organizational settings. Coaching had relatively large effects on clients' coping capacities and resilience, subjective well-being, attitudes, performance, and goal-attainment. The authors found that greater numbers of coaching sessions had little added impact, and in fact were associated with worse outcomes for participants' attitudes and performance. This finding is likely due to the fact that clients with the most problematic issues require more coaching sessions, while more capable clients become autonomous more rapidly. The authors conclude that much more research is needed into the mechanisms that make coaching effective.

Health coaching studies are another information source that can inform the financial coaching field. Wolever et al. (2011) describe a series of principles for integrative health coaching that are remarkably similar to the tenets of financial coaching. Principles from the Wolever et al. article include focusing on clients' values and goals, rather than acting as an expert intent on fixing clients' problems, and balancing accountability with the flexibility to proceed at each client's unique pace ("meeting clients where they are").

One challenge for financial and health coaches alike involves balancing clients' need for expert advice with coaching's emphasis on allowing client-centered goals to guide the process. In general, medical professionals act as experts who inform or even make choices on behalf of patients (Huffman, 2010). Like health topics, financial issues can be complicated and technical in nature, and at certain points, experts are required. Thus, coaching in both the health and financial fields may be tempered with advice and counseling as appropriate.

The difficulty in reconciling the need for delivering advice in tandem with coaching is illustrated in a health coaching study by Ervin, Jeffery, and Koschel (2012). The study found that only one-half of individuals trained as life coaches in a particular program actually used the approach. This finding suggests that inserting coaching into fields with prescriptive provider-client relationships could require deeper adjustments outside of simply training staff in coaching techniques.

Overall, the financial coaching field stands to gain from research on coaching in other domains. Examining the experiences and development of coaching in other fields could prove useful in helping the financial coaching field develop ways to overcome challenges and identify successful strategies that have a proven track record in other fields. Nonetheless, research into financial coaching as a unique discipline remains indispensable. The following sections delve into research on the theory and application of coaching specific to the financial domain.

Financial Coaching: Theory and Application

Collins, Baker, and Gorey's (2007) report for the Annie E. Casey Foundation is the earliest comprehensive description of financial coaching. Through interviews with nonprofit practitioners and a review of literature on coaching from other fields, the authors identified key elements of financial coaching, skills needed to become a coach, and emerging coaching models. The report is noteworthy because it offers the first detailed description of how to apply life coaching practices to the financial domain. Although the coaching field has advanced considerably since the publication of this report, many of the core elements of coaching identified by the authors still stand. For example, the authors identified four fundamental elements of coaching: future-orientation, collaboration, ongoing practice of behaviors, and client-driven goal setting. Additional elements would likely appear in an updated list, but these four elements remain core tenets of coaching. Overall, this report provides background on the impetus for financial coaching and the theoretical basis behind it. Much of the subsequent work by Collins and colleagues builds on this report.

Other descriptions of financial coaching appear in the Prosperity Agenda's, "Financial Coaching: Describing the Practice" (McKenna, Harper, and Mills 2013) and Collins and O'Rourke's (2012) "The Application of Coaching Techniques to Financial Issues." The former report focuses on variations in coaching models, lessons learned about training new financial coaches, the connections between coaching and the Transtheoretical Model of Behavior Change, and next steps for advancing the field. The latter article pays particular attention to the theories underlying coaching, explaining the connections among financial coaching, the more developed and broader field of coaching psychology, and positive psychology. In that way, the article explains how financial coaching is expected to affect client behavior. The article also presents data from three financial coaching field studies that are discussed later in this brief.

Concise overviews of the financial coaching approach include a set of best practices developed by RAISE Texas (n.d.) and a brief by Collins and O'Rourke (2013b).

Publications that cover similar ground include Collins and Murrell's 2010 brief and Collins, Murrell, and O'Rourke's 2012 report. The former defines coaching, explains the role of a financial coach, presents a typology of coaching models, and highlights challenges and next steps for the field. The latter presents findings from interviews with 11 financial coaches.

