



Fall 2014

Welcome to the Fall 2014 Financial Coaching Newsletter! We have a couple of new article additions to the newsletter that we are excited to share: one that focuses on client experiences in the financial coaching process and one that spotlights new financial coaching training opportunities. We hope to keep these two new sections updated with your contribu-

tions, so please contact us with any and all suggestions. We are also always on the lookout for new ideas to bring our readers information on financial coaching, so please continue to provide feedback and input for future issues. Please send comments to:

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

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## Participant Perspectives on Financial Coaching

Hallie Lienhardt, Center for Financial Security

A perspective of the financial coaching process that has had less representation in our past newsletters has been that of the coaching client or participant. Seeking to capture that point of view, we reached out to several financial coaches working within community financial coaching programs with the aim of finding clients willing to be interviewed about their experiences with financial coaching. Through this request we were able to speak with Jennifer (whose name has been changed for privacy). She told us a little bit about her financial coaching experience in the interview below. The goal of this article series is to shed light on the financial coaching participant experience and not to highlight the specific coaching organizations. Therefore, in order to keep the participant anonymous and the focus on the client, we have not included the name of either the coaching organization or name of the coach.

### **Do you mind providing a little bit of background on your situation and how you came to work with a financial coach?**

I went to a local organization where I am able to get gas vouchers and saw a sign that was advertising “free financial coaching”. I called the number, set up a time to meet with a coach and we began the process. My goal was that I wanted to be more budgeted about my spending and I wanted to cut down on my spending. I wanted to get an idea of where my money was going and how to better handle my finances. I wanted to do this so that I could stop relying on outside assistance as much, like the gas vouchers that I was picking up when I saw the financial coaching advertisement.

### **Do you think the financial coaching process has helped you to reach your goals?**

Yes, it definitely has. When you are out there on your own you don’t necessarily know how to handle your finances even if you really want to. My goal was to become better at budgeting, handling my finances, and knowing where my money is going...and I did reach my goal. A few years back I

had to file for bankruptcy and that was a really difficult experience and I don’t want to be in that position again.

### **Do you feel that coaching has helped you reach your goal or has enabled you to be able to better reach your goals in the future?**

Yes, because if I were to have a situation like bankruptcy again in the future I know that I would be able to handle it a lot better. I feel more confident about handling my finances and that’s because of financial coaching. I don’t know if I can avoid having financial problems entirely, but I know that if I have them I can deal with them a lot better and have less stress around them.

### **Have you tried financial counseling or some other kind of financial intervention in the past? If so, how was it different?**

Yes, when I was in school I worked with a financial advisor. She was more focused on school loans and teaching me how to get the right ones and fill out the paperwork. This was different. It was about my goals and how I could get there myself.

### **What would you say about financial coaching to someone who is thinking about giving it a try?**

I think that it’s good for anybody who wants help, but you have to really want it. I worked with my coach consistently over a year and met with her on a regular basis. Recently we decided together that I had met my goal and that I was ready to stop meeting regularly, so I’m not meeting with my coach as much now. But, it takes time.

*If you are a financial coach or a financial client/participant and have interest in participating in this series, please contact Hallie Lienhardt at: [hallie.lienhardt@wisc.edu](mailto:hallie.lienhardt@wisc.edu) or 608-890-0229. We would love to continue to bring perspectives from financial coaching participants in this ongoing series.*



Darcy Luoma,  
master certified  
professional life coach  
<http://darcyluoma.com/>

Next Page:  
Introducing the  
A|4 Coaching  
Model

## An Interview with Darcy Luoma

Hallie Lienhardt, Center for Financial Security

### How did you become involved in coaching?

I have always enjoyed helping people to identify what they want and working through solutions and options. So, when I was working on my master's degree I came up with the idea to explore what it means to be a life coach for my thesis. I started with a pool of 100 people and randomly selected 10 to be the experiment group and the other 90 were the control group. I gave all of the participants a couple of pretests. I did weekly coaching with the 10 for three months. Then we did posttests of the entire group of 100. I remember the day I got the analytics of the survey data. The results were phenomenal and demonstrated that regardless of where the participants started in terms of fulfillment, self-awareness, and goal setting after three months of coaching they had made huge strides compared to the control group of greater happiness, accountability, goals, and fulfillment. It was at that moment that I knew that I wanted to coach. My research reinforced what my passion and my gut were telling me. So, that's how I made that first leap into coaching. After grad school I got certified by the International Coach Federation as a professional certified coach. Then I got a certification in organization and relationship systems coaching. After that I became a board certified coach. So really for the last decade I have been studying and learning a lot to really sharpen my skills. Then last fall we launched the professional life coaching certificate program at UW-Madison where I was hired to design the full curriculum and to be the lead instructor.

