

CASH Coach Training

Baltimore CASH Campaign

June 13, 2015





Ground Rules:

- Authentic coaching when practicing
- Punctuality
- Mutual respect
- Be open to new ideas
- Confidentiality
- **HAVE FUN!**

Financial Opportunity Corps

- Innovative new program aimed at providing self-sustaining, long-term financial coaching to low-to-moderate income households. It's a partnership between Bank of America and Points of Light.
- Program combines one-on-one coaching with financial education workshops to increase the knowledge of individuals as well as help them reach their goals. The program is community-driven and volunteer-led.



FOC cont.

- After the training, volunteers engage with community members for a minimum six-month period, helping them develop strategies to reduce debt, improve credit, start saving for emergencies, access benefits, and build assets for long-term financial health.



Icebreaker



What is one happy purchase memory and one not-so-happy purchase memory?

Plan For the Day (On Agenda)

9:30 – 10:00

Introductions

10:00 – 10:15

Behavioral
Economics & Scarcity

10:15 – 11:15

Coaching & Money
Habitudes

11:15 – 11:30

Goal Setting

11:30 – 11:45

Break & Lunch

11:45 – 12:15

Paying Down Debt
& Credit

12:15 – 12:30

Coaching
Distinctions &
Powerful Questions

12:30 – 1:00

Practice Coaching

1:00 – 1:10

Break

1:10 – 1:40

Budgeting &
Savings

1:40 – 2:20

Coaching Tools
with More Practice

2:20 – 2:30

Final Pieces

Behavioral Economics

The study of why we don't always make the best financial choices for ourselves



Behavioral Economics

- Branch of economic and financial analysis that uses social, cognitive and emotional factors to understand the economic decisions of consumers, borrowers and investors, and their effects on market prices, returns and the allocation of resources.
- The central insight of behavioral economics is that **there are no neutral choices**. Every decision is influenced by the context in which it is made, and the things that influence decisions are more subtle and powerful than we recognize

Insights for Coaches

- People are often uninformed or confused
 - Many do not understand the terms of their mortgages or car loans
 - Up to 30% of people with adjustable mortgages who lost homes in the financial crisis thought they had fixed rates!
- People's desires often lead them to make choices which aren't the most "rational" or "efficient"
 - Instant gratification or "Present-Biased Preferences"
 - People prefer taking less or an inferior good today rather than more or a superior good in the future
 - People prefer lower interest rates up front with a rate hike than a moderate rate throughout, even when they are informed that it costs them more money!
- People assign different values to different "types" of money
 - Coding process for money known as Mental Accounting
 - People more willing to spend "found" money than "earned" money
 - Gamblers wager more when using a credit card than cash
 - People much more likely to travel to save \$100 on a \$400 computer than to save \$100 on a \$10,000 car.

Scarcity

- Scarcity of anything – time, money, food – takes up mental capacity and causes tunneling.
- Detrimental when chronically present in multiple aspects of life.

POVERTY
=
SCARCITY

What is Coaching?

<https://docs.google.com/file/d/0Bw5sflvHWEfKWk9FSWRQWm5uSXc/preview>

Coaching

- Coaching is a relationship based on the premise that people are:

**Creative, Resourceful
and Whole**

- Coach is not the expert. Coachee is. Coach facilitates.

Key Elements of Coaching

- A focus on long-term outcomes
- Ongoing, systematic, collaborative process
- Aimed at behavior change
- Support to practice new behaviors
- Building skills based on coachee's unique strengths, needs and goals
- Active listening

Steps

1. Goal setting
2. Action planning
3. Monitoring

Key Coaching Skills

- Reframing
- Clearing
- Challenging
- Bottom-lining

Please review coaching skills checklist.

Money Habitudes



How can this help you as a coach?

Please refer to Coach's Google Site for alternative
money personality quizzes to use during
coaching session.

C.O.A.CH Model

C = Competencies... know your coachee. What is going on and what has already been done about it? What are they really good at? Acknowledge their strengths.

- What would you like to talk about?
- What's going on and what have you already considered?
- What have you tried so far?
- How confident do you feel about the direction you're headed in?
- What resources do you need to help you decide?
- What do you know about it now?
- What resources are available to you?

C.O.A.CH Model

O = Outcome... What does your coachee want to happen?
Support your coachee in creating their own vision – what they will work toward.

- What do you really want?
- If you achieved your goal(s) what would that look like?
- What's possible here?
- If the problem were solved what would be different?
- What options can you create?
- How will you know you have reached it?

C.O.A.CH Model

A = Action... Focus on the details to outline the next steps
What is their commitment to action?

- What actions have you already taken toward your goal(s)?
- What are three steps to achieve your goal?
- What support do you need to accomplish it?
- What structure needs to be in place for you to consistently act toward your goal?
- How can you have this be easy?

C.O.A.CH Model

CH = Checking... The accountability rests with your coachee, but check in on their progress and support their commitment. Make sure you start each session with a check-in on previous action steps.

- What are the chances of success?
- What will you do, by when, and how will I know you've done it?
- What's the best way to communicate your accountability for your actions and to whom?

The C.O.A.CH Model

	Note Sheet
Competencies	What is working? Successes since the previous session.
Outcomes	What does the coachee want to get out of this session?
Action	What has been done? What is the next step the coachee needs to take?
Checking	How and when should we check in that this has been done?

Let's see an example!



Let's practice a key coaching skill!

