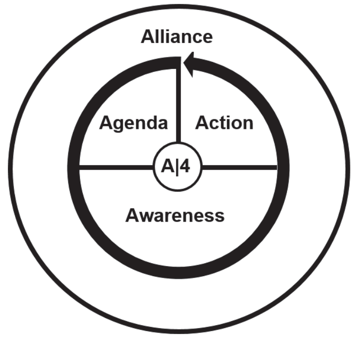
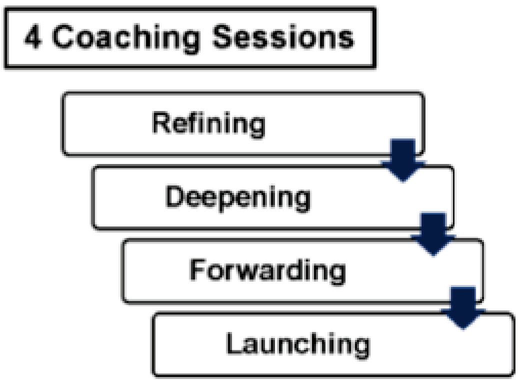
A|4 Financial Coaching Process

- **Alliance**: Creating the coaching relationship
- **Agenda**: Defining client's short- and long-term goals
- **Awareness**: Exploring motivation and challenges
- **Action**: Increasing positive financial behaviors





The A|4 Model suggests a minimum of 4 sessions to address the client's agenda and promote sustainable behavior change.

The focus for these 4 sessions includes defining the client's short and long-term goals, increasing awareness surrounding the goals and desired behavior change, and preparing for self-sustaining behaviors after the coaching relationship ends.

Visit **fyi.extension.wisc.edu/financialcoaching** for Coaching Information and Resources**:**
- Assessment Strategies and Measurement Instruments
- Marketing and Management Toolbox
- Professional Development – learning partners, past newsletters, book reviews

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THE ANNIE E. CASEY FOUNDATION

ALLIANCE

Coaching starts with the co-created partnership between the coach and the client. The alliance is about understanding each client's unique goals, dreams, values, strengths, and fears. Time is spent creating the alliance at the beginning of the coaching relationship, as well as through check-in's and celebrations throughout the coaching process. The coach is not an expert on what's best for the client, and the client understands that he or she is accountable to "the alliance," not the coach.

Establishing an alliance includes:

- Initial and ongoing relationship building
- Explaining the process of coaching – counseling vs. coaching, action and accountability
- Determining coaching schedule – meeting frequency, check-ins, celebrations, closure
- Discussing how to work together – responsibilities of coach and client, confidentiality, procedures for providing financial education or referrals

  - ✓ <u>Coaching Tools</u>: Coaching agreements, sample contracts, client contact forms, closure form, pre-assessments
  - ✓ <u>Coaching Skills</u>: Listening, powerful questioning, championing, validating, self-management, clearing, celebrating, mirroring
  - ✓ <u>Financial Skills</u>: If client is in crisis or not ready for coaching = money management basics, financial resources, referral sources

Sample Alliance Questions:

- What's your dream?
- What do you need from a coach?
- What keeps you motivated?
- How do you know when you're stuck?
- What would be helpful to know as we get started today?
- What's changed?
- What would you like to celebrate?

Coachability: When is a person coachable?

- Ready to make a change
- Willing to learn and grow
- In a relatively stable position, not in a crisis
- Self-responsible
- Committed
- Open
- Responsive

Therapy Referral: Does the client need a different type of help?

- Alcohol/Drug abuse
- Depressed/Suicidal
- Family issues
- Current domestic violence

AGENDA

This is the goal the client wants to work on with the coach. Client's typically have a long-term goal that influences their motivation to engage in coaching. While the focus is on moving towards this long-term goal, individual coaching sessions focus on smaller action steps along the way. The agenda for the session is defined by the client, not the coach. The coach's role is to facilitate the process to help the client refine and realize their goal.

Long-term Goal

I want to buy a house.