### What about coaching has led you to believe that it is an effective method for people trying to make changes?

I believe that there are lots of different ways to reach your goals and get clear on your life's purpose; you can do that a lot of different ways. Having said that, one of the reasons I so strongly believe in coaching is because it works. In coaching there is this core belief that the client is the expert in their own life and they know best what they want and what will make them happy. Coaching is about helping someone get really clear on their values and where they align in their daily decisions and where they do not. It is a very empowering process and it's a process that does not let the client continue to be a victim in their own life. They are inspired from a deep inner place that brings with it more momentum and passion to create that action plan and to then hold themselves accountable. The results are profound.

### What traits do you think are most important or necessary for an effective coach to possess?

Great coaches have a high degree of emotional intelligence, which is the ability to really connect deeply with people and possess great empathy for others. Part of what creates a high degree of emotional intelligence is active listening, curiosity, asking powerful questions, an innate interest in others, and an interest in helping people uncover answers for themselves. On the flip side, what makes a person not so well-equipped to be a coach is a person who just wants to be the expert.

### How can coaches keep getting better at coaching and improve on their skill sets?

A very personal way to improve is by hiring a mentor coach. As I've gone for higher levels of certification I hired a certified master coach as a mentor. I've sent in recordings of my coaching to get feedback with very specific constructive criticism on my coaching skills and where they can be improved.

A really substantial way of improving throughout my own journey has really been self-awareness. Asking myself where I can expand my range to be more effective for my clients. For instance, in my journey I have the strong ability to create a really safe space for people to share what is going on in their lives, but I needed to be more bold and courageous. I needed to learn how to really step in and challenge my clients in service of them achieving what they say they want to achieve.

### How have you seen the field of coaching change since you have been involved?

The field has changed and grown and I think there are pieces that are definitely for the better and pieces that are not. A good thing is that coaching is much more accepted and really embraced. Whereas people used to keep it quiet that they had a coach, now I'm seeing that a lot of people are very open, honest and proud of having a coach. There has been a shift in the sense that coaching is not remedial, but a way to be really conscious and intentional about achieving what you want in life. The place where I see less positive change is that because there are minimum professional standards in coaching, anyone can launch a website that says they are a coach.

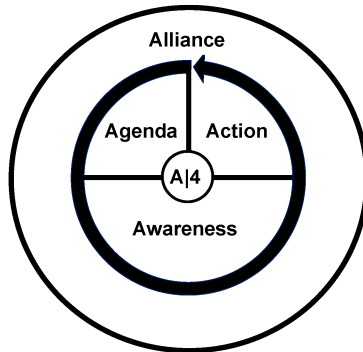
### Any additional thoughts for our readers?

I truly love what I do because it helps people get clear on what the life is they want to live, creating an action plan and having a support system to achieve that. People come in with these made up notions that they can't do the things they want to do. Getting people to realize that, yes, you can do these things and you have the choice. It is so rewarding.

## The A|4 Coaching Model

Peggy Olive and J. Michael Collins, Center for Financial Security

There's an array of models and frameworks in the coaching literature, all with the shared goal of helping a person to reach their potential. The UW-Madison Center for Financial Security has developed the "A|4" approach to financial coaching.



The A|4 model begins with forming an **Alliance**, which is the co-created partnership between the coach and the client. The coach is not an expert on what's best for the client, and the client understands that he or she is accountable to "the alliance," not the coach.

The **Agenda** sets the stage for what the client wants to work on with the coach. While the focus is on long-term change, individual coaching sessions focus on smaller action steps along the way. The client sets the agenda for each coaching session, although the coach might also request actions required by the sponsoring agency, such as completing a budget.

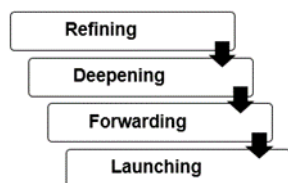
After setting an agenda, the client and coach explore the client's **Awareness** which drives the client's motivation to change. This exploration may trigger a revision of the agenda as the client aligns their values with their behaviors.

Finally comes **Action**, which are the plans, intended steps, and desired behaviors that the client will undertake. Clients report back on their progress and new insights. Again, client's are not accountable to the coach per se, but to the shared Alliance with the coach.

At each session, the coach focuses on increasing the client's awareness, as well as translating this growing awareness into action. Together, the coach and client celebrate progress, until the point when the client can independently set an agenda and achieve intended actions on his or her own.

The A|4 Model suggests a minimum of 4 sessions to address the client's agenda and promote sustainable behavior change. The

### 4 Coaching Sessions



focus for these 4 sessions includes defining the client's short and long term goals, increasing awareness surrounding the goals and desired behavior change, and preparing for self-sustaining behaviors after the coaching relationship comes to an end.

There are no national standards for coaching trainings. A number of coaching models can be applied to financial topics; the "right" model for any given coach depends on the client population served and the personality and disposition of the coach.