- Share a recent success of yours with a partner for 2 minutes
- Partner – listen for 2 minutes without saying anything
- Then switch

Red Flags

- The Coach Program works with people who are basically financially stable. Coachees who are not stable need referrals.
- If Coachee:
 - Shows Mental Health Problems
 - Is Considering Bankruptcy
 - Shows Signs of Substance Abuse
 - Has No Source of Income
- We can refer to Maryland Volunteer Legal Services, Mayors Office of Employment Development, Earn Benefits, Foreclosure Counseling, health providers, etc.

Roles and Responsibilities

Coach

- Meet regularly with Coachee (at MOST once per week in person or by phone)
- Respect coachee confidentiality
- Help set goals
- Provide accountability and checking for coachee
- Maintain supportive and non-judgmental relationship
- Record goals and notes
- Submit trackers for each coaching session (preferred within a week of session)
- Call in advance in case of cancellation

Coachee

- Meet regularly with Coach
- Make a commitment to and set financial goal(s)
- Make a good faith effort to complete promised tasks
- Communicate outcomes honestly with coach
- Be open to constructive feedback
- Call in advance in case of cancellation

Understanding Coachee's Financial Realities

- Fewer financial assets
- Less likely to have employer benefits
- May be eligible for public benefits or special private programs
- Credit management critical
- Lack of experience with financial institutions & products
- Pressure on time and limited resources
- Understanding Money Values

SMART Goal Setting

Specific: Set clear, concrete goals.

Ex: Save \$3,000 to start an emergency savings account

Measurable: Identify measures to indicate you have reached your goals.

Ex: Measured by my savings account balance

Achievable: Ensure that your goals are realistic. Ask yourself the question of whether your goal is actually achievable or not, and be honest!

Relevant: Choose goals that are applicable to your personal development. Make sure that these goals are something you are truly invested in, because you will be focusing a great deal of time and energy on them.

Time Bound: Set a timeline that will guide your progress. Specifying a goal for two years down the road is not as powerful a motivator as one that you set for the next six months.

Ex: I will save \$250 per month and reach my final goal in 1 year.

SMART Goal

I will establish an emergency savings cushion of \$2,000 by August 1, 2015.

Lunch!



Financial Content

How to coach based on the following financial goals:

- Pay down debt
- Build or improve credit

Pay Down Debt

- Pay minimum payments
- Snowball
 - Focus on smallest debt first while still making minimum payments for all other debts
 - Once smallest debt is paid off, use the minimum amount from that debt adding it to your next smallest debt's minimum payment
- Avalanche
 - Focus on highest interest rate debt first
 - Overall, pay minimum amount in interest and take the shortest amount of time to pay off debts

If your coachee is unsure of their debt, you can review their **credit report...**

Repayment Strategies

Baseline

Debt	Balance	Rate	Min. Payment	Payoff Time	Total Interest
Credit Card 1	\$750	15%	\$10	18 years, 8 mo.	\$1,416.08
Credit Card 2	\$2,750	21%	\$50	15 years, 10 mo.	\$6,713.12
Retail Card	\$4,000	27%	\$95	11 years, 1 mo.	\$8,380.99
Loan	\$1,200	13%	\$20	8 years, 2 mo.	\$748.64

Total Int.

\$17,258.83

Total Starting
Balance:
\$8,700

Repayment Strategies

Minimum Payment Only

Debt	Balance	Rate	Min. Payment	Payoff Time	Total Interest
Credit Card 1	\$750	15%	\$10	18 years, 8 mo.	\$1,416.08
Credit Card 2	\$2,750	21%	\$50	15 years, 10 mo.	\$6,713.12
Retail Card	\$4,000	27%	\$95	11 years, 1 mo.	\$8,380.99
Loan	\$1,200	13%	\$20	8 years, 2 mo.	\$748.64

Total Int.
\$17,258.83

\$5/Month Extra Each Account

Debt	Balance	Rate	Min. Payment	Payoff Time	Total Interest
Credit Card 1	\$750	15%	\$10	6 years, 6 mo.	\$434.34
Credit Card 2	\$2,750	21%	\$50	10 years	\$3,842.26
Retail Card	\$4,000	27%	\$95	8 years, 8 mo.	\$6,348.69
Loan	\$1,200	13%	\$20	5 years, 9 mo.	\$502.95

Total Int.
\$11,128.24

Snowball \$20 Extra

Debt	Balance	Rate	Min. Payment	Payoff Time	Total Interest
Credit Card 1	\$750	15%	\$10	2 years, 7 mo.	\$154.90
Credit Card 2	\$2,750	21%	\$50	7 years, 4 mo.	\$3,335.92
Retail Card	\$4,000	27%	\$95	8 years, 8 mo.	\$7,511.04
Loan	\$1,200	13%	\$20	4 years, 4 mo.	\$473.82

Total Int.
\$11,475.68

Avalanche \$20 Extra

Debt	Balance	Rate	Min. Payment	Payoff Time	Total Interest
Credit Card 1	\$750	15%	\$10	7 years, 7 mo.	\$792.67
Credit Card 2	\$2,750	21%	\$50	7 years, 3 mo.	\$3,633.83
Retail Card	\$4,000	27%	\$95	6 years, 9 mo.	\$3,887.58
Loan	\$1,200	13%	\$20	7 years, 8 mo.	\$744.93

Total Int.
\$9,059.01

What is a Credit Report?

