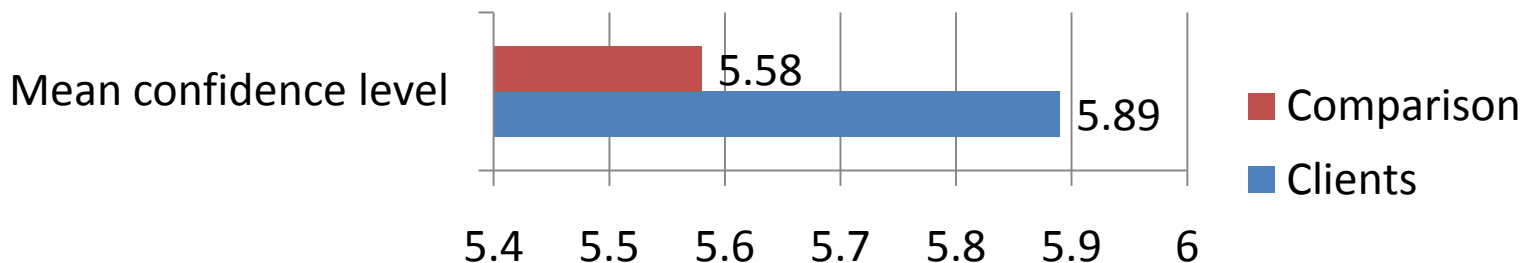
What is the level of your financial stress today? (1=no stress, 10=overwhelming stress)



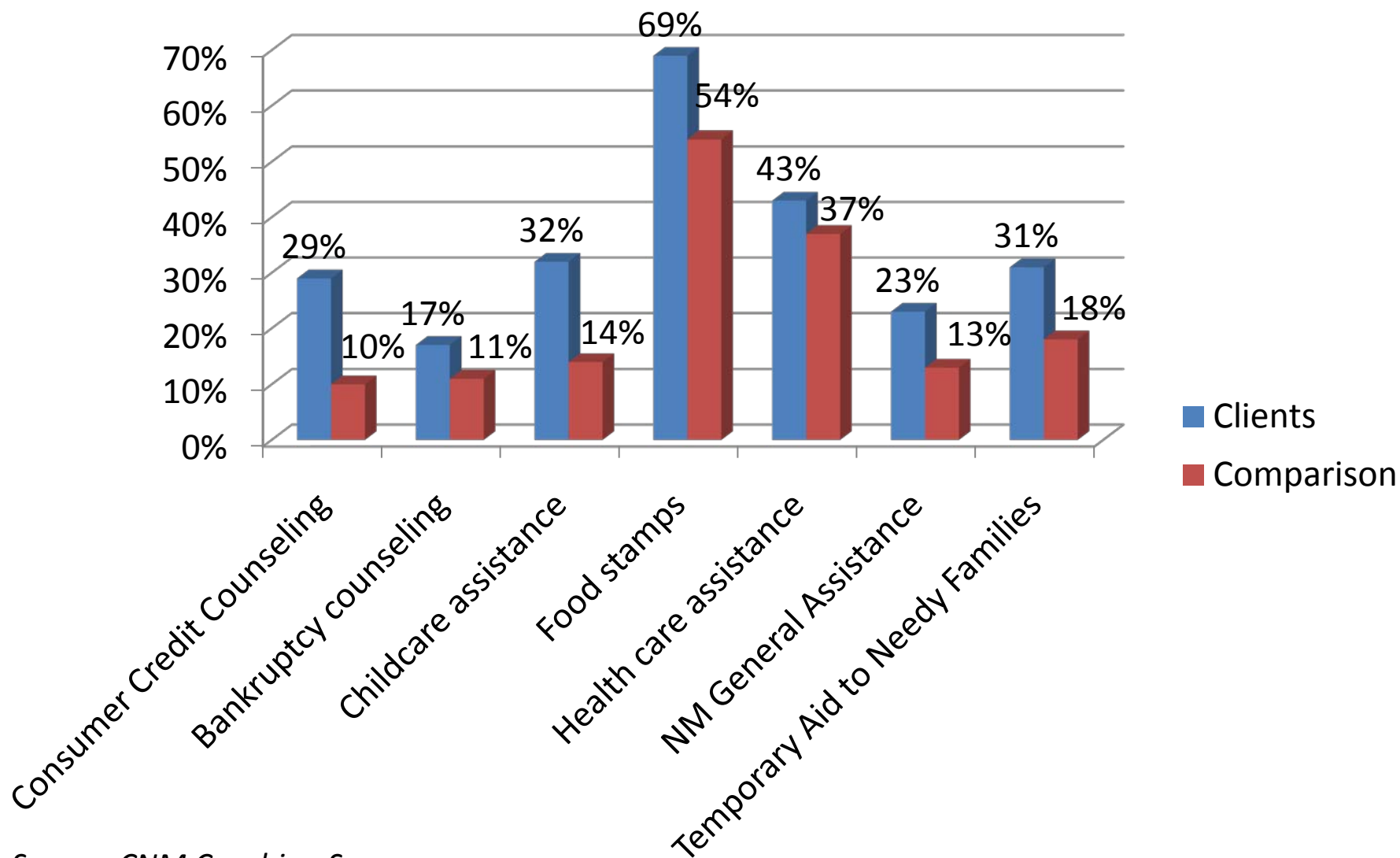
If you had a question about a financial problem how confident are you that you could identify a solution? (1=not at all confident, 10=very confident)



If you had a financial problem how confident are you that you could find someone who you trust to help you? (1=not at all confident, 10=very confident)



# Have you ever received any of the following services?



Source: CNM Coaching Survey

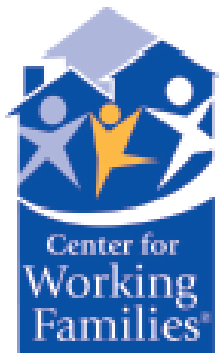
# CNM Findings: Overall

- Clients offered coaching had more needs
  - Slightly less access/ use of financial services
  - And connected to more services
- Some signals they may be in more financial distress
  - But also ability to address issues
- CNM Coaching model not exclusively about finances but some indications that given hardships of targeted clients, positive effects relative to comparison group
  - Can try more analysis, but challenges remain...