### Roles of a Financial Coach

- Help clients set goals and develop implementation plans
- Hold clients accountable to the "alliance"
- Focus clients' attention on their behaviors
- Help clients maintain behavior changes over time

### Common Best Practices for Financial Coaching

- Client-centered and goal-focused, with an emphasis on self-awareness, monitoring, and accountability.
- Regular meetings with clients where goals and progress are documented.
- Coaches and clients may sign a coaching contract to ensure expectations are clear.
- Coaches need a safe, secure, and trusted location for coaching sessions.
- High quality training and subsequent supervision of coaches.
- Selective referrals to resources, informational workshops, and educational opportunities for clients.
- Ultimate responsibility for searching for and selecting financial products must rest with the client.
- Coaches must refrain from recommending specific financial products or services.
- Based on clients' interests and capabilities, integrate web and mobile technology (e.g., text reminders) to improve client follow through and video conferencing to increase accessibility.

The Center for Financial Security and UW-Extension offer a 1-day financial coaching class using the A|4 model. The class assumes participants possess basic financial knowledge and focuses on applying this knowledge to the coaching process. The UW-Madison School of Human Ecology is also employing this model in a 3 credit undergraduate financial coaching course. This college course includes ongoing practice of coaching techniques and supervision by a certified coach. 🌟

*For more information on the A|4 Model, please see the full brief on the CFS Financial Coaching Website: [fyi.uwex.edu/financialcoaching/overview\\_brief](http://fyi.uwex.edu/financialcoaching/overview_brief)*



# HARD GOALS

THE SCIENCE OF EXTRAORDINARY ACHIEVEMENT  
THE SECRET TO GETTING FROM WHERE YOU ARE TO WHERE YOU WANT TO BE

MARK MURPHY

BESTSELLING AUTHOR OF FINANCIAL FREEDOM

## Review You Can Use: Hard Goals: The Secret to Getting from Where You Are to Where You Want to Be

Collin O'Rourke, Center for Financial Security

One common rule of thumb for setting goals is to create SMART goals—goals that are Specific, Measurable, Actionable, Relevant, and Timely. Depending on the source, different words may be substituted for some of the letters. Although no data appear to exist on how many coaches encourage clients to set SMART goals, internet searches indicate that the practice is widespread. SMART goals are used in a variety of other contexts. For example, some workplaces require employees to set SMART goals around their performance.

*HARD Goals: The Secret to Getting from Where You Are to Where You Want to Be* by Mark Murphy (McGraw-Hill, 2011) offers an alternative framework to goal setting. The HARD goals framework is motivated in part by perceived shortcomings of SMART goals, in line with the message on the book's back cover that "SMART Goals will only get you so far."

In the few times I have set SMART goals for work or my personal life, I have generally found the process to be demotivating. Redefining a goal so it follows the SMART framework seems to strip out the reasons why I am pursuing that goal in the first place. Essentially, dates, metrics, and specifics tend to alienate me from the underlying reasons why I want to achieve a particular goal. This concern is echoed in the popular book *Switch: How to Change Things When Change is Hard* by Dan and Chip Heath. The authors of that book argue that although SMART goals offer some benefits, SMART goals are not well suited for behavior change situations because they "presume emotion; they don't generate it." The Heaths then describe a study of a corporation in which setting emotional goals inspired greater change than financial goals. Although that study is focused on corporations, it raises general concerns about setting goals that are too financially-oriented, an issue relevant to financial coaching.

The Heaths' point in that chapter of *Switch* is that goals need to resonate emotionally in order to inspire change, something SMART goals may fail to do. After I read *Switch* a couple of years ago, I contacted one of the authors asking him about what research-based tools might exist for more emotionally-salient goal setting. Based on our exchange, I think we largely agreed that more practical tools are needed. At that time, I was unfamiliar with *HARD Goals*, which moves away from SMART goals to an approach designed to engage emotions.

The HARD goals framework as outlined by Murphy includes four components:

**Heartfelt** – Similar to the point in *Switch*, individuals must have deeply felt emotional connections to their goals. Murphy includes a lengthy discussion of intrinsic versus extrinsic motivation and how to work with each.

**Animated** – In this case, "animated" refers to being able to visualize goals. Murphy even claims that the "biggest impediment to any goal is lack of visual stimulation."

**Required** – This component deals largely with procrastination and related issues. For success, an individual must feel compelled to continue to take action and must often find behavioral tricks to stay on track. One example of a behavioral trick that may be familiar to

readers is Save More Tomorrow, a program in which participants precommit to saving some of their future salary increases.

**Difficult** – Murphy cites research showing that setting more difficult goals generates better performance than setting easier goals. In addition, when an individual lacks basic skills or knowledge in an area, learning goals are more appropriate than performance goals. Otherwise, setting difficult performance goals is advised.

