



Big Benefits for Texas Employers and Workers:

*A Case Study of Strategies to Integrate Financial Coaching into an Existing Employer-Based
Small Dollar Loan Program*





About RAISE Texas

When it comes to reaching underserved markets and populations, RAISE Texas is proud to be a national innovator across multi-sectors, providing financial support, resources, and technical expertise throughout Texas, focusing on low-and moderate-income areas.

As a statewide network of non-profit organizations, for-profit corporations, and public institutions, RAISE Texas acts as a resource for local and state leaders as well as community organizations, helping them to offer asset-building programs and services to all Texans.

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Table of Contents

Acknowledgements	2
Executive Summary.....	3
<i>A Case Study: Strategies to Integrate Financial Coaching into an Existing Employer-Based Small Dollar Loan Program</i>	5
Appendix A: Sample Materials Used in the Case Study	15
Appendix B: Focus Group Findings	19
Appendix C: Financial Coaching Evaluation Analysis	28
Appendix D: Financial Coaching Videos	33

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Executive Summary

Too many Texas workers are living in financial insecurity. One of the promising solutions to help alleviate the financial stress on hard-working Texans is an employer-based financial wellness program that integrates financial coaching and other financial empowerment programs into the employee benefits program. Financial Coaching, a client-driven process in which individuals and families work to reach personalized goals related to improving their financial well-being, is showing powerful results in helping individuals increase savings, reduce debt, build credit and reach their financial goals. In addition to employee benefits, multiple studies document that programs supporting financial well-being for employees also benefit employers through higher employee retention and improved productivity.

The Community Loan Center (CLC) is a successful employee benefit program being offered at 184 Texas employers across the state. It is a streamlined online platform that enables employees at participating employers to borrow up to \$1,000 with affordable interest rates and loan terms. The small dollar loans are not underwritten using a borrower's credit score and are provided from a centralized platform through a network of nonprofit and community development organizations, which makes this program very accessible and easy for both employers and their employees. To date, the CLC has made more than 55,000 loans with low default rates.

From its inception, the CLC employer-based small dollar loan program has offered borrowers the opportunity to engage in free financial coaching when employees apply for a loan. CLC partners have found a high level of interest, but an extremely low level of participation. Through testing interventions and CLC borrower focus groups, this case study explores barriers and opportunities to build on this existing small dollar loan platform to offer free financial coaching.

Main Findings throughout Entire Study:

- **Informing CLC borrowers that financial coaching is available and accessible is not enough to move them to engage in financial coaching services.** The first phase of the case study used control and experimental groups to test the timing of each contact, different communication methods, and the frequency of contact but yielded no increased engagement with financial coaching.
- **Employees did not have a clear understanding of financial coaching.** Focus group participants believed that financial coaching was something they "should" do, but many had a negative perspective of financial coaching, assuming it was prescriptive, and telling them what they needed to do, rather than responsive to their personal goals. Other participants had no knowledge of financial coaching at all and were unclear what was being offered.
- **Employees considered the required intake forms for financial coaching to be intrusive and were reluctant to fill them out.** Focus group participants expressed concerns about filling out online forms that asked for too much personal information, including detailed income, savings information and social security number. They indicated that such detailed intake forms were a barrier to participate in financial coaching.

- **The current structure of the existing CLC employer-based program makes it difficult to incorporate high touch services.** Focus group participants demonstrated little or no knowledge of the organization offering the CLC loan program and the financial coaching services. The overall structure of the Community Loan Center is set up to be a quick, online, anonymous application process for employees to receive a small dollar loan. The employees use the online portal since this product was designed to be accessible with little human interaction. While the structure of the CLC works well for small dollar loan products, adding on high touch services to an online program led to challenges engaging employees in financial coaching.
- **Financial coaching, when attended, was beneficial to employees.** Employees truly appreciated financial coaching and found it to be valuable when they attended a session.

Recommendations:

The case study did not lead to broad-based engagement in financial coaching by employees at CLC partner employers, but it did shed light on strategies to address barriers to improve future engagement.

- **Employer support and endorsement of financial coaching is a key component of building trust with employees.** Financial coaching, where possible, should be marketed to employers as a key component of the CLC program rather than an add-on service. Promising strategies included getting front-end employer support of financial coaching and including financial coaching in all presentations and outreach related to the CLC program. Employer incentives to participate in financial coaching, such as health insurance discounts, were another promising strategy.
- **Ensure employees understand the structure and benefits of financial coaching.** Employees were more interested in financial coaching when they realized it was about achieving their personal goals rather than simply lessons in budgeting and money management.
- **Simplify intake forms.** Intake forms should be as simple as possible. Asking too much personal financial information upfront, before offering any service, proved to be a barrier.
- **Actively promote the program and make it accessible.** Financial coaching should be actively marketed to employees, using success stories where possible. Employees felt that having a few success stories would encourage others to participate. They also expressed a variety of preferences for how to engage—in-person, in the workplace, by email or online, and by phone.

Conclusion

Employer-based financial wellness programs offer tremendous opportunity to benefit employers and their workers alike. Integrating financial coaching into workplace benefits like the Community Loan Center employer-based small dollar loan program has potential to take an important program helping employees meet immediate financial needs and expand it to an initiative to enhance employee financial stability. As this case study shows, engaging people to spend free time working on their finances is a tough ask, but it is worthwhile and it can be a big benefit to both employers and their employees to prioritize such programs in the workplace.

Case Study Report

A Case Study: Strategies to Integrate Financial Coaching into an Existing Employer-Based Small Dollar Loan Program

Too many full-time Texas workers are living in financial insecurity. As a result of this critical situation, expanding access to more financial empowerment products and services through the workplace is one effective way to enhance opportunity for all Texans to increase their financial security and increase the economic competitiveness of our state. Employer-Based Financial Wellness Programs can play a vital role in opening up more doors for Texas workers to engage in financial coaching, savings and other services.¹

Financial Coaching, a client-driven process in which individuals and families work to reach personalized goals related to improving their financial well-being², is a proven tool employers can offer to their employees to help deal with financial stress.³ This case study was initially designed to inform whether offering financial coaching at the workplace to employees that have taken out a small dollar loan through the Community Loan Center (CLC) help them take the next steps to increase their financial well-being.

CASE STUDY PHASES AT A GLANCE

Phase 1: Evaluation of whether the timing, frequency and method of outreach impacted CLC Borrowers', working for one employer in Dallas and one in Brownsville, willingness to sign up for financial coaching.

Phase 2: Focus Groups of CLC borrowers initiated to assess the reasons or barriers keeping employees from taking advantage of free financial coaching sessions at work, and to better understand how to integrate financial coaching into the CLC model.

Phase 3: Expanded the case study to offer financial coaching services at work to all employees working for a CLC employer in Dallas and Brownsville. Based on results from the focus groups, new and updated outreach materials and methods were used to engage CLC borrowers and employees in financial coaching.

