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Asset Funders Network

**FINANCIAL
COACHING
CENSUS 2019**

**A PROGRESSING FIELD
OF PRACTICE**

AUTHOR:

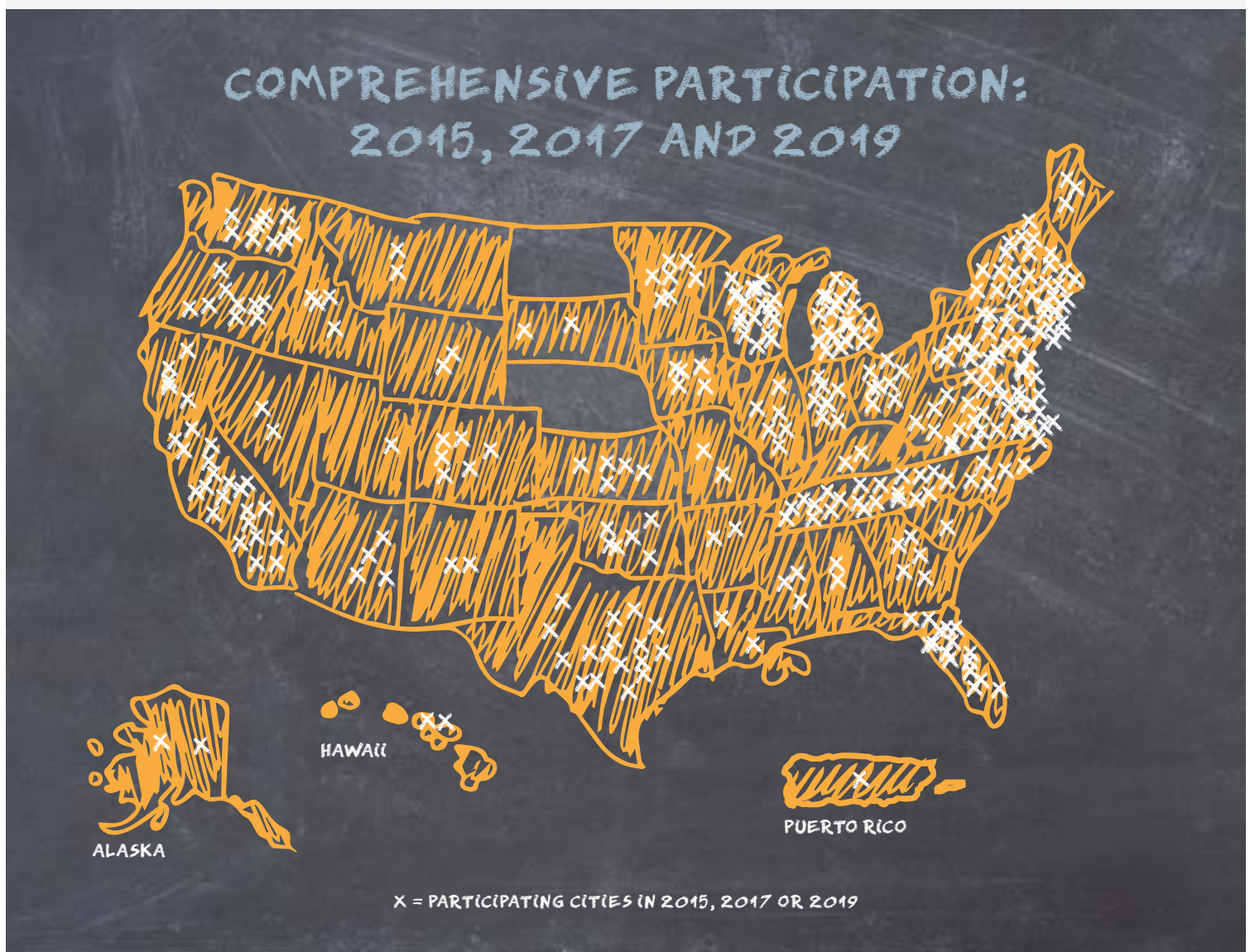
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In 2015, the Center for Financial Security (CFS) and Asset Funders Network (AFN), with support from the Annie E. Casey Foundation, developed the first-ever Financial Coaching Census (hereafter referred to as the Coaching Census). The Coaching Census was created to help answer questions about a field still in development. What is the current size of the field? How is financial coaching being implemented? How do organizations, coaches, and funders measure success? And what is needed to support more effective implementation?

