

# FINANCIAL COACHING PILOT FINAL REPORT

WOMEN'S ECONOMIC SECURITY INITIATIVE

REPORT BY WOMEN'S WAY



2018-2020

**SPECIAL THANKS TO:  
DAN SUTTON, GIFTIE UMO, HANNAH SAVAGE,  
AND PETER RUBENSTEIN  
FOR YOUR SUPPORT WITH THIS REPORT**

# EXECUTIVE SUMMARY



**289 CLIENTS, 40 ECE CENTERS**

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

- ✓ **941 SESSIONS COMPLETED**
- ✓ **88% OF CLIENTS THAT COMPLETED 3+ SESSIONS, COMPLETED A GOAL**
- ✓ **74 CLIENTS SAVED A TOTAL OF \$200,221 (MEDIAN AMOUNT SAVED: \$1,153)**
- ✓ **58 CLIENTS PAID OFF A TOTAL OF \$150,806 IN DEBT (MEDIAN AMOUNT PAID OFF: \$1,110)**

**124 CLIENTS COMPLETED 490 GOALS**

*The most commonly set goals were related to savings, debt, and better financial habits. The most commonly set savings goal was for emergency savings, and the most commonly set debt goal was for credit card debt. The overall goal completion rate was 52%.*

**15 clients participated in a matched savings program, where WOMEN'S WAY matched their savings with a 1:1 match of up to \$500.**

**100% of clients met their \$500 savings goal!**

## CLIENTS INCREASED THEIR FINANCIAL CAPABILITY

*We used two scales to compare clients' financial capability and well-being before and after coaching. 67% of clients had an increased Financial Capability Scale score after coaching, while 78% of clients had an increased Financial Well-Being score.*

- ✓ **CLIENTS FELT THE COACHING PROGRAM WAS HELPFUL AND THEIR COACHES WERE RESPECTFUL**
- ✓ **100% OF CLIENTS AGREE THAT COACHING HELPED THEM MEET THEIR FINANCIAL GOALS**

**Overall, the data has illustrated the impact of financial coaching on women experiencing economic insecurity. Thanks to a generous grant from BLBB Charitable, we are expanding the reach of financial coaching through a training program that will empower partner organizations to incorporate financial coaching into their services. Our goal is to reach 15,000 more women by the end of 2023.**

# 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**
- 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 oversaw WESI's first pilot program, which incorporated financial coaching

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

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

To evaluate and learn from this pilot, we utilized 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 the full two years of the pilot (July 1, 2018 through June 30, 2020) and was collected through intake and exit forms, progress reports, and feedback surveys.

*\*Early Care and Education fosters the growth, development, and education of children birth through 5 years using play, interactions, and experiences as the primary delivery methods.*

# FINANCIAL COACHING

## WHAT IS FINANCIAL COACHING?

Not to be confused with financial counselors who help address short-term problems and stabilize crises, financial coaches build a confidential, non-judgmental and trusting co-designed alliance with clients, where the clients can achieve the future they envision. The coach provides a structure for clients to identify their own goals, develop their own solutions and have support and accountability to achieve long-term, sustainable success. The coach/client relationship is iterative whereby clients are able to grow, change, fail and rise again. Financial coaching involves techniques designed to improve a client's capability to manage their finances and sustain economic security in accordance with their self-defined goals.\*

Financial coaching puts individuals in the driver's seat to define their hopes and dreams for themselves with the coach helping them find and stick to a path to success.\*\* The fundamental principle of coaching is one based on the belief that people have rights and should take ownership over their decisions. This flexible approach has been proven to work for individuals who have varying range of financial goals, because when they do take ownership over their decisions, they are more likely to stay motivated, take action and achieve their goals.\*\*

\*Asset Funders Network: "Financial Coaching: An Asset-Building Strategy"

\*\*Prosperity Now: "Financial Coaching Program Design Guide"



Asset Funders Network: "Financial Coaching Brief"

# DEMOGRAPHICS

## 40 Early Childhood Centers

Over the 2 years of this pilot program, coaches served **289 clients** in the Philadelphia and Delaware Valley region.