¹ Gates, L., Rosen, L. "Workplace Financial Wellness: A Promising Tool to Boost Workers' Financial Stability". Austin, Texas: RAISE Texas and Center for Public Policy Priorities (2017). https://raisetexas.org/resources/FINAL_EO_2017_FinancialWellness_FullReport.pdf

² RAISE Texas, "What is Financial Coaching" Austin, Texas. Undated. https://raisetexas.org/resources/RAISE_Texas_Financial_Coaching_Definition.pdf

³ Lienhardt, H., Nowakowski, S. "Supporting Employee Financial Stability: How Philanthropy Catalyzes Workplace Financial Coaching Programs" Asset Funders Network (2018), <https://assetfunders.org/wp-content/uploads/AFN-2018-Brief-Employee-Financial-Coaching.pdf>

Previously, CLC borrowers could check a box on the online loan application form if they were interested in receiving information about or taking financial coaching. There was no personal contact to CLC borrowers or specific information on how to sign up for financial coaching available on the CLC website about financial coaching. Thus, a majority of CLC borrowers expressed interest in financial coaching, but did not sign up or attend sessions. To address this problem, the study tested a variety of personal outreach methods (i.e. phone call, text messages, and letters), and including timing of promoting services, in order to determine whether different types of outreach would result in more borrowers signing up for financial coaching.

Over the 15-month case study, we tested multiple marketing strategies and tracked participant outreach methods including timing of the outreach and financial health indicators of those employees that took advantage of financial coaching. Based on the initial findings from the case study, we planned to make any necessary modifications and changes to the financial coaching program to expand engagement in the workplace. All modifications and changes made are noted in the overview below.

The Community Loan Center (CLC) is an employee benefit program being offered in eight communities across Texas. It is an accessible online platform that enables employees at participating employers to borrow up to \$1,000 with affordable interest rates and loan terms. To date, the CLC has made more than 50,000 loans with low default rates.

Case Study Overview

Phase 1- Assessing Timing, Frequency, and Method of Outreach

In order to assess whether the outreach type and outreach timing impacted employees' willingness to sign up for financial coaching, RAISE Texas, two CLC partners (BCL of Texas in Dallas and Community Development Corporation of Brownsville), and the evaluators (Texas Appleseed) developed protocol, evaluation, and outreach methods for the study, including a letter, emails and phone scripts to offer free financial coaching onsite at the workplace to CLC borrowers working with two CLC employers. One of the employers was in Dallas and the other in Brownsville. We chose the CFPB's Financial Well-Being Scale to assess the financial wellness of employees at each financial coaching session.

The employees were split up into four evaluation groups at both locations and we then monitored the responses to each method of outreach at the different touch points. The types of outreach that we tested were emails, which served as our control group as emails were how CLCs usually communicated with borrowers, letters, and a text or call from CLC staff. For timing, we tested outreach when borrowers first took out a loan, four months after the initial touch point, and eight months after the initial touch point.

Evaluation Treatments and Timeline

Treatment Group	Phase 1				Phase 2		
	Day 1: 1 st Email	Day 7: Letter	Day 14: Text/Call	After 4 months: Text/Call	After 8 months: 2 nd Email	8 Months and 7 Days: Letter	8 Months and 14 Days: Text/Call
Control 1	✓						
Control 2	✓				✓		
Experimental 3	✓	✓	✓	✓			
Experimental 4	✓				✓	✓	✓

As shown in the chart above, all four treatment groups received an email offering free financial coaching when the CLC borrower first took out their small dollar loan. The email was the normal communication method for the CLC programs. We changed the text to use regret language based on findings from behavioral economics that show “the anticipation of regret can be a powerful motivator” to change behavior.⁴ In order to get CLC borrowers to change their behavior and engage in financial coaching at work, we kept the messaging of our materials and methods consistent in phase 1. One week after the email, the experimental group #3 then received a letter in the mail inviting them to free financial coaching sessions at the workplace. The letter was selected after speaking to field experts that recommended mailing a letter to increase the response rate. The letter also used language developed based on behavioral economics research. Two weeks after the initial email, experimental group #3 received a call personally offering them free financial coaching at work.

Then four months after taking out a CLC loan, CLC borrowers in experimental group #3 received another call offering free financial coaching at work. This was to test whether the timing of the outreach mattered based on the date the borrower took out the loan.

After multiple outreach attempts over the four-month period, some CLC borrowers requested more information on financial coaching, but no case study participants in the control or experimental groups had attended a financial coaching session. For this reason, we focused our efforts on phase 2 to explore potential barriers to CLC borrowers attending financial coaching sessions at work, while completing the last four months of phase 1.

The completion of Phase 1 concluded eight months after the CLC borrowers had initially taken out their small dollar loans with another email sent to control group #2 and experimental group #4 inviting them to take free financial coaching sessions at work. One week later the letter was sent to

⁴ Tepper, Stephanie. “Dan’s Hike, Part 4: Don’t Look Back.” Center for Advanced Hindsight. 2017. <https://advanced-hindsight.com/blog/dans-hike-part-4-dont-look-back/>

experimental group #4 and then a week after that a personal phone call was made to the CLC borrowers in experimental group #4 inviting them to take free financial coaching at work. This concluded the evaluation of the first set of marketing materials and to see whether outreach timing based on the date the loan was taken out mattered to getting CLC borrowers to attend financial coaching.

Specific Findings from Phase 1

- **Informing CLC borrowers that financial coaching is available and accessible is not enough to move them to take advantage of financial coaching services.** The first phase of the case study used control and experimental groups to test the timing of each contact, different communication methods, and the frequency of contact but yielded no increased engagement with financial coaching.
- **The time of year is important to consider when launching a new employer-based financial wellness program or service.** Phase 1 launched in October. For one of the CLC partners, it was difficult to fill the entire control and experimental groups with CLC borrowers because it did not coincide with the busy times at the loan center. The October date was after the beginning of school, and before the holiday season, which are the highest volume seasons for CLC applicants. In this case study we were offering financial coaching to CLC borrowers and filled the evaluation groups with new or renewing CLC borrowers according to our case study protocol. The low rate of new or renewing loans was a challenge for the case study. When implementing a new service into an existing platform, like the CLC, starting at a busy time when more employees are participating in workplace activities or benefits programs would increase the outreach about the new service which could lead to increased engagement.
- **Partner with an Employer that can logistically offer the services to their employees.** During Phase 1 we identified two employers for the case study- one in Dallas and one in Brownsville. In order to offer financial coaching services at the workplace, there needed to be a space where a financial coach could meet privately with CLC borrowers and time during the workday to setup appointments. In Brownsville, one employer had a high volume of CLC loans but the meeting logistics were a challenge because employees did not work in a central office but were spread out in different office locations. The CLC partner ended up switching their employer partner for the case study to be sure we could focus on the goal to increase the number of CLC borrowers engaged in financial coaching at work. When implementing a new financial wellness service, like financial coaching, at the workplace, it is important to fit the service into the workplace culture.
- **Best Practices used could be very beneficial to programs that are set up differently than the CLC.** We used several best practices- the letter, behavioral economic techniques in the text-throughout Phase 1 with little success at getting CLC borrowers to sign up for financial coaching. These best practices have been very successful at other programs, and should be considered for employers or nonprofit organizations implementing a financial empowerment service, like financial coaching, into the workplace.

