



**United Way**

Calgary and Area

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# Financial Coaching Process Evaluation Report

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## Executive summary

This report presents the findings of the process evaluation of the Financial Coaching pilot, a part of the Financial Empowerment Collaborative in Calgary. In documenting the procedures and early thoughts of participating programs on the implementation of this pilot project, we assessed how well early goals are being met, documented some promising best practices, identified common roadblocks encountered by agencies, and compiled solutions developed in response to those roadblocks.

Common comments from agencies revolved around five key areas:

1. **Financial coaching training:** the training offered by Bow Valley College provided agency staff with a good knowledge base, building on the financial literacy training provided by Momentum, before starting to provide coaching services to clients.
2. **Integrating coaching with other work:** integrating coaching with other work has proven successful for many agencies, especially when combined with Matched Savings programs.
3. **Clients in crisis:** coaching clients experiencing a financial crisis can be very challenging, as they are not usually very open to receiving an intervention as deep as coaching, while working with clients living in a stable poverty is uniformly much easier.
4. **Expectations vs. reality:** while the coaching itself was generally as expected for agencies, some have struggled with uptake, especially in communities where the concept of financial coaching is not very clear.
5. **Evaluation:** the Financial Well-Being Scale has proven a useful tool for discussion when agency staff complete them with the client, but can be a struggle for clients less comfortable with the English language, or clients experiencing a financial or mental health crisis.

Drawing on these common comment areas, five recommendations emerge from this report.

1. **Provide out-of-classroom training opportunities and further diversity of examples:** the training should provide agencies with some out-of-classroom development opportunities, whether 1:1 time with the trainer, or further reading material for agency staff to read after the training sessions have ended. Additionally, further diversity of client coaching examples would be appreciated by many agencies.
2. **Encourage agencies to integrate Coaching with Matched Savings programs:** agencies report that Financial Coaching works very well when offered with Matched Savings programs, and they should be encouraged to align these services whenever possible.
3. **Further emphasize different approaches to Coaching for clients in and out of crisis:** the large gap between clients in crisis and clients experiencing stable poverty is sufficiently large that different strategies for dealing with these two clients groups should be developed.
4. **Consider a rebranding exercise:** as a Community of Practice exercise, sharing and working on ways to brand Financial Coaching as something other than “Financial Coaching”, or ways to talk about the service in terms more widely accepted by clients, would likely prove useful for increasing uptake.
5. **Refine evaluation measures to meet client needs:** If agencies serving clients in crisis or communities with low comfort with written English continue to report finding the Financial Well-Being Scale a challenge, consider transitioning to a different evaluation tool (such as the five question FWBS questionnaire or a different tool, in consultation with the Community of Practice) after the year-long pilot has concluded.

## Introduction

### Background

The Financial Coaching pilot, led by Bow Valley College as part of the Financial Empowerment Collaborative led by Momentum and United Way of Calgary and Area, launched in July 2017 in seven agencies throughout Calgary. Staff at each agency were trained in coaching at Bow Valley College over a two-day session, building on required training in financial literacy, provided by Momentum.

Financial coaching is a process where trained coaches help clients set and meet their own goals, and is often integrated with other services. The process should be client-led, with clients, not coaches, setting goals.

Bow Valley College provides agency staff integrating financial coaching into their service delivery approach a two-day training course, providing examples and walk through the key tenets of financial coaching. Participants in this training are required to have completed Momentum's Financial Literacy Training course, a program that trains agency staff in the foundations of financial literacy, focusing on understanding assets, budgeting, banking, credit and consumerism<sup>1</sup>.

Outputs for the pilot are being evaluated through some basic client tracking around demographics, and goals. The primary outcome evaluation of the pilot was done through the Financial Well-Being Scale, a 10 question, validated survey developed by the Consumer Finance Protection Bureau.

This process evaluation was performed about six months after initial implementation to ensure that the early development of the pilot was proceeding as intended, and to potentially offer any course corrections as needed.

### Evaluation methodology

The process evaluation was completed via half-hour phone interviews in December 2017 and January 2018, with representatives from each agency participating in the phone pilot. A process evaluation is not an outcome evaluation; this report and its findings are focused on how well the process is being implemented to identify any key learnings from the first few months, as well as on identifying common roadblocks encountered by agencies in the first six months of the program implementation. An outcome evaluation is performed after enough clients have completed the program.