Collins, Olive, and O'Rourke's (2013) article provides another overview of financial coaching, with a particular emphasis on how University of Wisconsin-Extension educators have integrated coaching into their efforts to promote financial capability. The authors emphasize that coaching is a complement to other services, not a replacement for them. The article notes that because coaching is an unregulated field, the term "financial coaching" is used to refer to any array of approaches. With that in mind, the authors delineate coaching from other financial capability-building approaches. The article presents data collected from participants in UW-Extension coaching trainings and survey data that compare Head Start parents who are interested in coaching to those who are not. In the Head Start survey, respondents who were interested in financial coaching were more likely to have financial goals but were less confident in their ability to save and budget. These findings are consistent with coaching appealing to individuals interested in making improvements in their financial management practices.

A forthcoming chapter by Collins and Olive focuses on coaching models, outlining general models of coaching (e.g., GROW) and then introduces a new financial coaching model, A|4, developed by the University of Wisconsin-Extension. The four components of the model include Alliance, Agenda, Awareness, and Action. The chapter also provides a logic model for evaluating coaching and highlights key challenges to program evaluation, which include a lack of standardized outcome measures and the difficulties of identifying a comparison group.

In a 2010 white paper, EARN provided lessons and recommendations for the field based on experiences from their financial coaching program, Wealthcare, which was developed in 2007 (Mangan 2010). Focused specifically on low-wage clients, the Wealthcare coaching program employed full-time coaches who worked with clients on changing behavior and realizing client-directed goals. EARN suggests that although coaching may be used with clients in crisis, doing so requires significant coaching skill; clients in crisis may need more prescriptive services such as counseling or legal assistance. One of the primary suggestions in the report involves the need for a respected entity to establish and maintain a field-wide set of quality standards. EARN also asserts that the definition and measurement of client "success" in financial coaching should be two-fold, including changes in a client's financial behavior and therefore financial situation, as well as the residual benefits a client receives from working with a financial coach.

Additional efforts to provide clarity on the state of the financial coaching field and offer recommendations for moving forward emerged with a brief for current and prospective funders. "Financial Coaching: An Asset Building Strategy" was released as a joint Asset Funders Network and Center for Financial Security publication in the spring of 2014 (Collins 2014). The report describes coaching as a client-defined, longer-term approach that is more likely to improve financial capability and savings than standalone financial counseling or education. The report highlights a variety of program models including integrated social service, volunteer, fellowship, technology-driven, employer-based, and group coaching models. Finally, the report touches on challenges in the field. Mainly stemming from how recently the field was formed and a corresponding lack of standardization, crucial areas of concern include enhancing the quality of coaching trainings, ensuring consistency in coaching practices, maintaining the fidelity to the coaching model, and creating a field-wide consensus around outcome measurement.

Finally, a recent field scan of financial coaching programs sought to capture the programmatic features that have proved effective in the field (Lee and Hebert 2014). Among the 43 programs that participated in the survey, more successful programs seemed to have lower turnover of financial coaches, provide formal training to their coaches, and focus on active listening and promoting self-reflection and self-efficacy rather than giving financial information or advice. Again limited to the organizations that completed the survey, successful programs appeared more likely to offer access to complimentary services, contacted clients at least once monthly, and employed pre-enrollment screenings to ensure suitability of coaching for prospective clients. In-depth interviews with 10 of the participating

coaching organizations suggested that among stronger performing programs, coaches modified their approach based on client circumstances and competencies, the coaching mindset and methodology were ingrained in the culture and management style of the organization, and a strong network of additional supportive services was readily available to coaching clients.

Group Financial Coaching

Two briefs focus on the potential of group-based financial coaching. The first, by Collins, Eisner, and O'Rourke (2013), draws on coaching literature from other fields to define group coaching, highlight existing models, and present evaluation findings. The brief discusses possible advantages and disadvantages of group coaching models, again based on experiences from non-financial contexts. Baker and O'Rourke's (2013) brief then explored a specific group-based program piloted by the Maryland CASH Campaign. The brief describes the Maryland CASH model and presents survey and interview responses from clients, coaches, and staff. The brief concludes with suggestions for organizations considering implementing group-based financial coaching. Overall, these two briefs identify possible applications of group-based models for the financial coaching field, but it is unclear how much interest or momentum currently exists around group financial coaching.

Integrating Coaching into Other Services

Several reports focus on integrating financial coaching and counseling into other services. For example, a 2011 report provides detailed case studies around local United Way efforts to support integrated services through one stop centers. Drawing on these experiences, the report identifies a range of recommended strategies and practices for integrated service delivery. The report identifies one-on-one services such as financial coaching, counseling, and case management as a necessary component to an integrated service delivery model.