Results from Phase 1 indicated that simply changing the method and timing of outreach did not increase participation in financial coaching services. Since we did not see any increase in participation, we moved onto Phase 2 where we conducted two focus groups to see whether there were any barriers to taking financial coaching at the workplace, and to determine what employees think about financial coaching. With the conclusion of the first phase of the evaluation, the two CLC partners had offered free financial coaching services at the workplace to 200 CLC borrowers but none of them attended a financial coaching session regardless of the different outreach methods.

Phase 2- Focus Groups

In a recent CLC evaluation conducted through five CLC programs, CLC employees and borrowers responded that they are interested in financial coaching when asked. In fact, almost one-third of all respondents to the survey were interested in taking financial coaching services but only seven percent of respondents had participated in financial coaching. With the lack of success in our recruitment at this point of the case study and the consistent survey results showing that CLC borrowers are interested in financial coaching, we felt we needed to find out the reasons or barriers keeping employees from taking advantage of the free financial coaching sessions offered through the CLC. We decided to conduct two focus groups of CLC borrowers, one in Brownsville and one in Dallas, to better understand how to integrate financial coaching into the CLC model. Each focus group included ten employees of a CLC participating employer. The specific purpose of the focus groups was to better understand how to market financial coaching, to identify barriers to access it, and to overcome these barriers. There were two parts to each focus group, a pre-discussion survey for participants to fill out that included questions to establish a baseline of perceptions and attitudes about financial coaching, and then a focused discussion with three major themes. The three themes were *Perceptions and Benefits of Financial Coaching, Barriers to Using Financial Coaching, and Changes to Overcome Barriers*.

Key Findings from Phase 2:

- **CLC borrowers didn't know what financial coaching was and assumed it was going to be a negative experience.** We asked focus group participants to define financial coaching in the survey and the theme of all the answers was advice on how to better manage their money and budgeting. In addition, during the discussion portion, we found that most participants thought financial coaching would be prescriptive and the coaches would tell them what they are doing wrong and how to fix it rather than being goal-oriented. One participant commented "I think it is kind of like going to the dentist. You know you need to go, but you hate some of the stuff you have to do." Another participant said that financial coaching is about telling you to "stop buying stupid crap." Most participants believed that they could benefit from financial coaching, even if it is something they may not want to do.
- **When financial coaching was defined to participants during the focus groups, borrowers believed they could benefit from this service.** The perception of financial coaching changed

once participants knew the definition and understood what financial coaching does to help an individual reach a personal financial goal. “It is personal to us. Not someone telling me what I am doing wrong. It is us actually doing it,” remarked one participant. One participant suggested, “Maybe calling it something different. I thought it was counseling.” “It is that support and that cheerleader that helps,” commented another participant. “It reminds me of a nutritionist. If it is up to you to eat well, you might think of it differently.” The overall consensus in the groups was to use words of inspiration to engage people in financial coaching since talking about financial things tends to bring up problems and negative things.

- **Simplify intake forms and be flexible with making financial coaching accessible to employees.** Asking for too much personal information on the intake form was a concern to participants. This brought up fears of scams and lots of questions about why the information is needed. One participant noted, “Some of the information would scare people off. Somebody wouldn’t want to disclose child support, citizenship or resident, and social security number.” Another commented, “We would have to know why you want the information before we give it to you.” Overall, participants wanted to provide information that is relevant to coaching, and within the coaching relationship, as compared to offering financial information upfront and out of context.

Phase 3- Expanding Case study to offer financial coaching to all CLC borrowers and employees

Based on the focus group findings, we decided to try some different outreach materials and new ways to engage CLC borrowers into financial coaching at the workplace. Since the initial evaluation was limited to only CLC borrowers, we decided to open up the case study to all employees working for a CLC employer in both cities. This allowed us to complete the evaluation (referenced in Phase 1 above) while testing other strategies.

Specific changes used in the third phase of the project included:

- New, updated materials, such as,
 - Intake forms were shortened to minimize the amount of personal information to only what was necessary to set up a first financial coaching session.
 - Outreach posters were hung in public areas in the workplace.
 - Materials and emails included a photo of the financial coach (a technique based on shared best practices from another program).
 - Videos describing financial coaching and its value were created. (Appendix D)
- A very clear message was used to define financial coaching to CLC borrowers and employees and to introduce the nonprofit organizations that administer the CLC program and offer the free financial coaching. The updated messaging was used in all of the outreach materials and in the videos.
- Targeted outreach was used to extend an invitation for free financial coaching services to CLC borrowers that had renewed their loans more than twice in the previous 12 months.

- The CLC partner in Brownsville tested an incentive by offering \$10 gifts cards within their email invitations to CLC borrowers offering them free financial coaching services.
- Direct engagement of the employers in the outreach process was added to provide a “warm handoff” to the financial coaching process for their employees.

During this final phase, the CLC partners met with 14 additional CLC employers about financial coaching to gain their support in offering these services to their employees at the workplace. The CLC partners also presented at 11 employer events including orientations, employee financial coaching information sessions, and health and wellness fairs to introduce financial coaching to the potential CLC borrowers and employees. By the end of Phase 3, 22 CLC employees attended financial coaching sessions.

Phase 3 Data Analysis from those CLC Borrowers that attended financial coaching:

- The 22 CLC borrowers that attended financial coaching were 77% female, 55% Hispanic and 40% Black/African American, and an average age of 42.
- The two top financial goals were increasing savings and purchasing a home, with reducing debt and increasing credit score following right behind in the data.
- Seventeen of the borrowers had nonmortgage debt of an average of \$24,882.13 and a median nonmortgage debt amount of \$13,064.50.

Case Study Challenges and Lessons Learned

- **The current structure of the existing CLC employer-based program makes it difficult to incorporate high touch services.** Focus group participants demonstrated little or no knowledge of the organization offering the CLC loan program and the financial coaching services. The overall structure of the Community Loan Center is set up to be a quick, online, anonymous application process for employees to receive a small dollar loan. The employees use the online portal since this product was designed to be accessible with little human interaction. What we learned through the case study was that this structure made it difficult to expand beyond the small dollar loan product into additional financial wellness opportunities for employees in the workplace. Financial wellness services and products are very personal and include on-going relationships with service providers. These programs need to be established upfront and directly with the employers, rather than added onto another program on the back end.
- **Employees need to be introduced to the organization that is offering these services.** When employers bring in outside organizations to provide employees with financial wellness services (i.e. financial coaching, financial education, small dollar loan programs), the employer needs to make sure that employees know the organization and the staff members. In the case study there was confusion around which organization was offering these services and how the organization related to the CLC employers. Confusion can discourage employees

from taking advantage of these services so it is crucial that employers take the time to introduce their employees to the service providers.