The majority of clients were ages 30-59 (58%), followed by ages 18-29 (29%), and only 4% were over 60 years old. Over half of clients were African American (55%), nearly a quarter were Caucasian (21%), and 15% were Latinx. The majority of clients' primary language was English (95%), while 5% spoke Spanish. 62% of clients reported having children. Clients lived in Philadelphia, Delaware County, and Chester County.

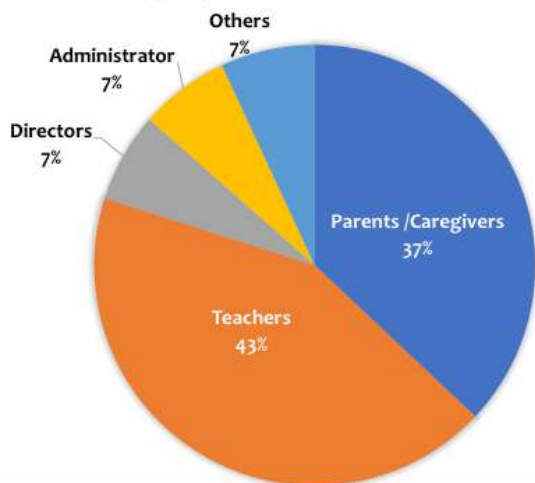
**The majority of clients were employed or self-employed (83%),** while 8% reported not being employed.

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.

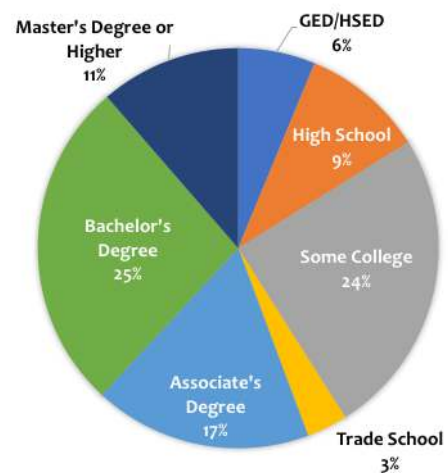
Client Finances at Intake	
Had a budget or financial plan	16%
Had a savings account	70%
Had an emergency fund*	19%
Had a retirement fund	29%
Had a mortgage	17%
Had a school loan	57%
Had credit card debt	49%
Had a car loan	29%
Paid an overdraft/non-sufficient funds charge in the past 12 months	23%

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

**Majority of Clients Were ECE Teachers**



**53% of Clients Had 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.

✓ **289 CLIENTS COMPLETED  
941 SESSIONS**

✓ **190 CLIENTS CREATED  
940 GOALS**

✓ **124 CLIENTS COMPLETED  
490 GOALS**

## 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.**

45% of clients completed only 1 coaching session

**75%**

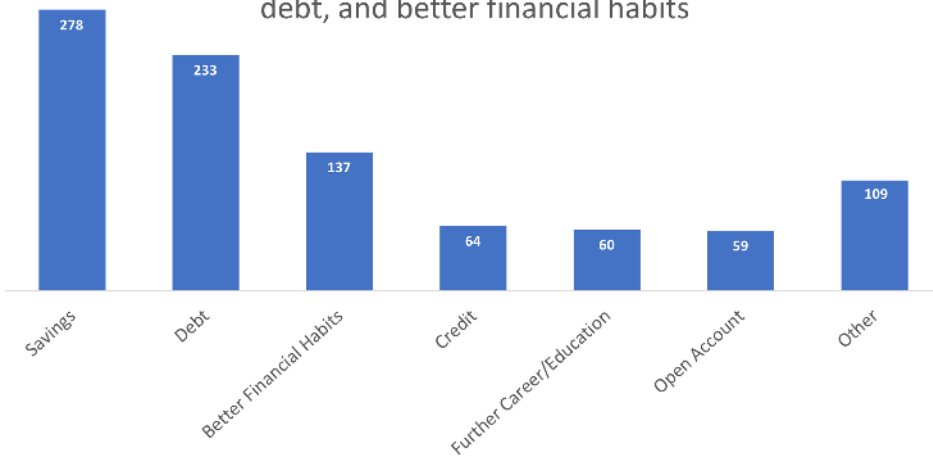
Of clients that completed 2+ sessions, completed a goal!

