Financial Coaching Newsletter

A Publication of the University of Wisconsin-Madison Center for Financial Security

March 2012

Volume 2, Issue 1

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.
- 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" for your interests!
- Check out the Center's monthly webinar series here. The next webinar is Tuesday April 10th. All webinars are archived.

Inside this issue:

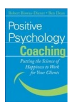
Notes from the Editor's Desk

Collin O'Rourke, Center for Financial Security

Welcome to the first financial coaching newsletter of 2012! We hope you find the information in this issue both interesting and practical to use in your work with clients. Please see page two for the newest section of the newsletter, **Ask the Financial Coaching Expert**, which features coaches from three leading organizations. I invite all readers to submit questions for future issues, or to volunteer to be the expert who responds to other coaches' questions. Email us at fincoaching@mail.sohe.wisc.edu if you are interested.

I would like to thank everybody who contributed to this newsletter: Stefan Hench, Jude Liszkiewicz, Karen Murrell, Althea Saunders-Ranniar, and Joan Sprain. Their extensive on-the-ground experiences have given them a wealth of insights.

In future issues, we will report back on research previously highlighted in this newsletter. Please also keep an eye on our coaching website (fyi.uwex.edu/financialcoaching), which we are in the process of updating. Any feedback you provide on our work—the newsletter, website, or anything else—is greatly appreciated!



Reviews You Can Use I: *Positive Psychology Coaching*

Collin O'Rourke, Center for Financial Security

Positive psychology is a relatively new branch of psychology that studies happiness, character strengths, and other contributors to a life well lived. Whereas the field of psychology has historically focused on mental illness and pathology, positive psychology focuses on the flip side—positive emotions, traits, and institutions. This is not to question the significance of mental illness or pathology, but rather to bring more balance to the field. Recognizing the wide array of advice on how to attain happiness, positive psychologists take great pains in emphasizing that their findings—in contrast to most existing advice—are rooted firmly in scientific research.

In *Positive Psychology Coaching* (Wiley, 2007), Biswas-Diener and Dean connect positive psychology to the emerging field of coaching. They argue that the two fields are a good fit because "both rest on the assumption that people are basically healthy, resourceful, and motivated to grow" (11). Much of the book focuses on how specific findings from positive psychology can be applied to coaching. Because the book is so focused on overviewing positive psychology research and does not deal specifically with financial coaching, parts of the book are tangential to financial coaching. Nonetheless, several themes remain relevant to financial coaches:

1) ***Focus on client strengths.*** Positive psychologists have developed the VIA Survey of Character Strengths, which is available for free online. The full version takes about a half hour to complete, but a shorter version is also available. Perhaps financial coaches could review this survey with clients to identify ways to capitalize on strengths. Using the VIA Survey is a systematic way of identifying client strengths, rather than relying on intuition.
2) ***Think more deeply about goals and goal setting.*** Biswas-Deiner and Dean observe that all too often the SMART framework (Specific, Measurable, Attainable, Realistic, and Timelined) is the coach's only way for navigating the process of setting goals with clients. Not surprisingly, research has documented a myriad of other factors that influence whether individuals are successful in reaching their goals. Forming a SMART goal is just the tip of the iceberg. The authors detail important aspects of goals that go beyond the SMART approach. For instance, striving for a positive goal rather than trying to avoid something negative leads to greater satisfaction. Most importantly, they invite readers to think more deeply about the process of forming goals.
3) ***Use proven strategies when possible.*** Both the coaching and positive psychology fields are relatively new, so research on proven strategies and best practices remains fairly scarce. Nevertheless, the authors outline a multitude of findings from positive psychology that could be applicable to coaching. Their discussion also serves as a strong call for continued research.
4) ***Don't forget about happiness!*** The authors observe that clients rarely, if ever, enter coaching with the explicit goal of becoming happier. The authors contend, however, that if a coach listens carefully to a client's motivations, the unspoken goal of happiness often lurks in the background. If this is true, then positive psychology becomes all the more relevant to financial coaching.

The next newsletter will feature a review of Biswas-Diener's follow-up book, *Practicing Positive Psychology Coaching: Assessment, Activities, and Strategies for Success*.

