Financial Coaching Newsletter

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Inside this issue:

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  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."

Have an idea? Let us know!

Collin O'Rourke, Center for Financial Security

Welcome to the Center for Financial Security's *Financial Coaching Newsletter*. Thank you to those who contributed their ideas, time and writing to this issue.

The newsletter benefits from the contributions of its readers, and we invite your participation. You can suggest an idea for a story, send in a question for another coach, or write an article.

Comment on the newsletter, our financial coaching website fyi.uwex.edu/financialcoaching, and any of our other work on financial coaching. Send your comments and suggestions to: fincoaching@mail.sohe.wisc.edu.

Financial Coaching Competencies

Peggy Olive, University of Wisconsin-Extension

The UW-Madison Center for Financial Security (CFS) recently sought input from select financial coaches across the United States regarding the skills needed for financial coaching. Contributors were asked to share what they deemed to be the top five competencies for effective coaches. This information gathering is a first step by CFS to determine core competencies in the field of financial coaching and the establishment of standards that could be used for certification, position qualifications, and professional development.

Following is a summary of these top competencies, noting that these skills were the most frequently cited by financial coaches and may not necessarily reflect the priorities of any one contributor.

- Nonjudgmental: An effective coach has the ability to remain objective and create a coaching relationship based upon respect for the client's goals, concerns, experiences, and actions.
- Good listener: Defined as the conscious effort to actively listen to what the client is saying and not saying. The coach stays present to the client and the client's agenda.
- Personable: A coach needs to build positive relationships and rapport with diverse individuals rather quickly, while retaining the ability to redirect the conversation and ask tough questions without alienating the client. Qualities included warm, believable, understanding, trustworthy, humble, compassionate, empathetic, empowered, and self-aware.
- Flexible: While financial coaching involves facilitation of the coaching process, the client sets the agenda and the pace. Coaches need to remain adaptable, without attachment to a pre-determined course, and employ a range of techniques as appropriate to each unique coaching relationship.
- Inquisitive: An effective coach uses their curiosity intentionally to ask powerful, provocative, and sometimes challenging questions with the objective of supporting their client's self-efficacy, increased insight, and goal attainment.

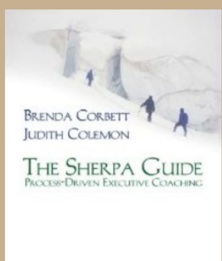
Specific to the field of financial coaching, several contributors mentioned the need to possess money management abilities and awareness of financial and community resources. Additional comments broadened this skill set to include an understanding of their target population and their common issues.

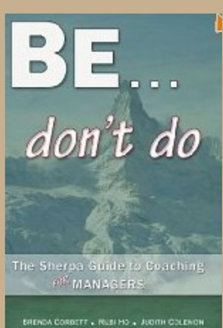
Many thanks to the financial coaches who freely shared their thoughts and expertise for this summary:

- Christi Baker, Chrysalis Consulting Group
- Haidee Cabusora, The Financial Clinic
- Judith Colemon Kinebrew, Sherpa Coaching, LLC
- Saundra Davis, Sage Financial Solutions
- Lars Gilberts, Branches-United Way Center for Financial Stability
- Ann Lyn Hall, Central New Mexico Community College
- Vanessa Lindley, Lindley Consulting Group
- Karen Murrell, Higher Ground Consulting
- Alex Nerguizian, Financial IQ Consulting
- Peggy Olive, University of Wisconsin-Extension
- Chad Rieflin, Consumer Credit Counseling Service of Rochester
- Joan Sprain, University of Wisconsin-Extension

Judith Colemon Kinebrew,

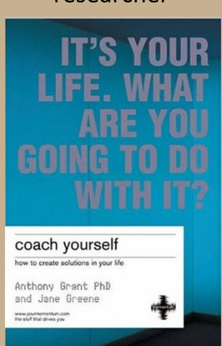
Sherpa Coaching





Next Page:

Dr. Anthony Grant, leading coaching researcher



An Interview with Judith Colemon Kinebrew

Peggy Olive, University of Wisconsin-Extension

Judith Colemon Kinebrew is CEO of Sherpa Coaching, LLC, in Cincinnati, which partners with universities to train and certify executive coaches. As an educator, she is a lead instructor for the Sherpa Executive Coaching Certification Program. She has trained coaches for a list of client companies including Federal Express, Toyota, and US Bank. Judy co-authored The Sherpa Guide: Process-Driven Executive Coaching, a guide to process-driven executive coaching for public sector, private sector, and university programs. Prior to starting Sherpa Coaching, she served as an executive for startup and established institutions.

Judy began coaching executives one-on-one in 2001. She is still a practicing coach and has become a leading authority in the emerging industry of executive coaching. She is a National Faculty Member for NeighborWorks America, a non-profit organization created by Congress to provide support and training for community based revitalization. She also serves as a National Consultant for BorrowSmart Public Education Foundation, a non-profit organization dedicated to homeowner education. Judith is a Cincinnati native and a graduate of the University of Dayton in Ohio. I recently had the pleasure of talking with Judy about her coaching practice and philosophy.