Three waves of the Coaching Census were conducted; the first in 2015, the second in 2017, and the third in 2019. After five years and three rounds of the census, this brief will summarize the Coaching Census key findings that have emerged as consistent over the three waves, delve into trends that have developed over the five years, and identify funding strategies, areas for growth, and improvement to move the field forward.



THE FINANCIAL COACHING CENSUS

A SUMMARY OF PROCESS AND METHODOLOGY

This third wave of the Coaching Census benefited from the insights and experience gained from the previous years' surveys, leading to edits and additions in the 2019 version. The third wave continued to include questions that gleaned information on the size, scope, and character of the field, but with enhancement of four additional areas of inquiry:

- Gender identity of both respondents and clients.
- Questions that gained deeper insight into client engagement.
- Exploration of how financial coaching is integrated or bundled.
- Whether organizations seek client feedback following financial coaching services.

The Coaching Census was widely distributed to funders of financial coaching, managers or organizational leadership of coaching programs, and financial coaches directly serving clients to gather as much information as possible.

METHODOLOGY

The Coaching Census is an electronic survey with three different tracks, each comprised of about a dozen questions, designed to target (1) practicing financial coaches, (2) managers and leadership of coaching programs, and (3) funders of financial coaching.¹ The questions within each track were deliberately written to parallel each other as much as possible, therefore allowing for comparisons to be made between the coach, manager, and funder responses. A total of 455 responses were recorded by individuals from 318 unique organizations, located in 202 cities, representing 43 different states in the 2019 Coaching Census.

OVERVIEW OF CENSUS FINDINGS

CONSISTENT COACHING CENSUS FINDINGS

From the first wave of the Coaching Census in 2015 to the third wave in 2019, a set of consistent patterns have emerged that can be perceived as stable characteristics of the field of financial coaching:

- Financial coaching is primarily delivered as an in-person, integrated service by coaches who are paid staff of an agency or organization.
- A common caseload for coaches is between 10 to 15 clients per month, with an average of three total sessions per client, for the duration of the coaching relationship.
- A majority of funders support financial coaching through program support and operating support, two categories that include supporting client services and funding coaching positions. Most funders choose to fund an organization's internal trainings as opposed to funding external trainings.
- The clear majority of all respondents, with a steady rise from the first to third wave, reports that financial coaching improves their clients' financial situations, and "budgeting" and "client goals" are two of the most tracked indicators of success by organizations that deliver financial coaching.



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NEW FINDINGS IN 2019

The third wave of the Coaching Census brought new findings with the integration of new questions:

- A new line of inquiry added to the 2019 Coaching Census asked about the gender identity of survey respondents, as well as financial coaching clients. Respondents were given four options for both questions: male, female, non-binary, and prefer not to answer. **Figure 1** indicates that most clients who participate in coaching identify as female, 63%, and 29% as male, according to coaches. Nearly 60% of coaches and 63% of managers identify as female.
- A question was added in 2019 to further clarify how organizations are bundling services with financial coaching. This question asked respondents to indicate all of the services out of a list of seven different services that are bundled with financial coaching in their organizations or those that they fund. Funders, managers, and coaches all indicated that workforce development, credit or debt counseling, and housing counseling are the most common services integrated with financial coaching as indicated in **Figure 2** on page 5.
- Building on the existing Coaching Census question that inquired about client engagement in terms of number of sessions, a new question was added in 2019 that asked respondents to estimate the duration, in months, that the average client engages in financial coaching. The average duration cited by coaches was an average duration of 10 months or a median of 3.5 months.² The number of sessions over those months was approximately two to four sessions, so about one per month.
- A question was added to the 2019 census to assess whether organizations collect clients' feedback on the coaching service through client surveys, client interviews, or some other form of post-service feedback. Approximately two-thirds of respondents in all three tracks affirmed that feedback is collected from clients following financial coaching.

