BRIDGING BARRIERS

with Embedded Financial Coaching

A Toolkit for Workforce Development Programs
An integration project of Prosperity Gateways

Summary of Key Insights from the Literature Review

Prosper Canada

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Financial empowerment organizations have seen tremendous success with financial coaching interventions.

Attending multiple sessions with a financial coach is a key factor in achieving financial wellbeing outcomes such as decreased debt, increased savings and improved credit scores. However, a key challenge of financial coaching programs is retaining participants beyond the first session. Retention posed challenges to both participant outcomes, as well as the morale of financial coaches delivering the service. We have conducted a literature scan focused on the retention of financial coaching participants. The literature findings indicated that retention has consistently posed a significant challenge across various jurisdictions. Recognizing this, it is paramount to support both staff and managers in setting realistic retention expectations while also developing effective strategies to foster participant engagement and commitment. This literature scan aims to provide valuable insights and practical recommendations to enhance retention rates in financial coaching programs.

The research insights from the following eight articles highlight key strategies, such as **personalized coaching, flexible program delivery, trust-building,** and **continuous engagement,** all of which are critical for long-term success and retention in financial empowerment programs.

A summary of the key insights across three main categories: Challenges with Retention, Strategies to Improve Retention, and Best Practice Recommendations are below. These findings can guide community organizations, especially those helping low-income Canadians with financial literacy.

1. Challenges with Retention

Several common challenges across the studies highlight the difficulties faced by participants in staying engaged with coaching and development programs:

- **Competing Priorities and Time Commitments:**
  Many participants, especially low-income individuals, struggled to balance coaching sessions with work, family, and other obligations. Time constraints were a significant barrier to retention (study 7 and 8)

- **Lack of Immediate Results:**
  Participants often entered programs with unrealistic expectations for quick improvements, and when they did not see immediate results, they disengaged (study 3 and 8)

- **Financial Instability:**
  Participants facing financial crises, such as difficulty paying bills or job loss, often deprioritized coaching, focusing instead on immediate survival needs (study 2 and 4)

- **Technology Barriers:**
  In programs that included virtual or Information and Communication Technology (ICT)-based components, participants unfamiliar with technology found it challenging to engage with these tools, leading to lower retention rates (study 6 and 8)

- **Mismatch in Expectations:**
  Some participants dropped out because they felt the program did not meet their specific needs or goals, or they didn't fully understand the commitment required (study 5 and 7)

2. Strategies to Improve Retention

The studies highlighted several strategies that were successful in improving retention:

- **Flexible Program Delivery:**
  Programs that offered flexible delivery methods (virtual coaching, phone-based sessions, or flexible scheduling) had better retention. Participants appreciated being able to integrate sessions into their busy lives (study 6 and 7)
- **Personalized Coaching and Tailored Support:**
  Participants who received personalized plans and support that addressed their unique financial, health, or personal needs were more likely to stay engaged (study 5 and 8)
- **Building Trust and Relationships:**
  Strong, trust-based relationships between coaches or mentors and participants were essential in keeping participants engaged. Participants who felt their coach or mentor was empathetic and supportive stayed longer in the programs (study 4 and6)
- **Structured Goal-Setting and Accountability:**
  Programs that focused on setting achievable, incremental goals and provided regular follow-ups to track progress were more successful in retaining participants (study 2 and 8)
- **Integration of Coaching with Other Services:**
  Programs that combined coaching with other essential services, such as housing assistance, legal aid, or employment services, saw higher retention, as participants could address multiple needs simultaneously (study 3 and 8)

3. Best Practice Recommendations

Based on the findings from the studies, several best practices were identified:

- **Provide Early Wins and Manage Expectations:**
  Programs should focus on helping participants achieve small, early successes to maintain motivation and avoid discouragement. Managing participants' expectations from the start regarding the timeline for financial or personal improvements is crucial (study 2 and 3)

- **Offer Ongoing Support and Regular Check-ins:**
  Continuous engagement, through follow-up sessions and regular check-ins, was critical to keeping participants motivated. This ongoing accountability reinforced participants' commitment to the program (study 5 and 6)

- **Incorporate Peer Support or Group Mentoring:**
  Group mentoring or peer support added a sense of community and shared experience, which helped participants feel supported and encouraged to stay engaged (study 4 and 7)

- **Empathy-Driven Coaching:**
  Coaches who used empathy to connect with participants reduced their financial stress and shame, helping them stay engaged longer (study 6 and 7)

- **Adaptability and Cultural Relevance:**
  Programs that were flexible enough to adapt to participants' cultural, linguistic, and personal needs had better retention outcomes. Tailoring content to participants' lives made the programs more relevant and valuable to them (study 7 and 8)

4. Key Insights for Community Organizations

By applying these insights, community organizations can design more effective financial literacy and coaching programs that encourage participants to stay engaged and achieve meaningful outcomes.

