

# Volunteer Financial Coaching

## Training Manual

Updated 09/2014



## Foundation Communities

[www.foundcom.org/get-financially-stable](http://www.foundcom.org/get-financially-stable)

*Foundation Communities' financial programs facilitate a pathway to economic stability for individuals and families of limited resources through education, optimization of resources, and support as they work towards financial goals.*

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### **Symbols you will see throughout the manual:**



Client form available on the Vol Resource page



Online resources



Information about Living Green



Information about asset limits

## Financial Coaching Program Staff and Locations

Financial Coaching Program (Greeter on duty during all program hours)

512-610-4026

### **Community Financial Center**

2600 W.  
Stassney Ln.

Austin, TX  
78745

Bus routes 311  
and 238

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CFC Stassney Greeter

512-610-7387

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### **Highland Mall**

6001 Airport  
Blvd.

Austin, TX  
78752

Bus routes 7,  
10, 300, 320,  
350 and  
MetroRail

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Bi lingual Financial Counselor, St. John Family Stability Initiative  
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512-373-6082



## Financial Coach Job Description

**Project description:** The Financial Coaching Program offers low-income individuals and families the opportunity to work one-on-one with a trained volunteer. Volunteers will help clients create and reach their goals, paving a path to overall financial stability and a better understanding of how to manage the daily interaction between their finances and personal lives.

**Responsibilities:** Depending on the client's needs, volunteers will help to establish financial goals, get financially organized, improve credit, reduce debt, and set up a livable budget. The coach's main role is to provide the impetus and accountability in setting accomplishable goals, as well as providing the resources necessary to reach them.

**Skills:** Coaches need to be organized, resourceful, and understanding of clients' various needs and life experiences. While it does help when our volunteers have experience with financial planning and budgeting, we do not deny volunteers for a lack of credentials. It's just as important that our coaches be empathetic and resourceful in approaching the unique issues that each client will bring in. Our best coaches are able to deal equally well with numbers, people, and new challenges.

**Time Commitment:** Volunteers are expected to give 30 hours (including training) over the course of one year. Appointments will be scheduled based on the coach's availability, with offices open Mon—Thurs from 10:00am to 7:00pm, and Fri—Sat from 9:00am to 1:00pm.

**Dress Code:** The dress code is casual at minimum, business casual preferred. No street wear and no attire that would be appropriate for bed, the gym, the pool or lake, or the club. Please make sure clothes are clean and not torn.



## **What is Financial Coaching?**

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

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

## **Standards and Core Competencies of a Financial Coach**

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



**Foundation Communities' financial programs** facilitate a pathway to economic stability for individuals and families of limited resources through education, optimization of resources, and support as they work towards financial goals.

#### **Volunteer Philosophy Statement:**

We believe that our volunteers and staff members are the greatest resource to the Financial Stability Programs of Foundation Communities. Volunteers and staff will work side by side to deliver our mission of empowering low-and-moderate income families and individuals with the tools they need in their pursuit of economic success. Although responsibilities may differ, we believe that volunteers and staff members should both lead and serve. Volunteers are vital and essential to the Financial Stability Programs of Foundation Communities.

#### **Volunteer Bill of Rights:**

- Volunteers will be treated like coworkers, with the utmost professionalism and courtesy. Volunteers will not be seen as “free” help.
- Volunteers have the right to be heard. We are committed to providing effective channels of communication for feedback and efficient conflict resolution.
- Volunteers will be given the opportunity to provide feedback on what support they need, helping us to provide a better experience for volunteers, clients, and staff.
- Volunteers have the right to receive the appropriate training necessary to fulfill their roles and responsibilities.
- Volunteers have the right to work in a safe and friendly environment. You have a right not to tolerate working in an environment of disrespect, harassment or abuse of any form.
- Volunteers have a right to work in an environment that supports and encourages diversity.
- Volunteers have the right to work in an environment that supports personal and professional development.
- Volunteers have the right to be and will be recognized and acknowledged for their commitment and talent.

#### **Volunteer Standard of Conduct:**

- Volunteers will treat clients professionally, courteously, and respectfully.
- Volunteers will safeguard the confidentiality of clients in all matters at all times and will not share information with others not having a role in delivering the service of such clients.
- Volunteers will provide service to the best of their ability and act in the best interest of the client.
- Volunteers will only provide services they are qualified and trained to give.
- Volunteers will exercise reasonable care for equipment, materials, and spaces owned or used by our programs and/or partners.
- Volunteers will not solicit business from clients.
- Volunteers will not act as a representative of a company, organization, or a field in which they work while volunteering.
- Volunteers will not accept payments or gifts for services provided.
- Volunteers will follow the policies and procedures designated by all programs of Foundation Communities.
- Volunteers will sign policy and agreement forms prior to providing client services.