# CWF Data from 3 Sites

## Collected by Abt Associates<sup>1</sup> 2008

- n=168
  - Bon Secours of Maryland Foundation 55
  - Central New Mexico Community College 59
  - St. Louis MET Center 54
- 83 self-report that they met with a coach at least once in the past year
- 85 self-report never met with a coach

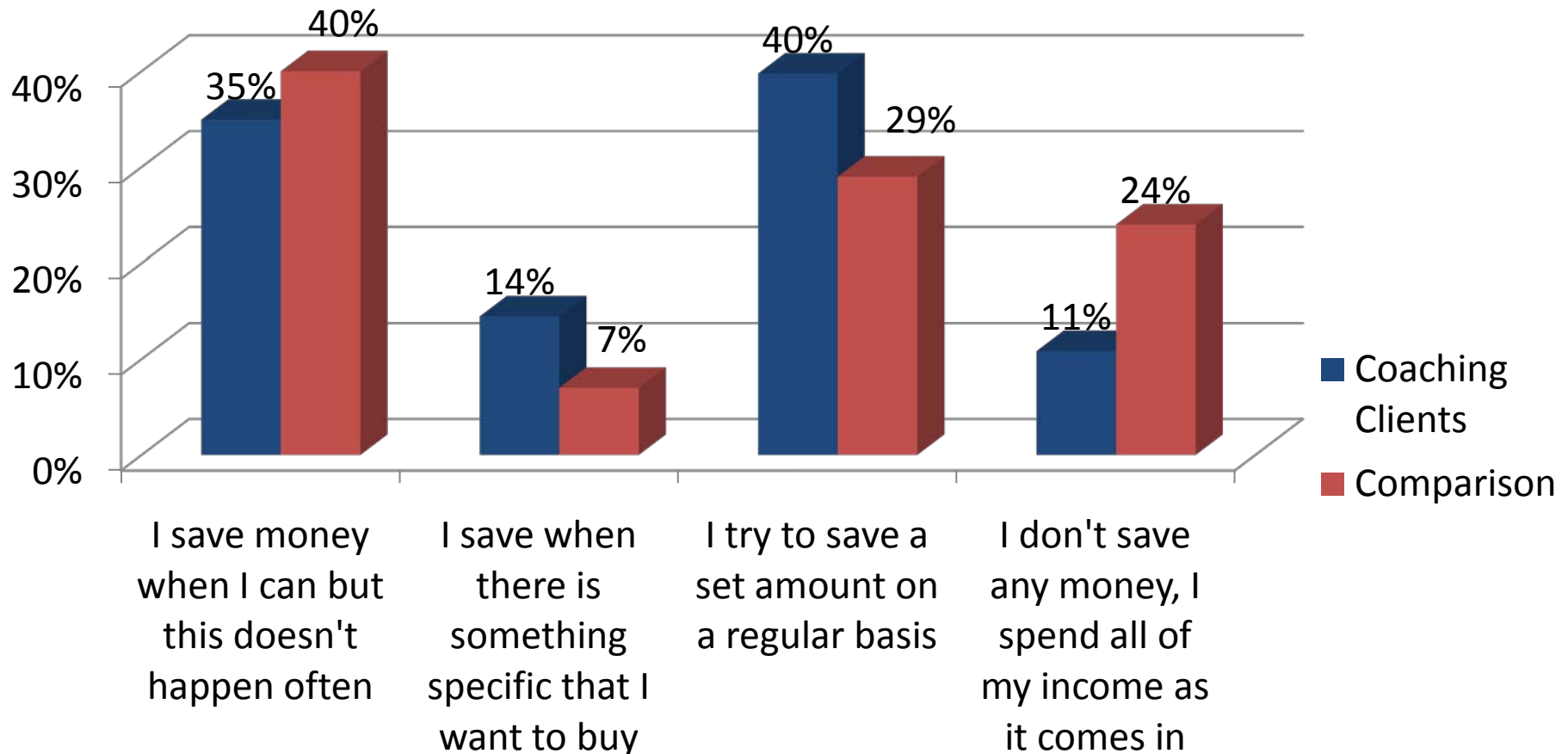


<sup>1</sup> Burnett, K, St. George, A. et al. *Pathways to Success an Interim Analysis of Services and Outcomes in Three Programs*, prepared by Abt Associates Inc. for the Annie E. Casey Foundation, Baltimore, MD, December 2008.