→

Short-term Goals

- Order a credit report
- Track spending
- Increase savings
- Or any other steps

→

Goal for Coaching Session

Setting the agenda includes:

- Discussing goals of agency – not goals of coach
- Disclosing accountability required by agency for coach and client
- Reviewing required sponsoring agency materials – budget worksheet, credit report information, pre-/post-surveys
- Define big A/little a – long term goals and goals for each coaching session
- Ongoing goal refinement and prioritizing

  - ✓ Coaching Tools: wheel or scale assessments, prioritizing activities, planning worksheet
  - ✓ Coaching Skills: Listening, curiosity, acknowledging, brainstorming, powerful questioning, reframing, articulating, requesting, asking permission, clearing, mirroring, summarizing
  - ✓ Financial Skills: basics of budgeting and tracking spending, credit reports/scores, behavioral economic principles, additional financial resources/referrals as appropriate

Sample Agenda Questions:

- What would you like to get out of coaching today?
- Around your goal, what would you like to focus on today?
- What do you want to walk away with by the end of our session?
- How will you know if this session has been helpful?
- If you fast-forwarded to the end of our session, what would feel like a home run?
- What's important about that right now?
- How does this session goal fit with your bigger picture?
- What would it take for you to feel like you're moving closer to your goal?
- What would having a (session goal = plan, strategy, budget, etc.) do for you?
- Where would you like to start?
- What's your main concern?
- What's on your mind?

Keep coaching goal-focused and future-oriented.
Work towards long-term change.

AWARENESS

Changing behavior comes down to increasing the client's motivation and addressing barriers to change. This exploration may trigger a revision of the agenda as the client aligns their behaviors with their values. Ideally, 75-80% of a coaching session is spent in the awareness phase.

Increasing awareness includes:

- Exploring:
  - What's important to the client? – this is what motivates changes in behavior
  - Personal competencies – What are they good at? What's their confidence level?
  - Challenges – What's getting in their way (real or perceived)?
  - Resources – What will support their change? What do they need to know?
- Topic areas - values, dreams, relationships, strengths, barriers

  ✓ Coaching Tools: values worksheets, visioning for future, perspectives worksheets and activities

  ✓ Coaching skills: Presence, listening, powerful questioning, inquiring, validating, curiosity, holding client's agenda, intruding, requesting, reframing, acknowledging, challenging, celebrating, asking permission, summarizing, mirroring, clarifying

  ✓ Financial skills: money management basics, behavioral economic principles, community resources

Sample Awareness Questions:

- What's your ideal situation?
- What do you really want?
- If anything were possible, what would you like to see happen?
- If you knew you couldn't fail, what would you do?
- What's important to you about your goal?
- What's the real issue here for you?
- On a scale of 1-10, how much energy do you have to devote to this?
- If the problem were solved, what would be different?
- How will you know you have reached your goal?
- What's the best – or worst – thing that could happen?
- What comes naturally to you?
- What steps have you already taken?
- Where do you feel stuck?
- How confident are you about the direction you're headed?
- What advice would you give someone in your situation?
- Was there a time when _________________ was easier?

> The client is the expert in their own life. Coaches don't give advice.
> Coaches can offer facts, resources, and observations.

ACTION

This involves the specific plans, intended action steps, desired behaviors, and homework that the client will undertake after the coaching session. The real change happens in between coaching sessions. Clients typically determine their own actions steps; otherwise, the coach can make a request to assign homework. Clients then report back on their progress and new insights. The commitment to action rests with the client. The client is not accountable to the coach, but to the shared Alliance with the coach. If the client successfully completed their action steps – celebrate! If they client was not able to follow through, explore the reasons and address barriers and supports for future success.

Forwarding the action includes:

- Moving the coaching session from exploration to concrete planning – steps, timeline
- Reviewing supports and resources needed for client success
- Anticipating barriers or challenges to success – What backup plans are in place?
- Discussing access to prompts, reminders, and other structures

The coach listens for cues from the client. Is the client starting to identify action steps? How motivated or ambivalent does the client sound about these next steps?

"I guess I could…" *"Maybe I should…?"* *"What if I tried…?"*

- ✓ Coaching Tools: goal log, mind maps, technology tools
- ✓ Coaching skills: Powerful questions, listening, direct communication, requesting, challenging, inquiries, validating, brainstorming, calling forth, structures, accountability, asking permission, championing, summarizing
- ✓ Financial skills: money management basics, behavioral economic principles, financial calculators, community resources

Sample Action Questions:

- What's your first step?
- What's next?
- Where do you go from here?
- When can you do that?
- What support do you need to be successful?
- What needs to be in place for you to move toward your goal?
- What's the best way for you to be accountable for your actions and to whom?
- On a scale of 1-10, what are your chances of success?
- What might get in your way?
- How will you know if you're on track?
- How would you like to check in on your progress?

