Engagement from the First Session: Financial Coaching

Presented by Thanapat Vichitchot
Agenda

• About Santa Maria Community Services
• Financial Services at Santa Maria Community Services
• The First Session Objectives
• Strategies
About Santa Maria Community Services

“Helping families help themselves since 1897”

Mission:
Santa Maria is a catalyst and advocate for Greater Price Hill families to attain their educational, financial, and health goals.

Services:
Early Childhood, Workforce Development, Health and Wellness, and Youth Development
Financial Services at Santa Maria Community Services

• Part of Workforce Development Program
  • Services – GED, Employment, and Financial
  • Using FOC model
  • Several orientation times per week
Financial Services at Santa Maria Community Services (cont.)

- Financial Education
  - Group classes - Employment Workshops and Tenant Education
  - One-on-one

- Financial Coaching
  - One-on-one
  - Cross-trained case managers with basic budgeting

- Financial Products & Tools
  - Twin Account
  - Lending Circles
  - IDA with match
  - Homestead Program
Financial Coaching - First Session Objectives

• Introductions
• Get to know participant, make them feel welcome, build rapport
• Assess participant needs and determine internal motivation
• Communicate the role of Financial Coach
• Explain why baseline financial profile is needed
• Sign disclosures and waivers
• Develop vision, goals, action plan, and clear next steps
• Conduct remaining baseline assessment
• Introduce products and tools
• Share other client successes who had similar goals
Strategies

• Trust and Relationship Building from the First Session
• Effective Coaching and Promoting Financial Action
• Using Products and Tools
• Using Behavioral Science Research
Strategies –

Trust and Relationship Building from the First Session

Six Ways to Make People Like You:

1. Become genuinely interested in the other person.
2. Smile.
3. Remember that a person's name is, to that person, the sweetest and most important sound in any language.
4. Be a good listener. Encourage others to talk about themselves.
5. Talk in term’s of the other person’s interest.
6. Make the other person feel important – and do it sincerely.

Strategies –

Trust and Relationship Building from the First Session

Other Tips:
- Express gratitude every time participants come for an appointment
- Demonstrate a sincere interest to help that person succeed
- Be aware of non-verbal communication and body language
- Ensure non-judgmental expressions and communication
- Utilize empathy
- Motivate, encourage, and empower
- Start addressing limiting beliefs
Strategies –
Effective Coaching and Promoting Financial Action

• Using the C.O.A.CH. Model
• Promoting Action
• Holding clients accountable towards goals
• Celebrating Successes
• Clear Next Steps
C O A CH Model

• **C** – Client-driven goal setting - *What’s the client’s financial goal?*
  • What is your vision?
  • What do you want to achieve?
  • Where do you want to be?

• **O** – Ongoing Assessment - *What is the client’s current financial situation?*
  • Where are you now in the context of your financial goal?
  • What have you already done?
  • What are your strengths? What are your challenges?
  • How satisfied are you in the financial areas that affect your life?

• **A** – Action Planning - *What steps will the client take to get from here to there?*
  • How will you get from where you are now to where you want to be?
  • What do you think needs to be changed to reach your goal?
  • What next steps will you commit to take?

• **CH** – Checking - What mechanisms will keep the client on track?
  • What will you do by when?
  • How will you let me know that you’ve done it?

Strategies –

Using Financial Products and Tools – Current Offerings

• Twin Account – Justine Peterson
• Lending Circles – Mission Asset Fund
• IDA with match – PNC Bank
• Homestead Program – Price Hill Will, Working in Neighborhoods, Legal Aid
# Financial Service Tools

<table>
<thead>
<tr>
<th></th>
<th>Twin Account</th>
<th>Lending Circles</th>
<th>Matched Savings IDA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Brief description</strong></td>
<td>Credit builder loan with match</td>
<td>Bank account loan with match</td>
<td>Matched saving account</td>
</tr>
<tr>
<td><strong>Available to all users</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td><strong>Application process</strong></td>
<td>Apply anytime. Paper application through Financial Coach</td>
<td>Apply anytime. Application online at <a href="http://www.lendingcircles.org">www.lendingcircles.org</a></td>
<td>Apply anytime. Paper application through Financial Coach</td>
</tr>
<tr>
<td><strong>Time commitment</strong></td>
<td>12 months</td>
<td>8-12 months, depending on # in group</td>
<td>8-12 months</td>
</tr>
<tr>
<td><strong>Bank account needed</strong></td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>Paymenp options</strong></td>
<td>Check or money order by mail, direct deposit, check/cash card by phone</td>
<td>Only bank draft. Must submit voided check or bank document to verify account and routing number with application</td>
<td>In person, direct deposit or transfer</td>
</tr>
<tr>
<td><strong>Time to complete application</strong></td>
<td>Average 60 minutes</td>
<td>Average 45 minutes</td>
<td>Average 13 minutes</td>
</tr>
<tr>
<td><strong>Matched funds Information and stipulations</strong></td>
<td>Yes, up to $300 for on time payments. Match must be reinvested into secured credit card or pay down debt</td>
<td>N/A</td>
<td>Use towards approved goal approved by financial coach</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Santa Maria registration form with budget completed</th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income (income minus expenses)</strong></td>
<td>&gt; 526/month</td>
<td>&gt; 520-200/month, monthly contribution amount decided by group</td>
<td>&gt; 523/month</td>
<td></td>
</tr>
<tr>
<td><strong>Credit score needed</strong></td>
<td>None needed</td>
<td>None needed</td>
<td>None needed</td>
<td></td>
</tr>
<tr>
<td><strong>Income level</strong></td>
<td>Under 200% poverty level</td>
<td>Under 200% poverty level</td>
<td>Under 200% poverty level</td>
<td></td>
</tr>
<tr>
<td><strong>Income qualify</strong></td>
<td>Must have income when applying</td>
<td>At least two months, verify income</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td><strong>Valid ID needed</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td><strong>Social Security Number / ITIN needed</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td><strong>Gross to income ratio</strong></td>
<td>N/A</td>
<td>Less than 30%</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td><strong>Verification Income</strong></td>
<td>No</td>
<td>Yes, two months pay stubs or three months bank statements</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td><strong>Financial Education</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td><strong>Disqualifiers</strong></td>
<td>Active lines of credit that are currently not being paid on</td>
<td>None</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td><strong>Requirements upon completion</strong></td>
<td>Sign off on authorization forms</td>
<td>None</td>
<td>Sign off on release of funds</td>
<td></td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>Loan order determined by group</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>
Strategies –

Using Financial Products and Tools

• Gives another incentive to meet and check in with the Financial Coach
• Helps clients commit for longer term engagement based on length of product time
• Allows for leverage and another accountability partner
• Lending Circles allows for group participation which can allow for peer support
• Having multiple products allows for continued re-engagement
• Connects clients to products and the agency not just staff
Strategies –

Using Behavioral Science Research

• Helped to put in words and educate staff on reasons clients may not show up for appointments, disengage, or not proceed towards goals.

• Allowed staff to use learnings to help educate clients on behavior to start the conversation on addressing change
Questions?

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