



Asset Funders Network

The Grantmaker Webinar Series 2015

presents

Financial Coaching:

A New Approach for Measuring Effectiveness

July 7, 2015

12pm CST/1pm EST – start time

Webinar Control Panel Overview

Technical Difficulties

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Questions for Presenters

Please open the **QUESTION BOX** in your control panel to type questions for presenters at any point during the webinar.

The webinar moderator will select questions to ask during the Question and Answer Session.

The Asset Funders Network

AFN is a community of national, regional and community-based foundations and grantmakers who are strategic about using philanthropy to invest in economic opportunity and financial security for all Americans.

Mission

Increase the capacity of our members to effectively promote economic mobility by supporting efforts that help low-and moderate-income individuals build and protect assets.

Desired Impact

Raise the visibility of and funding for activities that expand access to financial opportunities and strengthen communities.

Webinar Agenda

- Welcome, Setting the Stage and Introduction of Speakers
Regina Salliey
The Annie E. Casey Foundation
- Financial Coaching: A New Approach for Measuring Effectiveness
J. Michael Collins
Center for Financial Security at the University of Wisconsin, Madison
- Moderated Question and Answer Session
- Field Pilot of Financial Capability Scale: Reasons and Results
Mae Watson Grote
The Financial Clinic
- Moderated Question and Answer Session

Financial Coaching: Today's Focus



Regina Salliey

The Annie E. Casey Foundation

Introduction of Presenters

Moderator

Regina Salliey, The Annie E. Casey Foundation

Presenters

J. Michael Collins, Center for Financial Security at the University of Wisconsin, Madison

Mae Watson Grote, The Financial Clinic



Regina Salliey



J. Michael Collins



Mae Watson Grote

Financial Coaching: A New Approach for Measuring Effectiveness

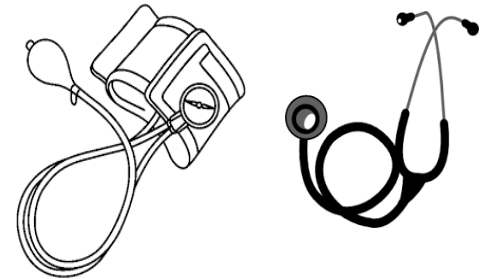


J. Michael Collins

Center for Financial Security at the
University of Wisconsin, Madison

Financial Capability Field is Maturing

- All fields develop standardized measures
 - Health care, public health, nutrition
 - Ex. Outcomes per health care expenditure
- Financial Capability Still “in development”
 - Programs with personal finance component or economic self-sufficiency
- Having “yardsticks” will help define this field is...and what it achieves



Measuring as a Task

1. Measures we use all the time

—Weight or blood pressure

- Weight for monitoring heart function
- Weight for competing in diet competition



2. Tests - use only sometimes

—MRI or blood draw



• Both are important, but different purposes and uses

—Likely we are more focused on frequent “all the time” type measures

Pros

Cons

Self-Reported Survey

Can be collected in service delivery

Self-report bias; lack of cooperation, especially for follow-up—need incentives.

Credit report/score

Widely used

Proprietary ; 'thin' files; slow to change.

Account balances

Directly observe behavior; validity

Very “noisy” snapshot; requires client consent

Public records

Accessible

Low probability events; uneven reporting.

Concept

Constructs Measured

Budgeting

Budgeting and planning are signals of having a future orientation about money

Goal Confidence

Subjective capability to engage in goal-focused financial behavior; signal of future orientation

Auto Deposit/Save

Recognizing self-control failures and removing discretion is key to behavior change

Emergency Fund

Anticipating contingencies signals capacity avoid economic hardships

Spending < Income

Spending less than income is signal of paying attention to spending behavior

Late fee (none)

Signal of planning and paying attention; direct component of credit score

Financial Capability Scale

USING THE SCALE & QUESTIONS

The FCS can be completed on paper or online in less than 4 minutes. As designed, clients can complete the FCS at the start of any program or service, and then complete the FCS again at a later date – at future appointments or sessions, or via a follow-up email or mailed survey.