## Financial Coaching Volunteer Policy

Foundation Communities strives to offer high quality financial coaching in a confidential and unbiased manner. In order to accomplish this, Foundation Communities has established the following policies that all volunteers are expected to adhere to. Should any of the policies be violated, a volunteer may be asked to discontinue his or her participation as a financial coach.

- Volunteers agree not to solicit any client for any paid service or meet with a client at any location outside of Foundation Communities' approved locations.
- Volunteers pledge to maintain confidentiality about client's personal financial issues and any other personal matters shared during financial coaching sessions.
- Volunteers agree to be an unbiased source of financial information, not a representative of the company, organization or field they work for or in during all financial coaching sessions.
- Volunteers agree not to distribute business cards or materials promoting their employer or any of their employer's products; or ask the client to distribute any of the above materials.
- Volunteers who are employed in the financial services industry agree not to wear clothing and/or nametags with their company logo.
- Volunteers agree not to use client information such as telephone numbers and/or addresses for use outside of financial coaching (with or without permission of the client).
- Any perceived conflict of interest must be disclosed to clients.
- Volunteers agree to act strictly in the best interest of the client.
- Volunteers agree not to take actions or make decisions on the client' behalf
- Volunteers agree to be respectful of the actions and decisions taken by the client
- Volunteers commit to volunteering at least 30 hours, including training, with the Financial Coaching program within a 12 month period.
- Volunteers must not have in their possession illegal substances, firearms or open alcohol during their volunteer time.

I acknowledge and agree to abide by Foundation Communities' Volunteer Policy.

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Printed name

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Signature, date

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Employer

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Printed name

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Signature, date

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Employer

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## Our Clients

Clients' **annual household income** is no more than \$50,000.

Financial Coaching Clients face many **financial challenges** such as limited incomes, limited savings and assets, no or poor credit, limited exposure to financial management concepts and practices, and barriers to financial mainstream.

To see a snapshot of how much it takes to get by in the Austin area, visit the Center for Public Policy Priority's Family Budget Estimator: [www.familybudgets.org](http://www.familybudgets.org).

In addition, they are often dealing with **other challenges** such as unreliable transportation, unpredictable work schedules, attendance requirements for children's activities, accessing public benefits, health issues (both physical and mental) and limited access to medical care.

Some clients face **personal barriers** such as fear, procrastination, lack of resources, lack of time and energy, weak relationships and support systems, feeling inept, isolation, making assumptions, as well as many others, which have kept them from fulfilling their potential.

Clients **choose the day and time of their appointment** through our scheduling system. They are asked to confirm after scheduling the appointment and they are reminded by phone and/or email of their appointment.

One out of every seven clients that schedule an appointment **doesn't show up** to their first appointment and doesn't call to cancel the appointment. Clients have cited things like transportation issues, health issues for themselves or a family member or other last-minute commitments as the reason for not attending. One in four appointments is **cancelled** in time to notify the coach.

Some clients come to **one session**, then don't come back. For many clients, the question or concern they had was addressed. Continuing to meet is the choice of the client, and we depend on you, the coach, to make them feel inspired to come back and continue to work toward their goals.

A few clients are **required** to participate in Financial Coaching to fulfill requirements of other programs, often financial assistance programs. We are working with the agencies that require their clients to participate in Financial Coaching so that both case managers and clients understand the nature of the program, what is expected of the clients and what they can expect from the program.

Some clients come to Financial Coaching with **low literacy** skills. One in five adults living in Central Texas lacks the skills necessary to fill out a job application<sup>1</sup>. Low-literacy individuals often display behaviors such as not making eye contact, constant nodding as if in agreement and immediately asking questions about forms without reading them. A coach's patience and empathy will be very important in working with low literacy individuals.

<sup>1</sup>Source: *Financial Literacy Coalition of Central Texas*

## General Strategy

### Strengths Based Financial Coaching

Strengths based coaching uses the coach's affirmations to allow the client to acknowledge and build on existing strengths, as well as gain new skills and knowledge to help them better manage their current situation and future financial decisions. There are four steps of strengths based coaching.

