



What is Financial Coaching?

Financial Coaching is a client-driven process in which individuals and families work to reach personalized goals related to improving their financial well-being. Coaches should not provide expertise on their clients' financial issues, but offer tools and resources, encouragement, and monitoring throughout the process of self-directed behavior change. Specifically, financial coaches in Texas will adhere to the following criteria:

- Support individuals and families as they practice new behaviors and skills;
- Guide clients through the self-directed process by engaging in active listening and critical questioning;
- Partner with clients to assist them to establish beneficial financial habits that will support healthy long-term financial behaviors;
- Empower each client to be the expert on his/her specific need(s), goal(s), and choice(s) and to set reasonable goals and timelines;
- Respect clients' decisions and goals;
- Motivate every client to create an action plan that suits his/her individualized goal(s);
- Encourage the clients as they work through each step of reaching their goal(s) by providing accountability and keeping them on track with their action plans.

Standards and Core Competencies of a Financial Coach

- Financial coaches are trained on basic personal finance and individual coaching methods. These skills help coaches provide professional assistance in the development of habits and behaviors that enable individuals to meet their designated financial goals.
- Financial coaches use appropriate communication skills to enable clients to be the experts for their own financial situation, and to make all client-driven decisions about financial matters (i.e. goal-setting, changing behaviors, putting together an action plan, etc.).
- Financial coaches use effective assessments and tools to encourage client learning and behavioral changes necessary to reach financial goals.
- Financial coaches know when to refer a client to a different organization if his/her needs are outside the scope of the financial coach's job skills or expertise.
- Financial coaches demonstrate professional boundaries without offering financial advice to clients.
- Financial coaches maintain confidentiality and respect the client's privacy by not disclosing any information revealed at any time, except in a situation where both parties agree to do otherwise based on the circumstances at hand.
- Financial coaches work to establish a trusting relationship with every client based on honesty and mutual respect.
- Financial coaches provide disclosure to a client of any potential or perceived conflicts of interest.
- Financial coaches representing any nonprofit or social welfare organizations in Texas provide financial coaching services at low- or no cost to their clients, and do not sell, distribute or receive any monetary compensation for the sale of a financial product or related information.
- Financial coaches in Texas will adhere to this set of Standards and Core Competencies when providing coaching services to clients in Texas.