FIGURE 1 | THE GENDER IDENTITY OF CLIENTS AS REPORTED BY MANAGERS & COACHES

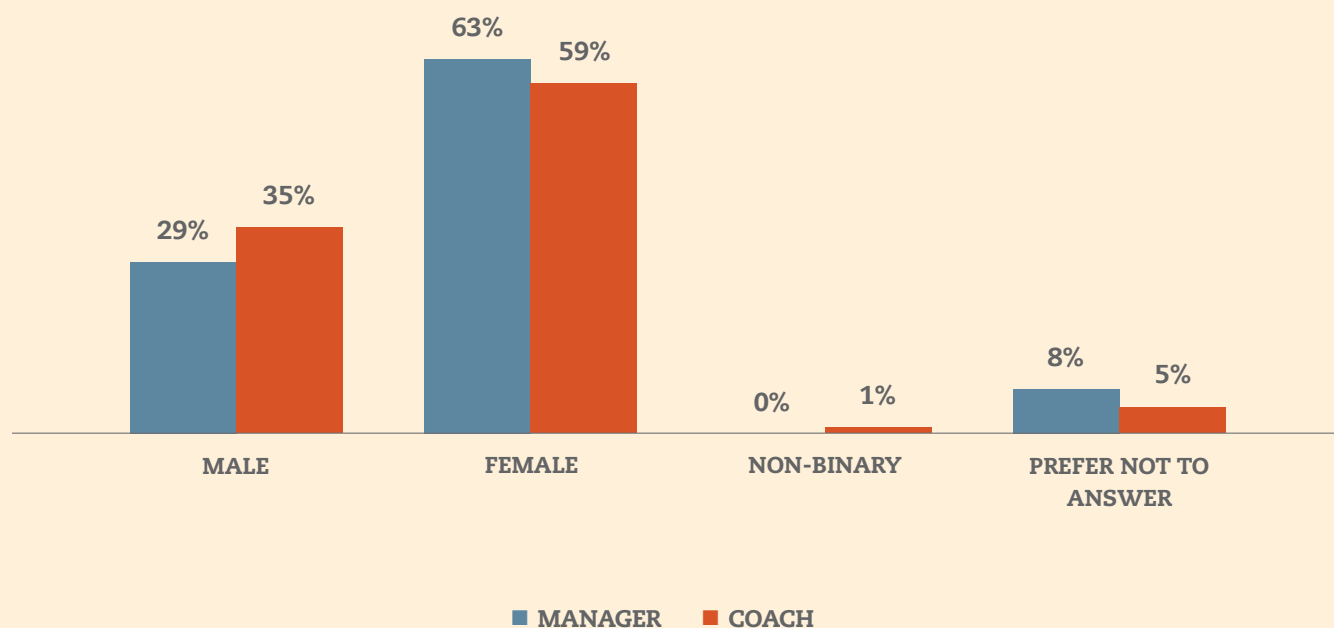
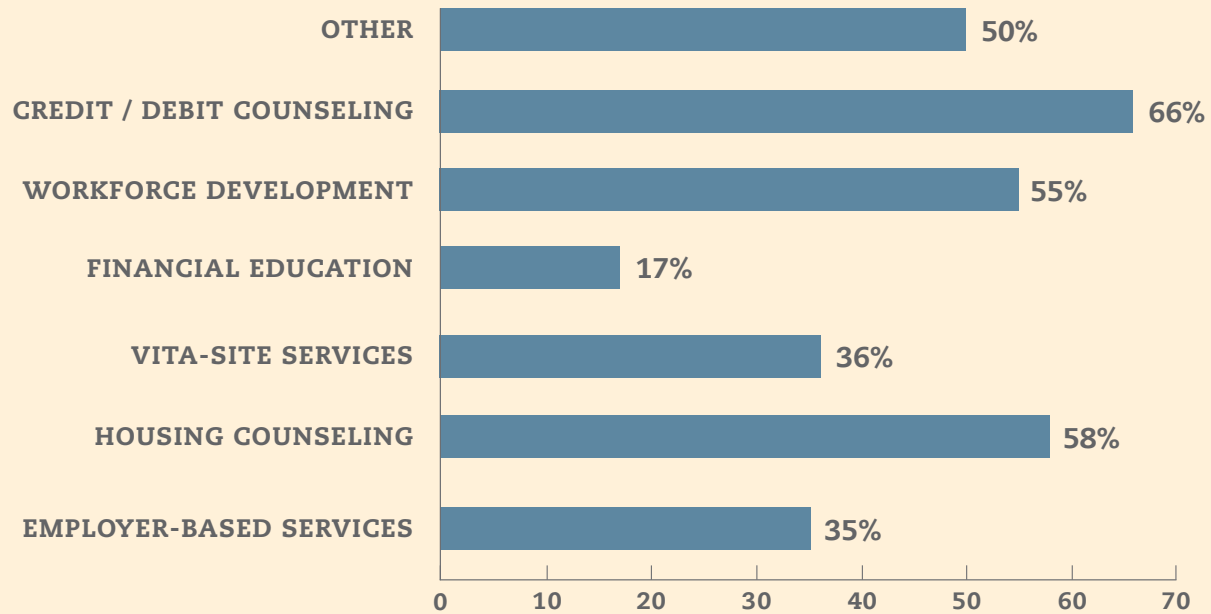


