

Urban Institute Evaluation of Financial Coaching Impacts and Implementation: Lessons and What's Next

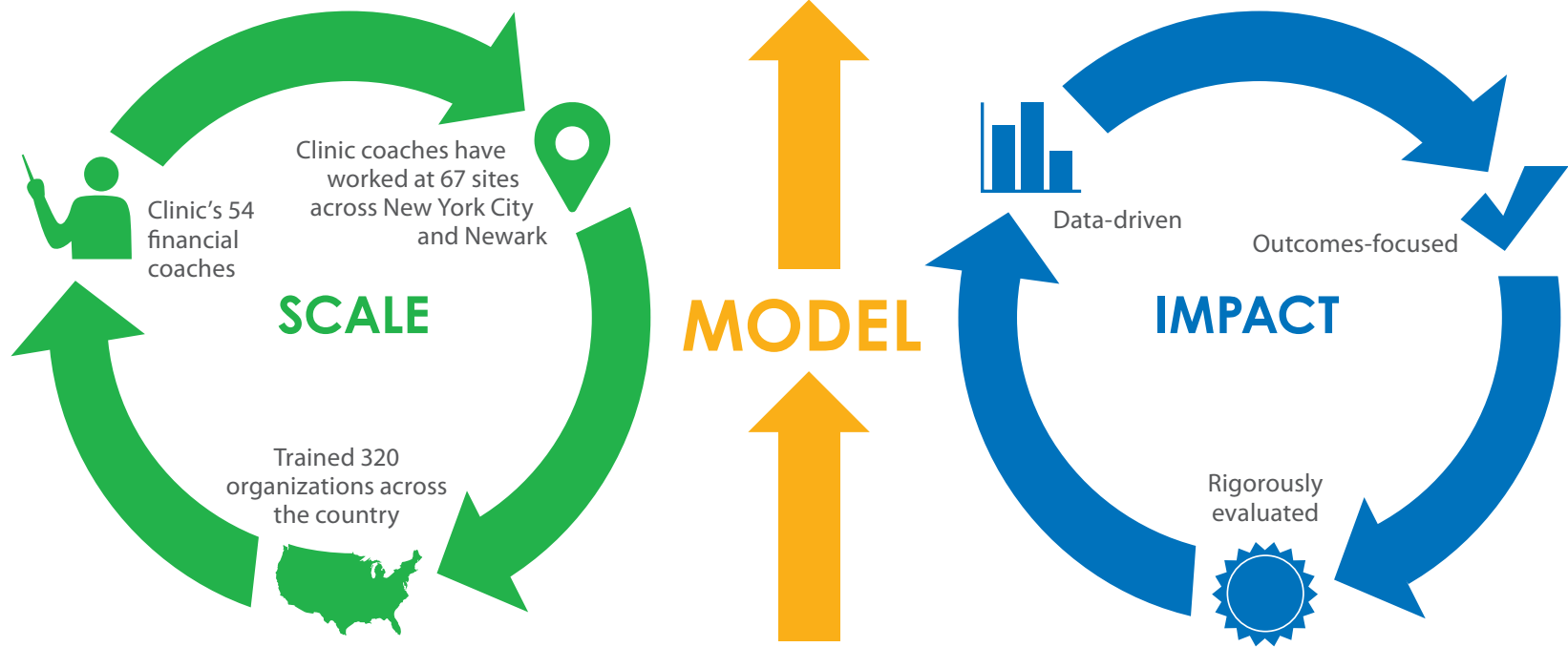
Nov. 16, 2015

The Financial Clinic

*Building financial security and
improving financial mobility*

The Financial Clinic & Why We Did It?

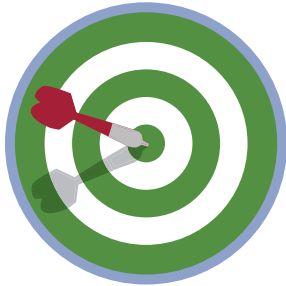
MISSION: Building financial security



VISION: A nation where everyone is financially secure

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Model Outcomes



Goals

Achieve Action-Driven Goals



Assets

Save Consistently



Banking

Decrease the Cost of Financial Transactions



Credit

Improve Credit Score



Debt

Decrease Debt



Taxes

Save a Portion of the Tax Refund for a Financial Goal

Coaching Process



Results

| Area | Metric | Movement | Clinic TOT | Clinic TOT Sig |
|----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|----------|------------|----------------|
| Number of Savings Deposits | Number of deposits into savings | Positive | 3.153 | 5% |
| Savings Amounts | Total account balance | Positive | 1,721 | 5% |
| Perceived Progress toward Savings | Progress toward increasing nonretirement savings or emergency rainy day funds | Positive | 0.250 | 1% |
| Levels of Debt | Utilization rate of open revolving accounts | Negative | -0.119 | 10% |
| Debts Paid Off | Progress toward paying down debts | Positive | 0.186 | 5% |
| Payment Patterns | Pays bills on time most of the time or very often | Positive | 0.167 | 5% |
| Delinquencies | Balance on items in 90 to 180-day delinquency | Negative | -1167 | 1% |
| Alternative Financial Services | Took a credit card advance | Positive | 0.060 | No |
| Credit Score and Progress toward Improving Credit | Credit Score | Positive | 33.10 | 1% |
| Credit Score and Progress toward Improving Credit | Made a lot or some progress toward improving credit | Positive | 0.201 | 5% |
| Financial Planning | Progress toward improving money management (budgeting) skills | Positive | 0.340 | 1% |
| Financial Stress | How often want to go out but can't afford to? (1-7) | Negative | -0.748 | 5% |
| Perceptions of Financial Well-Being and Confidence | Very confident in ability to achieve financial goals | Positive | 0.157 | 10% |
| Perceptions of Financial Well-Being and Confidence | Progress toward improving household's financial security/ ability to take care of family/ live more comfortably | Positive | 0.278 | 1% |

Takeaways

WHO

Who did better?

- No systematic differences in the overall outcomes
 - Baseline demographic characteristics
 - Initial financial characteristics and behaviors

WHAT

What areas does coaching work in?

- A surprisingly broad range of financial and well-being metrics.
 - Increased savings and decreased debt
 - Improved financial control

HOW

Can we achieve behavior change?

- In the medium-term, yes!
 - Paying bills on time, frequency of savings deposits

Program Changes

Redefined Outcome Targets

Created New Goals Tools

Created New Supervision Structure

Institutionalized Financial Capability Survey

Moving toward Longer First Meetings

Reevaluating Soft Skills in Recruitment and Ongoing Training

Post-RCT Clinic

Instituted Continuous Quality Improvement

Dedicated Staff to Supervise Data

Trying New Project Management Structure

Developing Partners Criteria

Financial Security “Ecosystems”

Learn More



FREE Financial Coaching Training

Change Machine offers regularly scheduled virtual presentations on financial security fundamentals and specialized topics. Learn about assets, banking, credit, debt, taxes and goals.

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Join the Discussion



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