Murphy presents research supporting each of the four components of HARD goals, and provides some guidance about how to set goals that correspond to each component. Oftentimes, a component has several subcomponents, so the framework is more complex than the summary here.

I am oftentimes of the research approach taken in this type of book—discussing a handful of studies that support the author's argument while not taking much time to discuss caveats to or weakness in the studies—because it seems like Murphy could be cherry picking research to support his claims. This is especially the case when he points to Steve Jobs and Google leadership as exemplifying the use of HARD goals, even though they probably have never heard of Murphy or HARD goals. Is it now required for business authors to reference Steve Jobs and Google as proof that the advice they are selling works? I have seen that strategy in too many books. Regardless, the book's back cover includes a statement from Edwin Locke, a top goal researcher, indicating that HARD goals do enjoy research support.

Although the book walks through some exercises about how to set goals in line with each component, one major shortcoming of the book is that it consistently directs readers to [hardgoals.com](http://hardgoals.com) for more resources. Currently, [hardgoals.com](http://hardgoals.com) redirects to Murphy's main website, and as far as I can tell, many of the resources are quite expensive. Viewing a past webinar called "Beyond SMART Goals" costs \$249. I give Murphy the benefit of the doubt that [hardgoals.com](http://hardgoals.com) was set up differently when the book was published in 2011, but the current setup leaves the impression that the book is a promotional piece for the website. The book would be much stronger if it provided more practical tools such as worksheets. Even the materials that are available on the website are not practical enough. It is one thing to promote the benefits of heartfelt goals, and quite another to provide practical tools that help people set them. Murphy is generally too optimistic that the general pieces of advice he offers are easy to translate into practice. To be fair, the book does provide advice on how to set HARD goals, but again I would prefer this discussion was more concrete and practical.

Overall, I commend *HARD Goals* for broadening the goal-setting discussion beyond SMART goals. This is a quick read, so it may be worth referencing for new ideas about how to set goals with clients. The most interesting sections of the book to me discuss how to apply the HARD goals framework. Without additional materials from [hardgoals.com](http://hardgoals.com), these sections are somewhat underdeveloped. Nonetheless, a coach might be interested in translating some of the concepts into more practical applications for use in financial coaching. In the next issue, I will review the more academic *Beyond Goals: Effective Strategies for Coaching and Mentoring*, which will shed more light on the issues raised in *Switch* and *HARD Goals*.

## Focus on Financial Coaching Training

Hallie Lienhardt, Center for Financial Security

CFS is excited to begin highlighting financial coaching training opportunities available for individuals interested in taking coaching training courses, brushing up on coaching skills, or learning about financial coaching in general.

To kick-off the series the Association for Financial Counseling and Planning Education (AFCPE) shared information on their new financial coaching training program:

The Financial Fitness Coach training is an introduction to coaching concepts and skills that brings a coaching framework to existing financial knowledge. It is a practicum-style course which begins with an exploration of existing financial counseling skills and builds upon them to increase effectiveness with clients. The training is highly interactive and experiential through the incorporation of coaching demonstrations, group discussion, and peer coaching practice. By the end of the course, participants will be able to understand how coaching fits into the financial capability continuum

Another training opportunity to look out for in the coming months is the Center for Financial Security Financial Coaching webinar series. The first of the three webinars will occur in January 2015 and will feature Lucy Delgadillo, Associate Professor at Utah State University, who will present from her recent paper published in the Family and Consumer Sciences Research Journal titled *Financial Clarity: Education, Literacy, Capability, Counseling, Planning and Coaching*. This webinar will open the dialogue about the distinguishing features of each type of financial service and how these interven-

(education, counseling, coaching), the role of a financial coach in helping clients set goals and develop steps to achieve financial goals, the coaching philosophy and how to use coaching principles for interacting with clients and how to identify the right technique, at the right time when working with clients.

The financial coaching training is an 8 hour financial coach training with 20 practice hours, learning lab and an interview completed post training. The cost of the course is \$1200 (includes AFCPE Financial Counseling/Debt Management course) or \$699 for ACC or AFC® professionals in good standing. 5 CEUs for ACC or AFC professionals are offered for completion. Online financial coaching training will be held in January 2015 and April 2015. For more information on the AFCPE Financial Fitness Coach training please visit their website: <http://www.afcpe.org/certification/certification-programs/financial-coaching-programs/>

tions are used. The two following webinars will be focused on financial coaching frameworks and incorporating financial coaching into your existing programs. Registration and information on the January webinar will be posted to the CFS Financial Coaching website at the end of December. Finalization of webinar dates and registration for two following webinars will be advertised via website and listserv. To sign up for the CFS financial coaching listserv and to view a recently published brief on financial coaching training, please visit our website:

<http://fyi.uwex.edu/financialcoaching/>



### 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."

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