- Three national Agencies
 - Experian, Equifax and TransUnion
- A record of how you have paid debts including:
 - Identity information
 - Name, addresses, social security number
 - Credit history
 - Account records with different creditors
 - Inquiries from creditors and other private parties
 - Requests to receive your credit report
 - Public record information
 - Bankruptcies, tax liens, civil judgments

What is **not** on a Credit Report

- Checking and savings account information
- Income
- Medical History**
- Driving Record**
- Some payment history – example cell phone, cable bill, unless it goes to collection
- Credit Score (though this reflects your report)



Unpaid bills in collections and judgments can appear on the credit report

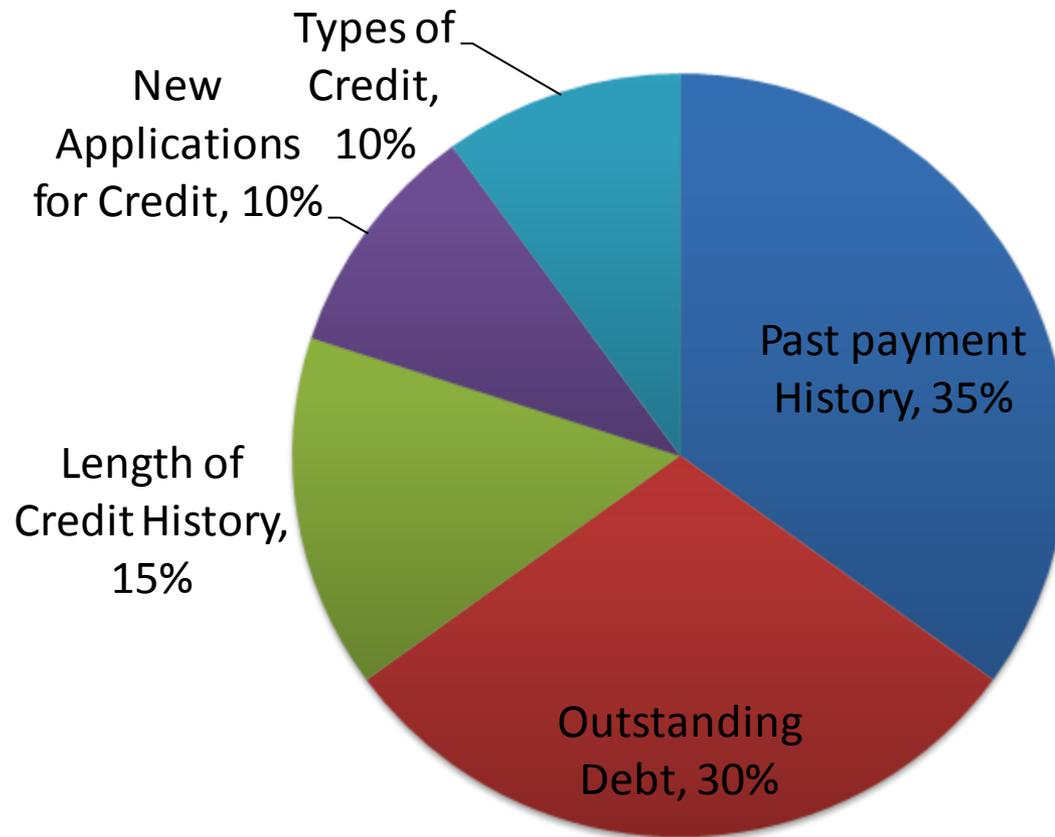
Why Review your Credit Report?

- You can review your credit reports each year for free
 - www.annualcreditreport.com
- It is an accurate account of your debt owed
- Review regularly to check for errors
 - If you think there is an error, you can dispute the charge. The creditor must respond in 30 days
 - Via annualcreditreport.com website
 - Letter to creditor and credit bureau
- Check for identity theft
 - File a report
 - Fraud alert
 - **IT'S A GREAT IDEA TO PULL A CREDIT REPORT WITH A COACHEE WORKING ON CREDIT OR DEBT.**

Build or Improve Credit



Calculating the Credit Score

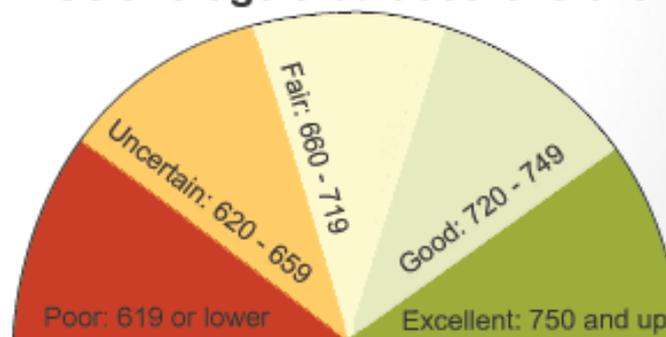


Credit Score Range

Fair Isaac Corporation:

- Between 700 & 850 – Very good/Excellent credit score.
- Between 680 and 699 – Good credit score.
- Between 620 and 679 – Average or OK score.
- Between 580 and 619 – Low credit score.
- Between 500 and 579 – Poor credit score.
- Between 300 and 499 – Bad credit score.

US average credit score is 678.



How do you compare?