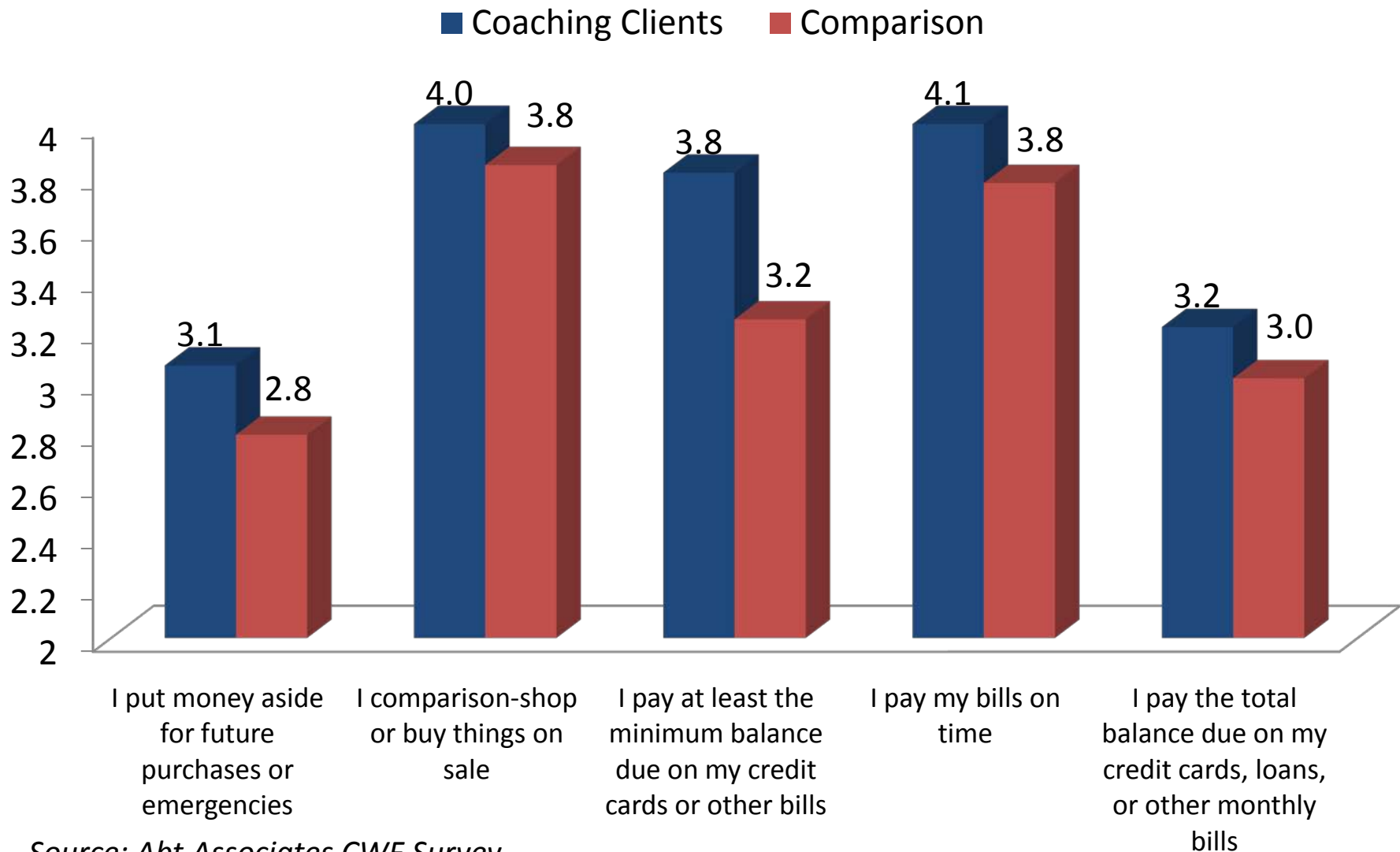


# More Likely to Save

Thinking about the last year, which statement best describes your typical savings behavior?



