

Financial Coaching in Head Start Programs

Partnering with Families to Build Financial Security

Financial coaching is a financial capability service that helps families translate financial knowledge into action. Financial coaches build on the Head Start/Early Head Start (HS/EHS) program's recognition of parents' best intentions for their families and accompany parents on their journey to build their family's financial security. In the coaching relationship, the parent is the expert on the financial life of the family and the coach serves as an accountability partner and offers support.

Trained financial coaches partner with families to set financial goals, identify action steps, and provide ongoing support. Financial coaches do not need to be financial experts but should be skilled in supporting parents and other caregivers who are trying to reach financial goals.

This brief discusses financial coaching in Head Start settings and presents three methods and training resources for programs interested in building their staff's capacity to become financial coaches.

What is the impact of financial coaching?

Financial coaching is a collaborative process that can build on existing relationships to help parents become more financially stable by setting goals and taking small steps over time.

Research by NeighborWorks America on the impact of financial coaching found that "many clients began behaving in a manner more consistent with their beliefs and what they learned as a result of their participation

This document is part of a series of resources focused on increasing the well-being and financial security of Head Start and Early Head Start families through financial capability strategies.

Differences between Financial Education and Financial Coaching

	Financial Education	Financial Coaching
What is the Format ?	Classroom or workshop	One-to-one sessions conducted in-person, via video conference, or by phone
What is the Content ?	Curriculum that has been selected by the instructor	Financial topics and goals raised by the parent
Who is the Expert ?	Instructor	Parent(s)
What is the Key to Success ?	An engaging, knowledgeable, experienced, and culturally responsive instructor	Effective facilitation by the coach, including the ability to ask the right questions and establish trust with each parent



in financial coaching.”¹ These clients changed in a number of ways: they started to save money, saved greater amounts, saved more regularly, opened bank accounts, paid down debt, improved their credit scores, and felt more financially secure.

Is financial coaching a good fit for HS/EHS parents?

Financial coaching can be a good fit for HS/EHS parents for several reasons:

- **Financial coaching builds on the information parents learn through HS/EHS-provided financial education.** Most HS/EHS programs already offer some financial education activities, such as a series of classes or a one-time workshop. Financial coaching gives parents the opportunity to take the information they learn in this classroom setting and apply it to their own lives by tailoring the financial information to their own goals and objectives.
- **Goal-setting is a familiar process for parents participating in HS/EHS.**² Parents meet with family service workers at the beginning of the year to develop family partnership plans that support parents’ goals. Therefore, working with a financial coach to set a financial goal and break it down into actionable steps may feel familiar to parents.
- **Financial coaching can be adapted to meet parents where they are in their financial lives.** Financial coaching can address financial challenges that are large and small. Whether a family’s goal is to track weekly expenses or save for a large asset such as a house, financial coaching can help parents set goals and plan action steps toward achieving those goals. Financial coaching is flexible and responds to the needs of each family’s economic circumstances.

Methods for providing financial coaching: refer, partner, do-it-yourself

HS/EHS programs can connect parents to financial coaching services using one of the following three methods:

- **Refer:** Finding an organization that provides financial coaching and setting up a process for referring parents to financial coaches
- **Partner:** Developing partnerships with other organizations to deliver financial coaching at your site
- **Do-It-Yourself (DIY):** Building internal capacity among HS/EHS staff to provide financial coaching services. For example, this may involve training existing staff such as family service workers or teachers, or it may involve hiring new staff.

Assessing how families manage their finances can help HS/EHS program staff decide which method to use. *Tool 1: How Your Clients Manage Now* from [Building Financial Capability: A Planning Guide for Integrated Services](#) (the Guide) can be used to assess families’ current financial capability.³ The questions below can also help HS/EHS programs decide which method to use.

¹ NeighborWorks America. (2013). Washington, D.C.: Neighborhood Reinvestment Corporation. Available at: http://neighborworks.issueelab.org/resource/scaling_financial_coaching_critical_lessons_and_effective_practices.