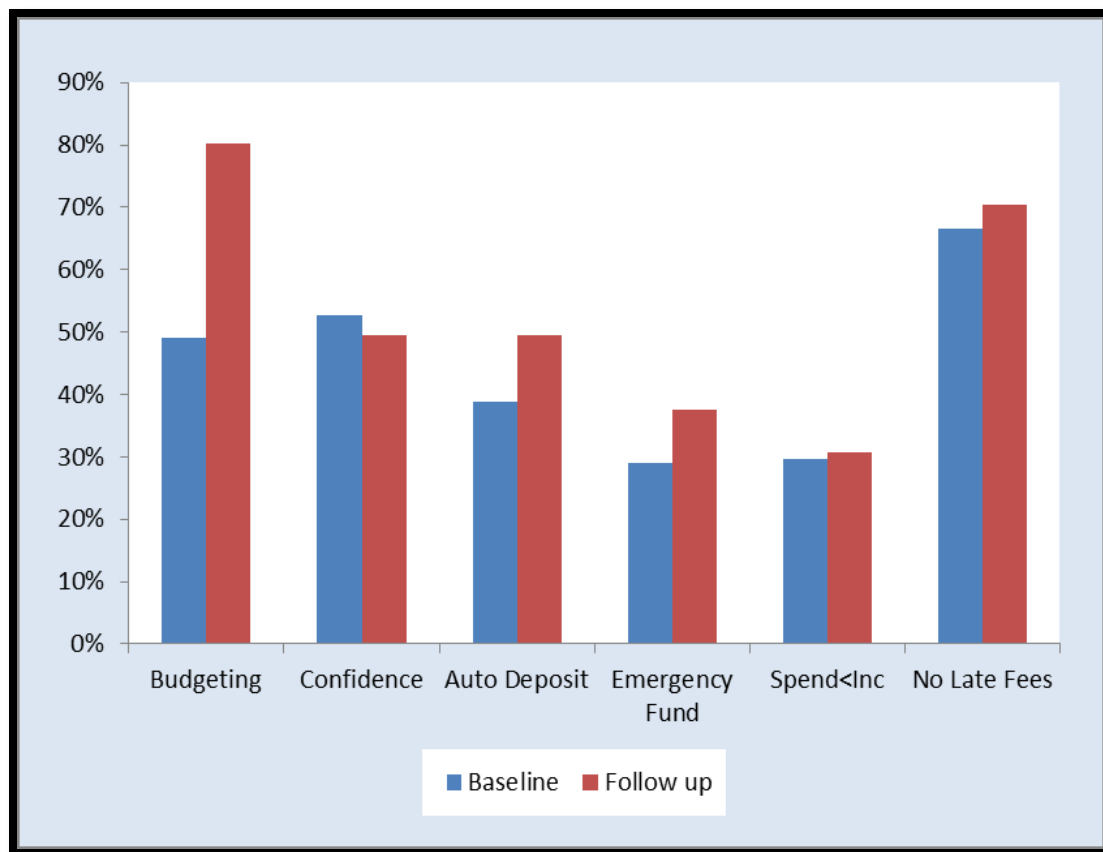
1. Do you currently have a personal budget, spending plan, or financial plan?
Yes (1 point) | No (0 points)
2. How confident are you in your ability to achieve a financial goal you set for yourself today?
Not at all confident (0) | Somewhat confident (1)
Very confident (2)
3. If you had an unexpected expense or someone in your family lost a job, got sick or had another emergency, how confident are you that your family could come up with money to make ends meet within a month?
Not at all confident (0) | Somewhat confident (1)
Very confident (2)
4. Do you currently have an automatic deposit or electronic transfer set up to put money away for a future use (such as savings)?
Yes (1 point) | No (0 points)
5. Over the past month, would you say your family's spending on living expenses was less than its total income?
Yes (1 point) | No (0 points)
6. In the last 2 months, have you paid a late fee on a loan or bill?
Yes (0 point) | No (1 points)

Scale is out of 8 points total (Note last question is reverse coded)