# Thinking about the past year, rate your Financial Behavior on a scale of 1 to 5 (1=Never, 5=Always)

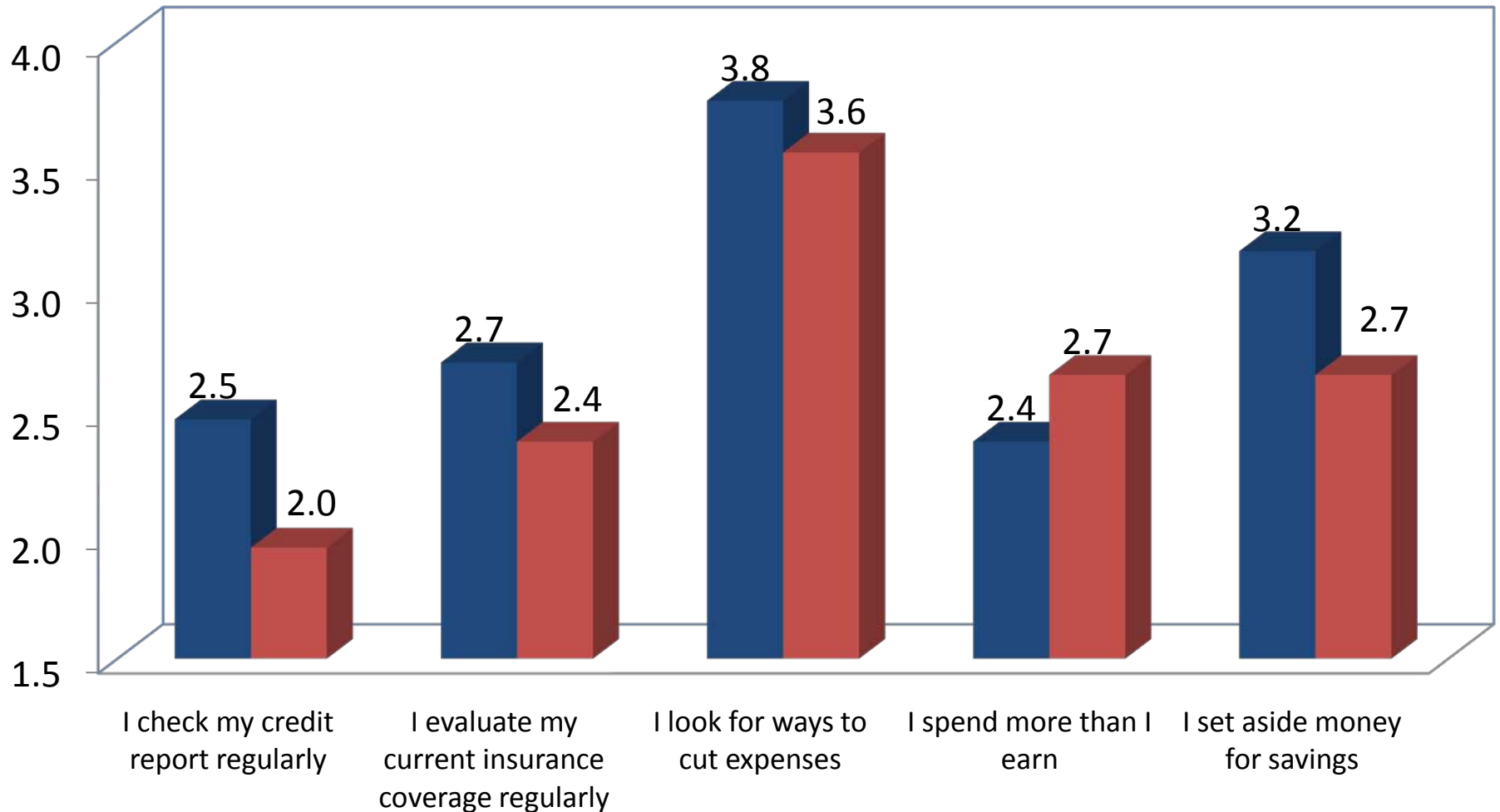


Source: Abt Associates CWF Survey

# More Frequent Positive Behaviors

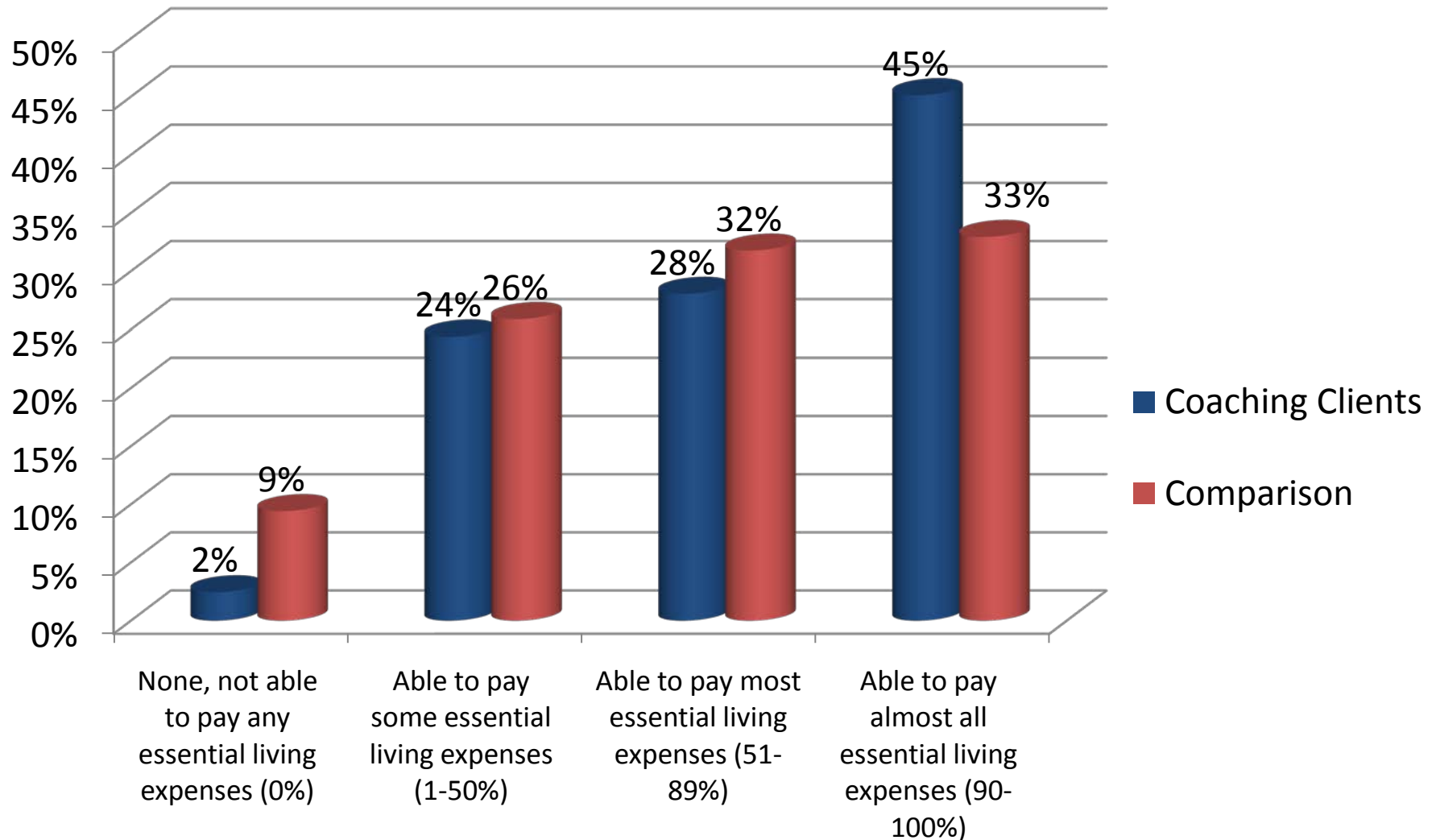
Thinking about the past year, rate your Financial Behavior on a scale of 1 to 5  
(1=Never, 5=Always)

■ Coaching Clients ■ Comparison



# Greater Financial Security? Paying Expenses

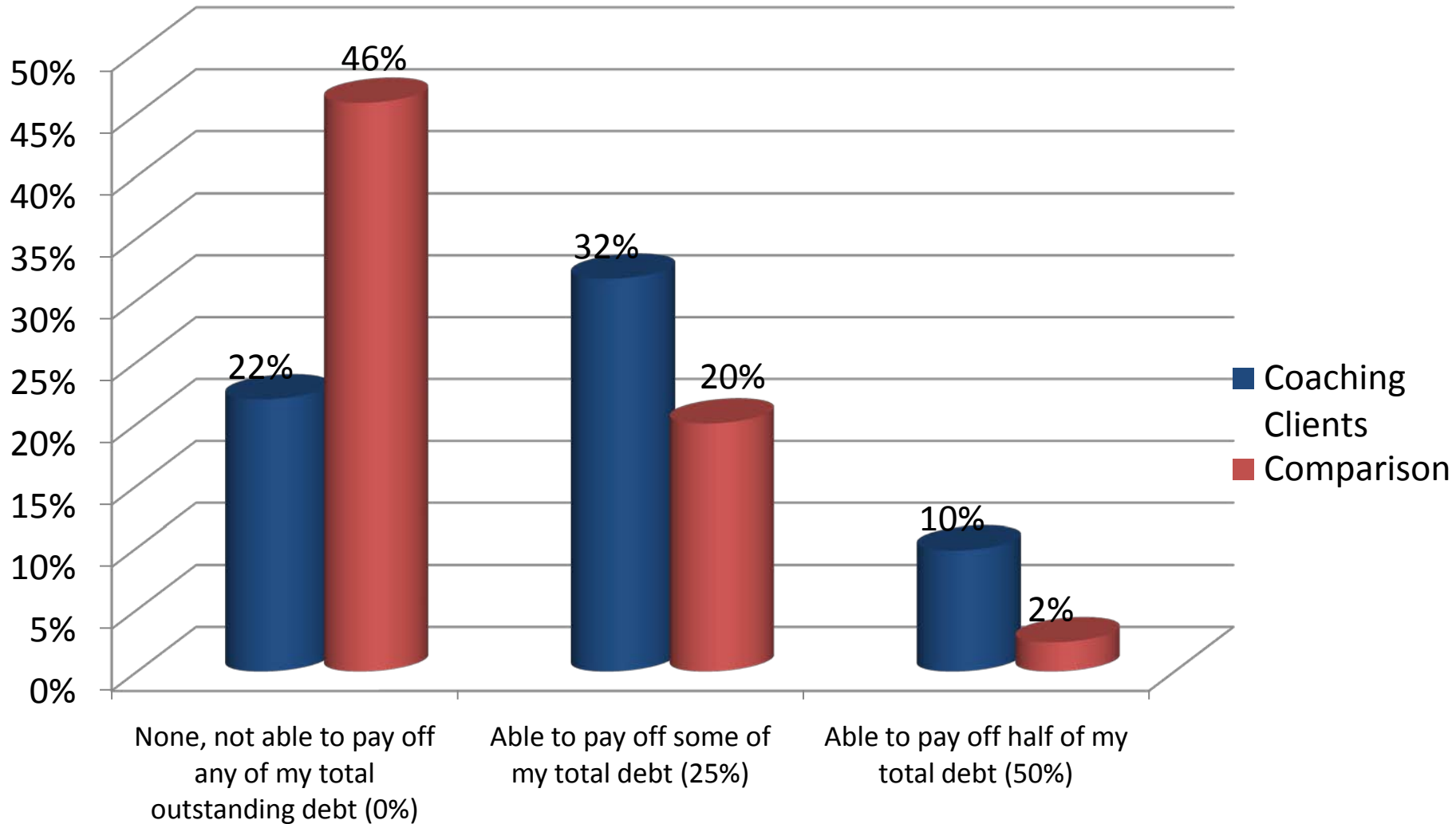
Thinking about the last year, which statement best describes your ability to pay your essential living expenses, such as food, rent or mortgage, and utilities (e.g., heat, electricity, water, telephone)?