Meet the Financial Coaching Experts:

Althea Saunders-Ranniar
Bon Secours
Baltimore, MD

Jude Liszkiewicz
$tand by Me
State of Delaware

Stefan Hench
The Financial Clinic
New York City

Ask the Financial Coaching Expert

Collin O'Rourke, Center for Financial Security

Welcome to the newest feature of the financial coaching newsletter—ask the financial coaching expert! Three financial coaches will answer questions posed by you, the reader, in each newsletter. Please submit your questions to fincoaching@mail.sohe.wisc.edu. Also let us know if you are interested in providing responses as the expert. The three experts in this issue are:

- Althea Saunders-Ranniar, Bon Secours (Baltimore, MD)
- Jude Liszkiewicz, $tand by Me (State of Delaware)
- Stefan Hench, The Financial Clinic (New York City)

Thank you to each of these coaches for providing their expertise on the questions below.

Question 1. How do I know I am really coaching and not teaching or counseling?

Althea: Coaching is an action process for me. I know I am coaching someone when they are giving me results, based on the actions they have taken to move towards their overall goal. Also, they are doing most of the talking.

Jude: The primary difference between teaching or counseling and coaching is that coaching begins with the assumption that the client is resourceful and capable of achieving their goals without needing to be "fixed" by the coach. The coach and client are equal partners and work together as a team to reach the client's goal. The agenda is determined by the client - the coach and client only work on goals and issues that the client feels are important. In a teaching or counseling relationship, the teacher/counselor is the authority dispensing wisdom to a client. In coaching, clients discover that they have their own answers and are empowered to take action to reach them.

Stefan: I know I'm coaching because everything I do with a client depends on her financial goal. I am not simply giving out information or walking someone through a standard financial "curriculum." I also know that I'm coaching because every session with every client is different. One hour I might be assisting a client in writing cease-and-desist letters to creditors, and the next I could be helping a client set up automatic savings toward a European vacation.

Question 2. What are some ideas for coaching a client who doesn't follow through on self-defined action steps, yet still wants to be coached?

Althea: The coach must continue to keep the client's goal(s) and objective(s) as the focus. If they are not following through on their goals, you may need to work on understanding what is happening at these sessions that keeps them coming back. It is important to remember why you are coaching this client; is there a barrier that must be worked out, or has the goal changed? You want to understand more about the motivation underlying why they continue to come to the coaching sessions and how they understand the coach-client agreement.

Jude: When a client seems stuck and is unable to follow through with their plans, the coach can go back to the basics and ask the client to reevaluate their goals. Asking the client what is most important to them right now might reveal that the client's priorities have shifted or their life circumstances have changed since the initial meeting with the coach. It's possible that the client's original goals and actions were unrealistic. If so, the coach can encourage the client to choose a smaller or more manageable action step that they can take immediately to begin making progress again. Reminding the client that they own their plan and that they can continue to change and adjust their steps as needed can help the client avoid discouragement and recommit to their goals.

Stefan: My first tip is to approach the client's situation with a non-judgmental attitude. Acknowledge it, and then move on to figure out how to make the action step easier. There's no finger wagging in my office.

My next tip is to get as specific as possible. For example, do not encourage a client to "open a savings account." That is much too vague. Instead, work with the client to find the best account for him to open, then at the end of the session agree, for example, that the client will "go to ABC Bank at 123 Main St. and open a savings account using $20 from his wallet as the initial deposit." These specific directions

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eliminate a lot of uncertainty and legwork for the client and make it much more likely for him to follow through.

Question 3. How often do you check in with a client on their long term goals or revisit goal-setting?

Althea: Reaching a longer-term goal generally requires that the client complete several intermediate action steps, and I will check in periodically on whether those actions are happening. For instance, many coaching participants would like to buy a home, which generally requires a number of actions. After the initial review of the credit report, one important action towards homeownership is paying down debt. When the manner and way in which the debt will be paid have been defined, my initial check in will be in 2 months. If they are on target and all is going well, I will then follow up in 3 months. I require a face-to-face meeting and/or evidence that clients have been following through at 6 months.