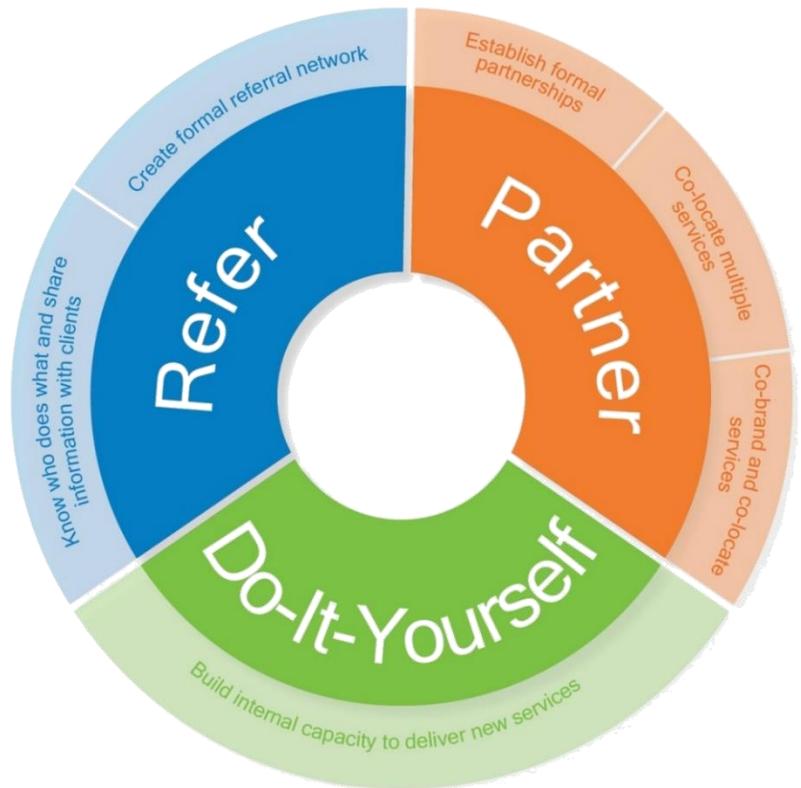
² The National Center on Parent, Family, and Community Engagement has created a guide to setting goals with families: *The Family Partnership Process- Engaging and Goal-Setting with Families*. Available at <http://eclkc.ohs.acf.hhs.gov/hslc/tta-system/family/docs/engaging-and-goal-setting-with-families.pdf>.

³ The Guide is available at <https://www.acf.hhs.gov/ocs/resource/afi-resource-guide-building-financial-capability>.



Questions for partnerships/referrals:

- Are there service providers in the community that employ trained financial coaches? If so, what are the eligibility requirements to receive financial coaching?
- Do financial coaches have experience working with low-income families?
- Where can financial coaching be provided (e.g., in HS/EHS classrooms, at a local library, at a family night event, by phone, via video conference)?
- Would community financial coaches be willing to come to HS/EHS parents (i.e., a partnership model), or would parents need to go to the financial coaches (i.e., a referral model)?
- What training would HS/EHS staff need to promote the financial coaching services to parents?



Questions for the DIY approach:

- Is there interest among HS/EHS staff to be trained as financial coaches?
- Are staff already having conversations with parents about their financial goals?
- Do staff have the time to check in regularly with parents about their progress toward their financial goals? How often will HS/EHS staff meet with parents about their financial goals?
- When could financial coaching be integrated into the HS/EHS program (e.g., at the start of the program year, during home visits, during parent-teacher conferences)?
- What kind of training do HS/EHS staff need to become financial coaches?

DIY method: resources to build staff capacity to provide financial coaching

The DIY method may be an attractive option for HS/EHS programs because parents meet with family service workers at the beginning of the year to develop family partnership plans and continue to meet with family service workers on a regular basis. Financial goal-setting could be integrated into this process using a financial coaching model.

If staff already possess strong coaching skills and feel comfortable helping families set financial goals, they may only need training on financial topics. See [Family Service Workers and Financial](#)



Empowerment: Steps and Resources⁴ for tips on how to familiarize these staff members with financial topics.