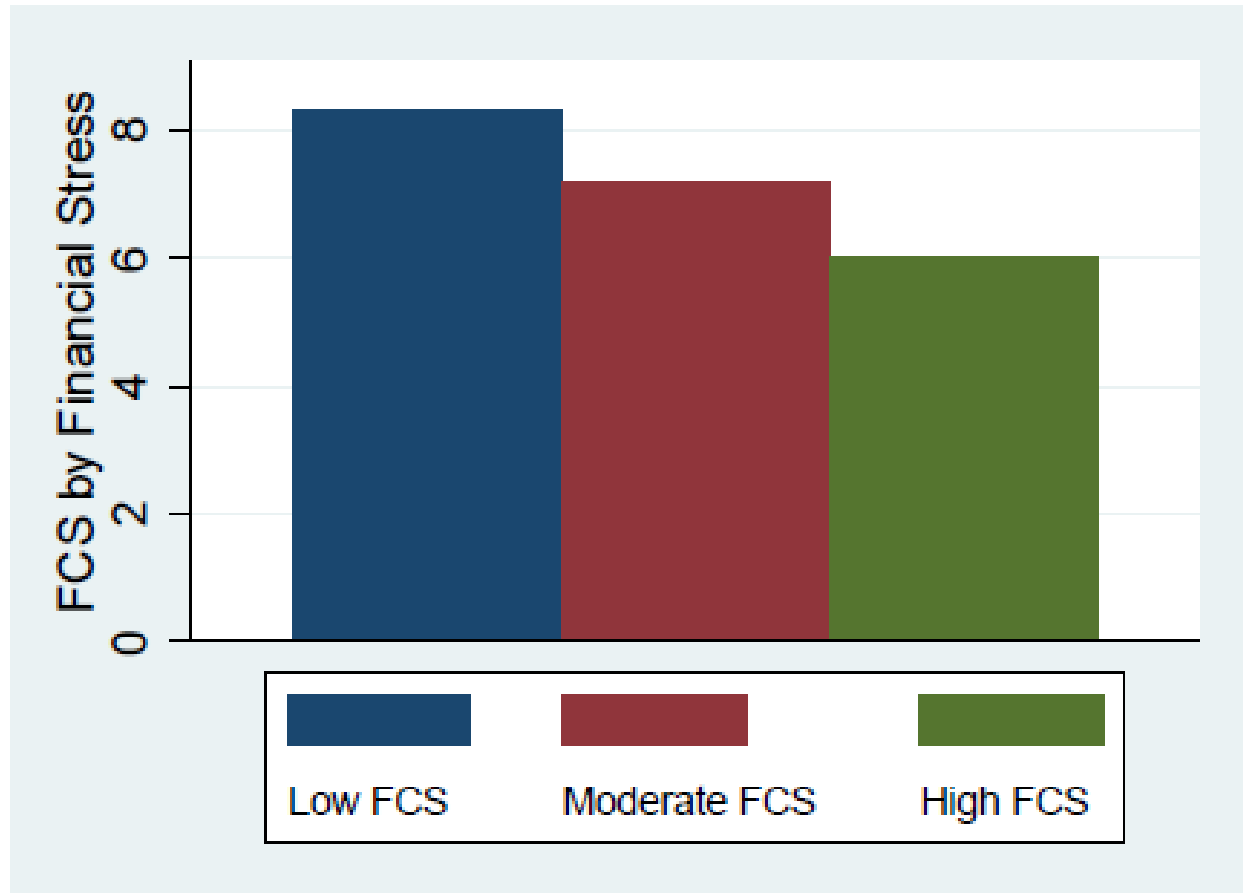
This graph shows individual questions related to the FCS. At baseline only about half of people say they have a budget or financial plan, and a similar portion are confident they can achieve their financial goals. Less than 40% use automatic savings mechanisms and one-third have an emergency fund.

A similar share spends less than their income, and about two-thirds avoid late fees. With the exception of confidence in achieving goals, follow-up measures are higher on average than baseline. In some areas, notably budgeting, using automatic deposit and emergency funds, the follow-up measures are significantly greater. Spending less than income and avoiding late fees—behaviors that might be harder to control—show smaller differences.