The questions were designed to evaluate three key areas: the financial coaching training, the financial coaching itself, and how well the outcome evaluation of the pilot is working for agencies. With the financial coaching portion, questions were asked to learn about financial coaching integration into program service delivery, the process for coaching clients, and any obstacles encountered during implementation.

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<sup>1</sup> This program has been running for 18 years, and, while closely tied to the Financial Coaching pilot, is outside of the scope of this process evaluation of the coaching program. For more information on Momentum's Financial Literacy Training course, please visit <http://www.momentum.org/fltraining>.

## Process evaluation

### Training

Agencies uniformly felt that the training provided was of high quality, and served the needs of their employees. The training provided staff with new and useful information that built on their prior training in financial literacy by Momentum.

While feedback was very positive, some agencies suggested that some follow-up could have improved the efficacy of the training. This could come in the form of either some one-on-one time with a facilitator, or some additional reading materials to take away after the class. This could also help with the problem reported by some agencies around how a long gap between the training and the start of coaching could result in not absorbing all of the information provided.

Others suggested that some more complex examples of potential clients would be useful. While many agencies reported finding the common examples very helpful, some felt less able to deal with some of the more complex cases that presented themselves. Complex cases were described by coaches as any cases that might require some specialized knowledge not readily available to a non-expert, such as knowledge of the law or particular tax regulations.

### Integrating coaching with other work

Agencies have taken different approaches to integrating financial coaching with their existing services offered to the community. Some offer stand-alone coaching, others combine it with services such as Matched Savings or Basic Needs Fund access.

Some struggles of offering financial coaching by itself were reported, particularly regarding client awareness of what financial coaching actually is, which some agencies believe leads to lower participation rates.

Integrating coaching with Basic Needs Fund access is also an approach with some problems. While Basic Needs Fund access can entice clients to participate in one coaching session, it can be difficult to get clients experiencing a crisis to commit to and focus on the coaching process.

Agencies report more success with combining Matched Savings programs with Financial Coaching. Coaching can help with budgeting, which can be used to find the client-provided savings that drive Matched Savings, while access to Matched Savings can motivate clients to participate in Financial Coaching. Participating in Matched Savings can further enhance Financial Coaching by making it easier to clients to make room for savings in their budget. By itself, it can even draw attention to the importance of savings in a budget.

### Working with clients

As mentioned in the previous section, a common theme reported by agencies is that the success of coaching is reduced when the client is experiencing a crisis. While this is unsurprising, agencies reported that this can lead to both short-term relationships (often one session) between coaches and clients, and a lower overall participation rate for agencies who primarily deal with a clientele experiencing crises. While this is covered in the training, agency staff still felt that it was difficult to successfully integrate coaching with these clients.

These two different types of clients suggest that there may need to be two different program logic models, depending on the client. For clients experiencing a crisis, the best outcomes seem to be short-term. Some agencies reported that offering coaching to these clients can be helpful in terms of ‘planting the seeds’ of financial literacy and budgeting, even if it is not adopted by the clients at that time.

Clients in a more stable<sup>2</sup> form of poverty can experience much more success, especially with the budgeting exercise. This exercise has even led to significant changes in some clients’ lives, including some seeking out different employment to increase their outcome, or identifying more economical ways to spend without just cutting back expenses. One agency shared a story of a client who replaced her \$80/month gym membership with a \$120 treadmill as the result of budgeting with a financial coach.

### Expectations vs. reality

While agencies reported the experience of coaching to be similar to their expectations so far, some have struggled with recruitment. Some reported that advertising can be difficult in many contexts because “Financial Coaching” as a term and service is not widely understood among the general public.

Some suggested that a broad marketing campaign might be useful to increase the overall knowledge of Financial Coaching among Calgarians. While this could be expensive, some common language for agencies to use would be well-received by some agencies.

Some agencies reported success by either quietly integrating Financial Coaching as an add-on rather than the main service advertised, while other found success not using the term at all, and promoting the service as way to “Get Out of Debt” or “Increase Your Savings”.