Jude: Deciding how often to check in with a client can depend on the type of coaching relationship and the structure of the specific coaching program. In general, each time a coach speaks with their client it can be helpful to ask the client how they feel about their progress toward their goals. At a minimum, a monthly check in can help determine whether or not progress is being made and if any adjustments to the plan are needed. The coach should always encourage the client to openly discuss whether their plan is working well or if they feel the need to change course and move in a different direction towards a new goal.

Stefan: Without goals, there is no such thing as financial coaching. Therefore, you cannot revisit financial goals too often. To set a good tone, I try to take a few seconds at the beginning of each session to revisit the client's goals. Also, if a session starts to lose focus, I like to say something like, "We have been talking about several different things in the last few minutes. Let's take a step back. Tell me again: Where is all of this going?"

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Thanks again to Althea, Jude, and Stefan for responding to these coaching questions. Please remember to send your questions to fincoaching@mail.sohe.wisc.edu, and also let us know if you are interested in responding to other coaches' questions.

Interview with Karen Murrell

Collin O'Rourke, Center for Financial Security

In this interview, Karen Murrell of Higher Heights Consulting discusses what attracts organizations to the financial coaching approach, and what barriers may arise when implementing coaching. Karen has extensive experience in training new coaches and working with organizations to implement coaching. For the past three years, she has partnered with the Center for Financial Security on its research and outreach around coaching. Currently, Karen is working with CFS to conduct in-depth interviews of financial coaches across the US.

Please click here to listen to the entire interview.

Karen Murrell
Higher Heights Consulting

Interview Highlights:

On the appeal of coaching:

- "Coaching is a process that's really centered around goals, and I think that's what's really attractive for organizations that want to see results."
- "The knowledge that you have someone who's going to ask you how you've done, to find out if you've done what you said you were going to do, can be incredibly motivating."
- "[Coaching's] client-centered approach does a much better job of motivating clients."

Challenges to implementing coaching:

- "There can be some pushback from clients if you move to a coaching approach, where the coach is no longer telling them what to do but is supporting clients and really trying to help them find their own way."
- "Being a good coach means knowing what areas and issues you can really coach around because sometimes you do have to be a little more direct. A good coach can assess that and decide when to be more directive."

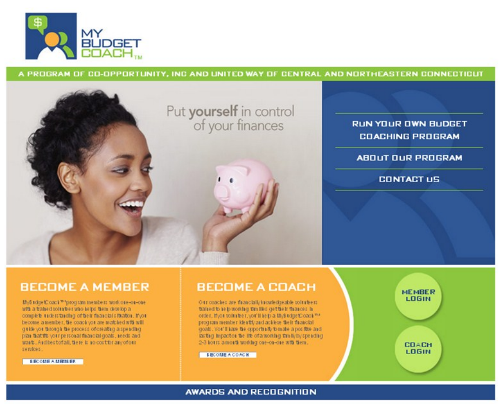
Financial Coaching Spotlight:
Co-opportunity's *MyBudgetCoach* Online Financial Coaching Platform

Collin O'Rourke, Center for Financial Security

Peter Rubenstein
Director of Special Projects,
Co-opportunity

> "With our new online budget coaching platform, MyBudgetCoach.org, we have created a scalable program that we believe meets the needs of our busy coaches and clients."
> *Peter Rubenstein*

Co-opportunity of Hartford, CT (co-opportunity.org) offers an array of asset building services, including financial coaching, to the lower-income clients it serves. Over the past year, Co-opportunity has developed an innovative online financial coaching platform called **MyBudgetCoach**, which is set to launch on March 25th. MyBudgetCoach appears to be the first website designed specifically around financial coaching. The site includes content and resources for 12 monthly coaching sessions. Examples of the site's resources include an expense tracker, a goal planning tool, and a budgeting tool. Importantly, the site also uses a messaging center and automatic alerts to help clients stay on track towards their goals. In developing the site, Co-opportunity sought input from a range of individuals including therapists who meet with clients over the telephone and web developers who have built financial planning tools. The Center for Financial Security will be evaluating the MyBudgetCoach program, as described later in this article.