# Greater Financial Security? Managing Debt

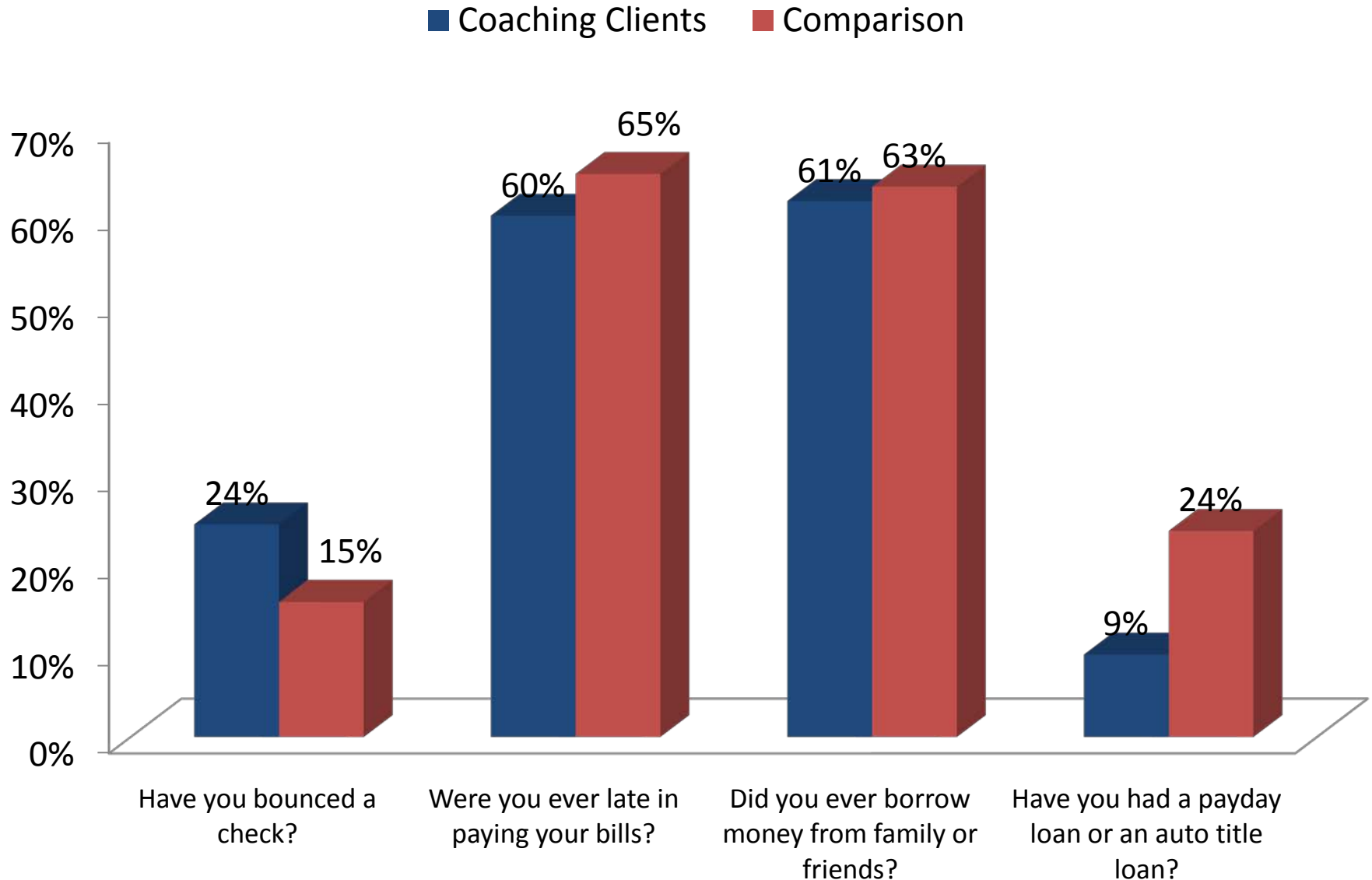
Thinking about the last year, which statement best describes your ability to pay any outstanding debt(s) you owe (e.g., for medical bills, credit cards, other loans)?



Source: Abt Associates CWF Survey

# Greater Financial Security? Negative Financial Management

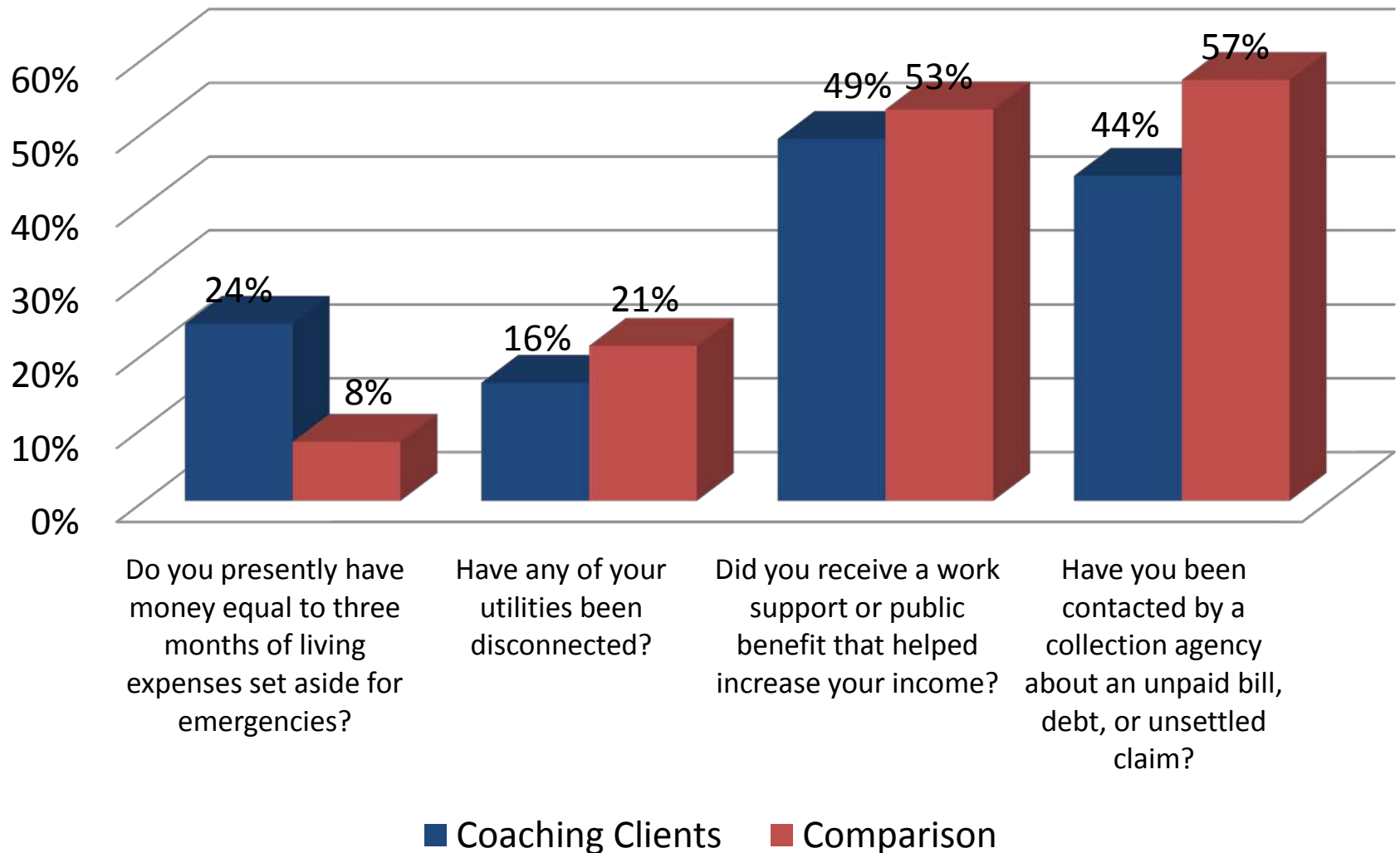
Thinking about the last twelve months...



