

Financial Empowerment for Newcomers: Evaluation insights from pilot project

Authors: Nirupa Varatharasan and Janet Flynn



Introduction

Three newcomer-serving organizations, Saskatoon Open Door Society (SODS), AXIS Employment Services (AXIS), and North York Community House (NYCH), implemented and integrated financial coaching into their existing services for newcomers.

Financial coaching is a client-led one-on-one session that provides tailored supports to clients interested in setting and achieving their own financial goals¹.

Financial goals can be short or long-term in nature (e.g., obtaining income support, meeting a monthly payment, setting a savings goal, or reducing debt). It is delivered by staff who are not necessarily experts in finances but instead are trained in coaching skills, such as active listening, motivational interviewing, and performance monitoring². Financial coaching is a promising practice that promotes skills development and fosters behaviour change over multiple sessions for low-income clients³.

Objectives

To provide newcomer-serving front-line staff with training and resources to enable them to:

- Accurately assess newcomers' financial literacy and connect them to appropriate information and resources.**
- Coach newcomers to achieve successful financial independence.**

Pilot design

Pilot partners belonged to a variety of sectors including settlement (SODS), employment (AXIS), and community hubs (NYCH). They varied in size, staff capacity, services and reach, and integrated and implemented financial coaching in different ways. Front-line staff from these organizations had varying levels of financial literacy and coaching knowledge depending on their role.

Pilot timeline

April - October 2018

Front-line staff (eg. settlement workers, employment counsellors) and decision-makers at all three organizations received financial literacy and coaching training from Prosper Canada:

- Financial topics included content and worksheets on: Credit reports, income and taxes, budgeting, benefits eligibility, savings products, student loans, managing debt, financial systems in Canada, banking products, and consumer protection.
- Coaching training included tools and skills training on: Active listening, motivational-interviewing, goal setting, and action planning.

October 2018 - January 2019

- Decision-makers and coaches met to discuss client eligibility, recruitment strategy, caseload, and financial coaching implementation and integration process.
- Financial coaching was implemented at all three sites over a period of three months.

February - March 2019

- Evaluation data were collected from coaches, decision-makers and clients through semi-structured interviews, focus groups, surveys and administrative data.
- Insights were shared with coaches and decision-makers at each site.

Session data

122 participants received one-on-one financial coaching

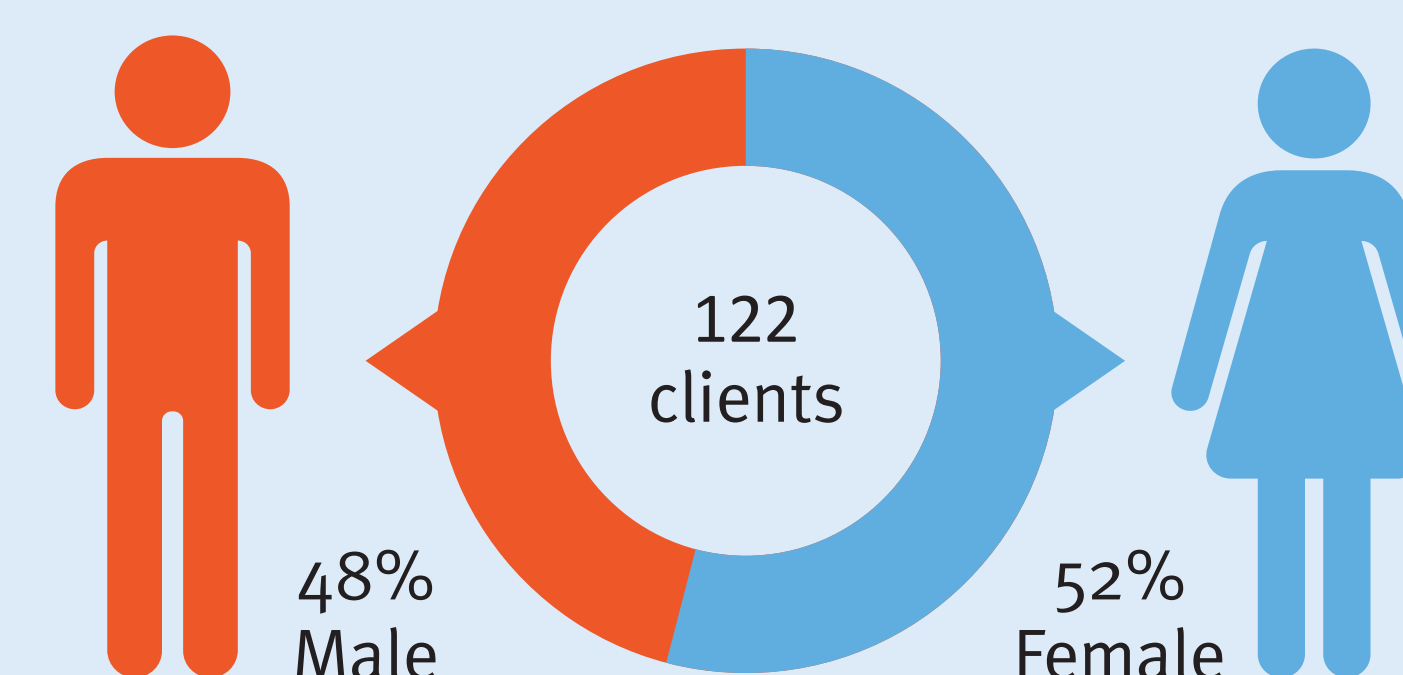
239 financial coaching sessions in total