FIGURE 2 | TOP SERVICES/PROGRAMS WHERE FINANCIAL COACHING IS INTETEGRATED



CHANGES OVER TIME

Some Coaching Census results diverged throughout the five years between the three waves:

- Longitudinal changes that occurred in the area of coaching training indicate that the field is still evolving and developing when it comes to how coaches, organizations, and funders use and fund coaching trainings. Beginning with the first wave in 2015, a clear majority of coaches were either trained by NeighborWorks America or from internal or partner organization trainings. Funders were largely choosing not to fund training at all. In the second wave, results shifted with funders choosing to fund internal trainings most often. In the third wave results indicate that coaches are more likely to select training opportunities offered through Association for Financial Counseling & Planning Education than in the two prior waves of the Coaching Census, and funders began funding internal trainings and NeighborWorks America training at higher rates than the previous two years.
- With the second wave, a question gathering information on the racial or ethnic identity of coaching clients was added to the Coaching Census. Managers reported the average racial and ethnic breakdown of the clients they served to be 38% Black, 30% White, and 22% Hispanic or Latino. In the third wave, managers reported that the average racial and ethnic breakdown of coaching clients served by their organization was approximately 36% White, 32% Black, and 18% Hispanic or Latino, changing the most widely served group from Black to White, according to respondents of the 2019 Coaching Census.
- Finally, a fluctuation in the number of individuals participating in the Coaching Census, as well as geographic representation, is an important change to note. In the first wave, 601 total respondents participated in the Coaching Census. In the second wave, 736 total responses were recorded. In the third wave, 455 individuals responded. A significant decrease in state representation is also notable. In the first wave, 47 states appeared in the Coaching Census. In the second wave, 48 states appeared, plus Washington, D.C. and Puerto Rico. In the third wave, 43 states were represented.

TRENDS IN THE FIELD OF FINANCIAL COACHING

Viewing the Coaching Census as a story told over the last five years is a unique opportunity for reflection and discovery. Three areas that stand out as significant based on the insights they provide and the narrative they create are technology and coaching, the varying challenges of a developing field, and a growing consensus of a field moving forward together in measuring the success of clients.

TECHNOLOGY AND FINANCIAL COACHING

An area of the Coaching Census that has provided consistent and intriguing results over all three waves is that of financial coaching and the use of technology. Technology has been lauded as a mechanism to increase accessibility of coaching and as a potential way to scale coaching while reducing the cost to an organization.³ The financial services sector as a whole has seen tremendous growth in the number of firms providing technology-based services, and the number of consumers being reached with some digital financial tools is reaching into the millions.⁴ Yet, despite well-documented growth in the broader financial services sector, the Coaching Census has recorded no significant increase of technology use since the first wave in 2015. Responses to the Coaching Census indicate that the use of online financial coaching is one of the least utilized methods, trailing behind group coaching (**Figure 3**). Because the financial sector is an area that has seen large increases in technology use and innovation in relatively short periods of time, this is a surprising finding.

