

# FINANCIAL COACHING PILOT YEAR 1: 2018-19

WOMEN'S ECONOMIC SECURITY INITIATIVE

REPORT BY WOMEN'S WAY



**ANNUAL  
REPORT**

# EXECUTIVE SUMMARY

## 178 CLIENTS, 25 ECE CENTERS

*The Women's Economic Security Initiative (WESI) is overseeing a pilot program, focused on incorporating financial coaching services into early care and education programs. The financial coaching pilot empowers clients with long-term, goal-oriented, structured support.*

✓ **80% OF CLIENTS THAT COMPLETED 3+ SESSIONS, COMPLETED A GOAL**

✓ **39 CLIENTS SAVED A TOTAL OF \$117,374**

✓ **67% OF CLIENTS SAVED OVER \$500**

✓ **29 CLIENTS PAID OFF A TOTAL OF \$62,230**

✓ **69% OF CLIENTS PAID OFF OVER \$500 IN DEBT**

## 74 CLIENTS COMPLETED 200 GOALS

*The most commonly set and completed goals were related to savings, debt, and better financial habits. Goals related to improving credit, furthering one's education/career, and opening financial accounts had the highest completion rates.*

*The most commonly set savings goals were for emergency and home savings, while the most commonly completed goals were for emergency savings. The most commonly set and completed debt goals were related to credit card and student loan debt.*

## CLIENTS INCREASED THEIR FINANCIAL CAPABILITY

*Based on the Financial Capability Scale (FCS), clients improved their financial capability. The average FCS score increased by 1.42 points. Most people did not have a budget at intake and now do. The results show that clients are moving from month-to-month planning to long-term planning and behavior change.*

✓ **CLIENTS FELT THE COACHING PROGRAM WAS HELPFUL AND THEIR COACHES WERE RESPECTFUL**

✓ **100% OF CLIENTS AGREE THAT COACHING HELPED THEM MEET THEIR FINANCIAL GOALS**

**Entering the pilot's second year, there will be a few changes to strengthen the program. WESI and partners will also begin conversations about the future and sustainability of this program to explore options for scaling in the Philadelphia region.**

# BACKGROUND

The Women's Economic Security Initiative (WESI) is a long-term, systems-level collaborative initiative centered around a shared vision that all women in the Philadelphia region attain financial well-being for themselves and their families. Using the collective impact framework, our network identifies critical systemic gaps, enhances the coordination and capacity of organizations doing promising work, and builds a community committed to data-driven learning. As the backbone of this effort, WOMEN'S WAY guides vision and strategy, supports aligned activities, builds public will, and mobilizes funding.

## **WESI stakeholders identified five priority areas to focus on:**

- 1. improve & coordinate services,**
- 2. change the narrative,**
- 3. increase access to good jobs,**
- 4. transform philanthropy, and**
- 5. increase representation.**

From these priorities, three work groups formed: financial health, good jobs, and change the narrative. Members of the initiative identified the first collaborative priority as integrating financial coaching into existing services and programs.

The financial health work group is overseeing WESI's first pilot program, focused on incorporating financial

coaching services into early care and education (ECE) programs in the region.

The financial coaching pilot, launched in the summer of 2018, uses the coaching methodology to empower center directors, employees, and parents/caregivers with long-term, goal-oriented, structured support that paves the way for sustained behavior change. Coaches build a nonjudgmental and trusting alliance with clients to achieve the future they envision. With funding and oversight from WOMEN'S WAY, this pilot is being implemented by First Up and Urban Affairs Coalition PHLPReK team.

To evaluate and learn from this pilot, we employed monitoring and evaluation methods that have been developed and used by established financial improvement organizations, such as Prosperity Now, Asset Funders Network, and Stand by Me.

Coaches collected and recorded data primarily through My Budget Coach, an online financial coaching platform. We also collected supplemental data via Survey Monkey.

Data shared in this report is from Year 1 of the pilot (July 1, 2018 through June 30, 2019) and was collected through intake and exit forms\*, progress reports, and feedback surveys.

*\*The majority of clients are currently clients therefore have not completed the exit interview process. Data in this report is at intake, progress, and at year one.*

# DEMOGRAPHICS

## 25 Early Childhood Centers

In the pilot's first year, coaches served **178 clients** in the Philadelphia and Delaware Valley region.