How does financial coaching compare with the field of executive coaching?

Both fields impact how people interact in relationship with "fill in the blank." With financial coaching, that "blank" might be their relationship with money, while the "blank" in executive coaching might be their relationship with their business. When working as an executive coach, we examine how the client's behavior impacts their business, though the coach does not need to be an expert in that particular business. With financial coaching, however, there's an extra layer of financial education within the coaching. A financial coach needs a certain level of financial competency and may need to ramp up on their financial content.

In one of your books, "BE…don't do," you discuss being more aware and more present when coaching. How does this philosophy inform your coaching practice?

When teaching others to be a coach, the biggest obstacle is self-management because the coaching role is based on the idea that the person being coached will drive the content, while the coach contains the boundaries for the coaching process. Most of us are brought up with the idea that success is measured by the number of problems that you fix, and in that context, coaching is a much different approach. The coach's challenge is to guide the self in managing filters and personal points of view so that the client is front and center. The coach provides the facilitation and needs to remember that the content of the conversation is not yours to own. The client is the expert on their own behaviors. There might be occasions where the coach provides advice, with the caution that providing advice takes the focus of the conversation off client and puts it onto the coach him/herself.

Being more aware and more present is all about listening—listening in order to ask the right question related to what the client just said — and that's a big job. As a coach, be aware of what it takes to do your best listening. For me, I do my best listening in the morning, or in a chair that's not too comfortable, or if I've eaten a good lunch. I don't take notes during the coaching session, so I need time to debrief and organize my notes afterwards. My ideal is a maximum of three coaching sessions per day in order to be at my best.

How do you establish an effective new coaching relationship?

In order to set up a positive relationship when I meet with a new client, I review the process of coaching, ground rules surrounding the coaching relationship, and discuss the client's expectations of coaching. My ground rules are always the same and the client has the opportunity to add to these rules. We discuss 1) time—my coaching sessions are always one hour; 2) coaching is not therapy—I've used the analogy that "I'll walk up into your yard, but will not come into your house" to stress that coaching is not about analyzing decisions, but focusing on how those decisions impact their goal attainment; 3) homework and the expectation to follow-through on tasks; and 4) confidentiality.

I coach around behaviors, so I ask the client "how do you need me to help you remain accountable?" Plus, I do more to understand their financial knowledge, current financial situation, and where they want to go. During intake, I use a goals worksheet to set the foundation for what success looks like for the client and to help set a baseline since these goals will drive the coaching process.

As a 'Sherpa' coach, what guidance might you offer to a beginning coach?

- Recognize the power of a question. Questions get you in and out of everything when coaching. Become proficient at open-ended questions.
- Practice and more practice. Practice your coaching skills everywhere in life so that they become second nature. "Live like a coach."
- Have coaching support. It's important to have other coaches to check-in with surrounding the coaching process and in order to continue your growth as a coach.

Review You Can Use: *Coach Yourself: Make Real Change in Your Life*

Collin O'Rourke, Center for Financial Security

Dr. Anthony Grant is one of the world's leading coaching researchers, if not the leading researcher. He founded the world's first Coaching Psychology Unit at the University of Sydney in 2000 and has written numerous articles on coaching. Grant and Jane Greene published *Coach Yourself: Make Real Change in Your Life* in 2001, just as the modern field of coaching was taking shape. *Coach Yourself* is one of the earliest books on coaching, and it turned out to be one of the best. I strongly recommend this book to people new to coaching, and to veteran coaches who want to review the fundamentals and potentially pick up a few new tools. The techniques described in *Coach Yourself* are all research based, and the authors went one step further—they evaluated the effects of using the book itself and found positive effects on goal attainment. The authors are quite convinced of the program's effectiveness, writing, "If you follow the program, it will work" (p. 19). (Cont. p.2)

As the title implies, *Coach Yourself* is written as a self-help book for readers interested in making changes in their lives. Because it is a self-help book, the techniques need to be adapted slightly for use in in-person coaching sessions, but making such adaptations should not prove difficult. Some of the self-help materials may even be useful homework between in-person coaching sessions. The authors provide step-by-step instructions for using all of the techniques, each of which can be applied across all life domains including personal financial management.

The book walks readers through the coaching process. Each chapter focuses on one step in the process, provides anecdotes and research findings, and concludes with one or two specific coaching tasks. The final chapter compiles all of these tasks in one place, but I still recommend at least a quick scan through the earlier chapters for more in-depth information.

Some of the issues that came up while reading *Coach Yourself* include:

1. The point at which clients are ready for coaching is sometimes unclear to me. A common consideration is whether clients are in crisis. Coaching clients may seek services because they are faced with a significant financial problem—does that mean they are in crisis? The authors write that coaching clients are "functional, albeit dissatisfied" (13). Previously, I had conflated being dissatisfied with being in a crisis, and the focus on dissatisfaction clarifies the issue greatly. Nonetheless, more work likely still needs to be done in this area, perhaps by developing standardized intake measures.