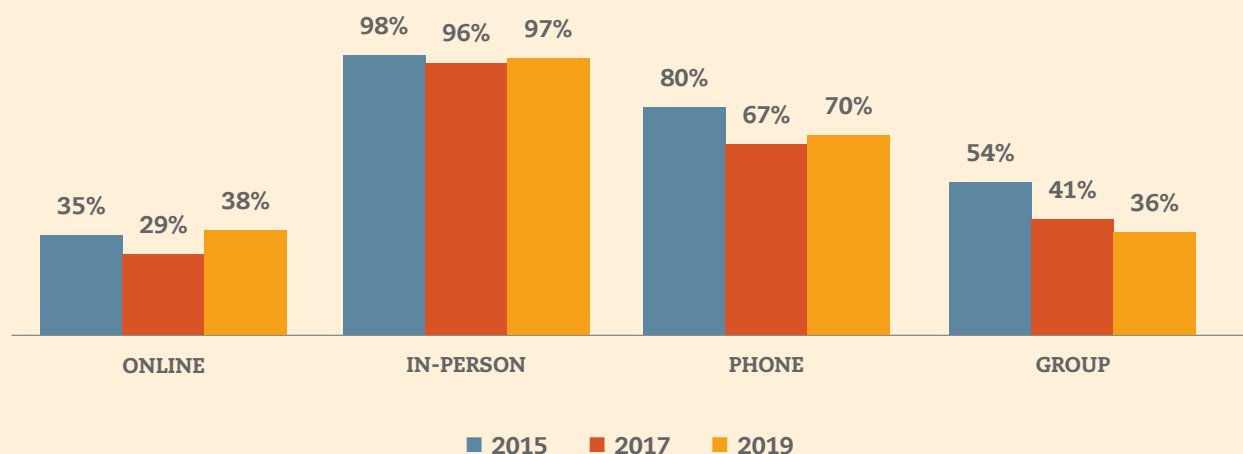
The lack of technology growth is also interesting when viewed in relation to some of the top resources named by coaches. For all three waves of the Coaching Census, coaches were given the opportunity to rank tools or resources that would

improve their ability to deliver financial coaching. Among the top three most popular resources chosen by coaches for all three waves were more online training tools and more digital or web-based tools. This disconnect between what coaches view as most beneficial to coaching versus what is being implemented or practiced could be the cause of a variety of different circumstances. For instance, technology can be an expensive and time-consuming modification to a program, whether it is new software that is being used to track client data for reporting purposes or an app or online interface that is integrated into the client and coach relationship. Honing in on the barriers to integrating technology, whether it has to do with the design of the technology or expense of time and resources, is an important step to moving financial coaching forward in the digital age.

IDENTIFYING DIVERSE CHALLENGES

Over the course of the three waves, the Coaching Census has gathered responses from coaches, managers, and funders on the obstacles or challenges faced in delivering or funding financial coaching. The three tracks have been consistent in their responses over the three waves, but between each track it is clear that different roles are faced with distinct challenges. Beginning with the first wave, coaches have indicated that engaging and retaining clients, as well as competing demands on their time, are the most pressing issues that they face. Managers consistently cite lack of dedicated funding followed by client engagement as the most difficult challenges. Funders have chosen lack of standardization in the field as one of the most pressing challenges in all three waves, with implementation challenges and client engagement posing difficulty in funding financial coaching as well.

FIGURE 3 | TECHNOLOGY USE BY COACHES OVER TIME VS. OTHER METHODS



Viewing these varying perspectives as a whole provides a better understanding of how the field has experienced the growing pains of an emerging sector in different, but very connected ways. From the vantage point of a coach, we see that coaching is a service that requires deeper engagement of clients compared to other financial services; a trait of the technique that results in deeper commitment and effort on the part of the coach as well. From a manager perspective, sustaining a financial coaching program is a key concern, which in turn can create pressure around client participation rates, outcome measurement, and other reporting requirements that demonstrate positive return on investment and successful program results. This ties into the funder challenges around standardization, which is important when thinking not only about program evaluation, growth, and comparison of funding allocations, but also when contextualizing impact and success of different programs or different organizations. Citation of implementation challenges as well as client engagement also speaks to the concern of funders seeking to support consistent, quality services that will reach their target populations with positive impacts.