The majority of clients were ages 30-59 (62%), followed by ages 18-29 (33%), and only 6% were over 60 years old. Over half of clients were African American (53%), a quarter were Caucasian (27%), and 14% were Hispanic. The majority of clients' primary language was English (95%), while 5% spoke Spanish. 63% of clients reported having children. Clients lived in Philadelphia, Delaware County, and Chester County.

**The majority of clients were employed or self-employed (88%),** while 7% reported not being employed.

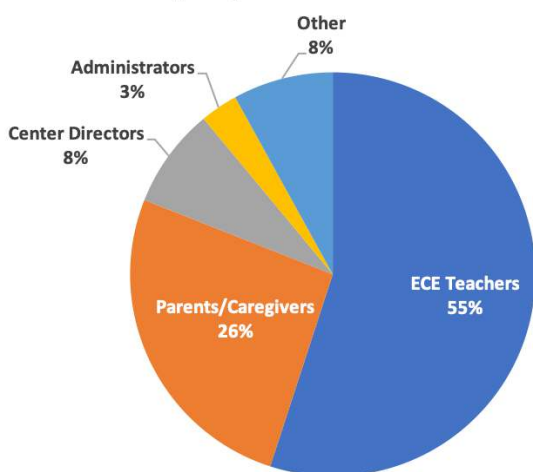
At intake, the majority of clients did not have emergency savings or assets such as a mortgage or a retirement fund. Furthermore, many clients had school loans, car loans, and credit card debt.

### Client Finances at Intake

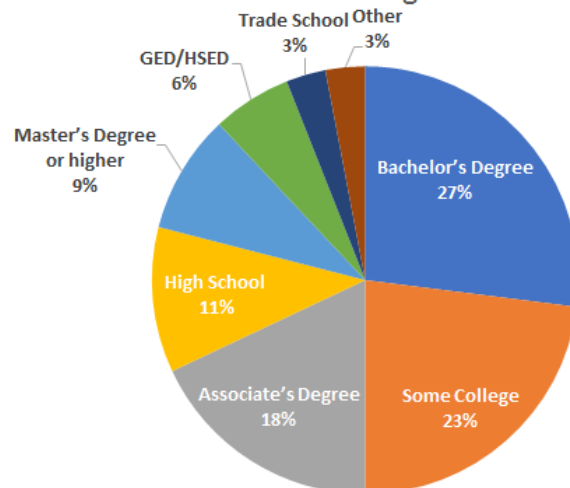
Paid an overdraft/non-sufficient funds charge, past 12 months	27%
Had a savings account	71%
Had emergency savings	20%
Had a mortgage	16%
Had a school loan	59%
Had a car loan	32%
Had credit card debt	51%
Had a retirement fund	32%
Had a budget or financial plan	20%

*\*An emergency fund is a dedicated amount of money set aside in case of a sudden loss of income or unexpected expense.*

The majority of clients are ECE teachers



Over half of clients have a higher education degree



# GOAL PROGRESS

Financial coaching is a participant-driven process that focuses on clients setting their own goals for desired personal improvement. Coaches and clients structure sessions and assess progress through the setting and completion of goals. Client goals were categorized into categories such as savings, debt, financial habits, assets, credit, furthering education/career, and others.

✓ **178 CLIENTS COMPLETED  
492 SESSIONS**

✓ **131 CLIENTS CREATED  
554 GOALS**

✓ **74 CLIENTS COMPLETED  
200 GOALS**

**73%**

Of clients that completed 2+ sessions, completed a goal!