Source: Abt Associates CWF Survey

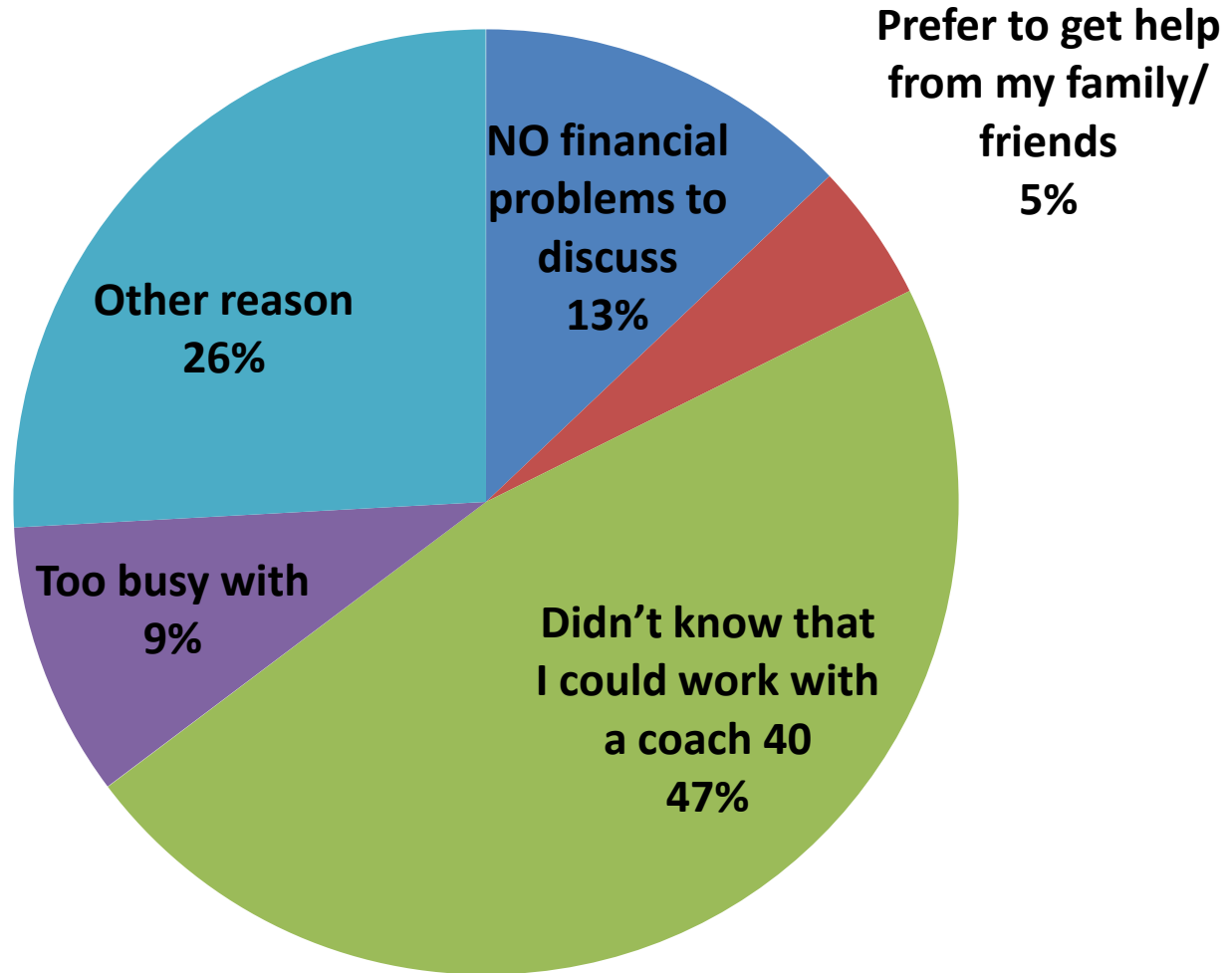
# Greater Financial Security?

## Financial Management and Access to Benefits



# Take Up of Coaching

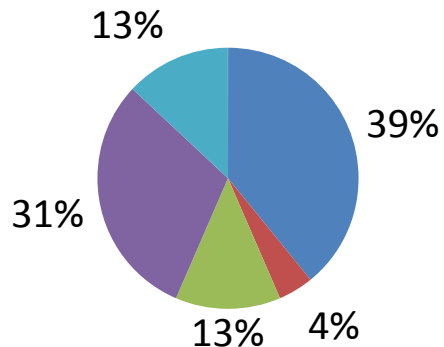
**IF NEVER MET WITH COACH:** What is the main reason you have never worked with a CWF financial (or achievement) coach in the past year? (Check one) (n=85)