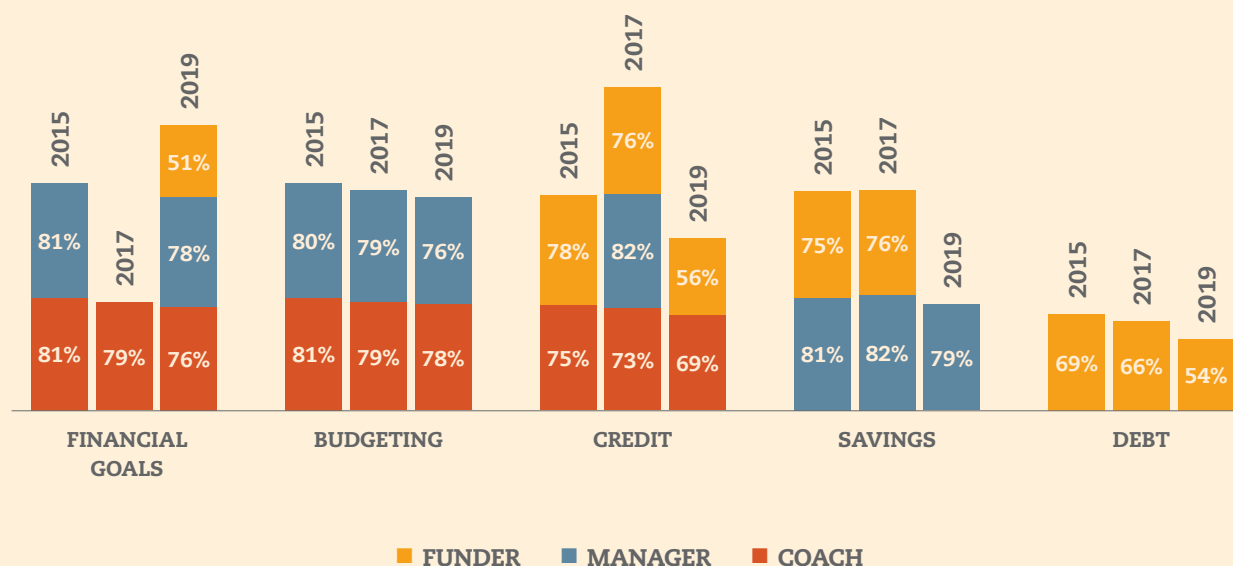
A GROWING CONSENSUS: MEASURING SUCCESS

A conversation that began in the earliest stages of the financial coaching field's development and which continues today is that of outcome measurement. Many discussions, publications, and resources have been dedicated to the work of unifying the field around common measures. The ability to draw broad insights about the effects of coaching and compare outcomes across different models, organizations, and studies

have pushed an agenda for the development of a uniform set of measures.⁵ This task proved difficult as financial coaching programs are not uniform in their goals, strategies, and models. Therefore, they collect and calculate client outcome measures in a wide variety of ways. However, over the last five years and three waves of the Coaching Census, it has become more apparent that the coaching field is far more unified and in agreement over measures of client success than not.

Beginning with the first wave through the third, managers and coaches were asked to choose all the financial indicators that coaches track to help understand individual client progress or success, and funders were asked to identify financial indicators that they require funded organizations to report. **Figure 4** displays the top three financial indicators chosen by all three tracks over the last three waves. In the third wave "credit," "debt," and "clients' goals" rank highest as being required data by funders. Coaches chose "budgeting," "client's goals," and "credit" as the most commonly tracked indicators and managers responded with "savings," "budgeting," and "client's goals" as the most tracked. This relative consensus among the three tracks indicates an increasing clarity in measures of client success as well as an increasing ability to compare field-wide results and program outcomes. Granted, programs and organizations may be using different benchmarks, scales, and methods to track changes within the same financial indicator (i.e. "credit" can be measured or evaluated in a variety of different ways), however, the story told by the Coaching Census over the past five years is that the field has come a long way in coalescing around common financial indicators.

FIGURE 4 | TOP 3 TRACKED INDICATORS



USING THE COACHING CENSUS TO INFORM WORK

From its inception, the goal of the Coaching Census has been to gain knowledge and insights that can be used to inform practice and funding of financial coaching. Three waves of Coaching Census data provide a wealth of information and input, which affords the field the opportunity to be guided by and learn from trends over time, challenges consistently cited by respondents, and the most highly ranked resources. The following sections seek to translate the last five years of Coaching Census input into strategies that organizations and funders can harness for more effective programming.

PRACTITIONER AND ORGANIZATION STRATEGIES

TECHNOLOGY

Coaching Census results around technology indicate stagnant growth in usage by coaching programs, but a strong desire to integrate technology is also apparent. This paradox suggests a need for small changes and the incorporation of technology that is focused on being user-friendly and efficient for both coaches and clients alike. The incorporation of technology does not necessarily need to be the launch of a new program initiative or large-scale organizational change. With the increased use of smart phones and growth of personal finance apps, the ability for coaches to incorporate technologies that bridge in-person and telephone coaching, such as text message reminders and online chats, is a way to take small steps toward technology use.