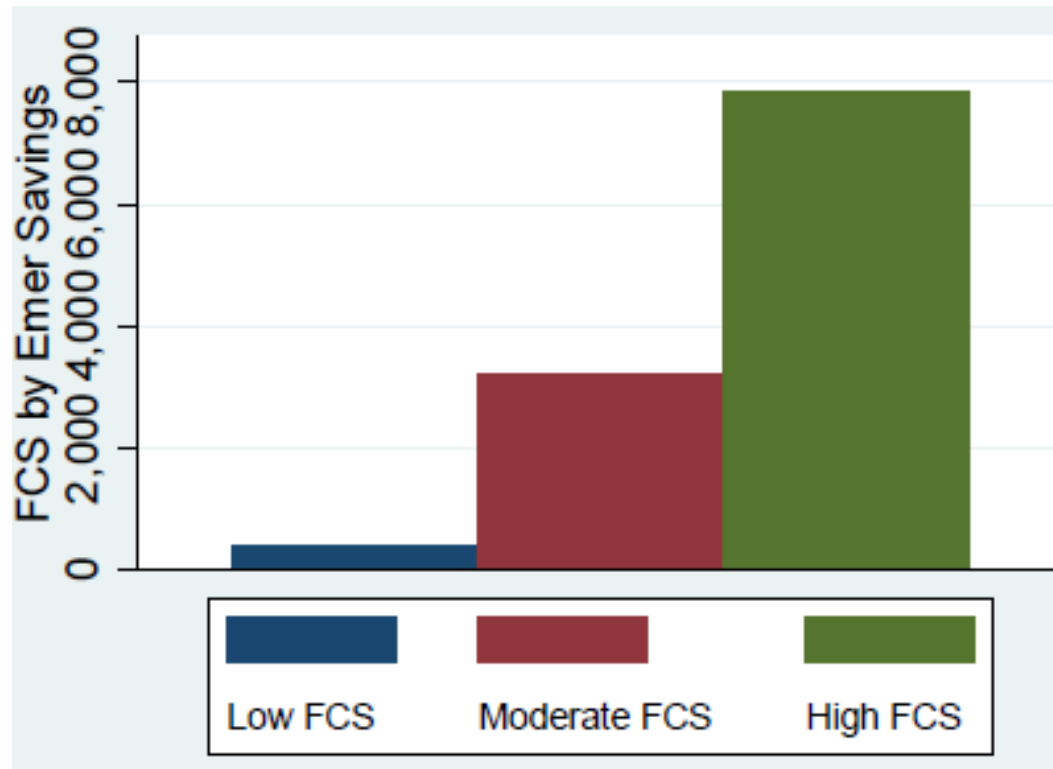
Financial Capability Scale Components



Financial Capability Score Compared to Financial Stress



Financial Capability Score Compared to Emergency Savings



for more FCS comparison graphs please visit: <https://www.dropbox.com/s/enkzv30rgc1v8lj/GraphCombo.pdf?dl=0>

What's Next?

1. Build Measurement Capacity

- Training & education
- Developing systems

2. Deploy Technology

- Software, web-based services

3. Practice: Fidelity, Consistency & Quality

- Need “rules” (and enforcement)
- Context/process, wording, mode, timing

4. Standardization & Aggregation

- Across time, program and geography

Moving Forward



- No measure is perfect
 - Some measures are better than none
 - Don't let the perfect be the enemy of the good.*
- Balancing strategies for collecting data
 - Self reported data AND Administrative data
- Not about 'Winners' and 'Losers'
 - Measures are complements not substitutes
 - Expect constant improvements and refinements

Additional Resources on the FCS:

- <http://fyi.uwex.edu/financialseries/2015/02/12/the-financial-capability-scale/>
- <http://fyi.uwex.edu/financialcoaching/measures/>

Center for
Financial Security



UNIVERSITY OF WISCONSIN-MADISON

Q & A Session

Moderator

Regina Salliey, The Annie E. Casey Foundation

Presenter

J. Michael Collins, Center for Financial Security at the University of Wisconsin, Madison



Regina Salliey



J. Michael Collins

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Note, due to time and topic constraints, all questions may not be addressed, but we endeavor to address each question.