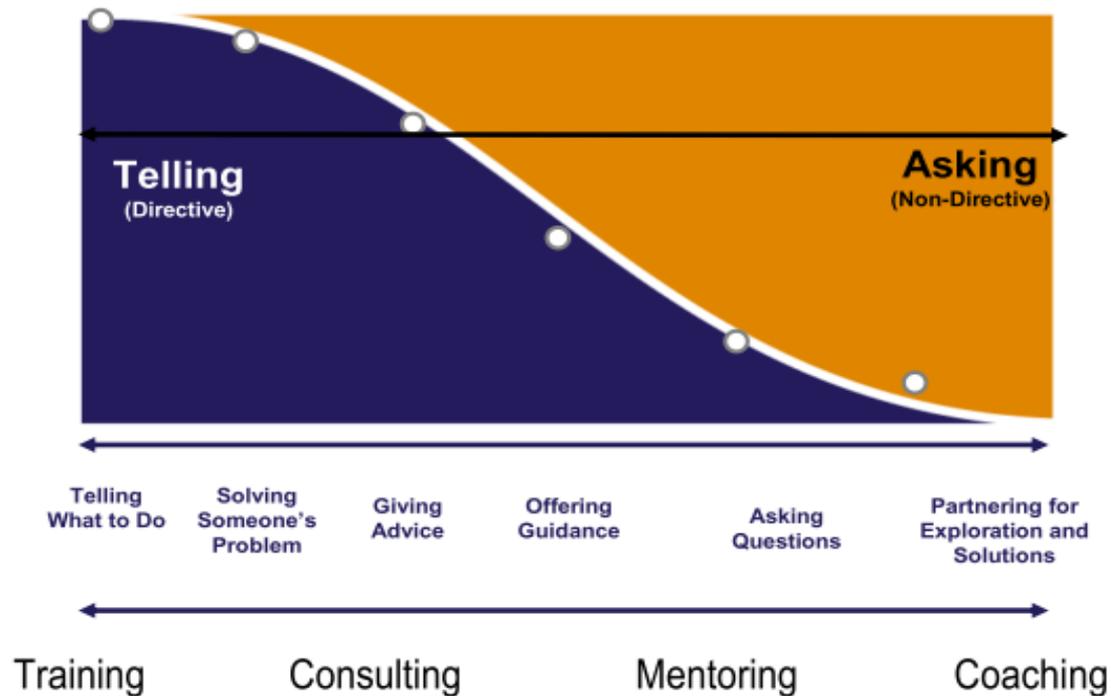


If you have no credit....

- **Is it a problem or not?** Depends on your lifestyle and goals.
- **Small loan or credit card account with a credit union:** Credit unions may be more willing to take a risk on someone with no credit.
- **Secured Credit Card:** You place a deposit (typically around \$200) to back up payments.
- **Credit Builder CD Loan** - offered by many credit unions, this product allows you to purchase a Certificate of Deposit through installment payments. At the end of the term, you own the CD.

Coaching is about asking questions

COACHING DISTINCTIONS



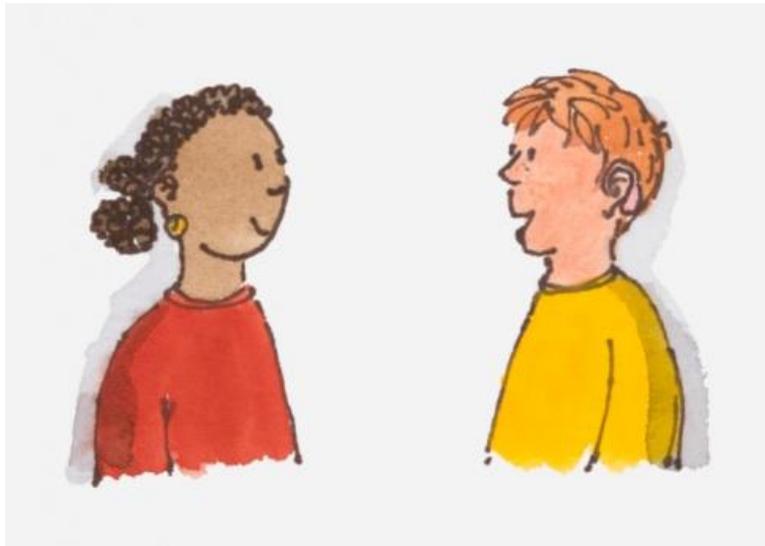
Adapted from Corporate Coach U Int'l model

Powerful Questions

- The idea of coaching is to help the coachee identify a goal and use their own resources and talents to develop an action plan, take action and achieve that goal.
- One way to elicit this inner resourcefulness and creativity is by asking **powerful questions**.

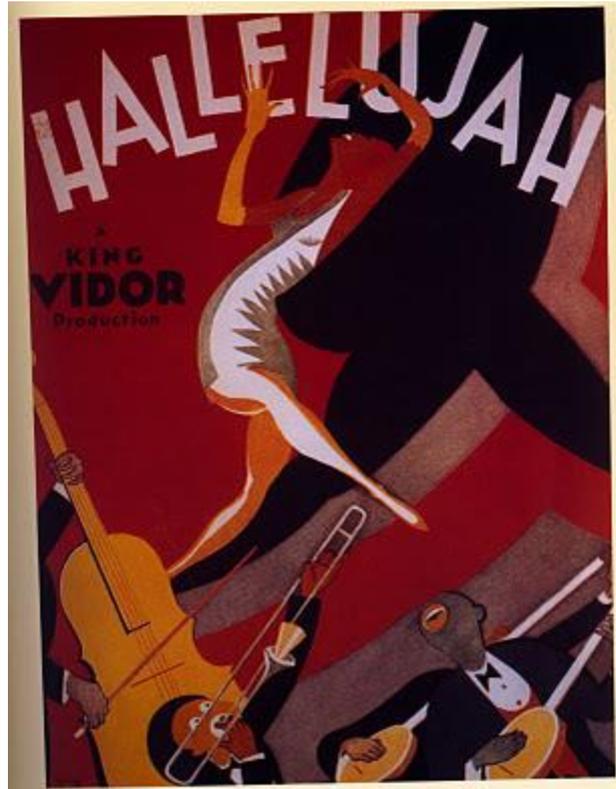
Let's Practice!