- **Flexibility and Personalization are key:**
  Offering flexible, personalized support that adapts to participants' unique circumstances helps improve retention across various coaching programs.
- **Trust and Continuous Engagement:**
  Building trusting relationships between participants and their coaches or mentors, alongside frequent check-ins, ensures participants feel supported and accountable.
- **Early Success and Long-Term Goals:**
  Helping participants achieve small wins early in the program, while managing expectations for long-term success, significantly improves retention.

Summary Table

for Financial Coaching and Engagement Studies

Study title/reference	Scope of study	Reasons for reduced retention	Elements for keeping retention	Strategies and Best Practice recommendations
1. Citi Financial Capability Demonstration Project	• Low- and moderate-income individuals, various U.S. locations, impact on financial behavior and outcomes.	• Time commitments, unmet expectations, immediate crises.	• Integrated coaching with other services, personalized ongoing support, flexible delivery methods.	• **Successful:** Embedding coaching in services. • **Unsuccessful:** Stand-alone coaching programs and inadequate client preparedness.
2. Matched Savings Account Program Participation and Goal Completion	• Longitudinal study of IDAs for low-income individuals, assessing role of credit scores in program participation and completion.	• Poor initial credit scores, financial hardship, lack of clear program goals.	• Tailored credit improvement plans, comprehensive financial education, peer support and mentorship.	• **Successful:** Targeted credit-building support, regular check-ins, early credit gains. • **Unsuccessful:** One-size-fits-all approach, lack of immediate results.
3. An Evaluation of the Impacts and Implementation Approaches of Financial Coaching Programs	• Evaluation of financial coaching programs, assessing implementation approaches and impacts on financial outcomes for low- and moderate-income individuals.	• Participants' immediate needs, scheduling conflicts, lack of engagement in initial sessions.	• Ongoing communication with coaches, trust-building, personalized coaching.	• **Successful:** Long-term behavior change focus, frequent follow-ups. • **Unsuccessful:** Lack of personalization, insufficient focus on immediate results.
4. The Story of Pathfinders: Re-Entry Mentoring	• Mentoring programs for formerly incarcerated individuals, focusing on mentoring and re-entry.	• Immediate needs and crises, scheduling conflicts, perception of mentoring as a burden.	• Social service advocacy, group mentoring, personal relationships with coordinators.	• **Successful:** Coordinators' advocacy, volunteer-based mentoring. • **Unsuccessful:** Lack of flexibility in scheduling, limited post-release support.
5. Evaluation of Financial Coaching Programs (CFPB Study)	• Randomized controlled trial in New York and Miami, assessing impacts of financial coaching on financial well-being.	• Time constraints, low engagement in initial sessions, unrealistic expectations.	• Personalized goal setting, frequent check-ins, holistic support.	• **Successful:** Integration of services, behavioral incentives, long-term behavior change. • **Unsuccessful:** One-size-fits-all approach, lack of immediate benefits.

Summary Table

for Financial Coaching and Engagement Studies (cont'd)

Study title/reference	Scope of study	Reasons for reduced retention	Elements for keeping retention	Strategies and Best Practice recommendations
6. GreenPath Virtual Financial Coaching Pilot	• Phone-based financial coaching during the COVID-19 pandemic for low- to moderate-income individuals.	• Competing priorities, unmet expectations, challenges with remote engagement.	• Empathy-guided coaching, flexible virtual delivery, structured goal setting and accountability.	• **Successful:** Empathy-focused coaching, flexible and remote coaching, regular progress tracking. • **Unsuccessful:** Overreliance on written materials, lack of immediate results.
7. Understanding Family Engagement in Home Visiting Programs	• Synthesis of studies on family engagement in home visiting programs, early childhood development.	• Mismatch in expectations, life circumstances, negative relationships with home visitors.	• Trusting relationships, flexibility in service delivery, tailored content.	• **Successful:** Flexible, family-centered approach, strong home visitor relationships, tailoring to family needs. • **Unsuccessful:** Inflexible programs, limited outreach.
8. Efficacy of Health Coaching and Electronic Health Program	• Health coaching and an electronic health management program, chronic disease patients in a randomized control trial.	• Technology barriers, high expectations for immediate results, time commitment for coaching.	• Personalized coaching support, combination of technology and human interaction, incremental progress and goal setting.	• **Successful:** Combining coaching and ICT, frequent touchpoints, self-assessment tools. • **Unsuccessful:** ICT-only approach, high intensity of coaching.

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For more information

Claire-Hélène Heese-Boutin

Manager, Program Delivery and Integration

c.heeseboutin@prospercanada.com

www.prospercanada.org