- **Regardless of the number of best practices used, the employer is a huge leverage point for employees to take advantage of financial wellness opportunities.** Employers are the trusted entity that needs to introduce financial coaching and other financial wellness benefits to their employees. Over thirty percent of the CLC borrowers that took financial coaching during Phase 3 had heard about financial coaching from their employer. Another sixteen percent heard about financial coaching from the brochures, flyers and other marketing materials that the CLC partners provided in the workplace. The employer can be an integral part of promoting financial wellness services, like financial coaching, and increasing the number of employees participating in the services. In fact, one partner noted that it is very important for participating employers to integrate financial coaching within their existing benefits package to ensure that employees are knowledgeable about the free financial coaching services and their availability and benefit.
- **We had to reduce the barriers to signing up for financial coaching sessions.** This meant simplified intake forms to fill out, and asking for less personal information upfront. It was also important to make sure employees could reach someone by phone to set up an appointment or ask a question. We gave specific hours to call to make an appointment, and then had the option of emailing a staff member directly to set up the appointment. This minimized the possibility that employees would call and get voicemail or have an email go unnoticed.
- **Employees did not have a clear understanding of financial coaching.** Focus group participants believed that financial coaching was something they “should” do, but many had a negative perspective of financial coaching, assuming it was prescriptive, and telling them what they needed to do, rather than responsive to their personal goals. Most of the focus group participants had a negative perspective of financial coaching due to their misunderstanding of what financial coaching does for clients. Once we defined financial coaching and clarified its purpose, employees said they were much more likely to take a session. In response, both CLC partners made videos to help employees better understand financial coaching and its value to them.
- **Financial coaching, when attended, was beneficial to employees.** Employees truly appreciated financial coaching and found it to be valuable when they attended a session. The focus group participants also saw the benefits that financial coaching could have for them once they understood the definition of financial coaching.

Recommendations:

The case study did not lead to broad-based engagement in financial coaching by employees at CLC partner employers, but it did shed light on strategies to address barriers to improve future engagement.

- **Employer support and endorsement of financial coaching is a key component of building trust with employees.** Financial coaching, where possible, should be marketed to employers as a key component of the CLC program rather than as an add-on. Promising strategies included getting front-end employer support of financial coaching and including financial coaching in all presentations and outreach related to the CLC program. Employer incentives to participate in financial coaching, such as health insurance discounts, were another promising strategy.
- **Ensure employees understand the structure and benefits of financial coaching.** Employees were more interested in financial coaching when they realized it was about achieving their personal goals rather than simply lessons in budgeting and money management.
- **Simplify intake forms.** Intake forms should be as simple possible. Asking too much personal financial information upfront, before offering any service, proved to be a barrier.
- **Actively promote the program and make it accessible.** Financial coaching should be actively marketed to employees, using success stories where possible. Employees felt that having a few success stories would encourage others to participate. They also expressed a variety of preferences for how to engage—in-person, at the workplace, by email or virtually, and by phone.

Summary of Next Steps

The CLC Program structure has some potential limitations in expanding beyond small dollar loans to offer employer-based financial wellness programs such as financial coaching. The case study opened up a new discussion on ways to implement financial coaching services into the CLC Program, but it also informed next steps to continue to expand financial wellness programs for Texas employers.

For the CLC model, RAISE Texas believes that further exploration is needed for the types of information that employers provide to their employees regarding the CLC program and any other financial wellness opportunities. It is important to make sure that the information about financial wellness services or programs being offered in the workplace is clear, concise, and comes from the employer directly to the employees is extremely critical for employee engagement.

Communication from the employer is key so we will be pursuing this approach not only with CLC employers but for any Texas employers that we work with in the future. In the initial discussion with potential new employers, it is necessary to make sure that financial wellness benefits are integrated into the organization's structure. Based on the lessons learned, our new recommendation will be to introduce financial coaching opportunities to employees during orientation or at an in-person meeting in the workplace. These meetings can be offered quarterly with the employer continuing to remind employees of these services throughout the year. This will require on-going communications about these services, potential rewards for using these services, and opportunities at work to take part in the financial wellness benefit program.

Based on some of the case study findings, BCL of Texas, in launching the CLC of Austin, incorporated financial coaching and financial education with one of its larger employer partners within the employees' benefits package, and rewards can be achieved when employees take advantage of these financial wellness opportunities. This type of employer engagement is critical and we are already seeing success in reaching more employees with financial wellness services at this employer. Within 6 months of starting the CLC program, 326 CLC employees have taken financial education classes, 12 have taken financial coaching, and another 18 have contacted CLC staff to sign up for financial coaching services.

Although not all employers will be able to offer formal benefits or rewards, employer engagement and strong encouragement in the promotion and outreach of the financial wellness programs to their employees is mandatory to have a successful program. The case study partners made some specific changes to their programs and especially to their work in implementing employer-based financial wellness programs along with the CLC Program. Both organizations now use the videos to explain financial coaching and its value in their outreach efforts and have them on the CLC application website and the organization's website to better educate clients about financial coaching. The organizations have also continued to use the shorter intake forms, promotional flyers, and other marketing materials which were developed during the third phase of the case study. To meet the needs of employees, the CDC of Brownsville is also starting to offer the opportunity to take financial coaching virtually to help make the sessions more accessible for employees. Additional outreach methods to both CLC borrowers and participating employers about other financial wellness opportunities are being implemented at both partner sites including employee orientation meetings at the workplace, and more in-person meetings with CLC employers to introduce financial coaching, housing counseling, financial education, free tax preparation, and other financial wellness benefit opportunities that could be provided to their employees. Overall, the findings from this case study will continue to inform the on-going discussion among RAISE Texas, community leaders, and the network that want to expand financial wellness in the workplace in Texas.

Appendix A: Sample Materials

Sample Email

Dear ,

As a Community Loan Center customer, we are thrilled to offer free financial coaching services to help you reach your financial dream! Free financial coaching sessions will be offered at work for a limited time to help YOU make strides toward reaching your personal financial goals. ***Don't miss out on this exciting opportunity! Schedule your appointment today!***

Your first financial coaching session is just a quick & easy step away!

1. Email XXX@XXX.org or call XXX-XXX-XXXX between 9am-5pm to schedule your appointment.
2. Once you have scheduled your appointment we will send you a confirmation email with the appointment details.

We look forward to working together to help you reach YOUR financial dream- whether buying a home, creating a family budget, getting out of debt, purchasing a new car, increasing your credit score, or a fun family vacation- let's do it!

Thanks,

[Signature of Coach with contact information]



Sample Letter



Dear ,

As a Community Loan Center customer, we want to help you reach your financial dream! Right now, we are offering FREE financial coaching sessions to help YOU make strides toward reaching your personal financial goals. ***Don't miss out on this exciting opportunity!***

We know that time is valuable but so are your finances! We are making it as easy as possible for you to take advantage of the free financial coaching services by offering them on-site at your work. ***All you have to do is schedule your appointment today!***

Your first financial coaching session is just a quick & easy step away!

1. Call XXX-XXX-XXXX between 8:30am- 12:00pm or 1:00pm-5:30pm or email XXX@XXX.ORG to schedule your appointment.
2. Once your appointment is scheduled, we will send you a confirmation email with appointment details.

We look forward to working together to help you reach YOUR financial dream- whether buying a home, creating a family budget, getting out of debt, purchasing a new car, increasing your credit score, or a fun family vacation- let's do it!

Thanks,

[Signature of Financial Coach with all contact information]

Sample Email

Dear ,

Thank you for scheduling your free financial coaching appointment to help you reach your financial dream! We look forward to seeing you on **DAY, DATE at TIME in the XXXX ROOM at work**. To get the most out of your appointment, please bring the following information to put together action steps to reach your financial goals.

- 1.** Last 2 paystubs or the last 30 days
- 2.** 2 months of bank accounts statements
- 3.** Letters for any supplemental income (ex. Child Support, SSI, SSDI, TANF, etc.)