- Use powerful questions and SMART goals
- Coach practice in pairs



- Debrief

BREAK



Financial Content

How to coach based on the following financial goals:

- Create a budget/Create savings

Things to consider in a spending plan

- Income
- Expenses
 - Variable
 - Fixed
- Needs vs. Wants (different for everyone)
- Categories that are relevant to you

Sample Monthly Budget

Category	Expected Amount	Actual Amount	Difference after month
Income			
Salary/Wages	\$1000		
Public Benefits	\$700		
Other Income	\$25		
Expenses			
Rent	(\$500)		
BGE	(\$65)		
Bus Pass	(\$65)		
Groceries	(\$240)		
Clothing	(\$40)		
Medical	(\$25)		
Fun	(\$120)		
Cigarettes/Lotto	(\$20)		
Phone	(\$75)		
Savings	(\$50)		
NET	\$525		

More than one way to budget...

- Can you build a spending plan for a person who does not have a regular or fixed income, i.e., for someone who does not know how much they will earn each week or month?
- How is it different from a regular budget?
- What do you think may be the benefit of this approach for your coachee?

Cash Flow Budget

	Week 1	Week 2
Beginning balance for the week	\$37.00	\$142.37
Sources of cash and other financial resources		
Income from job	\$305.34	\$290.80
SNAP	\$280.00	
Public housing voucher	\$650.00	
Total sources of cash and other financial resources	\$1,272.34	\$433.17
Uses of cash and other financial resources		
Housing	\$650.00	
Utilities	\$59.97	\$95.50
Groceries	\$180.00	\$80.00
Eating out (meals and beverages)		
Transportation	\$240.00	\$60.00
Total uses of cash and other financial resources	\$1,129.97	\$235.50
Ending balance for the week	\$142.37	\$197.67

Ending balance from previous week.

To get a starting balance, total your cash, debit card, and account balances

Total sources minus total uses.

This becomes your beginning balance for next week.

Reading a cash flow budget: Scenario overview

- Rafael is a single parent with two children.
- He is often late with his rent and other bills, because he does not have the money when he needs it.
- After tracking his spending, he developed a cash flow budget with the assistance of his financial coach.

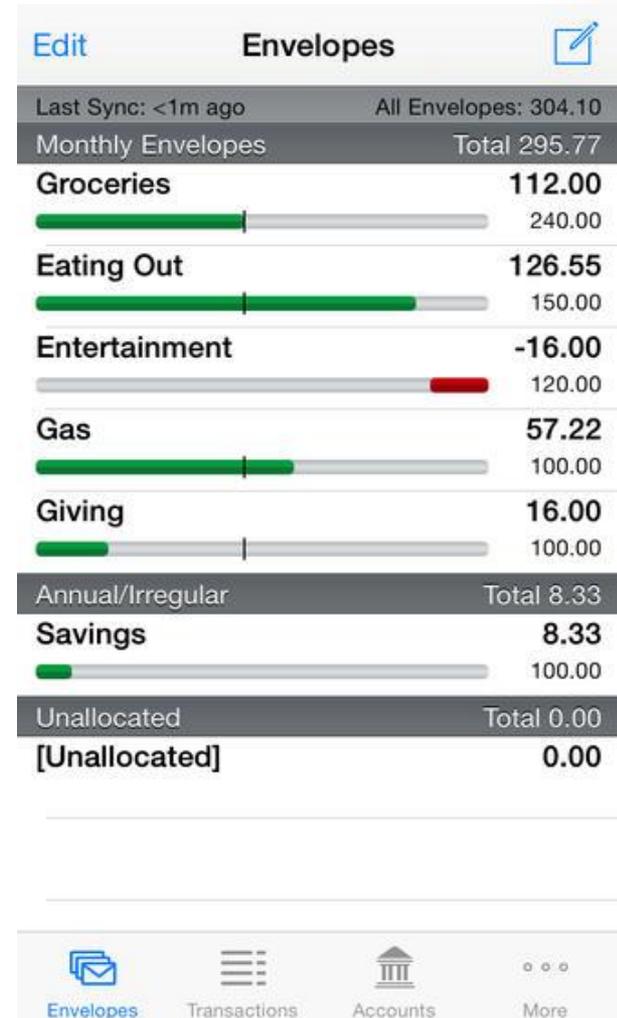
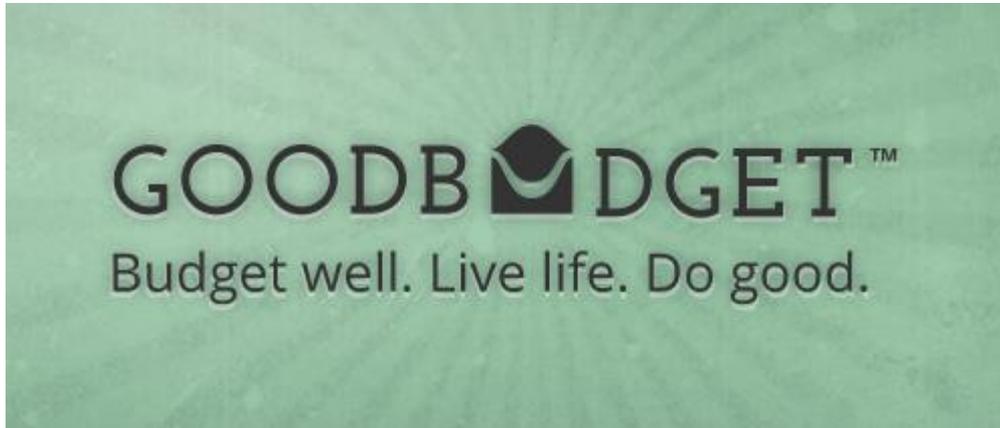
Managing Cash Flow Scenario

