



# Financial Coaching Newsletter

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## Ways to get involved:

- Visit the Center for Financial Security's Financial Coaching Website: <http://fyi.uwex.edu/financialcoaching>
- Share this newsletter with your coaching colleagues.
- **Provide feedback** on 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" for your interests!
- Check out the Center's monthly webinar series [here](#)! The next webinar is Tuesday December 13<sup>th</sup>. All webinars are archived.

## Measuring Coaching's Impact: The Center for Financial Security Launches its Financial Coaching Outcome Measures Project

Collin O'Rourke, Center for Financial Security

The Center for Financial Security recently launched a project aimed at developing a small set of standardized outcome measures for the financial coaching field. The project's overall goal is to finalize a set of about 10 to 15 measures—the exact number will be determined through the research—that are practical to collect and that have been statistically validated. Surprisingly, few previous studies have explored which outcome measures are statistically reliable and valid—that is, which measures are consistent over time and accurate. This project represents an effort to fill this gap in the research while generating a set of practical outcome measures for financial coaching organizations.

For a more intuitive sense about why research in this area is important, it is perhaps useful to

imagine stepping on a bathroom scale and wondering whether the scale is accurate and consistent day-to-day (all wishful thinking aside!). Without better research, a similar concern exists for the measures, or 'scales,' collected in the financial coaching field. We are not yet certain which measures are better than others for tracking clients' progress.

Over the next year, the Center will work with four financial coaching organizations across the country to collect data on a select number of standardized client outcomes. These measures will be selected based on past research and discussions with the participating organizations. The four organizations will be selected in early January, following an application process this month. The research will continue through 2012, with the Center for Financial Security reporting on its findings along the way.

Ultimately, financial coaching organizations and their stakeholders need better documentation of the effects of coaching on clients' financial security. Of course, such documentation rests on collecting high quality client-level outcome data. By advancing research on coaching outcome measures, the Center seeks to set the stage for more rigorous program evaluations in the future.

This project is generously funded by the Annie E. Casey Foundation, which has long supported the Center's research and outreach on financial coaching. Look for more information about this project in future newsletters. For questions or feedback about the project, please email

[fincoaching@mail.sohc.wisc.edu](mailto:fincoaching@mail.sohc.wisc.edu)

## Money Smart in Head Start Website Highlights Wisconsin Project that Connects Head Start Parents to Financial Coaching

Collin O'Rourke, Center for Financial Security

The Wisconsin-based *Money Smart in Head Start* initiative has entered its third year. The program is a partnership between county-based Extension offices and local Head Start programs. Depending on the county, the program offers up to three financial capability building services to Head Start parents: financial coaching, workshops, and monthly newsletters. The program represents a novel attempt to integrate financial coaching along with the two other services into an existing public program that reaches financially

vulnerable families. More than a dozen counties have participated in the program to date.

Recently, the University of Wisconsin-Extension launched the *Money Smart in Head Start* website (<http://fyi.uwex.edu/moneysmartheadstart/>), which provides in-depth information about the program including resources for individuals and organizations interested in creating similar initiatives. The website also includes sample baseline and follow-up surveys that can be utilized across a range of financial coaching contexts.

The Center for Financial Security has partnered with the *Money Smart in Head Start* initiative to analyze the program's survey data. An issue brief that summarizes findings from the 2010-2011 school year is available [here](#). Overall, the data confirm that the program succeeds in reaching financially vulnerable households and suggest positive effects on households' financial security. The Center will publish further research on the initiative in the months to come. The Annie E. Casey Foundation has generously supported this work.

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## Financial Coaching Spotlight: Mandated Coaching through the St. Croix County, Wisconsin Drug Treatment Court

Collin O'Rourke, Center for Financial Security



Joan Sprain  
University of Wisconsin-Extension

Mandating that individuals meet with a financial coach may initially strike some readers as counterintuitive given the coaching model's commitment to respecting the client's agenda. After all, that agenda may not include the desire to work with a financial coach in the first place. However, a unique financial coaching program in St. Croix County, Wisconsin demonstrates that coaching can in fact be used successfully in a mandatory environment.

About four years ago, University of Wisconsin-Extension family living agent Joan Sprain started providing financial education and counseling to individuals in the St. Croix County Drug Treatment Court—this was the first time the court had incorporated financial capability into its set of mandatory treatment and rehabilitation services. Over time, Sprain transitioned away from financial education and counseling towards financial coaching. This shift was driven by Sprain's desire to focus on helping participants define and realize their own goals, rather than on providing information or advice. Coaching has proven an excellent match for an environment in which participants are so used to being told what to do.

According to Sprain, because drug treatment court participants are so used to a climate of being told what to do, they tend to embrace financial coaching. Sprain concedes that participants originally entered coaching with a fair degree of skepticism and resistance, but these barriers dissipated once participants realized that Sprain was there to help them reach their own goals rather than direct them towards outcomes that may or may not be relevant to participants. The drug treatment court is a close-knit community, and word has now spread that Sprain is not there to

dictate how participants spend their paychecks or use their tax refunds. Coaching does, however, remain mandatory, with participants facing sanctions for noncompliance. These sanctions range from writing apology letters to facing possible dismissal from the program.