**88%**

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

# BREAKDOWN OF GOAL TYPES

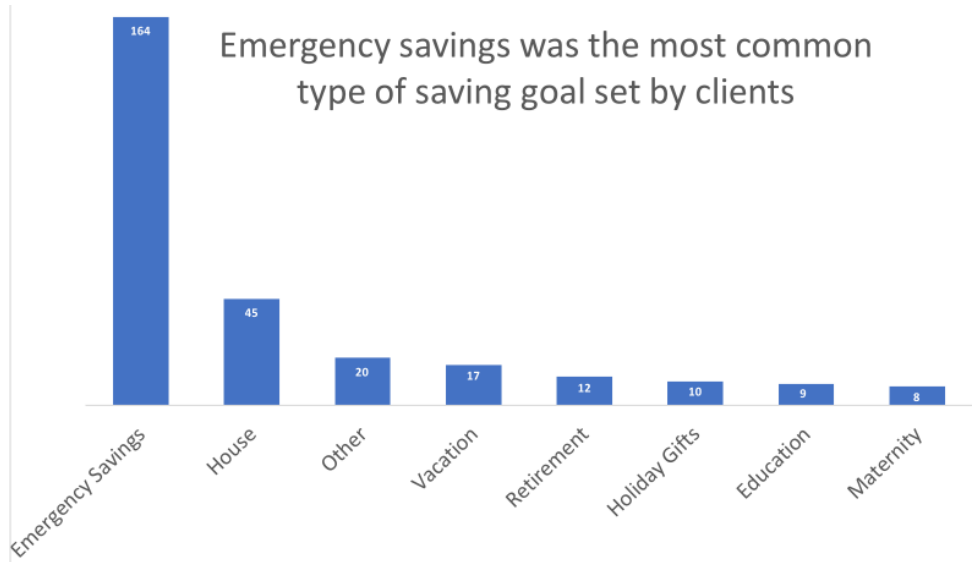
The most commonly set goals were related to savings, debt, and better financial habits



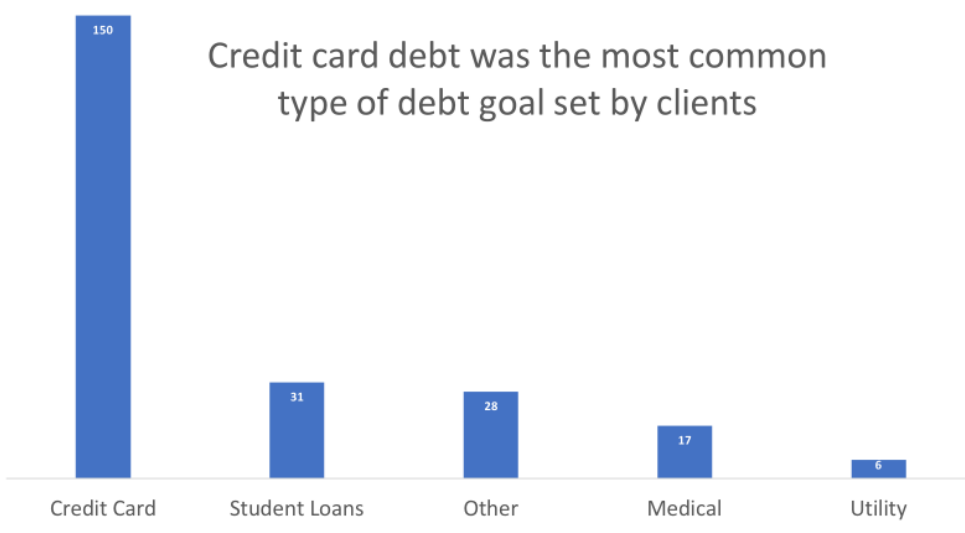
The "Other" category included goals relating to increasing income, reducing spending, applying for benefits, purchasing life insurance, and purchasing a vehicle.