The Annie E. Casey Foundation has funded a network of organizations using its Center for Working Families model, which integrates a range of services including workforce development, work supports, and asset building (Gewirtz and Waldron 2013). An assessment of three these sites sheds light on the take-up of coaching and finds a range of positive outcomes associated with bundled services (Kaul, Burnett, and StGeorge 2011). Rankin's (2015) report on bundled services provided by LISC finds positive associations between the number of services clients receive and positive outcomes (e.g., job placement and retention). Similarly, a report on coaching and other services integrated into HUD's Family Self-Sufficiency program documented increases in credit scores and reductions in debt, among other findings (Kimbrel 2011). Although these reports find positive associations between integrated services that include coaching and positive client outcomes, they do not disentangle the effects of coaching from other services and may be biased due to a lack of comparison groups.

The New York City Office of Financial Empowerment released a report detailing its experiences integrating financial counseling and coaching into social service programs (OFE 2014). Finally, CFED recently published a guide to integrating financial capability services including coaching into existing programs (Bowen, Hattemer, and Griffin 2015). The guide is interactive and offers step-by-step instructions; it serves as the most comprehensive resource to date for organizations interested in integrating coaching and related services into existing programs.

Effectiveness of Financial Coaching

Research into financial coaching's effectiveness is still in its early stages. To date, evidence of coaching's effectiveness is largely suggestive, as studies tend to lack rigorous research designs. Existing analyses of coaching rarely include comparison groups and other features needed to estimate the causal effects of coaching. Existing studies do report positive results, and a recent randomized controlled trial by the Urban Institute is a major advancement for the field.

Using data from three financial coaching programs, Collins and O'Rourke (2012) find several positive associations between coaching and client outcomes including goal formation, confidence, budgeting, and saving. Because the analyses lacked comparison groups, the results are not causal. Nonetheless, the associations are suggestive of positive effects.

Moulton et al. (2013) explore the take-up of financial coaching among low- to moderate-income recent homebuyers, finding that overconfidence in financial matters reduces the take-up of financial coaching. In a follow-up study, Moulton et al. (2015) test the effects of combining financial coaching with an online financial planning module that included goal setting exercises. First-

time homebuyers who completed the planning module and received quarterly contacts from a coach were less likely to become delinquent or default on their mortgages. The authors attribute these effects to the role of the intervention in focusing borrowers' attention on repayment.

NeighborWorks America (2013) and the Citi Foundation partnered on the Financial Capability Demonstration Project, which involved 30 financial coaching programs. The project assessed the effectiveness of financial coaching and generated insights and recommendations for successful financial coaching delivery. The project started with course development and the training of practitioners, and later culminated with an evaluation of coaching offered by the participating community-based organizations. In a study of a subset of clients in the demonstration, more than one-half of clients who reported no savings at the start of services reported some savings after participating in coaching, resulting in median savings of $668. Additionally, clients experienced an average increase in their FICO scores of 59 points. Clients who participated in coaching for a longer period of time were more likely to see increases in their credit scores. Almost two-thirds of clients who reported feeling stressed about their financial situations when they began coaching no longer felt that way after participating in coaching and related programs offered through the project.

The Center for Economic Progress (CEP) released a 2015 report highlighting early findings of its Progress Program. The 8-week pilot program launched in 2014 with 40 coaching clients paired with 40 trained volunteer coaches. Clients met with their coaches once a week for 8 weeks. Clients were eligible for a match of up to $500 for savings- and debt-related goal achievement. Retention rates among both coaches and clients were strong, 93% and 95%, respectively. Comparisons of client savings and debt at baseline and after completing the program indicate that participants saved an average of $657 and paid down an average of $1,019 in debt. Changes in attitudes were also documented, with clients' confidence increasing in areas related to seven financial behaviors (e.g., using a checking account, tracking spending, saving money regularly). Clients reported engaging in positive financial behaviors more often following the program. These results held up on a follow-up survey administered six months after the program.