#### 1. **Inspire** the client with praise

Breaking through the shame and embarrassment the client may be experiencing when having financial difficulties is a tremendous step. Asking for help is not an easy task. During the first conversation, praise them for taking this step. This praise will encourage them to do the hard work that is before them.

#### 2. **Empower** the client with education

Your client may not have strong financial skills. The successful financial coach will create a learning space where both the coach and client can learn and explore strategies for successful financial management as appropriate for that client.

#### 3. **Guide** the client through goal setting and problem solving

This may be one of a few times the client has done extensive budgeting, set financial goals, or used problem solving skills in an intentional manner. Without judgment, guide them through their financial situation by helping them identify budget constraints and develop a plan that takes them into a life where they control their finances rather than their finances controlling their life.

#### 4. **Restore** the client's hope and confidence

Allow the client to take small steps to restore their confidence in themselves. When the client does the work themselves there is pride and a restored self esteem that starts to emerge. Encourage small victories and help the client set themselves up for success in the days ahead.

#### 5. **Engage** the client in a long-term process of self-improvement

For most of us, the process of improving our financial well-being is a long-term process. Goals are rarely reached after one Financial Coaching session. Engage our clients in this long-term process by reminding them of their goal and inviting them to continue to meet with you for accountability and support along the way.

# Coaching Guidelines

## 1. Know your role

Know your role as a coach and recognize the boundaries and limitations of the Financial Coaching program. Know when it's an issue that needs to be referred to the staff. You don't need to be a counselor or a therapist. Financial Coaches do not give advice on legal matters, bankruptcy, taxes, foreclosure, investments or any other matters requiring specialized training or licensing.

## 2. Resist the urge to fix

Often the objective eye of the coach might quickly identify the client's problems and solutions to resolve the situation. However, it is important that the coach set aside their instincts to solve the client's problems. While it may save time for the coach, it may be destructive to the client. When the counselor makes the decisions it removes the opportunity for the client to make decisions, take important steps to restore their self confidence, and ultimately take control of their lives.

## 3. Keep in mind the emotional ties with money

A client may have developed certain behaviors because of some other emotional issue in their lives. This might make it difficult for the client to take steps that the coach may find simple. Allow the client to lead the discussions on actions and behavioral changes.

## 4. Restrain your inner critic

Clients come in with a wide range of experiences that shape who they are. They represent all types of lifestyle choices, financial decisions, parenting styles, religions and races. They also come in with their own goals, which may not be the same goals the coach would have for the client. The coach must set aside their own personal biases so that their coaching is not hampered by preconceptions.

## 5. Know your boundaries

Don't offer or accept things like rides, meals, money or any other gift.

You can give your clients a way to contact you directly, but try to avoid giving them your home phone number. Email or work contact is better. You don't have to give them any of your contact info at all. Our scheduling system will allow your clients to request an appointment without sharing your contact information.

## Recommended Reading

### ***Nickel and Dimed: On (Not) Getting By in America*, Barbara Ehrenreich.**

From Publishers Weekly: Determined to find out how anyone could make ends meet on \$7 an hour, she [the author] left behind her middle class life as a journalist except for \$1000 in start-up funds, a car and her laptop computer to try to sustain herself as a low-skilled worker for a month at a time. In 1999 and 2000, Ehrenreich worked as a waitress in Key West, Fla., as a cleaning woman and a nursing home aide in Portland, Maine, and in a Wal-Mart in Minneapolis, Minn. During the application process, she faced routine drug tests and spurious "personality tests"; once on the job, she endured constant surveillance and numbing harangues over infractions like serving a second roll and butter.

### ***The Working Poor: Invisible in America*, David K. Shipler**

From Amazon.com: The Working Poor examines the "forgotten America" where "millions live in the shadow of prosperity, in the twilight between poverty and well-being." These are citizens for whom the American Dream is out of reach despite their willingness to work hard. Struggling to simply survive, they live so close to the edge of poverty that a minor obstacle, such as a car breakdown or a temporary illness, can lead to a downward financial spiral that can prove impossible to reverse.

### ***Co-Active Coaching*, Karen Kimsey-House, Henry Kimsey-House, Phillip Sandahl, Laura Whitworth**

From Amazon.com: When Co-Active Coaching was first released in 1998, this pioneering work set the stage for what has become a cultural and business phenomenon and helped launch the profession of coaching. Published in more than ten languages now, this book has been used as the definitive resource in dozens of corporate, professional development and university-based coaching programs as well as by thousands of individuals looking to elevate their communication, relationship and coaching skills. The third edition emphasizes evoking transformational change in the client and extends the use of the Co-Active Model into leadership management and its effectiveness throughout organizations. This edition also contains an on-line Coach's Toolkit (replacing the CD of the second edition), several new coaching demonstrations and more than 35 updated exercises, questionnaires, checklists and reproducible forms.