Piloting different technology approaches is another way for organizations to test out larger technologies without the resource commitment. This method not only allows for organizations to evaluate the benefits and utility of the technology, but it can also often provide an opportunity for partnering with researchers or evaluators that allows for more in-depth assessment and guidance in determining the effectiveness of a new technology platform or tool.

THE COACHING MODEL

Over the past five years, respondents from coaching organizations have expressed difficulty in client engagement, both around drawing clients to use the service initially and in sustaining their participation, as well as the resource intensity of financial coaching. To address these challenges, organizations can look to program design and delivery for ways to increase access and interest, while decreasing the cost of coaching. Seeking ways to provide streamlined, standardized services that are in tune with clients facing constraints on time, transportation, and attention is a way to scale financial coaching beyond those individuals that can commit to a longer-term,

mainly in-person service. Integration of approaches that leverage technology to meet clients where they are physically, such as online coaching, and psychologically, such as budgeting or savings apps that connect to client goals, could help create a more appealing and relevant service for a greater number of people.⁶

Viewing the challenges through the implementation lens and seeking to create and support financial coaching program models that integrate with other more self-sustaining services, such as workplace-based financial coaching, could be a method for increasing the sustainability of financial coaching while also integrating at convenient and meaningful points in clients' lives.⁷

TRAINING

Over the last five years of the Coaching Census, the desire for increased opportunities for training and professional development has risen to the top of the highest-ranked resources for coaches. Citing in-person and online training, coaches consistently express a need for ongoing development of their financial coaching skills. Technology can play an important role in providing opportunities for coaches at lower cost, whether it be through an online financial coaching course, a topical webinar, or a remote community of practice that meets on a regular basis to converse and learn from their peers. Setting aside time and resources within an organization for coaches to participate in regular training or professional development is important for the growth and satisfaction of the coach as well as the coaching clients.

A strategy to provide more in-person trainings to an organization's coaches, without the substantial cost of travel, is to partner with organizations in the area or region and hold financial coaching skill building or professional development together. Joining other organizations to bring a trainer can be more cost-effective than sending individual coaches to trainings on a regular basis. This strategy also offers the benefit of bringing area coaches together to be a beneficial support system for practitioners.

FUNDING STRATEGIES

TECHNOLOGY

Technology has the potential to help increase the effectiveness, efficiency, and scale of financial coaching; however, there is a need to better understand the barriers of incorporating technology into financial coaching. Supporting research or pilot programs that yield information about the challenges is needed. With a better understanding of the challenges,

strategies can be implemented to overcome the barriers and to increase the use of financial coaching technology tools. Additionally, identifying technology tools that are currently in use that can scale financial coaching or reduce costs should be promoted and encouraged.