St. Croix County, Wisconsin

Sprain currently works with about 10 participants annually, typically for about one hour over three meetings each. Before entering financial coaching, participants have already made significant progress through the drug treatment court. Coaching participants must be sober and have achieved a level of stability, which generally includes being employed.

Despite their progress through the court, participants still face an array of financial challenges. Sprain explains that many participants still owe court fines, fees, and restitution. Perhaps surprisingly, participants often do not have significant credit card debt. However, they do tend to have medical debt, and many owe money to their family members and friends. Most participants are of lower socioeconomic status. Overall, the coaching program strives to help participants attain greater financial independence. Sprain admits that some participants view the program as a way for the court to increase participants' ability or aptitude to pay their fines and fees.

Sprain finds that the individuals she coaches are creative, have strong coping skills, and are

optimistic about the future. When Sprain brainstorms with participants, she is impressed with the ideas and strategies they generate. Together, these observations challenge any preconceptions that this population is not suitable or ready for financial coaching.

When asked whether any stakeholders are skeptical of using the coaching approach within the context of a court, Sprain says that sometimes individuals do question whether the intervention should be more geared towards telling participants what to do. Overall, such skepticism of coaching remains rare. However, when such concerns do arise, Sprain appeals to the fact that all individuals resist being told what to do.

When asked to summarize why she finds the coaching approach appealing, Sprain says she is drawn to the fact coaching is learner-centered. Based on surveys she collects, Sprain also sees evidence that coaching is more effective than her earlier education and counseling efforts. In terms of challenges to becoming a good coach, Sprain emphasizes coaching is an art that takes practice. She notes that a good coach must devote sufficient time and energy to preparing for each coaching session.

Regarding her training as a coach, Sprain participated in an intensive train-the-trainer program offered by the Central New Mexico Community College in 2010. Sprain attended the training with fellow UW-Extension educator Peggy Olive. Over the past year, Sprain and Olive have offered five one-day financial coaching trainings in Wisconsin. In addition to the financial coaching she does in conjunction with the drug treatment court, Sprain coaches others in her community and continues to lead financial education workshops. 🍎

“Even though coaching is mandated, it works because it's still client-centered. Participants aren't used to this in their world.”

**Joan Sprain**

“We react better when we are allowed to set our own goals and courses of action.”

**Joan Sprain**

## Review You Can Use: *Evidence Based Coaching Handbook*

Peggy Olive, University of Wisconsin-Extension

Coaches who check out the *Evidence Based Coaching Handbook* by Dianne Stober and Anthony M. Grant (Wiley Publishing) are sure to read about approaches that reinforce their current coaching practices alongside perspectives that might challenge their preexisting beliefs. The handbook consists of 11 chapters that overview different approaches to coaching, with the final chapter contributed by the editors. The chapters on coaching strategies establish a theoretical basis for each approach and then illustrate the practical applications of each approach using the same two case studies. In this way, the *Handbook* succeeds in translating the theoretical underpinnings of coaching into practice.

**The handbook confronts readers with “approaches that reinforce their current coaching practices alongside perspectives that might challenge their preexisting beliefs.”**

Each of the chapters stands on its own, so readers can jump to the sections they find most relevant to their work. I jumped into the *Handbook* with the chapter by Elaine Cox titled, “An Adult Learning Approach to Coaching” since this title spoke to the current educational environment in which I work as a financial coach. I appreciated how the chapter connected coaching to eight learning theories. I found the author’s table presenting six principles of andragogy—learning strategies focused on adults—alongside several core elements of coaching particularly helpful. Taking one example from that table, the principle that adults bring a wide range of life

experiences to their learning corresponds with Whitworth, Kimsey-House, and Sandahl’s (1998) observation that the coaching client is “creative, resourceful, and whole” (p. 196). Taking another example, Cox connects the principles that adults are interested in solving real-life dilemmas and that learning needs to be relevant to Grant’s (2003) definition of coaching as a “collaborative, solution-focused, result-oriented, and systematic process.”

In Carol Kauffman’s chapter titled, “Positive Psychology: The Science at the Heart of Coaching,” I discovered an interesting discussion about how positive emotions help us thrive. The author cites various studies on how “positive priming of one’s emotions directly translates into increased cognitive flexibility, speed, and accuracy” (p. 223). Negativity still rears up and has a place in helping individuals identify their fears and challenges. However, for those who enjoy more positive emotions in their lives, even negative events tend to inspire and promote performance.

Jeffrey Auerbach’s “Cognitive Coaching” chapter then stopped me in my tracks. In a discussion on organizational change and action science, the author cites seven “organizational learning disabilities” as described by Senge. Not the least among these disabilities is “the delusion of learning from experience” (p. 112). The author attests that we indeed learn best from experiences when we receive feedback immediately, but when feedback is not available for years, learning is disrupted. As I digested this, I thought of several financial practices, such as saving for retirement, that

involve little if any immediate feedback to reinforce behavior.