39% met with a financial coach at least once

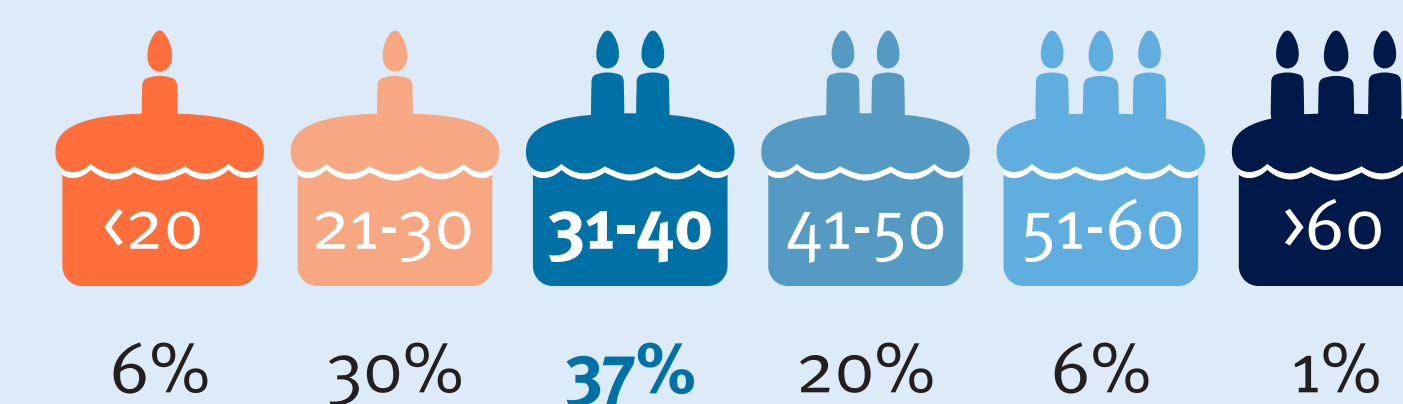
61% of participants attended 2+ sessions