Feel free to arrive 10 minutes early to complete the financial coaching intake form before the appointment.

We look forward to meeting you and assisting you to make your FINANCIAL DREAM a REALITY!

Thanks,

[Signature of Financial Coach with all contact information]



SAMPLE Text Messages/Phone Message

Don't miss out on reaching your financial dream! Free financial coaches are available to meet with you at work. Call between 9am-5pm TODAY XXX-XXX-XXXX or email XXX@XX.ORG to schedule an appointment today!

Don't miss out on reaching your financial dream! Free financial coaches are available to meet with you at work. Call between 8:30am-12:00pm or 1:00pm-5:30pm TODAY XXX-XXX-XXXX or email XXX@XXX.ORG to schedule an appointment today!

Appendix B: Focus Group Findings

Financial Coaching Focus Groups

In order to delve more deeply into opportunities and barriers for Community Loan Center (CLC) customers to use financial coaching, we conducted two focus groups with current and potential customers of the CLC. Each focus group included 10 employees of a CLC participating employer, one in Brownsville, Texas and the other in Dallas, Texas. Each focus group lasted 1.5 hours and included a survey and guided discussion.

Overview of Participants

Of the 20 participants, 30% had never used the CLC loan, 20% had used it once, 40% twice and 10% three times. Those who used the loans used them for a variety of purposes. The top reason was for special occasion/holiday costs, followed paying bills. For those who answered “other” as their reason for using the loan, financial needs included medical costs, legal costs, and moving expenses.

What financial need led you to take out a Community Loan Center Loan?

Answer Choices	Percent	Count
To pay off more expensive loans	14%	2
Car repairs	15%	3
To pay bills	25%	5
Special occasion/holiday costs	30%	6
Other	20%	4

Participants also reported gender, race/ethnicity, age, income, and family size:

- **Gender:** 74% male and 26% female
- **Race/Ethnicity:** the majority of participants identified as Latino/Hispanic, at 55%; 35% identified as White, 5% as Black/African American; and 5% as other.
- **Age:** 60% of the participants were age 44 and under and 40% age 45 and above
- **Income:** 35% of the participants listed family income in the previous year of \$40,000 to \$59,999. 35% of the participants listed incomes of \$39,999 and lower, and 39% listed incomes of \$60,000 and above.
- **Family Size:** the family size category with the most participants was a two-person family, at 32% of the participants, followed by three-person families, at 21%. One-person families made up 16%, with the remainder families of four or more.

Survey Results on Attitudes about Financial Coaching

Before conducting the guided focus group discussion, each participant filled out a survey that included questions to establish a baseline of perceptions and attitudes about financial coaching.

The survey led with a question about financial goals. Savings was a goal for the most participants, followed by reducing debt and budgeting, all goals that are a good fit for financial coaching. The one person who articulated a goal not listed among the choices wanted to remodel a home before retirement.

What are your personal financial goals? (select up to three)

Answer Choices	Percent	Count
Build up Savings	65%	13
Reduce debt	55%	11
Prepare for a future purchase, like a home or a car	45%	9
Save for retirement	40%	8
Manage my budget	50%	10
Manage loans	15%	3
Other	5%	1

Participants also shared information about their awareness of and participation and interest in financial well-being services offered by many CLCs. The services included homebuyer education, matched savings programs, credit counseling, general money management, financial coaching and free tax preparation. Participants who answered this question were most aware of general money management services (39%) and most interested in homebuyer education (33%). For financial coaching, 33% were aware of the service and 28% were interested. Only 2 of the 18 respondents to this question had used any of the services. One had used credit counseling and one had used financial coaching.

Among those who were aware of financial coaching, none had heard about it through CLC materials or emails. Two had heard about it from a CLC employee (11%), six from the employer (32%), and five (26%) indicated other sources, including a presentation by another organization, the Internet, school, and an old job.

What is financial coaching?

To gauge participant knowledge of financial coaching, they were asked to define it based on their perceptions of what it is. Sixteen participants answered the question. The main theme of all the answers was budgeting and advice on how to better manage their money. Some of the perceptions included:

- “Teach people how to manage their money. Reduce spending and increase savings for the future.”
- “How to budget and have a good credit score.”
- “Training to help with a person’s finances.”
- “Someone to help set and organize one’s budget.”
- “They advise you how to invest or take care of your money.”

Participants’ were then provided with a definition of financial coaching that focused on achieving individual goals. After learning about financial coaching, 95% of the participants who answered the

question (19/20 answered the question) indicated that financial coaching would be beneficial to them. Participants' feedback on how financial coaching would benefit them was similar to the results for general financial goals. Three quarters (75%) indicated it would be helpful to build up savings, 65% felt it would be helpful to reduce debt, 65% to manage budgets, 50% to start to save, and 45% to prepare for a future purchase. Smaller numbers focused on managing loans (25%) and investments (15%).

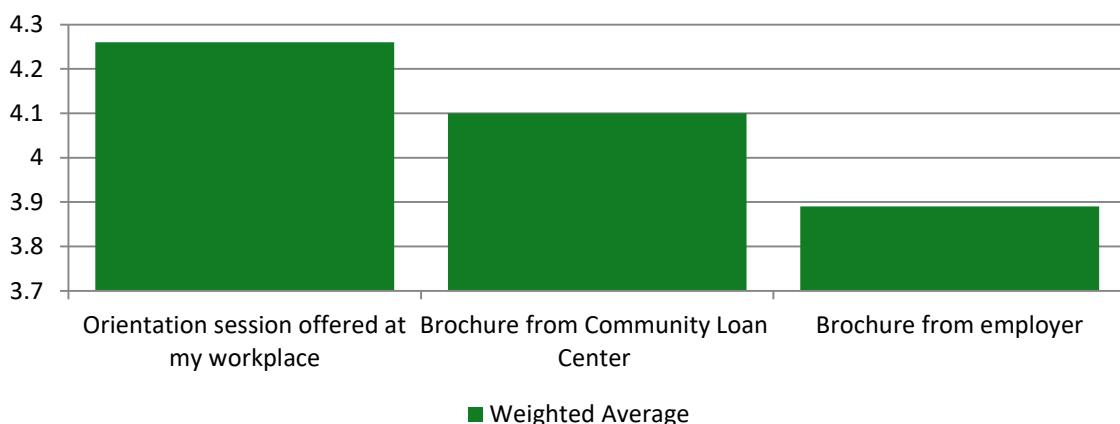
Preferred Methods of Outreach and Delivery of Financial Coaching

Participants were asked to rate three method of outreach and four methods of delivery of financial coaching. They were asked, "If financial coaching were offered to you today by the Community Loan Center (CLC), which of the following methods would make you more likely to use it?" They were offered five answer choices ranging from very likely to very unlikely to rate each method or outreach and delivery. Each response was weighted, with very likely receiving 5 points; likely, 4 points; neither likely nor unlikely, 3 point; unlikely, 2 points; and very unlikely, 1 point.

Three outreach methods were proposed in the survey:

1. If there were an orientation session offered at my workplace explaining financial coaching and how to sign up;
2. If I were given a brochure by the Community Loan Center that explained financial coaching and how to sign up; and
3. If I were given a brochure by my employer that explained financial coaching and how to sign up.