	Week 1	Week 2	Week 3	Week 4
Beginning Balance for the Week	\$257.00	-\$411.00	-\$127.48	-\$621.22
Sources of Cash & Other Financial Resources				
<i>Income from Job</i>		\$932.00		\$932.00
<i>Income from Part-Time Job</i>	\$60.00	\$60.00	\$60.00	\$60.00
<i>SNAP</i>	\$412.00			
Total Sources of Cash & Other Financial Resources	\$729.00	\$581.00	-\$67.48	\$370.78
Uses of Cash & Other Financial Resources				
<i>Debt Payments</i>				
Credit Card Payments			\$45.00	
Personal Loans				\$100.00
Student Loan		\$235.00		
<i>Savings</i>	\$0.00	\$0.00	\$0.00	\$0.00
<i>Housing (Rent including utilities)</i>	\$785.00			
<i>Utilities</i>				
Television		\$63.48		
Internet Service			\$22.74	
Phone and Cell Phone Service			\$66.00	
<i>Household Supplies & Expenses</i>		\$25.00		
Groceries	\$200.00	\$80.00	\$80.00	\$80.00
Eating Out (Meals and Beverage)	\$25.00	\$25.00	\$25.00	\$25.00
<i>Transportation</i>				
Car Payment			\$185.00	
Fuel	\$60.00	\$60.00	\$60.00	\$60.00
Auto Insurance		\$150.00		
<i>Childcare</i>	\$50.00	\$50.00	\$50.00	\$50.00
<i>Misc.</i>	\$20.00	\$20.00	\$20.00	\$20.00
Total Uses of Cash & Other Financial Resources	\$1,140.00	\$708.48	\$553.74	\$335.00
Ending Balance for the Week (Sources - Uses)	-\$411.00	-\$127.48	-\$621.22	\$35.78

Tips for Working with Clients on Budgets

- Help them track their spending on a daily basis.
- Help them focus on their ultimate **goals**. It's not about *sacrifice*. It's about making **informed choices**.
- Don't always focus on cutting expenses. Consider strategies for raising income.
- Allow for fun.
- Find a system that works for them and make it easy to follow.
- Use what you know about their habits.
- More ideas?

Budget Tools



Budget Tools

Mint - Personal Finance, Budgeting, Money Management, Financial Management, Money Manager, Budget Planner, Free Budget Software, Online Banking - Mozilla Firefox

File Edit View History Bookmarks Yahoo! Tools Help

Mint - Personal Finance, Budgeting, Money ...

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WHAT IS MINT? HOW IT WORKS FIND SAVINGS COMMUNITY COMPANY

Mint Canada

The best free way to manage your money.

Mint brings all your financial accounts together online or on your mobile device, automatically categorizes your transactions, lets you set budgets and helps you achieve your savings goals.

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FEEL IN' the LOVE

abc NEWS "Two great features: It's free & it's easy to use"

The New York Times "Your financial situation, in the palm of your hand"

Money "Our top pick ★★★★★"

Like 136k

Simply amazing. This is exactly what each bank should actually

"...You have already helped me save money. I'm saving hundreds

start 10 Microsof... AARP RFP... BCASH Staff... BCASH Staff... BCASH Staff... CCBC Present... May FSW 2010 FSW 5_4_12 Mint - Person... 9:05 AM

Income Generation

- Let's brainstorm alternative ways for income



Income Generation Strategies

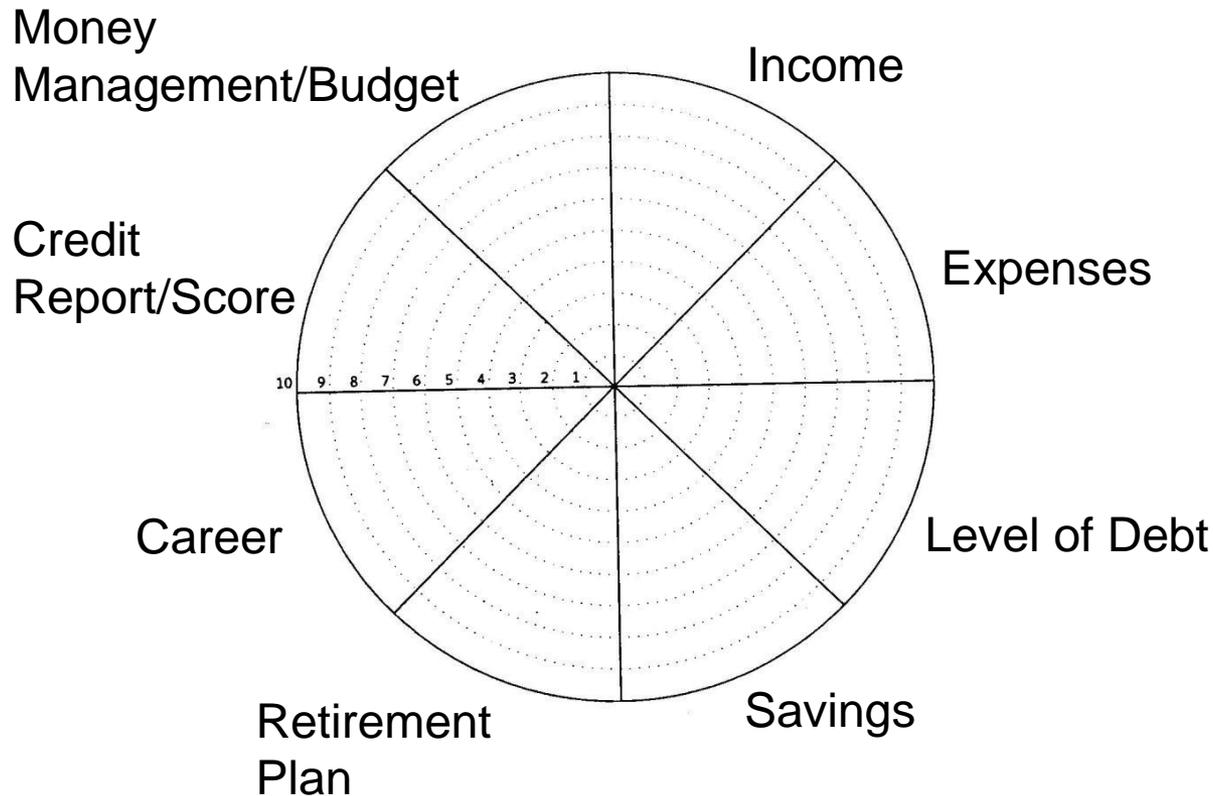
Increase Hours	Part Time Job	Mow Lawns	Sell Old Electronics
Public Benefits	Uber Driver	House Sit	Sell Plasma, Hair, etc.
Bake Sale	Sell on Etsy	Paint Houses	Rent Garden Plots
Clean Pools	Yard Sale	Tutor	Sell on Craigslist, eBay
Research Surveys	Wash Cars	Pet Sit	Consignment Sales/Stores
Shovel Snow	Write an eBook	Medical Tests	Collect Change (Car, Couch)
Baby Sit	Online Surveys	Online Gigs	Recycle/Sell Scrap Metal
Movie Extra	Rent Parking Spot	Teach a Class	Clean Houses
Clean Gutters	Sell Books	Crafting	Return Items to Stores
Busking	Part-time Business	Rent a Room	Scoop Poop (lawns)
Crowd Funding	Golf Caddy	Teach Music	Emptying Foreclosed Property
Take Photos	Hang Christmas Lights	Secret Shopping	Web Design/Programming
Art Model	Collect Cans	Translate	Small Engine Repair
Surrogate	Sell Garden Produce	Clip & Sell Coupons	Become a Temp