## CLIENT STORY

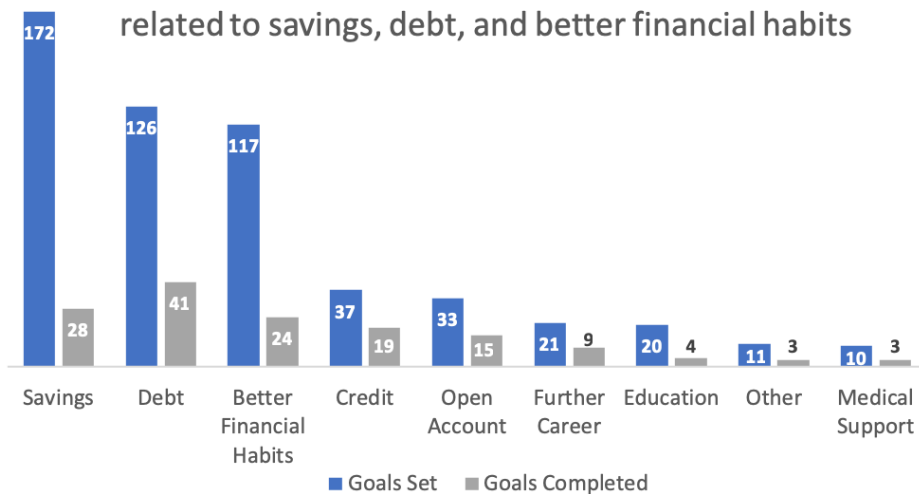
**A couple, parents of a child in pre-k, were ready to make big life changes. One parent wanted to be self-employed, so coaching sessions focused on how to financially make that goal work. Once they created a budget, they realized they could save nearly \$1K a month and set a goal to reach \$10K in savings. In June of 2019, they reached their goal of \$10K which helped them accomplish other goals as well, like a family vacation. They are excited and looking forward to tackling more goals.**

**80%**

Of clients that completed 3+ sessions, completed a goal!

# BREAKDOWN OF GOAL TYPES

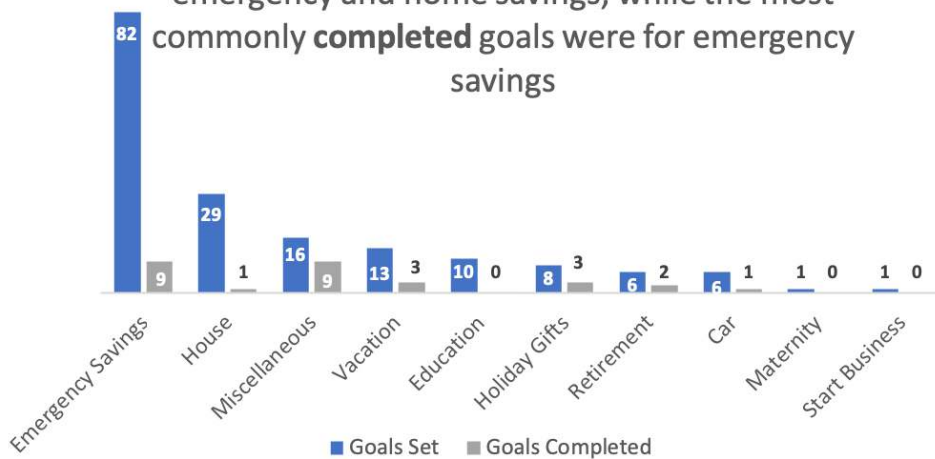
The most commonly **set and completed** goals were related to savings, debt, and better financial habits



Goals related to improving credit, furthering one's education/career, and opening financial accounts had the highest completion rates.



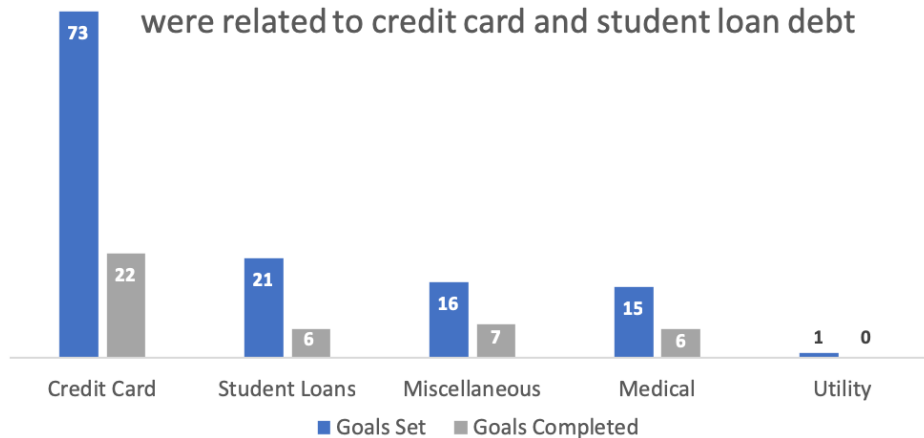
The most commonly **set** savings goals were for emergency and home savings, while the most commonly **completed** goals were for emergency savings



Homeownership had a low completion rate, likely due to the long-term nature of the goal.