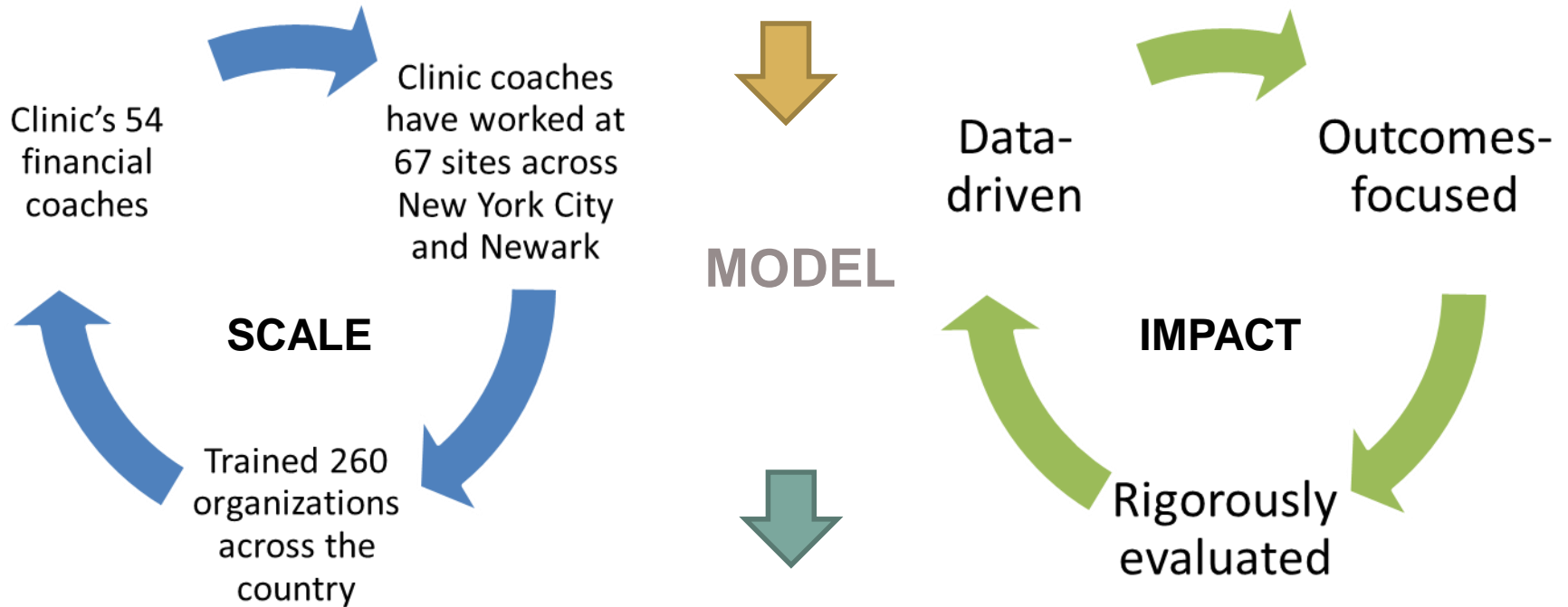
Field Pilot of Financial Capability Scale: Reasons and Results