# Comparison with Abt Survey: Lack of Awareness Most Common Reason

## CNM

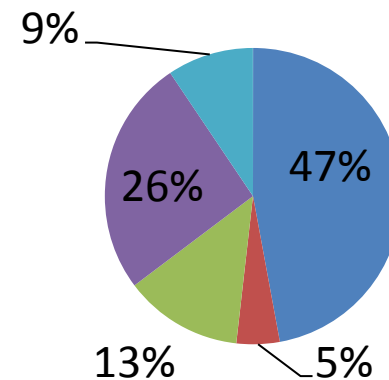
- Didn't know that I could work with a coach
- I prefer to get help from my family and friends
- No problems to discuss
- Other
- Too busy



Source: CNM Coaching Survey

## Abt

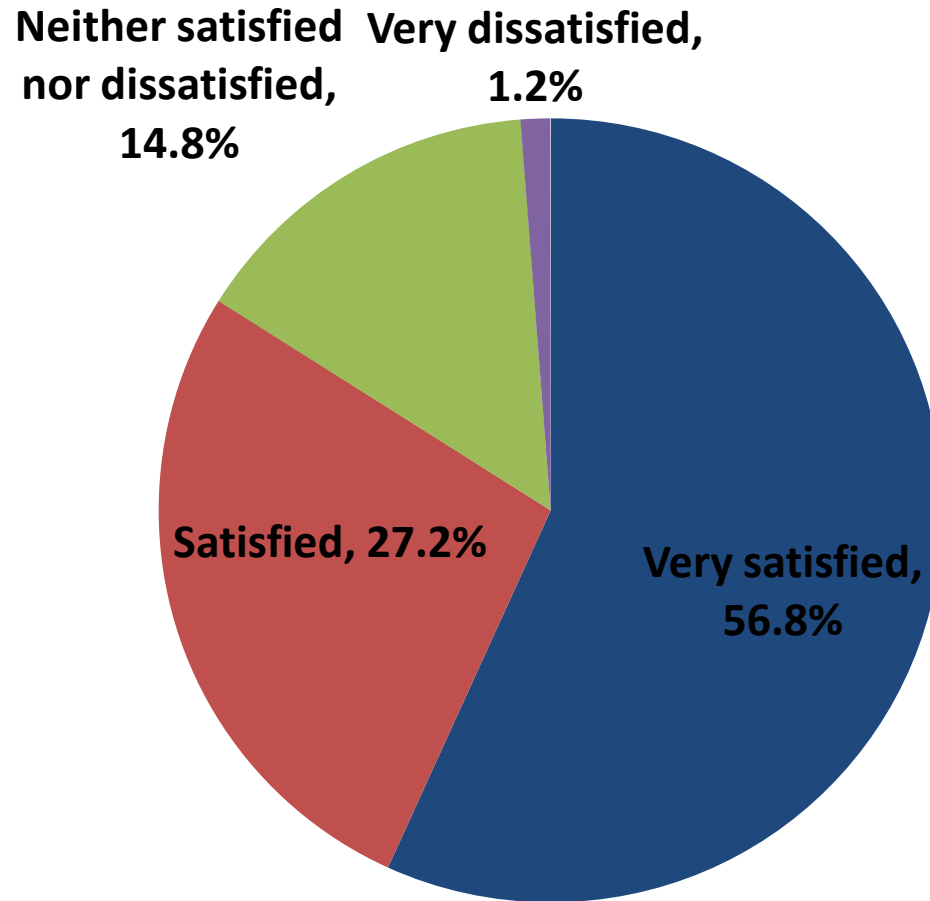
- Didn't know that I could work with a coach
- I Prefer to get help from my family and friends
- NO financial problems to discuss
- Other
- Too busy



Source: Abt CWF Survey

# Strong Satisfaction Ratings

**IF HAVE MET WITH COACH:** How satisfied are you with how well you and your financial coach work together to solve your financial problems? (Check one)  
(n=81)



# CWF Data Findings

- All Self Reported
  - likely positive selection
- But several indicators show stronger financial behavior for coaching clients
  - Basic financial management issues & behaviors
    - Bill payment and other issues
  - Also positive perceptions of services
- Not all clients interested
  - No problems or prefer not to use outsider
  - But most are: main issue is awareness

# MoneyUP Survey

- n=428

- Mail Survey of 1,500 Tax clients from 2008-09
  - Linked to tax records
- Self Report if have goal or worked with Coach
- Mostly New York City: Bronx / Brooklyn zips
- Conducted Dec 2009 – Jan 2010