The most commonly **set and completed** debt goals were related to credit card and student loan debt

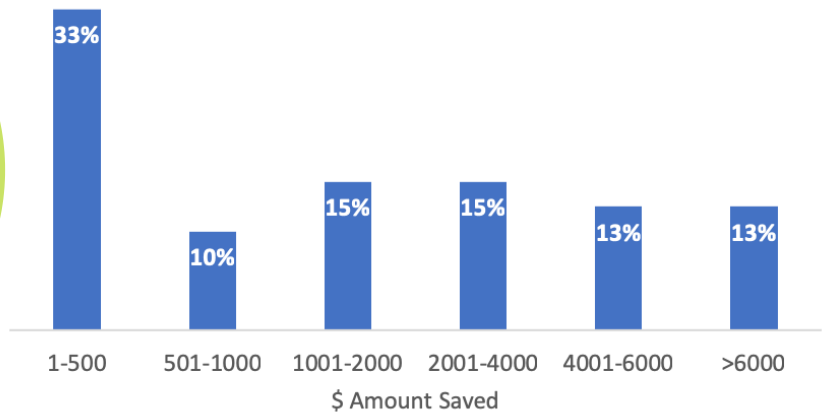


## CLIENT STORY

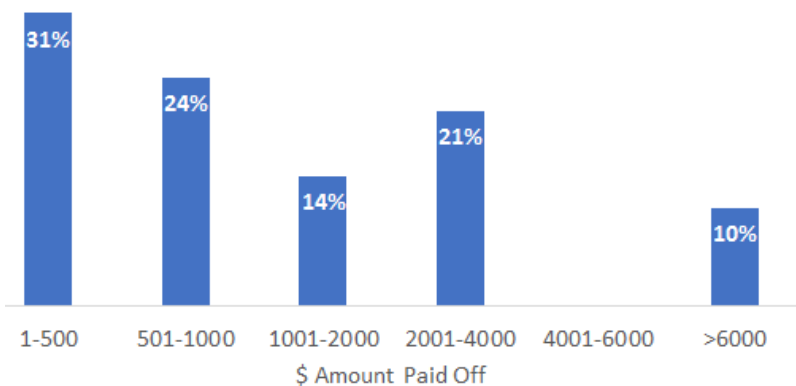
An ECE center employee, who is a mother of two children, has been a client for over a year. Initially, this client felt overwhelmed by her finances. After developing a budget and a plan to pay down her debt while also building an emergency savings fund, she was able to save \$1,600 and get a handle on her debt repayment. When her husband unexpectedly lost his job, she was able to use her savings to cover family expenses. She now feels empowered and motivated to continue making progress, feeling that if she reached her goals once she will be able to again. She has begun using empowered statements such as, "I'm working towards my goals" and "I said no to an outing because I'm focused on my goals."

**39 CLIENTS SAVED  
A TOTAL OF  
\$117,374**

67% of clients saved over \$500



69% of clients paid off over \$500 in debt



**29 CLIENTS PAID  
OFF A TOTAL OF  
\$62,203**

# FINANCIAL CAPABILITY

The Financial Capability Scale (FCS) was used to measure client outcomes at intake and at every session. To assess improvement, the score at intake and the score at the most recent session were compared. **The average FCS score increased by 1.42 points.** Most people did not have a budget at intake and now do. The results show that clients are moving from month-to-month planning to more long-term planning and behavior change.

## CLIENT STORY

**A recent pre-k teacher signed up for coaching to gain a better understanding of her finances. Initially, she was spending most of her income on her lifestyle. After some unfortunate events, she was left homeless and living with friends. Through coaching, she made a plan to save half of her salary and her full tax refund. After a few months, she found an apartment. Thanks to her savings, she was able to move in and make the down payment without falling into debt.**

