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## CONTENT MODULE: FINANCIAL

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### WHY IS THIS TOPIC IMPORTANT FOR BOTH A COACH AND A FAMILY?

During the past 10 years, financial coaching has emerged as a powerful means for helping families move toward economic stability and sufficiency. Initial research shows that supporting families to achieve their financial goals is a promising strategy for helping them achieve other goals. Once families feel more stable financially, they are able to begin saving, and savings is linked to many other outcomes. Talking about finances with families is

often a means to learn about what is happening in their overall life and what they are trying to achieve. A parent may come into your program wanting to talk about a debt issue, but as the conversation unfolds, you learn that there are child care needs and an unexpected medical crisis that contributed to the credit issues. As you work with the parent to understand the pieces of their financial life, it will lead back to many other areas on the Wheel of Life.

#### GENERAL TIPS AND ADVICE FOR COACHING ON THIS TOPIC:

- Discussing money with parents can be sensitive and challenging. Make the approach to the conversation non-judgmental, assuring the parent that the discussion is confidential and that how quickly they proceed depends on how fast they want to go. The parent sets the agenda and pace while the coach provides the options.
- Typical financial topics for discussion include savings; household expenses, such as the cost of child care; increasing income; credit and debt; taxes; and access to financial products and services.
- Start the conversation by asking the parent basic and non-specific questions about how they are doing overall. It's OK if the response is not related to a financial concern. If you start by asking about their budget or credit, they can feel overwhelmed, or possibly embarrassed. "Listen to learn" by providing space and waiting for them to tell you what is most important. Parents, like us, come in with what they perceive as their failures, and it is not the coaches' roles to give an opinion, but to support them through listening and knowing that they will develop their own solutions.
- For many programs, financial coaching and child care needs are closely tied. Many early care and education programs have upfront conversations with parents about their finances as a means to help parents recognize that they could benefit from financial coaching. Then with strong referral mechanisms in place, parents can receive the assistance with finances that they need.
- Do they have a budget? Do they feel like they have extra money at the end of every month? If

not, what do they do? Are they able to put money into savings? Make a visual and a budget to help them have an “aha” moment. It may help to draw on paper a simple two-column grid with the headings, “Income” and “Expenses.” Work with the parent to fill out key monthly expense items. Having this simple visual aid may be an eye-opener for a parent who doesn’t use a budget.

- Coaches can support parents by bringing up the topic of saving for their child’s education. Parents are often highly motivated to plan for their child’s future. Helping them see how college savings can be approached in bite-size pieces can make a savings plan more possible and manageable. Research shows that any type of savings creates more likelihood of going to college and staying in college.
- Financial problem solving is an important conversation. What happens when an unexpected thing happens to a family? You can help a family plan in advance if something happens. Having backup scenarios helps them be prepared and able to make better decisions when something unexpected happens.
- Never endorse products or services. Coaches must not recommend or suggest that participants use a specific financial product, service, or investment option regardless of perceived quality or lack of a conflict of interest. The client must trust that the coach is establishing a relationship that puts the responsibility of researching products on the participant.

## POWERFUL QUESTIONS AND OTHER FAMILY-CENTERED INQUIRIES:

- What are your financial goals for your family?
- Where would you like to be with your finances in three months? One year? Five years?
- Have you ever thought about setting a financial goal for your family?
- What are your dreams for your children? Many families are more relaxed and open to a conversation about savings if you ask about their dreams for their children, rather than for themselves. This can open the door to other conversations about their individual dreams at a later time.

## INFORMATION FROM OTHER CONTENT AREAS CAN SUPPORT SUCCESS IN THIS ONE





This topic ties closely in with other topics such as employment, education, and career; basic needs; legal; and child well-being and parenting. Looking at these areas provides insights into other interests, strengths, and potential challenges that can support or hinder a parent’s ability to make progress toward a financial goal.

OTHER CONTENT AREAS	QUESTIONS FOR THE COACH AND PARENT TO DISCUSS
EMPLOYMENT, EDUCATION, AND CAREER	What types of jobs are you interested in, or what job do you currently have?
	Do the jobs you are looking at or currently hold have benefits? What are they? How can you research this?
	What is the average salary/wage?
	What are the opportunities for advancement?
	Is there a need for more education/training?
	What are the costs?
	How will you pay for it?
BASIC NEEDS	What would your financial picture look like without benefits? (SNAP, TANF)
	How can you plan for changes in benefits as your income increases?
	What would you like the picture to look like?