**52%**  
was the overall goal completion rate


Emergency savings was the most common type of saving goal set by clients



Credit card debt was the most common type of debt goal set by clients



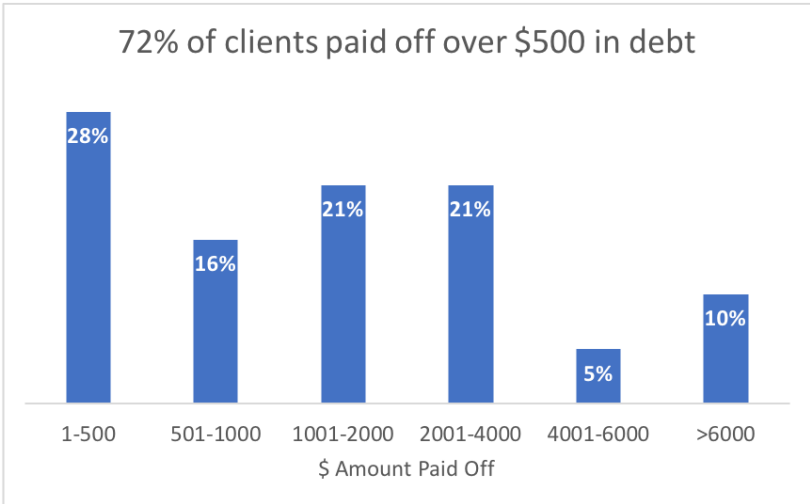
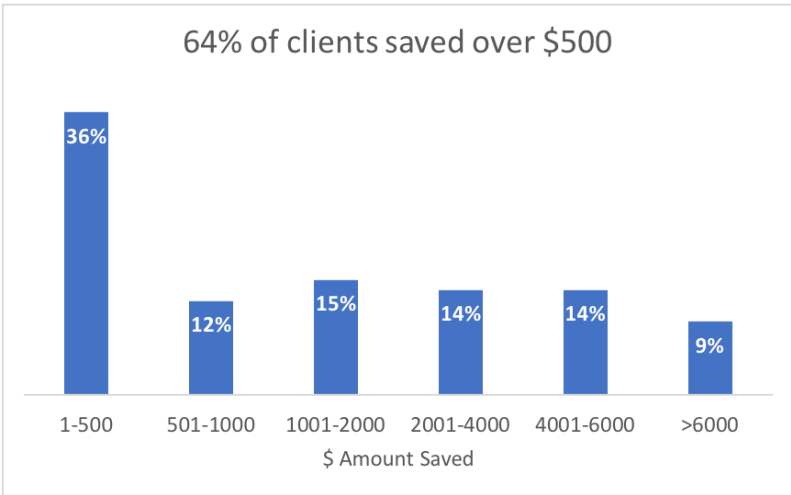
Goals related to improving credit, opening financial accounts, and improving financial habits had the highest completion rates.



## 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."

**74 CLIENTS SAVED  
A TOTAL OF  
\$200,221**



**58 CLIENTS PAID  
OFF A TOTAL OF  
\$150,806**



# FINANCIAL WELLNESS

In addition to tracking goal setting and completion, we used two established surveys to measure clients' financial wellness:

## FINANCIAL CAPABILITY SCALE

Developed by the Center for Financial Security at University of Wisconsin, this scale is designed to measure key financial attitudes and behaviors. Financial capability is defined as the capacity, based on knowledge, skills and access, to manage financial resources effectively.\*

✓ **67% OF PILOT CLIENTS HAD AN INCREASED FCS SCORE AFTER COACHING**

## FINANCIAL WELL-BEING SCALE

Developed by the Consumer Financial Protection Bureau, this scale measures how people feel about their financial situations. Financial well-being is defined as one's ability to 1) fully meet financial obligations, 2) feel secure in their financial future, and 3) make choices that allow them to enjoy life.\*

✓ **78% OF PILOT CLIENTS HAD AN INCREASED FWBS SCORE AFTER COACHING**

*Please note: these numbers come only from the 64 clients who completed both intake and exit interviews.*

# MENTAL WELLNESS

Financial hardship can have a negative impact on mental health, so we were interested in tracking how financial coaching may or may not address that. We used two established research scales to track clients' levels of depression and self-efficacy before and after financial coaching.

✓ **50% OF CLIENTS SAW AN IMPROVED CES-D SCORE AFTER FINANCIAL COACHING (SCALE MEASURES SELF-REPORTED SYMPTOMS ASSOCIATED WITH DEPRESSION)**

✓ **74% OF CLIENTS SAW AN IMPROVED GSE (SELF-EFFICACY) SCORE AFTER FINANCIAL COACHING (SCALE ASSESSES OPTIMISTIC SELF-BELIEFS TO COPE WITH LIFE DEMANDS)**

*Please note: these numbers come only from the 64 clients who completed both intake and exit interviews.*

# MATCHED SAVINGS

"It was necessary to have an incentive to help push me to save."