"Our chief want is someone who will inspire us to be what we know we could be."
~ Ralph Waldo Emerson

Coaching Skills Glossary

Accountability: At the end of a coaching session, the coach helps the client identify action steps and support needed to move closer to their goal. The coach holds the client accountable to their goals through the Alliance and does not blame or judge if the client hasn't moved forward with their actions. Holding clients accountable might also include a homework request from the coach. Some coaches and coaching programs require tracking of client behavior changes and use of assessment tools at each coaching session.

(1) What are you going to do?
(2) When will you do this?
(3) What support do you need to be successful?
(4) How would you like to check in?

Acknowledging: The coach listens for the most important point, feeling, or value the client shares, and then reflects this back to the client. Acknowledgement can serve to strengthen the coach and client bond and increase the client's awareness. The most powerful acknowledgements focus on who the client is being: *"You're (strong, resourceful, creative, etc.)"*

Asking permission: The coach seeks agreement from the client to discuss a specific subject, to interrupt, share an observation, or make a request.

"I have an idea (or a financial resource or a tool). Would you like to hear what it is?"
"May I tell you what I see?"

Bottom-lining: Having clients get to the heart of their communication rather than engaging in long descriptive stories. Can also be used to challenge and examine discrepancies between what client's say they want and what actions they take. It's speaking the truth without judging.

"What's important about that?"
"I hear you saying you want this goal, yet you haven't moved forward towards it."
"What do you really want?"

Brainstorming: Coach and client together generate ideas, alternatives, and possible solutions. Some may be outrageous and impractical. This is merely a creative exercise to expand the possibilities available to clients and help explore options if the client is feeling stuck. The coach needs to be able to offer ideas without being attached to how they are received by the client.

Championing: Championing clients means standing up for them when they doubt or question their abilities. Despite a client's self-doubt, the coach knows clearly who their client is and that their client is capable of much more than the client may think.

Clearing: When clients are preoccupied with a situation or a mental state that interferes with their ability to be present or take action, the coach assists by actively listening while they vent or complain. This listening allows clients to temporarily clear the situation out of the way in order to focus on the coaching session.

Curiosity: The coach expresses a genuine interest in the client's thoughts and in exploring the client's own solutions. This can involve taking risks, being playful, and checking out gut feelings with the client.

- *"You mentioned ____________. What's behind that?"*
- *"If you did that, what could happen?"*
- *"I have a hunch that…"*

Holding the client's agenda: When coaches hold the client's agenda, they let go of their own opinions, judgments, and answers in support of facilitating the client's actions and process. Coaches follow the client's lead without knowing the right answer, giving solutions, or telling the client what to do. Holding the client's agenda requires coaches to put their whole attention on the client and the client's agenda, not on their own agenda for the client.

Intruding: On occasion, the coach may need to interrupt clients who are going on and on or getting off track from their goal. The coach does this for the sake of the client's agenda, not to intrude with their own agenda or to talk over the client. The coach can warn the client ahead of time that they may interrupt if the client appears to be losing focus.

Listening: The coach listens for the client's values, commitment, and strengths as expressed in words and actions. The coach is listening for the client's agenda and solutions, not thinking about his or her agenda or solutions for the client. The coach also listens for what the client may not be saying and shifts in the client's focus and energy.

Mirroring: The coach matches the client's pace both verbally and non-verbally. Mirroring includes body language, affect, words used, breathing, etc.

Powerful questions: The coach asks the client questions designed to clarify their wants, provide insight into their choices, and empower the client to move forward. Powerful or thoughtful questions are typically open-ended, short, and encourage the client to think differently than they might have without coaching.

- *"What could get in your way?"*
- *"Where else does this show up?"*
- *"How long are you willing to stay stuck?"*

Reflecting: When the coach listens to the client words and what's beneath the words, the coach then shares back what they heard the client say. This allows the coach to confirm they understand what the client has shared, to identify patterns, and to reframe the conversation.

Reframing: The coach provides clients with another perspective by taking the original information and interpreting it in a different way. It's intended to reflect outlooks and explore options, not to challenge the client's beliefs.

Requesting: Involves the coach asking the client to do something based on the client's agenda and designed to forward the client's action. The request includes a specified action, conditions of satisfaction, and a date or time for completion. The client could then respond to a request with yes, no, or a counteroffer.

Summarizing: The coach condenses and succinctly articulates information shared by the client in order to highlight key points and keep the conversation moving forward.