Attitudes About Financial Coaching Outreach Methods

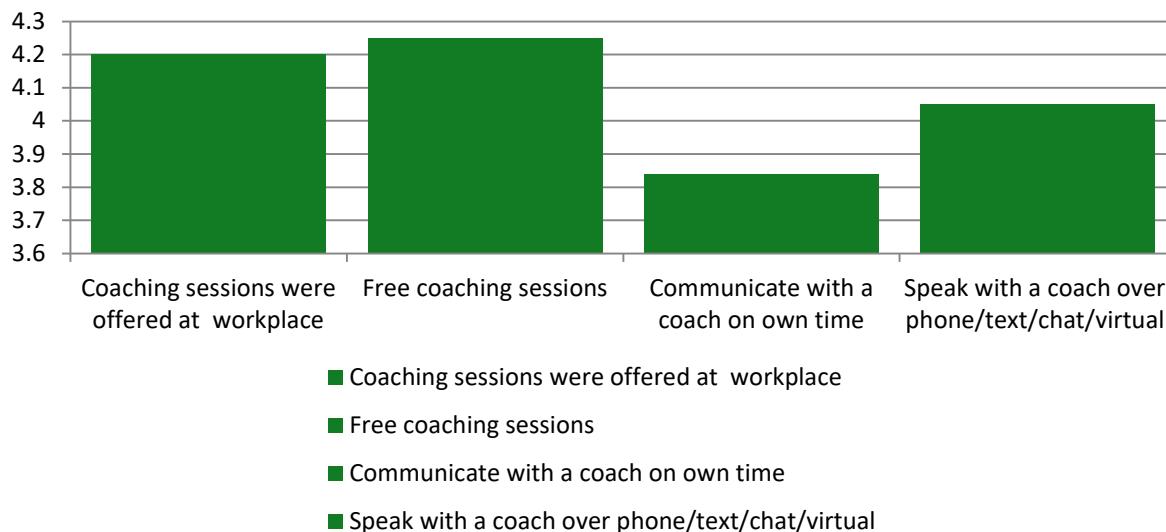


Based on a weighted average of the outreach method responses, an orientation offered at the workplace, explaining financial coaching was the preferred method of outreach, with an average response of 4.26 out of a possible 5 points. A brochure from the CLC was the second preferred method, receiving a total of 4.1 points, followed by a brochure from the employer with 3.89 points out of 5 possible points.

Four features of financial coaching delivery were proposed in the survey: **If the coaching sessions were offered at my workplace:**

1. If the coaching sessions were offered for free;
2. If I could communicate with a coach on my own time (i.e., before work, during work, after work or on weekends); and
3. If I could speak with a coach over the phone/text/chat/virtual online sessions instead of in person.

Features Regarding Financial Coaching Delivery



All of the delivery features were viewed favorably by the focus group participants. Offering the sessions for free had the highest weighted average, at 4.35, followed closely by offering them in the workplace, with a 4.2 weighted average. Offering alternative options to an in person meeting had a weighted average of 4.05 and offering flexibility on the timing of financial coaching had the lowest weighted average of 3.89.

Focus Group Insights on Attitudes, Outreach, and Delivery of Financial Coaching

The focus groups were organized around three major themes to tease out nuances in perceptions and obtain guidance on how to market financial coaching, identify barriers to access it and how to overcome identified barriers.

Theme 1: Perceptions and Benefits of Financial Coaching

The focus groups made it clear that financial coaching suffers from an image problem. “I think it is kind of like going to the dentist. You know you need to go, but you hate some of the stuff you have to do,” commented one participant. Another participant chimed in that financial coaching is about telling you to, “stop buying stupid crap.” Others had a more positive take on financial coaching, but tended to see it as prescriptive, telling them what to do to solve financial problems, rather than goal-oriented support, “[financial coaching is about] instructing, teaching you how to manage your money.” Another added, “telling you what to do—not meanly.” Budgeting and managing money were consistent themes in the conversation. Retirement also came up, as did saving for kids to go to

college. Discussing initial perceptions of benefits of financial coaching, participants felt that many people could benefit from financial coaching, "I think that it helps in general. Even if you are financially ok right now, you still need advice about your credit score or how to manage your retirement," noted one participant. One participant, who works for a direct service provider comments about clients, "They don't know about this—how to manage your money, how to spend, when to spend." When asked who would not benefit from financial coaching, as they initially perceived it, participants pointed to narrow groups of people. "The rich would not benefit. The medium and average income would benefit the most. Us. Real people," said one participant. Responding to who would not benefit, another participant weighted in, "A perfect person. We all need help, even though we have money."

The two major themes came out of the initial discussion:

1. Financial coaching is about telling us what we are doing wrong and how to fix it; and
2. Most of us could benefit, even if it is something we may not want to do.

The concept of financial coaching being personal and goal-focused was not part of the initial perceptions of focus group participants.

After the initial discussion about financial coaching, participants were shown a definition of financial coaching that focused on personal goals and a client-driven approach:

Financial coaching is a confidential client-driven process in which individuals and families work to reach personalized goals related to improving their financial well-being. Coaches are trained to offer tools and resources, encouragement, and monitoring throughout the process of reaching the client-driven financial goal. The most popular financial goals of financial coaching clients nationwide are: to increase savings or start to save money; increase credit score or build credit; and pay off debt. Other goals could be saving for a family vacation, a child's college education, buying a home, and more. Each session lasts approximately one hour. On average, clients use three to four sessions.

The definition of financial coaching, as a personal goal-oriented process, prompted an engaged conversation. "It helps you reach goals. That is something I now see. It is not that you take a problem and you want to get help. It is more to reach goals," reflected a participant after seeing the definition of financial coaching. "It is personal to us. Not someone telling me what I am doing wrong. It is us actually doing it."

One participant suggested, "maybe calling it something different. I thought it was counseling." "It is that support and that cheerleader that helps," noted another. "It reminds me of a nutritionist. If it is up to you to eat well, you might think of it differently."

Many participants agreed that talking about financial things makes people think about problems and negative things, "When people think about financial issues, unless you win the lottery, it is not going to change." Based on that perception, many participants suggested words of inspiration to engage people. One suggested the word brainstorming, "A brainstorming effort to work on your goals. You

brainstorm with someone who has more experience than you.” Other positive words and phrases participants suggested included:

- “Financial freedom,”
- “Independence,”
- “Future building,”
- “Client-driven,”
- “Healthy planning,”
- “Tools and resources,”
- “Financial well-being,” and
- “Saving. Saving towards something would be an incentive, like a special vacation.”

When asked how financial coaching could be helpful, participants listed a variety of financial goals:

- Saving money;
- Long-term goals and purchases (like buying a house);
- Paying down debt;
- Down payment for a house;
- Refinancing a house;
- Saving for an emergency;
- Watching spending (budgeting);
- Saving for kids and education.
- Debt consolidation;
- Retirement and investing; and
- Saving for a cruise.

Not all of these goals are appropriate for financial coaching, particularly the goals related to investment and debt consolidation; however, the majority of these goals are within the scope of a financial coach.