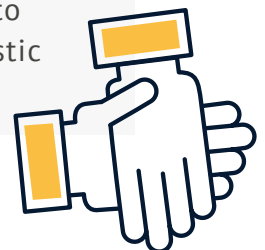
Financial Capability Scale	At Intake FCS	At last progress report FCS
<b>Average FCS score*</b>	3.46	5.12
<b>Average increase in score</b>	-	1.42
Do you have a budget or financial plan?	23% yes	83% yes
How confident are you in your ability to achieve a financial goal you set for yourself today?	87% confident or very confident	92% confident or very confident
If you had an unexpected expense or someone in your family lost a job or had another emergency how confident are you your family could make ends meet in a month?	71% confident or very confident	77% confident or very confident
Do you currently have an account with automatic deposit or electronic transfer set up to put money away for future use?	55% yes	64% yes
Over the past month would you say your family's spending on living expenses was less than its total income?	40% yes	70% yes
In the last two months have you paid a late fee on a loan or bill?	58% yes	70% yes

*\*FCS Score (Financial Capability Scale) - a short set of standardized client outcome measures from The Center for Financial Security.*



# COACH TAKEAWAYS

- 1 Center Director buy-in and relationship is critical for recruitment success. Directors and established staff members can invite coaches to events, vouch for them, and make engaging with parents easier.
- 2 A continued presence in schools is helpful to remind people about the program. Some people need to have several conversations with coaches to establish trust and learn if this person is someone they want to discuss their finances with.
- 3 Many clients said the recruitment presentations were inspiring, realistic, and relatable, noting them as what encouraged them to sign up for coaching.
- 4 Cultural norms, distrust, and shame around finances can make client recruitment challenging.
- 5 There is a lot of confusion about the role of a financial coach. Coaches frequently get called advisors, planners, counselors, etc. and there is often a misunderstanding about what to expect from coaching. There is an opportunity to do more work around messaging this.
- 6 Coaching is most successful when the client is ready and motivated. It is helpful to consistently communicate with clients about whether or not it is a good time to move forward with coaching.
- 7 The one-on-one relationship in coaching is powerful; it allows people to look honestly at their own behaviors and decision-making while also addressing the psychological barriers that may be holding them back.
- 8 Client needs are not one-size-fits-all, which is why a client-centered approach is so effective. Coaches meet clients where they are and move at their pace, allowing them to dig deeper and tackle tough issues and patterns.
- 9 Participating in coaching can be scary and overwhelming, which can make retention hard. That said, individualized follow-up tends to be effective in motivating clients to schedule another appointment.
- 10 Clients build confidence and maintain interest when they are able to cross things off of their to-do list. Tackling small, achievable, realistic goals first, and tackling big goals later, works best.



# CLIENT TAKEAWAYS

"I can always come to my coach and seek advice without being judged."

The WESI Pilot Client Survey measured client satisfaction at the end of year one.

- Coaches were described as positive, kind, empathetic, honest, caring, and patient.
- Coaches allowed clients to vent and work through their financial worries.
- Coaches helped set attainable goals, brainstorm strategies, provide realistic solutions, and set individual budgets.



"Tillie helped me make goals I was able to stick to. My credit score improved 70 points and I was able to buy a house!"

Client Satisfaction - Coaching Method



"Alicia helped me see that living paycheck to paycheck wasn't always going to be."

# NEXT STEPS

The financial coaching program is entering the second year of the pilot. The second year will not see any major changes to the coaching approach or the program structure. However, a few changes will be made that we hope will strengthen the program:

- The Pennsylvania Key has approved financial coaching sessions to count as PQAS hours for teachers. We anticipate this will help with teacher recruitment, as up to two hours of financial coaching can be counted toward required professional development hours.
- First Up will add a second coach to assist as more centers are recruited.
- Both partner organizations are working toward adding new ECE centers, and are doing so with a renewed emphasis on the center's responsibility to market and recruit clients

In the fall of 2019, WESI and pilot partners, along with WOMEN'S WAY, will begin a series of conversations about the future and sustainability of this program. We will continue to closely analyze the data and impact of this program and explore options for scaling the program throughout the Philadelphia region.

## CLIENT TESTIMONIAL

**"Working with Alicia over the past couple of months has greatly improved my confidence in how I manage my individual finances. I believe that I am on the right track with how I manage my time and money in order to gain personal financial success. More specifically, she has helped me learn how to create a budget and how to realistically stick with that budget. I am very fortunate to work with her and believe that this personal financial coaching has helped me to achieve my current financial goals, and will continue to help me achieve any goals set in the future."**