OTHER CONTENT AREAS	QUESTIONS FOR THE COACH AND PARENT TO DISCUSS
LEGAL	Are there any issues with criminal records or the legal system that are getting in the way of finding a job?
	Is child support current? When child support has not been paid, driver's licenses can be suspended and tax refunds taken. If a family has relatives in other countries and they need to get a passport but have a past due child support, then they can't get a passport without paying off the child support debt. A growing number of immigrant families are dealing with this.
	For men and women being released, legal financial obligations pose barriers. Some men and women have thousands of dollars in legal fees/obligations.
	Do you qualify for a driver's license or driver's privilege card? These are questions to begin a conversation about a parent's legal status. Knowing this can help to understand what kinds of financial services are available, such as insurance options.
CHILD WELL-BEING AND PARENTING	What child care needs do you have?
	What is the cost of child care?
	How is it paid for?
	What are the types of childcare options?
	Are there subsidies available?
	What is your backup plan?
	Are there ways to enlist the support of your family?

*The resources identified below are recommended by the Advisory Committee and Topic Experts for the Family-Centered Coaching Toolkit.*

## FOR YOUR TOOLKIT: IDENTIFY RESOURCES IN YOUR COMMUNITY

-  Credit counseling
-  Financial literacy programs
-  Financial coaching
-  Low-income taxpayer clinics and credit unions

### TOOLS/RESOURCES:

#### **Budgeting Software**

*You Need a Budget combines software with four simple rules to help you quickly gain control of your money, get out of debt, and save more money faster!*

<https://www.youneedabudget.com/>

#### **Consumer Protection**

*The Federal Trade Commission provides free resources for people to learn about credit, debt, identity theft, and avoiding scams, as well as budgeting, opening a bank account, shopping for prepaid cards, and managing money in general.*

<https://www.consumer.gov/>

#### **Credit Counseling/Debt Management**

*National Foundation for Consumer Credit Counseling (NFCC) member agencies provide credit counseling, debt management, financial reviews, and comprehensive money management services based on the consumer's individual needs.*

<https://www.nfcc.org/>

#### **Credit Reports**

*Obtain one free credit report form each of the national credit reporting companies.*

<https://www.annualcreditreport.com/index.action>

#### **Credit Unions**

*National Federation of Community Development Credit Unions*

<http://www.cdca.coop/about-us/>

**Financial Assessment**

*The Mint Grad Financial Fitness Test*

<http://www.themintgrad.org/try-it/financial-fitness-test/>

**Financial Coaching Platform**

*The Financial Clinic's Change Machine contains all the tools and resources practitioners need to address their customers' underlying financial insecurity. The "share" portion of the platform provides a means for coaches to get answers from other coaches on financial topics. There is a fee for this service.*

<https://change-machine.org/share>

**Financial Education and Capability for Adults**

*CFPB's Your Money, Your Goals is a set of financial empowerment materials for organizations that help people meet their financial goals by increasing their knowledge, skills, and resources.*

<https://www.consumerfinance.gov/educational-resources/your-money-your-goals/toolkit/>

**Financial Education and Capability for Children**

*Parents and caregivers can access resources to help build young people's money skills.*

[consumerfinance.gov/parents](https://www.consumerfinance.gov/parents)

**Financial Software**

*Personal Capital is free financial software allows you to easily manage your entire financial life in one secure place.*

<https://www.personalcapital.com/>

**Identify Theft**

*IdentityTheft.gov can help you report and recover from identity theft.*

<https://www.identitytheft.gov/>

**Personal Finance App**

*Take control of your money with Wally. Understand where it goes. Balance income and expenses. Set and achieve financial goals.*

<http://wally.me/>

**Retirement Savings**

*myRA is a retirement savings account from the United States Department of the Treasury.*

<http://tinyurl.com/yajs4gnr>

### **Saving for College Expenses**

*Website for federal student aid*

[www.studentaid.ed.gov](http://www.studentaid.ed.gov)

*Application for student aid*

[www.fafsa.ed.gov](http://www.fafsa.ed.gov)

*Understanding education tax credits*

<https://www.irs.gov/individuals/education-credits>

*Coverdale ESAs*

[http://www.savingforcollege.com/coverdell\\_esas](http://www.savingforcollege.com/coverdell_esas)

*529 plans (both as a part of tax season, and independently)*

[http://www.savingforcollege.com/529\\_plan\\_details/index.php?page=plans\\_by\\_state](http://www.savingforcollege.com/529_plan_details/index.php?page=plans_by_state)

*CFPB website to help consumers make informed financial decisions about how to pay for college*

[www.consumerfinance.gov/paying-for-college/](http://www.consumerfinance.gov/paying-for-college/)

### **Savings Tool**

*EARN Starter is a free, simple, online hat helps you save for what's most important!*

<https://www.earn.org/>

### **Tax Assistance**

*The VITA program (Volunteer Income Tax Assistance) offers free tax help to low- to moderate-income people who cannot prepare their own tax returns.*

<https://www.irs.gov/individuals/free-tax-return-preparation-for-you-by-volunteers>

### **Estimating Earned Income Tax Credit Amounts**

<http://www.eitcoutreach.org/help>