In the most rigorous evaluation of financial coaching to date, the Urban Institute recently released a report funded by the Consumer Financial Protection Bureau evaluating coaching outcomes at two organizations, The Financial Clinic in New York City and Branches of Miami, FL (Theodos, et al. 2015). The evaluation is the first randomized controlled trial of financial coaching. Clients were randomly assigned into treatment and control groups, so the causal effects of coaching could be established for the first time. Client populations varied between the two organizations. Given these differences and coaching's client-centered orientation, outcomes also differed between the two sites.

- At the Financial Clinic, the treatment group accumulated $1,200 in savings, roughly two times that of the control group, and ended up with average debt in collections about two-thirds lower than that of the control group.
- At Branches, total debt among the treatment group declined by $10,650 to a level about 20% lower than the control group.
- The study also documented statistically significant improvements in credit scores due to coaching. For example, Financial Clinic clients offered coaching experienced an average credit score increase of 21 points.
- The Urban Institute's report covers several other positive findings around financial behavior and stress levels.

Overall, this evaluation represents a major advancement for the field and points the way to the development of more rigorous research designs going forward.

Summary of Findings

Based on this review of the literature, key points around financial coaching theory and effectiveness include:

Theory

- Coaching is distinct from education or counseling due to its focus on working with clients on client-centered goals rather than providing prescriptive information or advice.
- Coaching is a longer-term process that involves multiple meetings with clients.
- Financial coaches provide accountability and facilitate action planning, helping clients follow through on their own plans. Coaches do so by keeping goals on the top of clients' minds and reinforcing self-control.
- Clients enter coaching with a variety of financial goals, typically ones that require ongoing adherence. Goals might include saving, paying down debt, or paying bills on time.

Effectiveness

Current evaluations and assessments of financial coaching suggest that

- Participating in coaching is associated with increases in forming and achieving goals, along with increases in goal confidence (self-efficacy).
- Coaching is associated with increases in budgeting and savings for clients with goals in those areas.
- Coaching clients focused on paying down debt can successfully reduce their debt levels.
- Some coaching clients improve their credit scores.

Conclusions

Although research on financial coaching is still developing, this review identified 26 reports, articles, and other documents, an encouraging number that speaks to the field's recent growth. Of the documents identified in this brief, 12 describe the theory and function of financial coaching, seven provide evidence from field studies, and seven discuss integrating coaching into other services. Together, these studies help show how and when financial coaching might be effective in helping people achieve their personal financial goals and plans. The information reviewed in this brief is beginning to tell a common story about the role that financial coaching might play in the future of financial capability policies and programs.

It is clear that more research on financial coaching is needed. Studies must be carefully designed to test the mechanisms behind coaching approaches. Rigorous evaluation of financial coaching requires researchers to identify a comparison group, which typically means random assignment among clients interested in coaching. Tracking a sufficient sample size over time to show effects across a broad range of outcomes adds to the barriers. Given coaching's client-centered orientation, identifying appropriate outcome measures is also challenging. Key measures for coaching relate to goals, confidence, and having emergency savings, as well as basic financial planning. Collins and O'Rourke (2013a) suggested a short scale of six questions to serve as a longitudinal measure of financial planning, confidence in goals, emergency savings, spending, and on-time payments. Other coaching outcomes may include self-reported self-efficacy, resilience, and autonomy, as well as measures of stress, anxiety, and subjective well-being.

The evidence so far is promising, but a number of important research questions regarding financial coaching remain, including

- How many coaching sessions are optimal, and what is the best mix of lower-cost, technology-driven approaches with higher cost face-to-face meetings?
- How does the training, experience, and background of a financial coach (e.g., gender, culture, race) influence the effectiveness of the coaching relationship?
- What factors predict which clients are ready for coaching and are most likely to be successful?
- What models of coaching can be financially self-sustaining? Can coaching be combined with financial products and services, or will that undermine trust between coaches and clients?
- What role can reminders play in helping keep goals and action steps on the top of clients' minds? How much of the coaching process can be automated or delivered through lower-cost technologies?

As the field expands, further evidence will add to the current literature and help define the impacts and best applications of financial coaching.

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UW-Madison School of Human Ecology
Nancy Nicholas Hall
1300 Linden Drive
Madison, WI 53706
(608) 262-6766
cfs@mailplus.wisc.edu
cfs.wisc.edu

Facebook.com/UWMadisonCFS

@UWMadisonCFS

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