2. The authors describe the necessity of developing a "fuzzy vision" of the future in addition to concrete action steps. The vision is fuzzy, rather than rigid, so clients can adapt to changing circumstances and unexpected events. Spending enough time upfront on clarifying clients' dreams for the future and personal values is necessary before developing specific action steps.

3. The authors offered the following thoughts on the process of behavior change:

a. Making changes requires learning how to turn wants and desires into needs.

b. Discomfort is a "friend" because it tells us that we are making changes and moving forward. One's comfort zone includes the things he or she is trying to change.

c. Ambivalence to change is normal, and only 51% commitment is needed (not 100%).

d. Motivation equals action. Goals are only targets, and action itself creates motivation.

4. An entire chapter is devoted to working on changing ANTs (automatic negative thoughts) into PETs (performance-enhancing thoughts). The chapter reinforces how emotions, thoughts, and beliefs influence the coaching process. The techniques suggested for turning ANTs into PETs are straightforward, but I am left wondering whether using them will cause the coaching relationship to veer too closely to psychotherapy.

5. Grant and Greene recommend giving each project a name and symbol, and displaying these prominently.

6. The authors emphasize the necessity of self-monitoring, likely because it is a self-help book. Nonetheless, I generally think of the coach as the primary monitor, and had not thought as much about self-monitoring techniques. The authors recommend that coaching clients record their progress through short notes in journals or diaries.

7. One chapter is devoted to co-coaching, in which two or more people agree to coach one another. I am unsure how common co- financial coaching is, but for anybody interested in this approach, the book provides guidance on how to structure such relationships. Interestingly, the authors suggest that co-coaching last 1-3 months. Unfortunately, they do not explain why this timeframe is appropriate, or whether it applies to other types of coaching relationships.

Overall, I highly recommend *Coach Yourself* because it is research-based but written for a non-academic audience (i.e. it is not a bore to read). The authors successfully incorporated empirically validated techniques into a user-friendly coaching program. The techniques are readily adaptable to financial coaching. Although many coaching books have been published since 2001, *Coach Yourself* remains one of the best resources available on coaching.

Financial Coaching Spotlight: An Exploration of Group Coaching

Peggy Olive, University of Wisconsin-Extension

Concerns surrounding individual financial coaching include the affordability and scalability when applying a coaching approach to financial education. Individual financial coaching is resource-intensive, requiring significant investments of time and money in the coach-client relationship, with the intended payoff being higher levels of goal-attainment and sustainable behavior change.

A recent University of Wisconsin-Madison Center for Financial Security (CFS) research brief, Bringing Financial Coaching to Scale - The Potential of Group Coaching Models (Collins, Eisner, & O'Rourke, 2013), explores group coaching as an alternative to the traditional one-on-one coaching relationship. The brief highlights the advantages and disadvantages of a group coaching approach through a review of literature related to group interventions across an array of disciplines. In the context of this article, group coaching refers to a process in which a coach engages a group of individuals in supporting one another while each addresses their unique goals.

With the research on group interventions being minimal, and studies on group financial coaching almost nonexistent, the authors reviewed studies involving "group coaching-like interventions" in the areas of healthcare, employee training, job clubs, and saving. In one study, for example, participants in a work-based weight loss group lost more weight than those in the individual program. A Chilean study involving low-income entrepreneurs found that those randomly assigned to a peer self-help group saved at a greater rate than those offered a high-interest account without access to a peer group. Across studies, the group intervention appears to be more effective than the comparative individual intervention, citing the benefits of increased emotional and social support along with increased accountability due to a greater frequency of meetings.

From this literature review, the authors extrapolate potential advantages to a group financial coaching setting. Group coaching may provide the benefits of a coaching approach to organizations unable to provide individual financial coaching. As mentioned, a group setting appears to provide a greater level of support leading to greater and longer-lasting change, with the possibility that group members may be more inclined to make progress toward their own goals if others in the group report on their personal progress. Also of note, several studies reported that group members experienced gratification in helping to 'coach' their peers.

Cautions in expanding the limited research on group-interventions to the field of group financial coaching include the size of the group, with many of the cited studies involving groups with fewer than 12 members, and the precautions necessary to prevent the sharing of certain confidential financial information in a group setting. Effective coaches tailor their communication with individual clients to achieve maximum relevance and resonance. This provides unique challenges to the coach in communicating effectively with all group members and introduces the challenge of how group members communicate with one another.

The research brief, including references to literature reviewed, can be found on the UW-Madison Center for Financial Security website. CFS is currently exploring the implementation of two group financial coaching pilots that will continue to add to the findings highlighted in the brief.

fincoaching@mail.sohe.wisc.edu

Center for Financial Security

UNIVERSITY OF WISCONSIN-MADISON

Nancy Nicholas Hall

1300 Linden Drive

Madison, WI 53706

608.890.0229

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

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. 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 CFS and its research on financial coaching.