Mae Watson Grote
The Financial Clinic

The Financial Clinic Overview

MISSION: Building financial security



VISION: A nation where everyone is financially secure

The Financial Clinic's Outcomes Framework



Goals

Achieve Action-Driven Goal



Assets

Save Consistently



Banking

Decrease the Cost of Financial
Transactions



Credit

Improve credit score



Debt

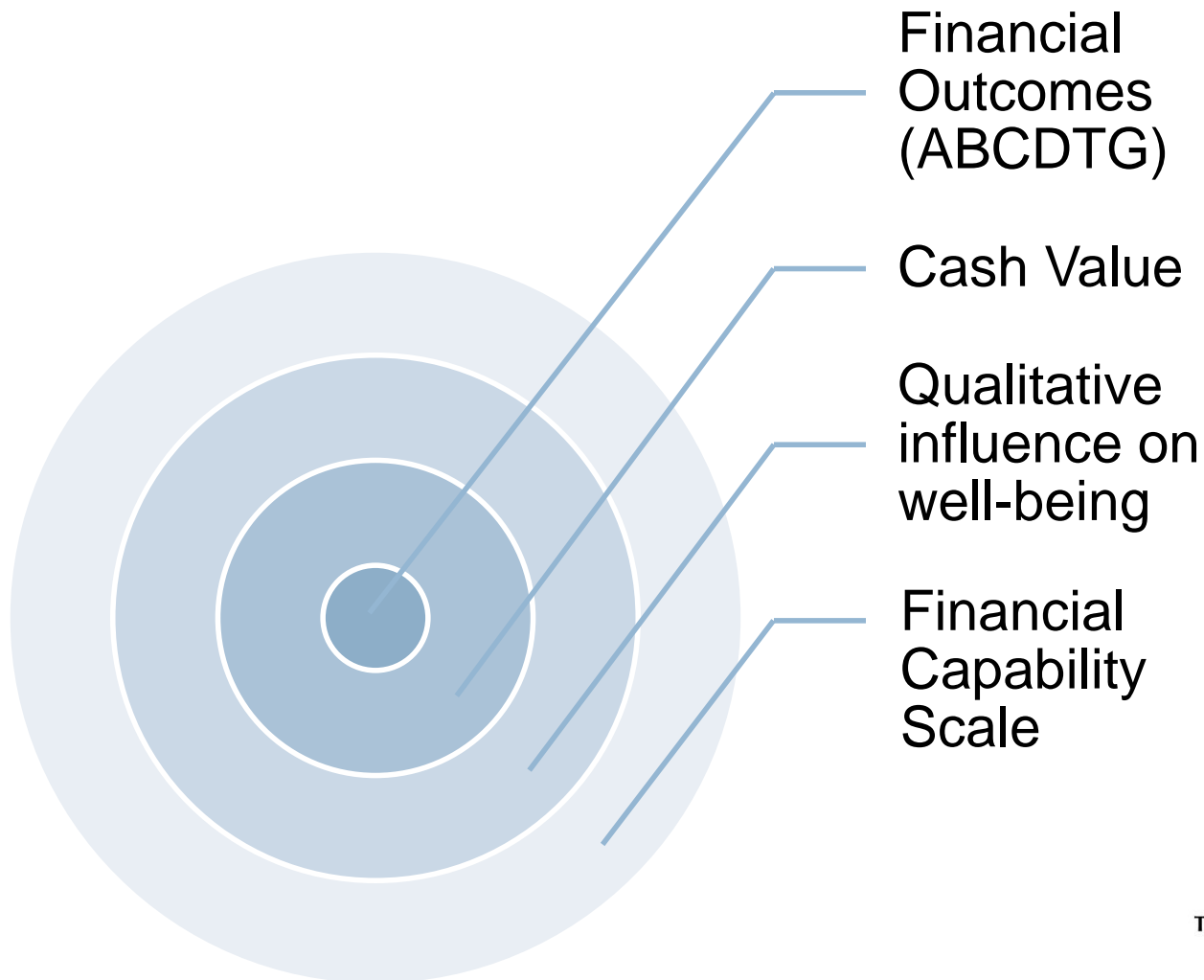
Decrease Debt



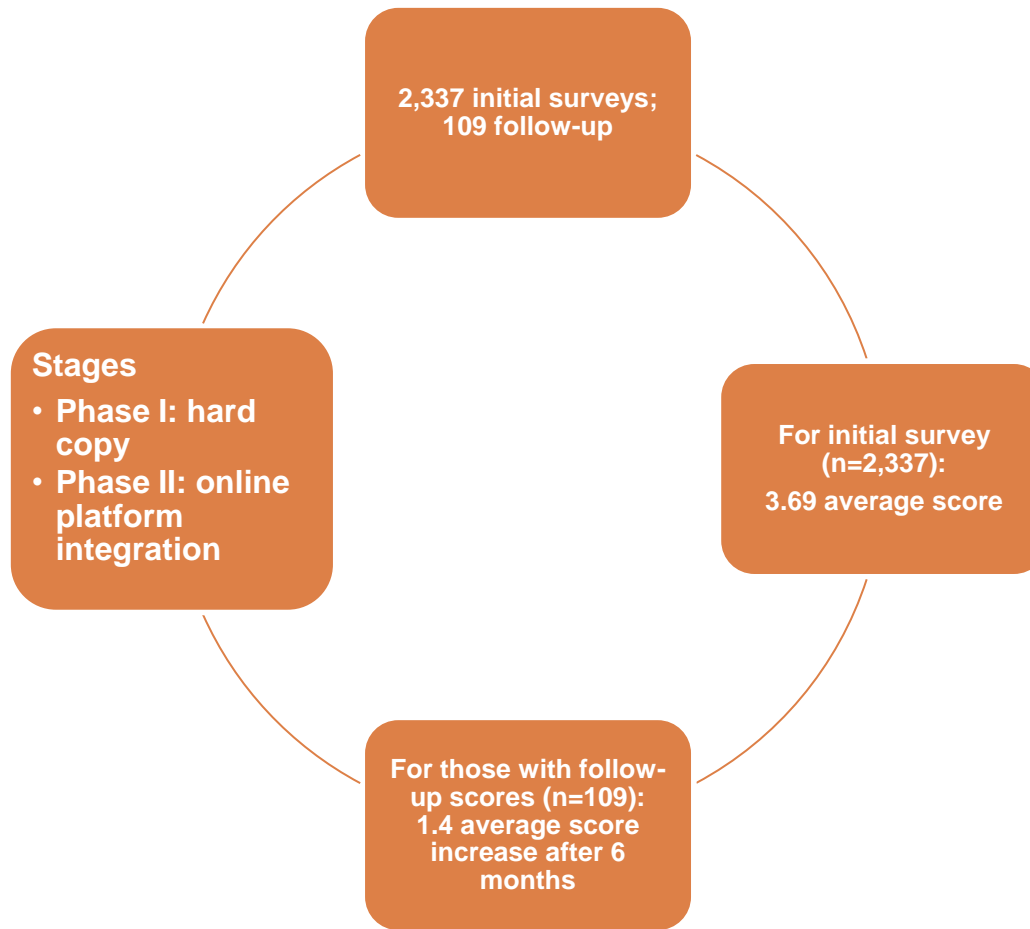
Taxes

Save a portion of the tax refund for a
financial goal

Clinic Outcome Evolution: Yesterday, Today, and Tomorrow



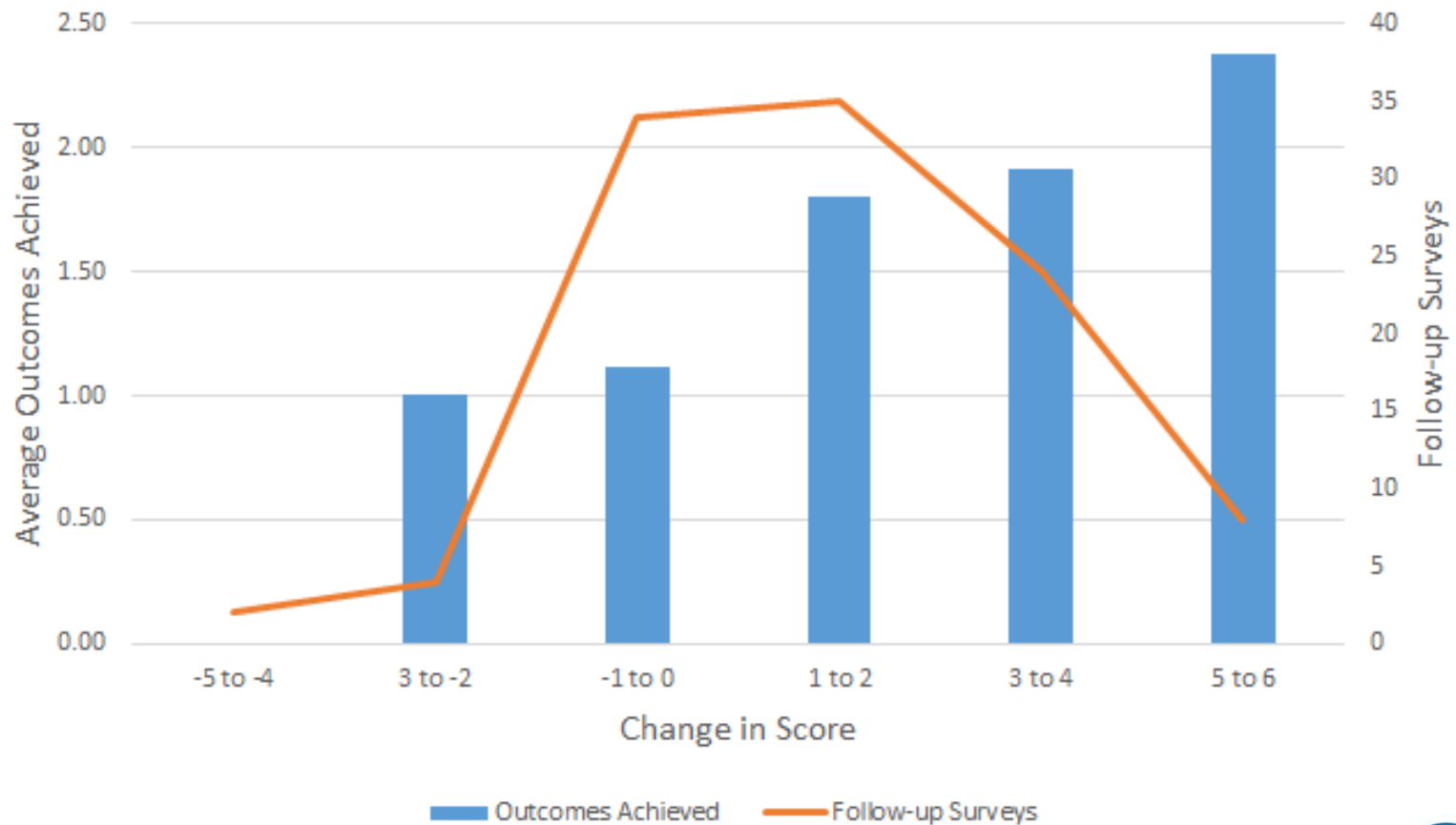
FCS Pilot Results



Preliminary Takeaways

- Less than 20% of the customers who came in to work on savings have paid late fees in the last 2 months, compared with 40% of all other customers
- Customers coming in housing issues or bankruptcy are scoring the lowest in almost every area
- Women are scoring higher than men in budgeting and savings, but are scoring lower in sufficiency.
- All major demographic groups have seen an increase in average score from the baseline to the 6-12 month follow-up. Almost 70% of customers taking the follow-up survey are female and their scores are increasing by an average of 1.51 points.

Correlation between Outcomes Achieved and Change in FCS Scores



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**Thank you for attending
today's webinar.**

Please fill out our survey

The survey will pop up on your screen momentarily, and will also be sent to you via email – we value your time, and the survey will inform our future webinars.

*Your feedback is greatly valued
by AFN - thank you!*



Asset Funders Network

What's next?

Asset Funders Network provides a unique and vital space where funders gather in-person or virtually to share ideas, best practices, and gather input to maximize our resources and share progress.

Visit our website to learn more about in-person convenings, webinars, and resources Asset Funders Network seeks to increase the capacity of grantmaker members to effectively promote economic security by supporting efforts that help low and moderate income households build and protect assets.

To learn more about the
Asset Funders Network, please visit
assetfunders.org



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Thank you for attending today's webinar.

The Webinar has concluded.

Please look for an email with a link to resources mentioned in the presentation, webinar recording, and slideshows.