ALL 15 CLIENTS MET THEIR \$500 SAVINGS GOAL

60% USED THE MATCH TO PAY OFF DEBT; 40% PUT IT TOWARD EMERGENCY SAVINGS

At a mid-pilot check-in, our coaches noted that many clients struggled with saving due to lingering debts that prevented them from getting a fresh start and prioritizing saving. Thus, we decided to test out a small matched savings program for 15 clients during the last six months of the pilot.

The design of the match was as follows: if a client saved up to \$500, we would match the amount they saved and they would use the match to pay off a debt, such as credit card debt or a student loan. Our hypothesis was that this match would help clients build a savings habit while also reducing their debt.

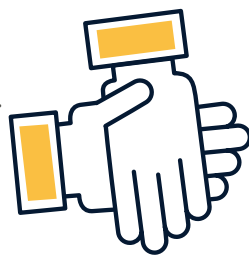
In March 2020, due to the economic impact of COVID-19, we decided to allow clients to choose whether to use the match to pay off debt or increase savings.

Matched Savings Exit Survey	Strongly Agree	Agree
I feel more confident in my ability to save now than I did before participating in the matched savings/debt payoff program.	80%	20%
Because this program helped me pay off some/all my debt OR helped me to increase my emergency savings, I now feel more motivated to work on saving and other financial goals.	60%	40%
After participating in the matched savings/debt payoff program, saving every month has become a habit for me.	60%	40%
Participating in this program has helped me build new and different habits around managing money, spending, and/or savings (e.g. pack a meal to work, prepare my coffee at home, check my bank account nightly, etc).	47%	53%
Paying off my debts OR increasing my emergency savings through this program will make a huge difference in my ability to meet my financial goals going forward.	83%	17%
Going forward, I will continue to maintain my emergency savings account.	80%	20%
Meeting with my coach twice per month helped me be successful in this program.	87%	13%
I would recommend this type of program to others.	87%	13%

"I felt overwhelmed and that I could not save. The program gave me confidence and support to help me realize that I can save!"

# 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 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.
- 3 Cultural norms, distrust, and shame around finances can make client recruitment challenging. 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.
- 4 Successful coaches are not just great at coaching, they are also great relationship builders and sales people. Recruiting clients takes an outgoing, persistent personality.
- 5 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.
- 6 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.
- 7 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.
- 8 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.
- 9 Coaching is not a replacement for systems-level change work. While coaches can help clients achieve goals, improve their confidence, and attain long-term behavior change, there are still a great deal of systemic barriers standing in the way of economic security for women.



# 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



"[My coach] 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**



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

# NEXT STEPS

Overall, the data and results have illustrated the impact and power of financial coaching on women experiencing economic insecurity.

As the pilot came to a close, WESI stakeholders brainstormed on how to expand the reach of financial coaching so that more organizations in the region could incorporate it into their services. We ultimately decided to underwrite a **Financial Coach Training Program** to empower partner organizations in the region that serve women and girls. The program will train staff of these organizations to become financial coaches, as well as provide a learning community and technical assistance to help them with successful integration. Thanks to a generous grant from BLBB Charitable, our goal is to reach 15,000 more women by the end of 2023.

Based on the research and results we've seen, we encourage organizations to adopt the coaching methodology for as many programs as possible and even consider using coaching in place of the traditional case management model. We also hope that other organizations continue to do research on how to best implement financial coaching.

A few specific areas that we think deserve special attention and research:

- Integrating financial coaching into workplaces as an employee benefit
- Matched savings programs, which were a huge motivator for our clients
- Strategies for mitigating coaches' cultural biases

## 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."**

## RECOMMENDED FINANCIAL COACHING RESOURCES

- Prosperity Now
- Asset Funders Network
- Center for Financial Security
- Consumer Financial Protection Bureau
- International Coach Federation
- *Coactive Coaching: Changing Business, Transforming Lives* (book)