Client demographics

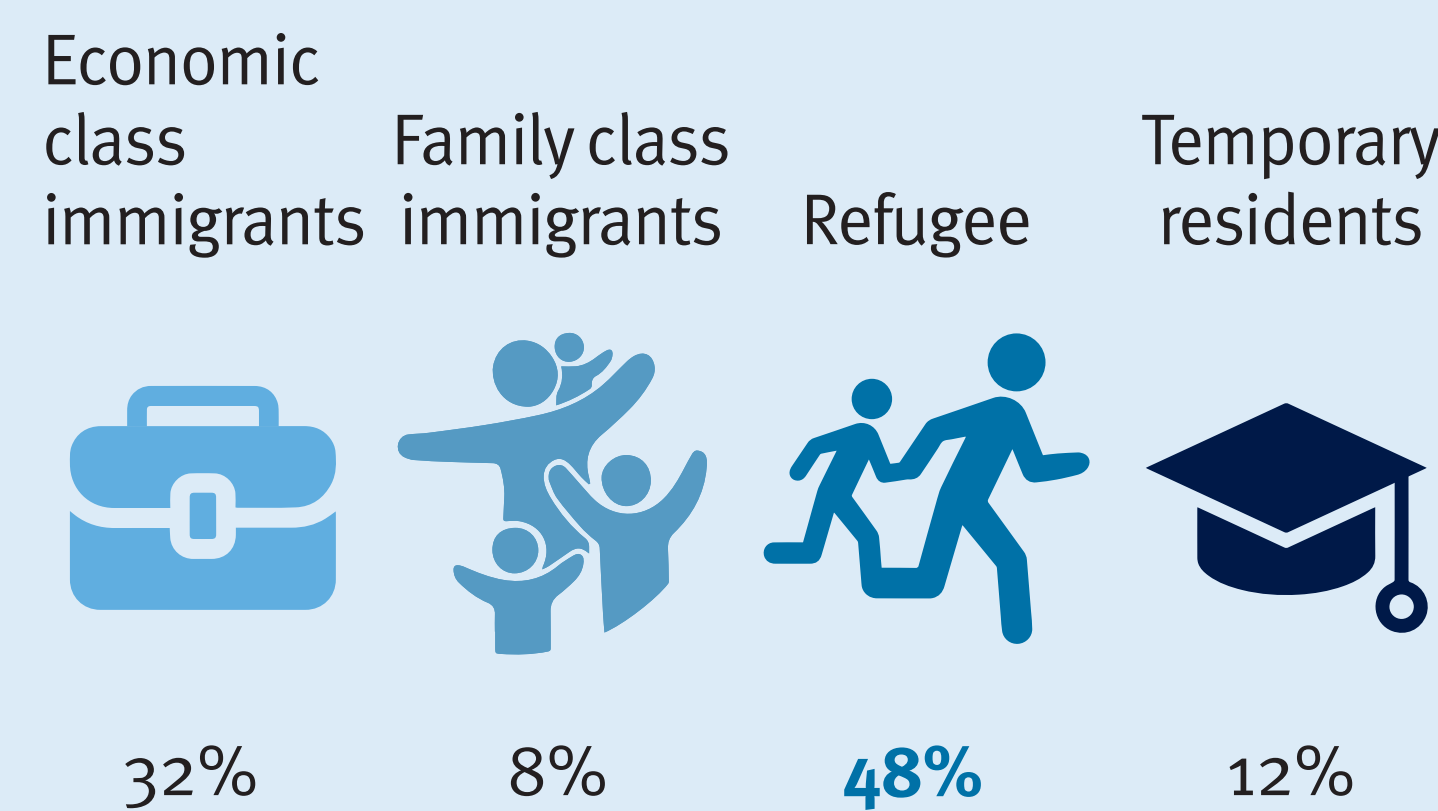
Gender



Age Range



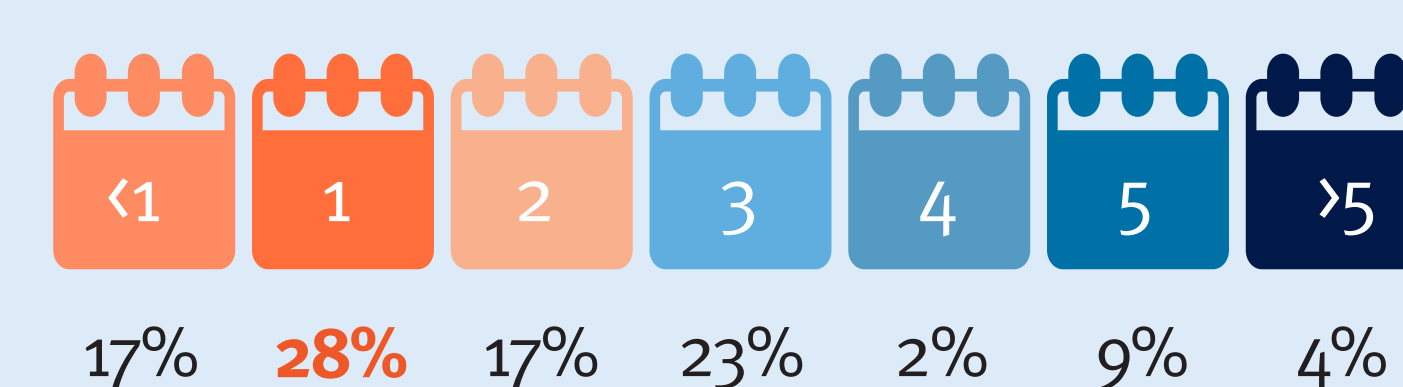
Immigration Status



Permanent Resident Status



Years in Canada



Insights

Financial coaching shows promise as a supportive intervention for successful settlement of newcomers. Coaching appears to be beneficial for clients, staff, and newcomer-serving organizations as a whole. However, it is not without its challenges.

Adhering to a pure coaching model was difficult. Still, non-profit sites increased their ability to identify the clientele best-suited for financial coaching and thus address their needs specifically to provide stable, improved financial and settlement outcomes over the long term.

Implementation & integration:

- Sessions ranged from 1-1.5 hours and included: goal-setting, reviewing previously-set goals, completing worksheets and/or application forms, utilizing different resources, and setting up referrals internally or externally as needed. Take-home materials were provided to clients as needed
- Financial coaching sessions included some financial counselling and education. Sessions were client-led, many clients attended only one session or only addressed a single issue. Coaches also made referrals or advocated for the client

We observed two different integrated social service models of financial coaching:

- Front-line staff trained in financial coaching:** Organizations from sectors such as employment or settlement that traditionally did not offer financial empowerment support trained their staff in financial content and coaching. These staff then offered coaching to clients interested in accessing these services
- Front-line staff trained in financial coaching with a financial literacy and coaching lead:** Similar to the first model with the notable addition of a dedicated financial literacy coach and lead. This person provided peer leadership and triaged clients with more complex issues

Benefits of financial coaching integration:

- For clients:**
 - Increased financial literacy
 - Achieved financial goals
 - Gained confidence in themselves and their financial futures
 - Created trusting relationship with coach
 - Changed financial decision-making behaviour
 - Empowered their family with financial knowledge
- For staff:**