RESEARCH

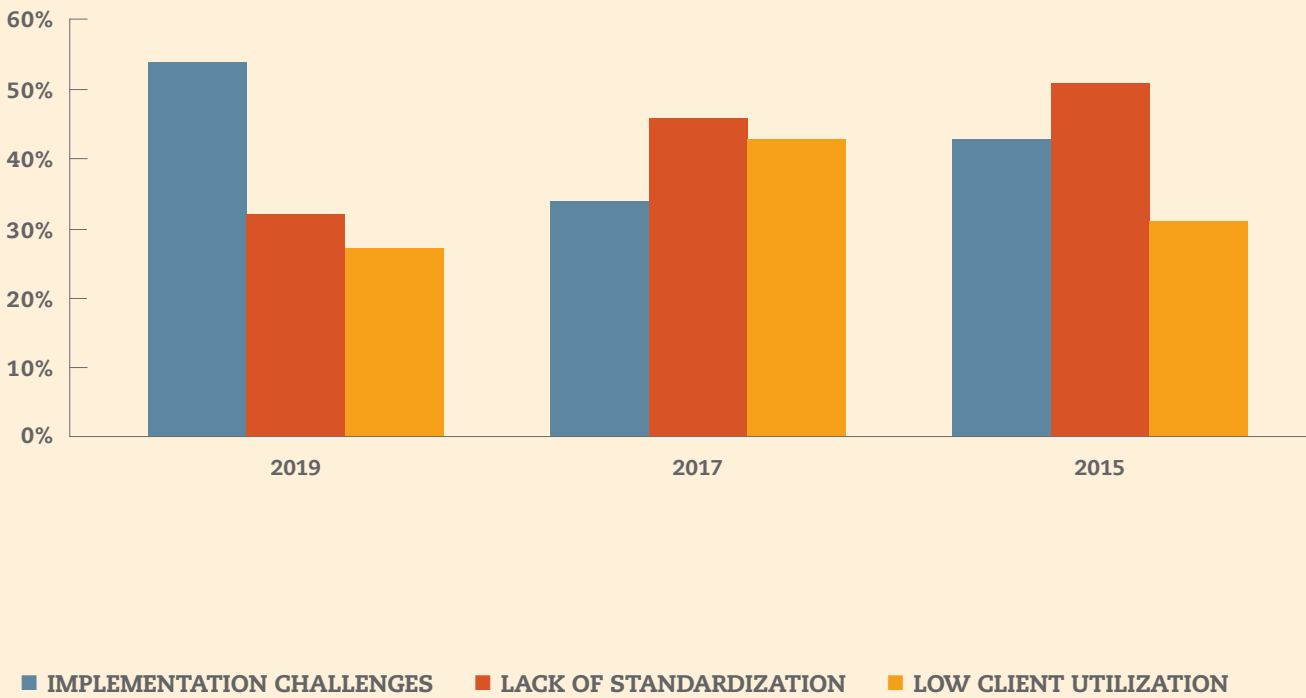
Although financial coaching is a growing field, there is still much to be learned, particularly on the topic of client retention. Achieving financial goals is often a long-term process that requires organizations to work with clients over a period of time. A challenge is ensuring that clients persist and access services over time. The Coaching Census indicates that although clients are meeting with their financial coaches beyond the first couple of sessions, retention over time is a challenge. Philanthropy can support research or projects that

shed light on promising practices for improving client retention, which will ultimately lead to better outcomes for clients.

ADVANCING BEST PRACTICES

Over the three waves of the Coaching Census, funders have consistently cited financial coaching implementation and standardization as challenges (see Figure 5). Funders have a tremendous impact on the financial coaching field. Lifting up best practices and promising approaches will help coalesce practitioners to conduct coaching in an effective manner. Because financial coaching is still a growing field, it is not always clear what is “best” practice. Funders can use their convening power to bring together grant seekers and other stakeholders to interact, exchange ideas, and explore different approaches to determine what works best and what will lead to strong outcomes for the client.

FIGURE 5 | FUNDERS’ TOP 3 BARRIERS BY YEAR



CONCLUSION

The 2019 Financial Coaching Census provides an opportunity to look back on the growth and evolution of the field of financial coaching as it moves from a field in its relative infancy to one that is increasingly recognized as a staple financial service alongside financial counseling and planning. Increased clarity into the size, scope, and character of the field of financial coaching has been gained over the three waves of the Coaching Census. Insights into the implementation and delivery models, as well as building consensus on how progress or success of coaching clients is measured, have been key insights gained through the Coaching Census. For the last several years, the Center for Financial Security (CFS) and Asset Funders Network (AFN), with support from the Annie E. Casey Foundation, have collaborated to clearly define financial coaching, guide research, offer training opportunities, and introduce resources and tools to stakeholders and practitioners in the field of financial coaching. The Coaching Census has played a key role in informing efforts and guiding collaborative work over the last several years.

ENDNOTES

1. A definition of financial coaching, for the purposes of the Coaching Census, was included as guidance for the respondents. Respondents were also assured of the confidentiality of their responses, with the knowledge that all insights gathered from the census are to be shared in aggregate and data is stored in a secure database at the University of Wisconsin-Madison. Open to respondents for a five-week period, the census was publicized and disseminated to a nationwide audience through financial coaching network channels such as emails, newsletters, and webinars.
2. The disparity between the average and the median responses, which commonly appears in the Coaching Census, speaks to the widely varying program sizes represented. Where appropriate, both the average and the median are presented.
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AFN works to increase the capacity of its members to effectively promote economic security by supporting efforts that help low- to moderate-income individuals and families build and protect assets.

Through knowledge sharing, AFN empowers foundations and grantmakers to leverage their resources to make more effective and strategic funding decisions, allowing each dollar invested to have greater impact.

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