### The Financial Well-Being Scale

Agencies reported differing experiences using the Financial Well-Being Scale. The agencies who found it useful reported filling out the survey with their clients, and using it as a discussion tool. Some found it useful as a way to introduce some concepts of Financial Coaching, and start conversations about some concepts that clients had not yet considered.

Some also reported that the tool was very helpful as a measure of progress for the client themselves — after completing several sessions and re-taking the Financial Well-Being Scale, some agency staff reported that showing how clients were increasing their financial well-being over time served as positive reinforcement for clients undertaking Financial Coaching.

Agencies who reported finding the scale more difficult either reported that their clientele were generally individuals experiencing a financial crisis (therefore making the questionnaire a hurdle to accessing other needed services), a mental health crisis (therefore making it difficult to fully engage with the survey) or that their clientele were less comfortable with written English, making the scale more difficult to complete independently. Some of the questions in the scale are less relevant to extremely vulnerable populations, such as clients experiencing homelessness. For example questions around buying gifts or savings are well beyond financial means of some of these clients and therefore can miss out on providing a meaningful measure.

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<sup>2</sup> The terms stable and crisis are used to contrast people experiencing dire and immediate economic emergencies, and clients who, while living with a low income, are not in an immediate crisis.

Agencies encountering these problems would sometimes overcome them by starting to fill out the survey with the clients, rather than having the clients complete the survey by themselves.

### Community of Practice

Agencies reported finding the Community of Practice useful for sharing best practices, and seemed enthusiastic for this to continue.

## Conclusion and recommendations

Overall, agencies reported that they felt the Financial Coaching pilot was proceeding well, and provided a valuable service to their clients.

Based on the feedback received by agencies, the following five recommendations can be made:

### 1. Provide out-of-classroom training opportunities

The training should provide agencies with some out-of-classroom development opportunities, whether 1:1 time with the trainer, or further reading material for agency staff to read after the training sessions have ended.

The Community of Practice could be used as a venue to provide agencies with training materials, and allow agencies to share materials they have found useful with one another.

### 2. Encourage agencies to integrate Coaching with Matched Savings programs

Agencies report that Financial Coaching works very well when offered with Matched Savings programs, and they should be encouraged to align these services whenever possible.

If integration becomes an intentional activity, evaluation elements for year two should be developed that measure the interplay of these two elements of the Financial Empowerment model.

Incentives for integration of these two services could also be explored.

### 3. Work on different approaches to Coaching for clients in and out of crisis

The gap between clients in crisis and clients experiencing stable poverty is sufficiently large that different strategies for dealing with these two clients groups should be developed.

This could be addressed further in the training sessions to ensure that all agencies have a chance to anticipate that these two client groups will have very different experiences. More examples of how to handle clients both in and out of crisis could be provided.

### 4. Consider a rebranding exercise

As a Community of Practice exercise, sharing and working on ways to brand Financial Coaching as something other than “Financial Coaching”, or ways to talk about the service in terms more widely accepted by clients, would likely prove useful for increasing uptake.

This exercise could be facilitated as a sharing exercise at the Community of Practice where agencies can bring in their marketing materials to share with the group, along with some reflection about what worked and what didn't. If some best practices are identified through this process, it may be worthwhile to develop some language around how to talk about coaching in marketing materials.

## 5. Refine evaluation measures to meet client needs

Agencies should be strongly encouraged to fill out the Financial Well-Being Scale questionnaire with their clients. This improves the usefulness of the survey to clients, and helps overcome the barriers related to questionnaire completion. It can also serve as a way to more naturally address certain topics with clients, rather than waiting for them to emerge naturally in conversation.

If agencies serving clients in crisis or communities with low comfort with written English continue to report finding the Financial Well-Being Scale a challenge, alternative measurement tools should be considered. An easy option would be to transition to the five question FWBS questionnaire after the year-long pilot has concluded. If this is still considered too difficult, a transition to a different tool altogether could be considered.

A second change could occur by providing two different evaluation tools – one for the first meeting to allow for an evaluation of shorter-term outcomes with clients who only participate in a single coaching session (as is common in some agencies) and one for later meetings to measure changes in behaviour or financial well-being. This can be considered in the new evaluation plan for the Financial Coaching going forward.