Screenshot from the MyBudgetCoach website

The MyBudgetCoach website grew out of Co-opportunity's existing in-person coaching program that takes place over six months. The program was originally developed in partnership with the United Way of Central and Northeastern Connecticut, the Treasurer's Office of the State of Connecticut, and Bank of America. The current MyBudgetCoach project involves expanding the program from six to 12 months and rolling out the online platform. Peter Rubenstein, Co-opportunity's Director of Special Projects, spearheads the effort.

Both Co-opportunity's existing coaching program and its new expanded program rely on volunteer coaches, with a significant number coming from financial services companies in Hartford. Hartford is home to numerous insurance and other financial services companies, and the coaching program is a unique way to engage professionals and connect them to individuals interested in being coached. Each coach is typically paired with one coaching client. Co-opportunity trains a high volume of 75 new coaches every two months, which attests to the strength of its volunteer recruitment channels. Each coach completes an eight hour training, which now focuses on how to use the MyBudgetCoach website, in addition to teaching traditional coaching skills.

Given the launch of the MyBudgetCoach website later this month, Co-opportunity recently started training coaches on the new platform. Coaches' reactions to the site have been overwhelmingly positive, even among veteran coaches who are used to coaching without the platform. Coaches appreciate how the site brings together a range of tools in one convenient place.

Co-opportunity is working with the Center for Financial Security to evaluate its financial coaching program. At intake, coaching clients will be randomly assigned to one of three groups:

- Meet in-person with a financial coach for six months (services as usual), followed by six months of online coaching using a screen sharing tool (join.me).
- Meet in-person with a financial coach for six months but use the MyBudgetCoach website to facilitate the coaching sessions, followed by six months of online coaching using a screen sharing tool (join.me).
- Meet online with a financial coach (via join.me) and use the MyBudgetCoach website for all twelve months.

This design allows the research team to asses how in-person coaching compares to online coaching, and whether using the MyBudgetCoach website in -person with the coach affects client outcomes (relative to meeting in-person without using the

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Continued: Co-opportunity's Online Financial Coaching Platform

site). Because the project uses random assignment, it can provide causal evidence of how each mode of coaching compares to the others. Few studies have previously compared the effectiveness of different delivery methods of financial capability building services, and this is likely the first project to test how online financial coaching compares to in-person meetings.

Leah Gjertson of the Center for Financial Security leads the Center's research on the MyBudgetCoach program. She explains that the research questions center around three themes:

- Program engagement and retention, as measured by the number of sessions completed and communication between the client and coach.
- Financial goal attainment and optimism about future goal attainment.
- Relationship with the financial coach, including trust.

The researchers will have access to an extensive set of data, including intake data, credit reports at baseline and the 12-month follow-up, bank account balances, and a mail survey six months after baseline.

The study will include five cohorts of 75 participants, with new cohorts beginning the program every other month, for 375 total participants and about 125 individuals in each of the three treatment groups. In some cases, coaches or participants may not have internet access, in which case they will not be part of the study but will instead participate in in-person coaching.

Funding for this project comes from the Center for Financial Services Innovation (CFSI). In 2011, CFSI selected Co-opportunity as one of five organizations across the US to receive its Financial Capability Innovation Fund Award. As part of the award process, the Center for Financial Security was selected to be the evaluation partner. The Center for Financial Security is also evaluating one of the other projects funded by CFSI—Low Interest for Timeliness (LIFT). LIFT provides APR reductions to lower-income consumers who make on-time payments on their auto loans. Please visit http://cfsinnovation.com/financialcapability to learn more about each of the five projects funded through CFSI's Financial Capability Innovation Fund.

Leah Gjertson,
Center for
Financial Security

"Although it does require a small time commitment, the Expense Tracker can be a great reality check for where your money is going and a tool to identify things you may want to change."
Leah Gjertson

Coaching in Other Contexts: Coaching Research Centers and Journals

Collin O'Rourke, Center for Financial Security

Previous articles on "Coaching in Other Contexts" have focused on research from the student and health coaching fields. Instead of overviewing research findings, this section highlights leading research centers and journals that disseminate information about coaching. These centers and journals rarely, if ever, focus on financial coaching, but exploring their websites and looking into what they have published could provide ideas and practices that can be adapted to financial coaching. If you know of other centers or publications that financial coaches may be interested in, please contact us at fincoaching@mail.sohe.wisc.edu.