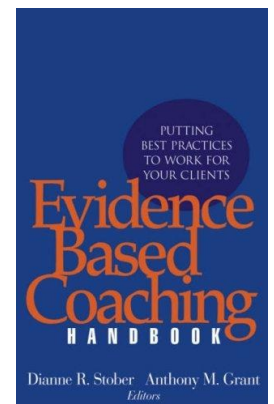
**“I thought of several financial practices, such as saving for retirement, that involve little if any immediate feedback to reinforce behavior.”**

As I completed reading the *Handbook*, I reflected on the common themes across the chapters. All of the approaches provide a framework for goal attainment through change, whether the focus is on behavior change, a change in perspective, or a change in thoughts as opposed to knowledge. While assimilating what I had read, I turned to the final chapter “Toward a Contextual Approach to Coaching Models” contributed by Stober and Grant. The authors assert that these diverse approaches—such as the directional versus non-directional approach to advice-giving—are not inherently in conflict, but instead fall along a continuum within the practice of coaching. The authors provide seven thematic factors as a means for analyzing *how* coaching is conducted and seven principles for analyzing *what* is being done.

I could not help thinking that pulling all of these perspectives together would have been easier if the reader started the *Handbook* at the end with the editors’ concluding chapter. On the other hand, the editors may want readers to first struggle through each of the approaches in order to develop connections to their own experiences and walk away with personal insights. 🍎



Peggy Olive  
University of Wisconsin-Extension



*Evidence Based Coaching Handbook*  
Edited by Stober & Grant





The University of Wisconsin-Madison Center for Financial Security (CFS) is a cross-campus, interdisciplinary center focusing on applied research that promotes individual and family financial security. The CFS focuses on households, consumers, and personal financial decision making. CFS affiliates work collaboratively across centers, institutes, and schools throughout the US. The Annie E. Casey Foundation generously supports the Center's work on financial coaching. This work includes conducting applied research, training new coaches, and promoting coaching in Wisconsin and across the US. Please visit the websites listed below to learn more about the CFS and its research on financial coaching.

Visit us on the web at  
[fyi.uwex.edu/financialcoaching](http://fyi.uwex.edu/financialcoaching) &  
[cfs.wisc.edu](http://cfs.wisc.edu)

## Coaching in Other Contexts: Health Coaching

Collin O'Rourke, Center for Financial Security

Managing one's finances more effectively and improving one's physical health through diet and exercise share a common pitfall—people often know what they want to do but fail to act according to their own intentions. We may genuinely intend to contribute to a retirement account and eat more vegetables, but all-too-human barriers to behavior change, including procrastination and lapses in self-control, can get in the way of accomplishing these goals. In this way, knowledge and intentions are necessary but often insufficient for lasting behavior change, even in domains as important as financial security and physical health. As financial coaches seek new ways to facilitate behavior change and goal attainment, it may prove useful to look to the health coaching field for insights.

It appears that interest in health coaching has increased dramatically in recent years. Using Google Scholar to search

for academic research with the phrase “health coaching” generates 163 total entries from 1980 to 2007. From 2008 to 2011, Google Scholar generates 909 such entries. Whatever the flaws in using Google Scholar to gauge the popularity of health coaching over time, it is clear that research on and interest in health coaching have exploded.

A quick scan of recent articles on health coaching reveals that the field is confronting a similar set of challenges as the financial coaching field. One recent commentary in the Archives of Internal Medicine by Wolever and Eisenberg<sup>1</sup> laments:

“Currently, there is no consensus on the definition of *health coaching*, what it entails; what the training, credentialing, and licensure standards should be; and what evaluations should be established to ensure some level of competency among those trained as health coaches. In the absence of such standards, comparing one health coaching study to another is of limited value” (p. E7).


A similar story can be told about the current state of the financial coaching field:

- 1) a wide variety of interventions are called “financial coaching,” “debt coaching,” “money coaching,” and any number of similar terms. In some cases “coaching” is simply used to rebrand existing approaches;
- 2) the financial coaching field lacks standardization in terms of training, credentialing, licensure, and evaluation; and
- 3) given the variation across programs, it is difficult if not impossible to compare outcomes across financial coaching programs.

These points are less critiques of the fields of health and financial coaching—after all, each field remains fairly new, so one would not expect perfection—than issues that need to be at the forefront of discussions as these fields plot their futures.

Unfortunately, it appears that

while articles like the one in the Archives of Internal Medicine raise important issues, they offer little in the way of guidance on how to reach the benchmarks they suggest. For instance, although it is important to standardize what constitutes “financial coaching” in order to conduct larger-scale studies, in practice it is unclear how to get organizations that serve different communities and have disparate goals on the same page.

Wolever and Eisenberg conclude that addressing the issues they raise will allow the health coaching field to identify the “most useful processes to facilitate sustainable behavior change.” This is a goal shared by the financial coaching field. In striving for that goal, the financial coaching field should remember to keep an eye on developments in health coaching. 

1. Ruth Q. Wolever & David M. Eisenberg. What Is Health Coaching Anyway?: Standards Needed to Enable Rigorous Research: Comment on “Evaluation of a Behavior Support Intervention for Patients With Poorly Controlled Diabetes” Arch Intern Med. 2011.