Coachees Facing Debt/Collections Crisis

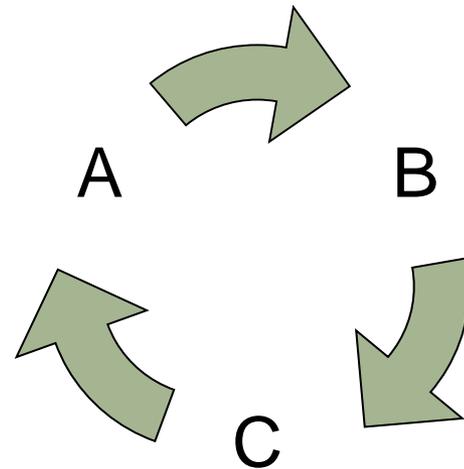
- Coachees facing imminent crisis represent a special case
- **DO NOT** give advice (recommend bankruptcy, recommend stopping payment on a debt, etc.)
- **DO** make referrals and reach out for assistance
 - Consumer Credit Counseling Services
 - Baltimore CASH Campaign (can provide coaches additional information and assistance and referrals to coachees)

Coaching Tool: Wheel of Money

Rate your current financial status with 0 being poor and in the middle of the circle and 10 being high and at the outside of the circle.

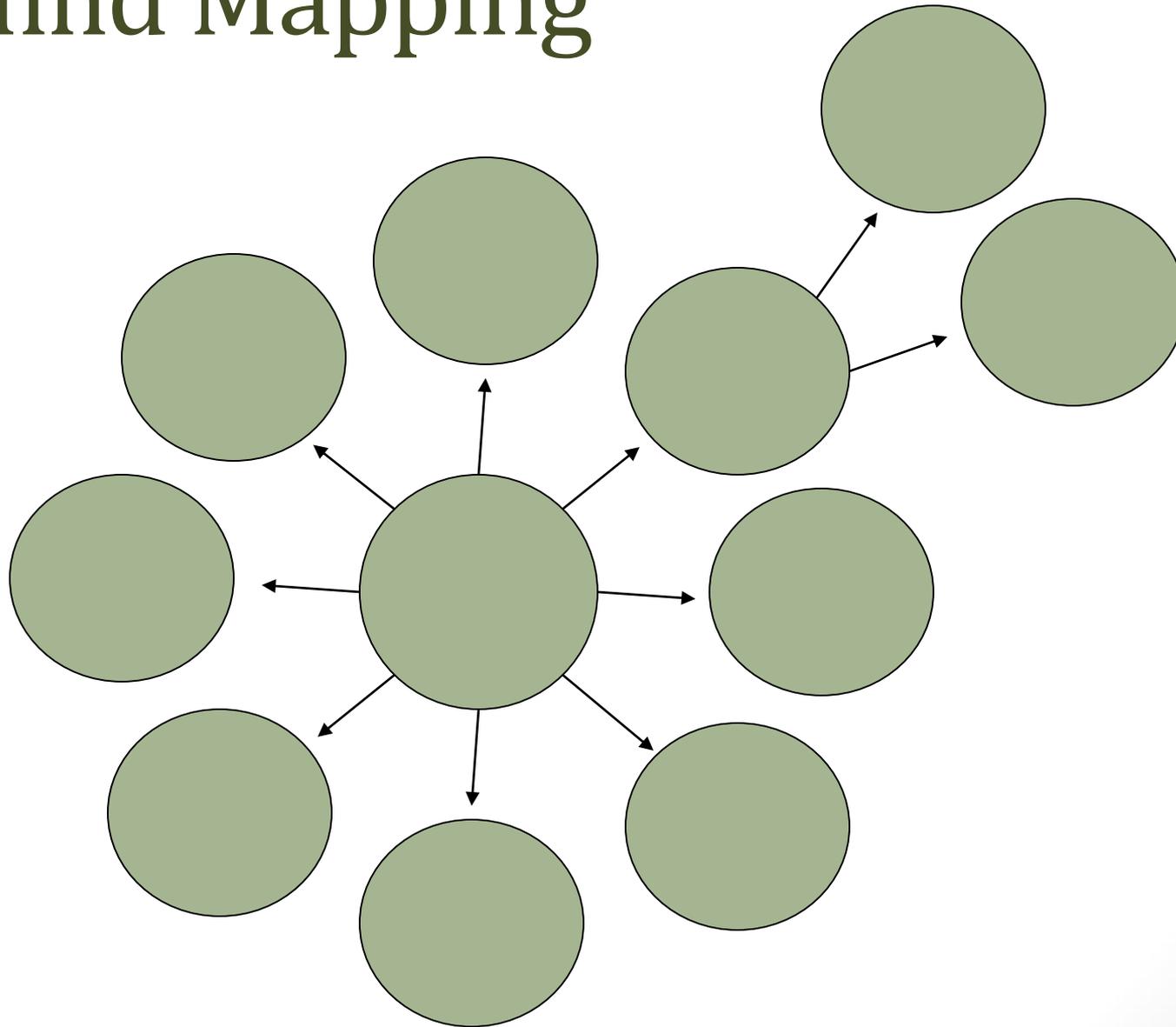


Coaching Practice in Triads with Wheel of Money



Please work with someone new!

Mind Mapping



Referrals



- Earn Benefits
 - Pro-Bono Resource Center
 - Legal Aid
 - Free Tax Preparation
 - Banking Services (MECU)
 - Guidewell Financial Services (formerly CCCS)
 - Other Partners
-
- Find more local community resources on coach Google site.

FOC Evaluation Materials

- Coach-Coachee Agreement
- FOC One-on-One Coach/Coachee Interaction Tracker

Timeline:

- First meeting with coachee: Sign Coach-Coachee Agreement
- Monthly: Check in call/email with Lauren and submit Interaction Trackers for every meeting – highly preferred within one week of coaching sessions
 - Trackers are online forms
 - Links are specific to each coachee
 - Fill out blank form each month, emailed blank form after submitting a form or Lauren can email you a link

Sample Tracker and Action Steps

Client First Name

John

Client Last Name

Smith

Coaching Session Date

Month: [v] Day: [v] Year: [v]

Session Start Time

06:00 AM

Session End Time

07:15 AM

Financial Goal 1

[Please Select] v
[Please Select]
Develop/Maintain a Budget
Improve Credit
Open/Maintain Checking Account
Open/Maintain a Savings Account
Reduce Debt
Reduce Reliance on High Cost Lending Options
Other Financial Goal

Discussion Notes & Next Steps

[Text area for discussion notes and next steps]

What, if any, challenges did you experience during this session?

[Text area for challenges]

Would you like additional support from the VISTAs?

- Yes
- No

Submit

Financial Goal 1

Improve Credit v

Completed Action Steps *(select all that apply)*

- Order credit report
- Read and analyze credit report to determine if you are ready to apply for credit
- Develop a plan to build and repair your credit history
- Contact your lenders to renegotiate payment plans