Theme 2: Barriers to Using Financial Coaching

After the general discussion, participants were presented with the actual process of learning about and signing up for financial coaching. They were presented with a copy of the email that CLC borrowers receive after clicking a box expressing interest in financial coaching and with the financial coaching intake form used by the local CLC.

Email and Appointment Feedback

The email with information about signing up for financial coaching prompted a number of comments, mostly related to trust:

- The “cookie cutter” tone makes it seem like a scam.
- “The email looks like spam. It is too generic.”
- “We get a lot of propaganda on the phone. Sometimes we don’t know who it is. We need to be expecting it.”

- “I have no idea who they are, if they are an actual company. If it is online or by phone, I don’t trust them.”
- “People who do not use Internet are not comfortable with email.”

Some participants expressed surprise that the local CLC is a nonprofit, “If the consumer knows that you are a 501(c)(3), then they know that you are a benefit service. Maybe briefly stating that with the information—maybe that is one of the first things you lead with. Participants also noted that the email should also be in Spanish, and some felt that the email was not mobile friendly. Participants noted that email should not be the only way to reach people, “email will help with management, but probably not associates. 85% to 90% of staff does not have email with the company.”

The process of setting up an appointment also drew commentary, “when it says call between this and this...I’m not the one to call and make a doctor’s appointment, unless I really need to.” Participants wanted multiple means of setting up appointments, “We all have different choices about how we want to communicate.” Some preferred to call, others to text and still others to send an email, “with younger generations, the mobile environment is the primary driver.”

However, when talking about others, a participant noted, “There are at least ten of our plant workers that have come to me to help with online forms, because they are not comfortable filling out forms on the computer. Having a way to fill out and submit the forms without technology,” is also important.

Reflecting on the possibility of the employer sending out texts about financial coaching, one manager noted, “we have a mass text system, but I get enough complaints now that they get a text message every week, and one per month. I don’t think they would want more.”

Intake Form Feedback

Regarding the intake form, participants overwhelmingly felt that the form includes too much detailed personal information. One noted, “What does it matter what race you are? It feels like they are stereotyping you.” Another commented, “Some of the information would scare people off. Somebody wouldn’t want to disclose child support, citizenship or resident, and social security number.” “Why is there a question about being homeless?” noted yet another.

The detail of the information on the intake form also generated some fear of scams. One participant share, “I called Austin and they said you shouldn’t share that information. You don’t know who they are sending it to. Every day you hear about a scam. You have to be very careful about who you are giving that information to.” Another shared, “Why do you need my social [security number], my race, my family size? There are a lot of questions [on the form] that influence my financial situation that are asked. If there is a trick or a catch, why would I give you that information? ... I don’t think you need that information for coaching.”

The intake form makes it sound like, “if you are coming for help, we won’t help you if we don’t receive your documents. I would rather just send average monthly income and expenses.” Also, “The 48-hour limit [to provide requested information in advance of a coaching appointment] is hard.”

One of the intake forms indicated a \$32 credit report fee for financial coaching. Participants had varying responses to the fee. Generally, the issue of cost generated conflicting feedback. As one participant states, "If I am already having financial problems, I cannot afford to pay you. But, in the back of my mind, if it's free, what is the catch?" Another participant commented, "Nothing in life is free, so we need to pay those \$32."

Overall, participants wanted to provide information that is relevant to coaching, and within the coaching relationship, as compared to offering information upfront and out of context, "We would have to know why you want that information before we give it to you." The reputation of the organization offering coaching also seemed to play a role in the willingness of people to share financial information: "One reason we would share our information with CDCB [the local CLC administrator] is because we know who they are. I know who you are, I know what you do. It is established and certified."

Feedback on Accessing Financial Coaching

Focus group participants were also asked questions about how and where they would like to access financial coaching. Participants had different opinions about accessing financial coaching in the workplace. Positive comments included:

- "I think coming here to the office for the initial [coaching session] would be best."
- "Here in person for the first time, and after that, we could follow up by phone."
- "The fact that now we know it is a goal driven program makes it better."
- "You are not bad if you are using coaching, they are trying to get you to a goal."

Concerns about financial coaching in the workplace included:

- "People might feel uncomfortable with other employees knowing that they are using financial coaching."
- "There are some people who are very private about their personal information."
- "Having it at lunch hour would be hard, because some people want to just get away at lunch time."

The theme of the conversation around how and where to access financial coaching could be summarized with, "Yes, and." When discussing accessing financial coaching in the workplace, offsite, and online, a participant commented, "I would say all three."

Among the participants in one of the focus group sites, three indicated they would be comfortable with just online coaching; four would chose coaching in the workplace, and one would choose coaching offsite. At the other focus group site, there was consensus around having the first coaching session at the workplace, but then with multiple options, including by phone or email, for follow up session. As one participant noted, "I like to know who I am talking to. Once I meet someone in person, then I am comfortable with other ways." Stated just a bit differently, "Once we already have a relationship...we will feel free [[to discuss financial matters] over the phone."

One challenge for some work environments to offer financial coaching in the workplace is the variety of shifts, "We have four different shifts. One way to do it is...Advertise it and see how many people sign up. If you get more than 10 people signed up, making it official."

Theme 3: Changes to Overcome Barriers

The recommendations discussed by the focus group participants all addressed outreach strategies.

Recommendations for better information and marketing included:

- Profile success stories and testimonials.
- Have someone from the workplace sign up and if they are successful, that would be a good advertisement.
- Create a video that lets people know what they can expect out of financial coaching.
- Create the intake form to be driven by goals, “let people set their goals and share their goals, and let that be the way people set up the appointment.”
- Make a more detailed intake form optional—people can fill it out if they want to save time or bring it with them filled out.
- Point out, in marketing materials that the process is client-driven, “I drive the process...make it more about my goals. Like if I want to save for a fridge, don’t tell me about buying a car.”
- Create a brief description of financial coaching that communicates what it is, making it personal.

Recommendations on ways to reach people included:

- Brochures that both the CLC and human resources can distribute.
- Having a pamphlet that human resources could distribute every quarter and with paychecks.
- Making a presentation about financial coaching to staff every six months, like the open enrollment presentation.
- An 8X10 poster to hang by the time clocks.
- Market it seasonally, for examples market around setting financial goals for the holidays or New Year’s resolutions.
- Add information about financial coaching to the agenda of scheduled orientations or staff meetings.
- Some participants felt that smaller groups work better to engage people, “a lot of us are not comfortable talking in public.”
- Add positive graphics to the email, so that it does not look dull.

As a closing thought, one participant commented, “You have been with us for three years and I am only now learning that you offer this service.”

Appendix C: Evaluation Analysis

Financial Coaching Evaluation Analyses

The following document summarizes survey responses from clients who received financial coaching. The survey was available online via SurveyMonkey. The financial coaches asked the survey questions to the participants following their financial coaching session and then inputted their responses to SurveyMonkey.

Demographics

A total of 22 individuals attended at least one financial coaching session. Four individuals attended a second financial coaching session.

The sample was predominately female, accounting for 77% of all participants. The average age of all participants was 43, though the sample ranged in age from 23 years to 62 years. The sample was predominately Latino, with 55% of the sample identifying as Hispanic/Latino.

The average income for the sample was \$44,908 and the median income was \$42,000.⁵

Lastly, two individuals had participated in financial coaching previously.

