The CFPB's Financial Coaching Strategy aimed to evaluate the impact of financial coaching on low- and moderate-income individuals in Miami and New York City.

5. CFPB Financial Coaching Strategy

The study assessed how financial coaching could improve behaviors related to saving, debt management, credit scores, and overall financial well-being. Conducted with rigorous randomized controlled trials, the research demonstrated that financial coaching helps participants take control of their finances and achieve measurable improvements. Notably, financial coaching provided both practical advice and emotional support, helping participants gain confidence and reduce financial stress.

1. Reasons for Reduced Retention

- **Time Constraints:** Many participants struggled to balance the time commitment required for financial coaching with their personal responsibilities, leading to high dropout rates after the first session.
- **Limited Initial Engagement:** A significant number of participants, particularly in the Miami program, did not attend any sessions after expressing interest, possibly due to unrealistic expectations of immediate results.
- **External Financial Crises:** Participants facing acute financial emergencies often prioritized immediate needs over long-term coaching, limiting their participation.

2. Elements for Keeping Retention

- **Personalized Goal Setting:** Participants who remained engaged in coaching were those who had clear, personalized financial goals set with the help of their coach. The ability to tailor the program to individual needs increased commitment.
- **Frequent Check-ins:** Regular follow-ups by coaches, both in-person and via phone, helped keep participants accountable and motivated to continue the coaching program.
- **Holistic Support:** Financial coaches provided not only financial guidance but also emotional and motivational

3. Strategies and Best Practice Recommendations

Successful Strategies

• **Integration of Services:** Programs that integrated financial coaching with other services (e.g., tax preparation, legal aid) saw improved retention, as participants could address multiple needs simultaneously.

• **Incremental Goal Achievement:** Coaches who helped participants achieve small, incremental financial milestones fostered long-term engagement and a sense of accomplishment.

• **Use of Technology for Flexibility:** The use of phone-based coaching and online resources made the program more accessible, especially for those with scheduling conflicts.

Unsuccessful Strategies

• **Lack of Immediate Benefits:** Participants expecting immediate financial improvements were often disappointed, leading to higher dropout rates. This highlights the need to set clear expectations about the long-term nature of financial coaching.

• **One-Size-Fits-All Approach:** Programs that did not sufficiently adapt to the individual needs and circumstances of participants struggled to retain engagement, particularly when participants felt their specific issues were not being addressed.

Prioritizing the Findings

The most impactful insights for improving retention in financial coaching, especially for low-income Canadians, are:

1. **Personalization and Flexibility:** Financial coaching works best when tailored to the individual. Programs that allowed participants to set personal goals and provided flexible scheduling were most effective in maintaining engagement.

2. **Integration with Broader Services:** Offering financial coaching alongside other critical services such as legal or tax assistance helped participants address multiple challenges at once, making it easier to remain engaged in the program.

3. **Ongoing Accountability and Support:** Coaches who provided regular check-ins and emotional support were able to keep participants engaged. Continuous follow-ups helped participants stay motivated, even when facing setbacks.

Best Practices Context

• **Clear Expectations and Incremental Progress:** The success of financial coaching often depends on managing participants' expectations. Those expecting quick fixes were more likely to drop out. However, when participants were guided to focus on small, incremental improvements, retention increased significantly.

• **Holistic, Integrated Support:** Programs that integrated financial coaching with other essential services were more effective in retaining participants, as they could address multiple needs at once. This approach is particularly applicable for low-income Canadians, who often face complex, overlapping challenges.