Some staff will need training to become effective financial coaches. Training usually addresses facilitation skills, the coaching process, and financial topics. While a number of organizations provide financial coaching training, there is often a cost and significant time commitment associated with participation.⁵

- **A list of financial coaching training providers** is available at the Financial Coaching Strategies website developed by the University of Wisconsin-Madison with support from the Annie E. Casey Foundation and the University of Wisconsin-Extension: <http://fyi.uwex.edu/financialcoaching/trainingopportunities/>.

- **Some United Ways offer training on financial coaching to social service providers.** HS/EHS staff may be eligible to participate in these trainings. The United Way of Phoenix, for example, trained 100 HS/EHS case managers from the city of Phoenix in the summer of 2012. The intensive training consisted of four eight-hour sessions offered on a weekly basis for one month. The training combined financial topic competencies with skills-based training on the coaching model. Contact the United Way in your area to find out if it offers financial coaching training. Identify your local United Way by visiting <https://www.unitedway.org/find-your-united-way/>.

The DIY Method

Several Head Start programs in Wisconsin have integrated an extensive checklist into their review with parents that includes such financial topics as making ends meet, saving, and employment. Staff use this checklist to connect parents with resources, including referrals to financial education or more in-depth coaching services. The checklist is incorporated into a family's action plan, and staff meet monthly with parents to track progress throughout the year. Regular check-ins are a key element in financial coaching; they allow the coach to connect with parents one-on-one regularly over a long period of time. With additional training in financial basics, staff can incorporate financial conversations in financial basics into their regularly scheduled meetings with families—an ideal entry point for these types of services.

General recommendations for HS/EHS programs interested in offering financial coaching

The strategies below can help HS/EHS programs expand or improve the integration of financial coaching into their programs.

Use HS/EHS staff to promote financial coaching

Whether you are providing financial coaching internally or partnering with an external organization, staff buy-in and participation in promotion are key. Parents are more likely to take advantage of financial coaching if they learn about it from a trusted HS/EHS staff member. It is especially

⁴ <http://eclkc.ohs.acf.hhs.gov/hslc/tta-system/family/docs/steps-resources.pdf>

⁵ The University of Wisconsin-Madison's Center for Financial Security developed a brief comparing nine financial coaching programs, including the costs associated with the programs. J. Michael Collins and Hallie B. Lienhardt, *Financial Coaching Training Curricula: Field Inventory and Summary Brief*, available online at http://fyi.uwex.edu/financialcoaching/training_curricula_brief/.



important for HS/EHS staff to promote financial coaching if an external community organization is providing the financial coaching. For example, the University of Wisconsin-Extension Family Living Educators partnered with local Head Start programs to share information about financial education services, including coaching, with HS/EHS staff members at back-to-school events and staff meetings, during which coaches explained the services, introduced themselves as financial coaches, and responded to concerns raised by staff. Encouraging staff to participate in financial coaching and education also increased buy-in among these Head Start programs.

Market financial coaching at multiple HS/EHS events

If financial coaching is a new service you are providing to HS/EHS families, you may need a marketing plan to ensure strong parent participation. You can market the financial coaching at parent nights, during workshops, in monthly newsletters, or during pick-up time for children. Some programs have found it helpful to have staff ask parents during parent-teacher night if they are interested in learning more about receiving financial coaching and then following up with them by phone to provide more information. If possible, the family service worker and financial coach could schedule a joint home visit for introductions.

Establish a clear communication plan between coaches and HS/EHS staff

If an external organization will be providing financial coaching to HS/EHS parents, an up-front conversation between coaches and HS/EHS staff will help improve communication if roadblocks are encountered during coaching. Ideally, HS/EHS programs can obtain permission from parents to discuss certain information with financial coaches, though parents should be assured that confidentiality in their interactions with their coach will be maintained. If HS/EHS staff are able to share information about parents—such as contact information or new financial challenges that arise—financial coaches can be better prepared to build on parents' strengths and address their needs. Discussing whether and how this information could be shared is important when entering into a partnership with another organization that will be providing the financial coaching services.

Recommended Resource

Tool 10: The Partnership Plan from [*Building Financial Capability: A Planning Guide for Integrated Services*](#) can be used to develop a plan for how partners will work together by establishing clear processes and policies up front. This clarity will ensure more effective and consistent service delivery and a better experience for families.