 - Supported clients to achieve their financial goals
 - Understood the financial dimensions of their clients
 - Seen to be trusted sources of financial guidance
 - Increased empathy to client hardship
 - Increased confidence, transferrable knowledge and skillsets
 - Improved their and their family's financial health

For organizations:

- Increased staff capacity to empower & educate clients
- Improved outcomes & more holistic services for clients
- Increased interest and requests to provide financial literacy and coaching training to other staff
- A tighter-knit team with shared experiences

Success factors:

- Flexibility of financial coaching
- Dedicated financial coaching lead
- Supportive organizational culture
- Resource commitment
- Engagement of decision-makers and front-line staff

Challenges of financial coaching integration:

- Some resistance to the implementation and integration of financial coaching
- Not all staff felt comfortable with the coaching approach
- Engaging clients in money conversations was challenging
- Funding uncertainty can complicate financial coaching sustainability
- Monitoring client progress can be difficult and expensive

Recommendations for practitioners:

- Assess suitability of integrating financial coaching based on organization's readiness and resources. Considerations include culture, decision-makers' buy-in and funding
- Adapt the coaching program design to meet the needs of individuals/communities served. By design, coaching is very flexible so can easily be adapted
- Implement professional development plans to ensure ongoing training and technical assistance for financial coaches and other relevant staff, including decision-makers
- Invest in data collection and building performance monitoring systems to evaluate the implementation and impact of financial coaching

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1. J. Michael Collins, "Financial Coaching: An Asset Building Strategy," 2015, assetfund.org/wp-content/uploads/Financial_Coaching_Brief.pdf.
2. Collins. 3. J. Michael Collins and Karen Murrell, "Using a Financial Coaching Approach to Help Low-Income Families Achieve Economic Success: Challenges and Po," 2010, fyi.extension.wisc.edu/financialcoaching/files/2010/07/Using-a-Financial-Coaching-Approach1.pdf.