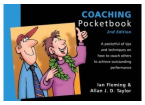
Research centers:

- Institute of Coaching at Mclean Hospital, a Harvard Medical School Affiliate
- University of Sydney Coaching Psychology Unit
- City University London Coaching Psychology Unit
- University of East London Coaching Psychology Unit

Journals - The following journals publish peer-reviewed research on coaching:

- *International Journal of Evidence Based Coaching and Mentoring* (free)
- *The Coaching Psychologist* (free)
- *International Coaching Psychology Review* (free recent issues)
- *Coaching: An International Journal of Theory, Research and Practice* (subscription-based)

Readers who scan the sites listed above will quickly notice that much of the research on coaching is conducted in Australia and the United Kingdom.



Reviews You Can Use II: *Coaching Pocketbook* (2nd Edition)

Joan Sprain, University of Wisconsin-Extension

As a financial coaching practitioner who never seems to have enough time, I find the **Coaching Pocketbook** (Management Pocketbooks, 2004) by Ian Fleming (not of the James Bond fame) and Allan J. D. Taylor very appealing. Fleming and Taylor are individual and management coaches, respectively, in the United Kingdom. The book's 104 pages are readable for anyone pressed for time. I find that reviewing the Pocketbook immediately after coaching sessions is particularly useful for developing as a coach.

The book describes what coaching is, the helping skills needed to be a good coach, options for structuring coaching sessions, coaching skills, and the opportunities and pitfalls inherent in coaching. The Pocketbook also includes checklists that can be used to assess and guide coaching sessions.

In the beginning of the book, the authors provide a clear but comprehensive overview of the similarities and differences across coaching, instructing, counseling, and other helping skills. In the description of the coach's role and how a coach thinks and operates, I was reminded that the role of a coach is to "let go." As much as I try not to do so, as an educator my natural inclination is to jump in with advice and tell the person being coached what to do. The authors also describe the role of the coach as somebody who helps participants improve *over time*—another reminder that it takes more than one session to establish a strong coaching relationship that allows for growth and goal attainment.

In the coaching trainings I co-facilitate, we often talk about the skills a coach needs. Fleming and Taylor describe not only what skills are needed but also what qualities. These qualities include the ability to take second place and awareness around when to step in versus when to listen.

The next part of the book describes the specific helping skills that coaches need to develop. The authors provide a thorough explanation of the differences in the types of skills needed in coaching versus instructing—also very useful for those of us who are educators.

The Structure for Coaching chapter is extremely practical. The authors describe the four stages of the C O A CH model: Competency, Outcomes, Action, and Checking. There is a six page "how to" guide on each stage. The guide provides specific instructions, including potential questions to ask participants.

Not to be confused with a previous chapter on the helping skills needed to be a coach, the "Coaching Skills" chapter goes into greater depth on coaching skills. This discussion includes the usual emphasis on observing, questioning, and listening. I identified a few tips that will prove useful the next time I coach. For example, sometimes I get stuck when a coaching participant says, "I can't do that." Reframing the question as "how do you know that, or what would happen if you could?" might help move the process along.

The Coaching Opportunities chapter focuses on coaching in the workplace. Nonetheless, I did find some useful ideas about measuring outcomes. The authors explain that it is important to be clear early on about what we want coaching to achieve. After the coaching process, they advise focusing on what coaching achieved—what did people do differently, and how did coaching facilitate these changes? They recommend asking the "participants to do their own self-assessment of the coaching experience, focusing on what they now do differently."

As I read the Potential Pitfalls chapter, I found myself doing my own self-assessment. As they described, I am sometimes guilty of vacillating between coaching and telling. I, too, find myself "harping back" and looking at the past. I can get lost listening to stories about participants' pasts instead of focusing on the future.

For those of us who have been implementing coaching programs, the **Coaching Pocketbook** is especially useful. It serves as a review, but more importantly as a checklist to see how we are doing.

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Visit us on the web at
fyi.uwex.edu/financialcoaching &
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