Structures: Structures are prompts or tools that remind clients of their goals, purpose, or the actions they want to take immediately. The coach can assist the client to put a structure in place if the client wants reminders or support to forward their actions. Pictures, calendars, alarm clocks, or an e-mail can serve as structures.

Validating: Accepting and supporting the client's thoughts, feelings, and reactions. Contributes to a positive coaching relationship and client's self-efficacy.

- *"It's only natural you felt that way."*
- *"Anyone in your situation would have reacted that way."*

Sources: *Coaching Questions: A Coach's Guide to Powerful Asking Skills,* Tony Stoltzfus, 2008.
Co-Active Coaching (2nd ed.), Laura Whitworth, Karen Kimsey-House, Henry Kimsey-House, and Phillip Sandahl, 2007.

What Can You Listen For?

Listening provides the foundation for coaching. When listening, it's not only important that the person feels heard and that you understand what's happening. You also need to listen for the deeper significance of what the person is sharing in order to help them increase self-awareness and move forward toward behavior change.

Emotions (What is the client feeling?)
- Fear
- Sadness
- Upset
- Anger
- Joy
- Doubt
- Resignation

Values (What's most important?)
- Family
- Freedom
- Connection
- Contribution
- Security

Resources (What does the client already have?)
- Time
- Good job
- Ideas
- Opportunities
- Friend/family connections

Inner Strengths (What are the client's character strengths?)
- Courage
- Awareness
- Maturity
- Responsible
- Open minded

Missing Resources (What does the client need to move forward?)

Time	A plan
Income	Encouragement
Experience	A job
Awareness	Skills
Support	Structure
Information	Commitment

Self-imposed Obstacles
(How does the client get in his/her own way?)
- Creates crises
- Withholds information/lies
- Too busy
- Procrastination
- Avoids responsibility

3 Levels of Listening:
1. **Internal** – Considered the 'me too/me next' mode of everyday listening. Coach is easily distracted by own thoughts and preconceived notions.
2. **Focused** - Listening for facts, patterns, themes, values emotions, and more. Pick up on what client isn't saying or sharing.
3. **Global** – Even greater focused attention on client and awareness of energy or attitude shift within client, atmosphere in the room, and incorporating surroundings into the coaching.

Sources: Financial Coaching Training Manual - A collaboration of Central New Mexico Community College and New Mexico Project for Financial Literacy. Funded by Bank of America and the Annie E. Casey Foundation. July 2010.
Co-Active Coaching (2nd ed.), Laura Whitworth, Karen Kimsey-House, Henry Kimsey-House, and Phillip Sandahl, 2007.

Powerful Questions

There is no right or wrong question for each client or situation. The best question is one that neither you nor the client knows the answer to. If you already know the answer to your question, don't ask it. Instead, ask permission to share your thoughts with your client or ask a different question. If you get stuck, here are some questions to consider.

Explore the client's beliefs and values:

- What are your top priorities?
- What is important about that?
- How do you know that?
- What are you proud of?
- How do you know when things are working well?
- What are you getting from that behavior?
- What if that didn't matter?
- What is possible?
- What is this costing you?
- Where do you feel successful in your life?
- What gives you joy?

Powerful Questions:

- Short – 7-10 words
- Start with 'what' or 'how'
- Avoid 'why'
- Focus on the person talking, not the problem

Explore a different perspective:

- How else can you look at this?
- Where do you see yourself in five years?
- What barriers might be in your way?
- How long are you willing to put up with this?
- Where else does this (pattern/thinking/belief) show up?
- How are things different today?
- What advice would you give someone in your situation?
- Who would you have to be to get that done?
- If someone gave you the right answer, what would they say?
- How would you feel about that when you are 95?
- What would your 95-year-old self tell you to do?

Powerful questions help deepen the client's understanding about what's important to them and why. They can help someone get unstuck and move closer towards their goal. Questions help the client to understand their actions and motivations, without having to justify past decisions.

Coaching Questions: Common Mistakes & Turnarounds

Searching for THE "powerful question"

There's a silence in the conversation and you rack your brain trying to think of that perfect question that will shine light on your client's situation. As the internal pressure mounts, it's easy to become disengaged from the conversation and lost in our own thoughts. The good news is there is no single powerful question that makes or breaks a coaching session.