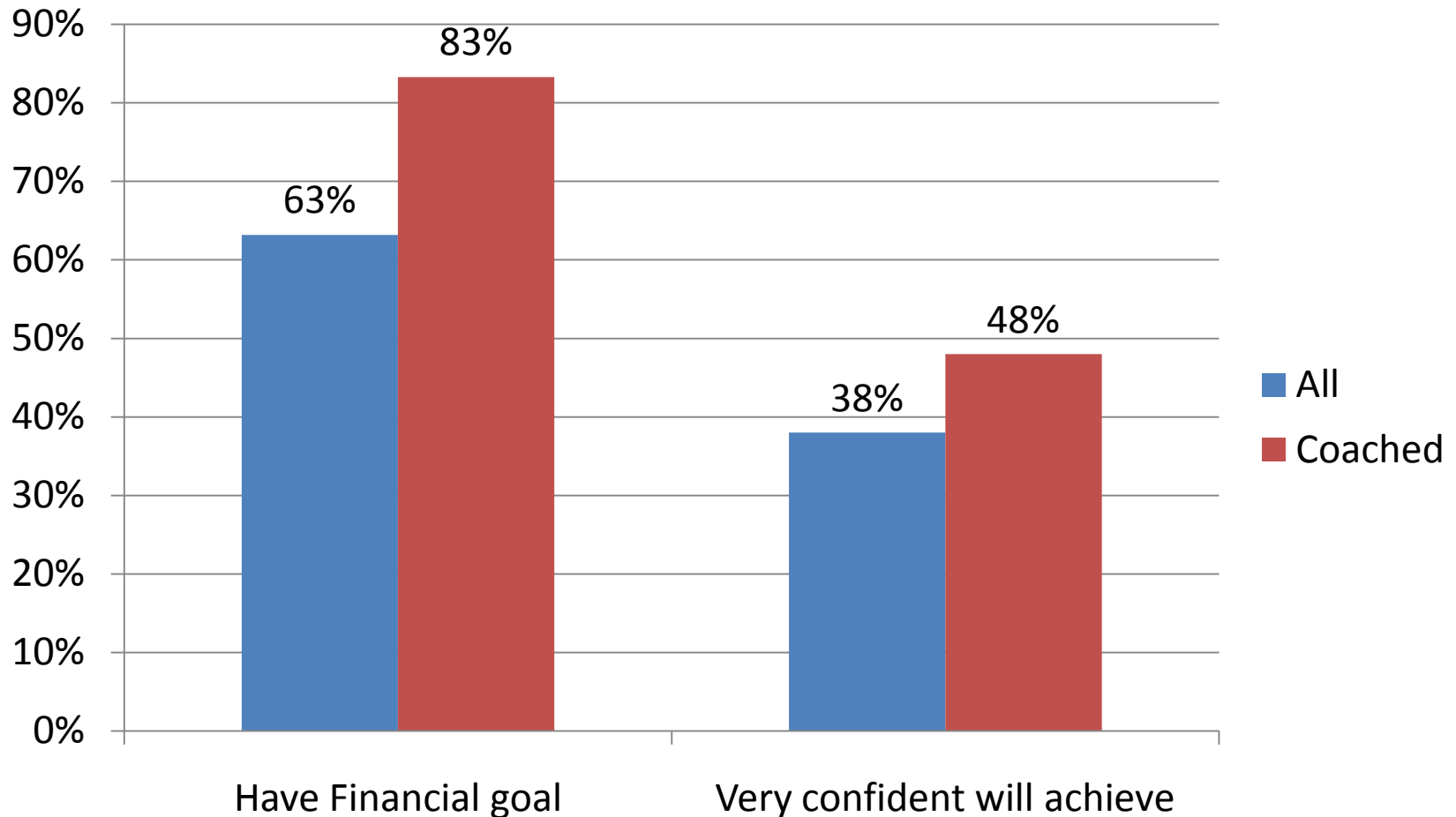


# Evidence of Positive Selection

	All	Have Goal	Coached
Use refund: Save for a financial goal	13%	16%	<b>23%</b>
More than \$1,000 in savings	13%	15%	<b>29%</b>
Have any debt	44%	52%	<b>64%</b>
White	7%	8%	<b>17%</b>
College degree or more	49%	59%	<b>76%</b>
Income	\$12,018	\$ 13,766	<b>\$ 17,178</b>
n	429	267	<b>60</b>

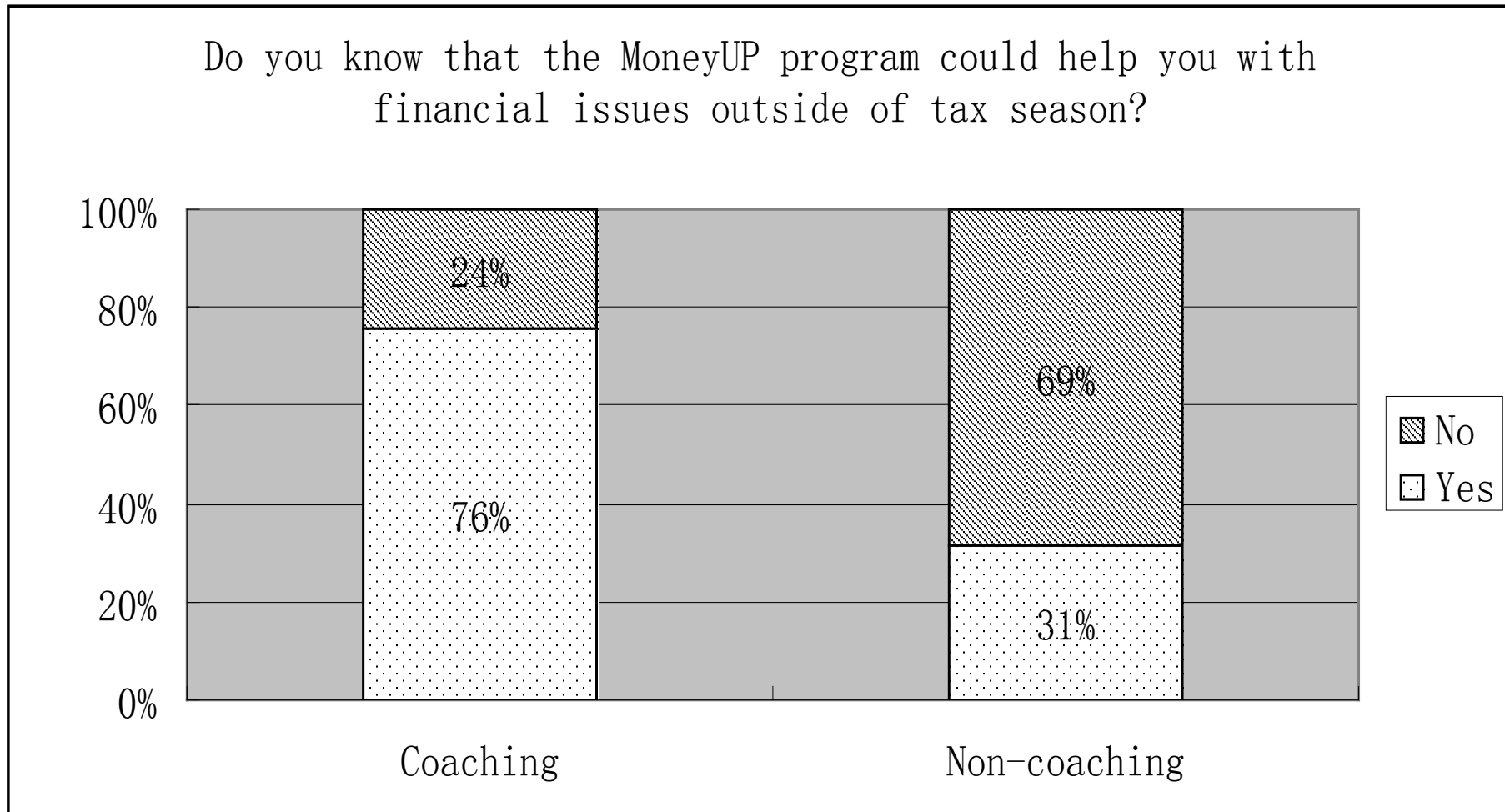
Source: MoneyUP Client Survey

# More likely to have Goals and Greater Confidence will Reach Goals



Source: MoneyUP Client Survey

# Linking Clients to Other Services



Source: MoneyUP Client Survey

# MoneyUP Data Findings

- Coaching clients among higher income, more savings etc
  - Consistent with coaching as performance enhancement for stable clients not in crisis
- Key link to goal formation and self efficacy
- May result in greater connectedness to other services and referrals

# More Data in 2010?

- Wisconsin Pilots: volunteer and Head Start
- EARN
- LISC
- Others...?

# Measuring Impacts?

- Self report + administrative data (FICO, account balances, etc)
- Valid comparison group
  - Ideal: Randomize offer
- But coaching has intrinsic bias of most motivated clients – hard to separate service from choice to participate
  - Focus more on mechanism: self control and executive attention