What is your race/ethnicity?

CLC/Ethnicity	Percent
<i>Total Sample</i>	
Black/African American	41%
Hispanic/Latino	55%
White	5%

Financial Goal

Participants in the survey identified 35 financial goals for their financial coaching sessions. The most common financial goals were purchasing a home (20%) and increasing savings (20%).

What is the financial goal you will be discussing with your financial coach?

Financial Goal	Percent*
<i>Total Sample</i>	
Future purchase	9%
Reduce debt	17%
Purchase a home	20%
Budget	11%
Increase credit score	17%
Increase savings	20%

⁵ Note: one participant did not provide income. The average income was calculated out of 21 total participants.

General financial goals	3%
Retirement	3%

*Percentages calculated out of total goals ($n = 35$). Note: Open-ended responses were coded into categories above.

How did you hear about financial coaching?

The most common method of hearing about financial coaching was from the employer (36%), followed by an email sent by the CLC (23%). One person heard about financial coaching from two methods: someone who worked at the CLC, and from their employer. Another person heard about financial coaching from three methods: from the CLC materials (brochures, posters, application materials), from their employer, and the county health fair.

How did you hear about financial coaching?

CLC/Method	Percent*
<i>Total Sample</i>	
From the CLC materials (brochures, posters, application materials)	18%
From an email sent by the CLC	23%
From someone who worked at the CLC	18%
From my employer	36%
Other	18%

*Percentages calculated out of total sample ($n = 22$). Note: because participants could choose more than one option, the totals do not add up to 100%.

CFPB Financial Wellbeing Scores

The average financial wellbeing score of the survey participants was 49, however scores ranged from 27 to 60 (scores can fall between 0 and 100). The average financial wellbeing score for the United States is 54, and the average financial wellbeing score for those who use nonbank short-term credit, like payday loans, is 41⁶. Additionally, results from the national CFPB study suggest that individuals with a score of 50 or below have trouble meeting basic expenses.⁷ Therefore, while the financial wellbeing of the survey participants was lower than the national average, suggesting difficulty making ends meet, they still had higher scores than those who use short-term credit.

Savings

More than half (64%) of the financial coaching participants had a savings account. Of those, the average amount in savings was \$2,277, however participants had a range of savings from \$18 to \$11,900. The median amount saved was \$250. Most (45%) participants had their savings decrease in the past six months, however, about a third (32%) of participants had their savings increase in the past six months.

⁶ https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/201709_cfpb_financial-well-being-in-America.pdf

⁷ *id*

Do you have a savings account at a bank or credit union?

CLC/Response	Percent*
<i>Total Sample</i>	
Yes	64%
No	36%

*Percentages calculated out of total sample ($n = 22$).

Have you been able to save money in the past six months?

CLC/Response	Percent*
<i>Total Sample</i>	
No, my savings have decreased a lot.	36%
No, my savings have decreased somewhat.	9%
There has been no change in my savings.	23%
Yes, my savings have increased somewhat.	27%
Yes, my savings have increased a lot.	5%

*Percentages calculated out of total sample ($n = 22$).

Debt

On average, participants listed at least three different types of debt that they owed. The most common form of debt was credit card debt (59%). Five participants said they had no nonmortgage debt. Of the sixteen participants who reported the amount of debt that they owed, the average amount of nonmortgage debt was \$24,882, however, nonmortgage debt ranged from \$1,000 to \$100,000. The median amount of nonmortgage debt owed was \$13,065. More than half (55%) of participants stated that their debt has increased in the last six months, and only 36% stated that their debt has decreased in the last six months.

If you have debt, what type of debt do you have?

CLC/Response	Percent*
<i>Total Sample</i>	
I don't have any debt	0%
Credit card debt	59%
Payday loan/Auto title loan/Pawnshop debt	18%
Finance company loan debt	27%
Auto loan debt	50%
Student loan debt	50%
Medical debt	50%
Attorney's fees/child support arrears/judgment debt	0%
Furniture/rent to own loan debt	27%
Other	27%

*Percentages calculated out of total sample ($n = 22$). Note: because participants could choose more than one option, the totals do not add up to 100%.

Has the amount of your debt changed in the last six months?

CLC/Response	Percent*
<i>Total Sample</i>	
No, my debt has decreased a lot.	5%
No, my debt has decreased somewhat.	32%
There has been no change in my debt.	9%
Yes, my debt has increased somewhat.	32%
Yes, my debt has increased a lot.	23%

*Percentages calculated out of total sample ($n = 22$).

Participants Who Attended Two Financial Coaching Sessions

Of the 22 participants who attended one financial coaching session, just four attended a second session. Their responses to the second survey are included below, however, the sample size is too small to make any broad judgments on the efficacy of financial coaching. Their responses are instead used as exploratory snapshot of the financial coaching experience for just these four participants.

Demographics

The sample was predominately female, accounting for 75% of all participants. The average age of all participants was 45. The sample was predominately Black, with 75% of the sample identifying as Black.

The average income for the sample was \$34,470 and the median income was \$35,240.

Lastly, one individual had participated in financial coaching previously.

Financial Goal

Participants who attended two financial coaching sessions identified 6 financial goals for their financial coaching sessions. The most common financial goal was purchasing a home (50%).

How did you hear about financial coaching?

The most common method of hearing about financial coaching was from an email sent by the CLC (75%).

CFPB Financial Wellbeing Scores

The average financial wellbeing score of the participants who took financial coaching two times was 45, however scores ranged from 35 to 57. The same participants in their first financial coaching session had an average financial wellbeing score of 45, with scores ranging from 38 to 52. Overall, two participants increased their financial wellbeing scores from coaching session one to coaching session two, and two participants decreased their financial wellbeing scores from coaching session one to coaching session two.

Savings

Only two of the participants who had two financial coaching sessions reported any savings. The average amount in savings was \$114, however, the median amount saved was \$54 given that two participants did not report any savings. Two of the four participants had an increase in savings from coaching session one to coaching session two, one participant had a decrease in savings, and the fourth participant reported no savings in both surveys.

Debt

On average, participants listed at least four different types of debt that they owed, which did not change from the first financial coaching session. The most common form of debt was auto loan debt (75%).

Most participants (75%) reported that their debt has remained the same from the first financial coaching session. One participant reported that their debt has increased since their last financial coaching session. It is unclear the specific amount of debt participants owed at their second financial coaching session because all participants did not list the specific amount of debt they owed. At the first session, three of the participants had, on average, \$36,667 in debt.

Review of Financial Coaching

Despite the mixed results of the impact of financial coaching on these four participants' finances, their reviews of financial coaching are positive. All participants reported being satisfied with financial coaching, and three of the four participants reported being very satisfied with financial coaching. Additionally, three of the four participants reported having made some progress on their financial goal. All participants reported at least one thing they have learned from financial coaching that they will continue to do. All participants would recommend financial coaching to a friend. Lastly, all participants reported that their financial coaching sessions had been valuable to them.

Appendix D: Financial Coaching Videos Developed During Phase 3

CLC of Rio Grande Valley (Brownsville) Video:

<https://www.youtube.com/watch?v=qLyCMNue7Y4&feature=youtu.be>

CLC of Dallas Video:

<https://youtu.be/lgin-8fYmi8>