- Report errors on your credit report
- Pay your loans on time
- Reduce your debt levels
- Apply for a small loan
- Apply for a credit card
- Secured credit card
- Obtained a credit builder loan
- Other:

Assigned Action Steps *(select all that apply)*

- Order credit report
- Read and analyze credit report to determine if you are ready to apply for credit
- Develop a plan to build and repair your credit history
- Contact your lenders to renegotiate payment plans
- Report errors on your credit report
- Pay your loans on time
- Reduce your debt levels
- Apply for a small loan
- Apply for a credit card
- Secured credit card
- Obtained a credit builder loan
- Other:

Passport to Prosperity

- A program developed by the Maryland CASH Campaign in an effort to incentivize increasing an individual's financial knowledge.
- Participants earn points by attending financial education classes, checking credit reports, setting and reaching financial goals, working with a financial coach, and more.
- By earning points participants move through the program's ranks: Academy Student, Academy Honor Student, Academy Scholar and Ambassador and may receive rewards such as certificates, website recognition (optional), and the chance to win prizes.
- To learn more or to sign up, go to www.mdcashacademy.org
- Be sure to have your member completely fill out the enrollment form so that MD CASH can get in touch with them if they win.
- If you have questions, contact Nick Melefsky at nick@mdcash.org

Baltimore CASH Coaches Resource Website

<https://sites.google.com/a/baltimorecash.org/baltimore-cash-coaches/>

Next Steps

- Please complete the FOC Coach Training Post Survey! 😊
- After training, will be sent resource site link where you can find training PowerPoint and in about two weeks, will be emailed a coach training evaluation survey
- **Financial Coaching Meet and Greet:**
Tuesday, June 16th, 6-7 PM
Enoch Pratt Central Library, 400 Cathedral St., Baltimore
- 30- Minute Practice Sessions via Phone – required
 - Please sign up today!
- We will match you with a coachee
- Match Introduction Call with Lauren and/or Charles
- Meet in a safe place: school, library, food court, community center, office, etc.
- Save the Date! Next CASH Coach Group Call – July 9th, 6-7 PM and Next Meet and Greet July 14th if not matched before then!



Thank you!

Lauren Stadnick

Lauren@baltimorecash.org

Charles Williams

Charles@baltimorecash.org