One goal for coaching is to help client's gain more insight or see their situation from a different perspective. Sometimes that insight occurs simply from the client sharing their situation with a coach and reflecting on their own thoughts and actions. If your coaching brain freezes up or you have no idea what to draw from the conversation, you can:

- Ask for more information: "Say more about that," or "What else?" These inquiries don't interrupt the person's thought process and may provide more insight into the situation for both you and the client.
- Share your observation: "Sounds like you're struggling with that." An observation leaves the door open for the client to further consider their situation, and also provides the beginning coach with more time to think about that next question: "What's the struggle about?" or "What if this were easy?"
- Go ahead and ask an ill-formed question: "What in here do you want to do something about?" An awkward question sometimes evokes a clarification from the client "Where do I want to start?" If the client is confused by your question, they will let you know - "I'm not sure what you're asking?"- leaving the door open for you to redesign your question.

Coaching a 3rd Party

Coaching is between a coach and their client, or clients when coaching a couple together. Coaching is about staying focused on the client. When searching for solutions or even perspectives to a problem, beginning coaches sometimes shift focus onto the issue or problem the client is discussing: "How much money does this second job pay?" or "What is your schedule like?" Coaching is about the client and their perspective of their situation, so refocus your question: "What will a second job do for you?"

A new coach might also start to seek out information from someone who is not present, "What does your boss (or spouse or mother) think about you taking a second job?" Revisit your question from your client's perspective: "How does this second job affect your (current job, relationships, etc.)?"

Leading Questions

This is a type of closed question that seeks to give advice or fix the problem. Leading questions usually pop up when we feel like we have the best solution for the client's distress. Because coaching is about letting the client form their own solution, coaches sometimes disguise their advice in the form of a question and hope the client gets the hint:

- Have you considered tracking your spending?
- Shouldn't you check your credit report?
- Would it help to keep your credit cards at home?
- Could you ask for a raise at work?
- What about using a budgeting app?

What's the hidden message?

The giveaway is often the first word – could, would, have, should, isn't, have, etc.- and, frequently, the second word is 'you.' Leading questions arise when the coach makes assumptions about the issue the client has brought to the coaching session. When you catch yourself forming a solution in your head, turn that awareness into an opportunity to explore the issue with your client. For example, if the client is talking about running out of money mid-month, stay curious: "What do you think is behind that?"

If you do have a resource or approach you think would benefit the client, ask permission first: "I have tools that can be helpful for keeping track of where you spend your money. Would you be interested in that?" Better yet, find out what the client knows and does before you share: "I have some great tools for tracking spending that I'd be happy to share. First, I'd like to hear what has worked for you in the past."

The Forced Choice

This can be another advice-in-disguise approach to asking questions. The coach feels they have a good handle on the situation and wants to move the client along in the same direction.

- "Would you say you're feeling overwhelmed or discouraged?"
- "To control spending, would it be more helpful to leave your credit card at home or cut it up?"
    - When you catch yourself giving a choice between two options, one solution is to add a third choice, or better yet, leave the third option open: "…or what else?"
- "Either you stick to your budget or you continue to overspend, which will it be?"
    - An either/or question does get to the heart of the matter at the risk of alienating or overwhelming your client. Clients often feel stuck between two choices to begin with. The coach's role is to explore ambivalence and broaden perspective: "What other options are there?" or "What would the middle ground look like?"

Never-Ending Questions

This type of question shows up in a few different ways:

- The coach may be concerned the client may not follow their train of thought, so they provide the wind-up before the pitch: “When you were talking about how you spend more money or like go shopping when you’re bored, you know, you mentioned that there might possibly be other times when you overspend too. What else do you think might be going on there?”
  - Try jumping right in with your question, “What else is going on?” If the client isn’t sure what you’re asking, trust they will tell you, “I’m not sure what you mean.”

- Sometimes the coach may not be sure of the ‘right’ question to ask and attempts to fill the silence by thinking out loud: “When you were talking about how you spend more money or go shopping when you’re bored, that jumped out at me and I wondered if there were other reasons behind your spending. What do you think is behind that?”
  - Silence in a coaching conversation provides space for both the client and the coach to think. If you’re concerned that the client will take your silence as being distracted or disengaged from the coaching, one approach is to check in with your client: “Let me think about that a moment.”

- You ask an okay question and, just as the words leave your mouth, you think of an even better question: “What is it about your spending when you’re bored? What’s behind that? How does that affect your spending?”
  - Too many stacked questions can start to sound like an inquisition. For stacked and other rambling questions, practice cutting yourself off before you finish.