### ***Nudge*, Richard Thaler and Cass Sunstein**

From Amazon.com: An interesting work. It speaks of how conditions can be changed and perhaps improved by "nudging" people. Rather than "beating up" on people, subtly nudge them. Fascinating reading and very provocative. Is nudging good? Or manipulative?

The authors, Richard Thaler and Cass Sunstein, faculty at the University of Chicago, define a "nudge" as (Page 6): ". . .any aspect of the choice architecture that alters people's behavior in a predictable way without forbidding any options or significantly changing their economic incentives." Indeed, they define their perspective as "libertarian paternalism." They believe in freedom but also wish to use "nudges" to induce people to improve their health, and live longer and happier.

### ***Pound Foolish: Exposing the Dark Side of the Personal Finance Industry*, Helaine Olen**

From The New York Times: It's rare to come across a realistic and readable book about personal finance. Most are laden with rosy promises, followed by acronyms and turgid advice. Helaine Olen...offers an exception with Pound Foolish...It's a take-no-prisoners examination of the ways she says we have been scared, misled or bamboozled by those purporting to help us achieve financial security.

## Recommended Playing

### ***Spent, Urban Ministries of Durham***

<http://playspent.org/playspent.html>

Urban Ministries of Durham serves over 6,000 people every year. But you'd never need help, right?

### ***Poverty Quiz, Poverty USA***

<http://www.povertyusa.org/poverty-resources/quiz/>

The domestic anti-poverty program of the U.S. Catholic Bishops, the Catholic Campaign for Human Development (CCHD) is an instrument of the Catholic Church working to break the cycle of poverty.

# Intake



## Financial Education Intake Survey

All information you provide during any Financial Education class or one-on-one session will be kept confidential.



First Name: _____ Last Name: _____ Start Date: ____ / ____ / ____
Date of Birth: ____ / ____ / ____ Gender: <input type="checkbox"/> Male <input type="checkbox"/> Female
Ethnicity: <input type="checkbox"/> Caucasian <input type="checkbox"/> African American <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Asian <input type="checkbox"/> Native American <input type="checkbox"/> Mixed or Other
Highest Level of Education: <input type="checkbox"/> K-12 <input type="checkbox"/> High School Diploma or GED <input type="checkbox"/> Some College <input type="checkbox"/> 2-Year Degree <input type="checkbox"/> 4-Year Degree <input type="checkbox"/> Master's Degree
Address: _____ Unit: _____ City: _____ State: _____ Zip Code: _____ Email: _____ Home Phone Number: _____ Cell Phone Number: _____

Do you live in a Foundation Communities property? <input type="checkbox"/> No <input type="checkbox"/> Yes Which one? _____																												
Number of people living in your household (including yourself, spouse/partner, children, etc.): _____																												
Do you own or rent a home? <input type="checkbox"/> Own <input type="checkbox"/> Rent Other: _____																												
Are you self-employed or did you receive a 1099-MISC from an employer? <input type="checkbox"/> No <input type="checkbox"/> Yes																												
Check the public benefits you or anyone in your household currently receives: <input type="checkbox"/> SNAP <input type="checkbox"/> Section 8 <input type="checkbox"/> Medicare <input type="checkbox"/> Other: _____ <input type="checkbox"/> TANF <input type="checkbox"/> CHIP <input type="checkbox"/> Medicaid <input type="checkbox"/> None																												
Please list all current sources of income including both employment and non-employment income.																												
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Source (Employer, Unemployment, Student Loans, SSI, SSDI, etc.)</th> <th style="text-align: center;">How Much?</th> <th style="text-align: center;">How Often? (once a year, every month, every two weeks, etc.)</th> <th style="text-align: center;">Enrolled in Direct Deposit?</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;"><i>Employer - HEB</i></td> <td style="text-align: center;"><i>\$800</i></td> <td style="text-align: center;"><i>every two weeks</i></td> <td style="text-align: center;"><i>N</i></td> </tr> <tr> <td style="text-align: center;"><i>SSDI</i></td> <td style="text-align: center;"><i>\$720</i></td> <td style="text-align: center;"><i>every month</i></td> <td style="text-align: center;"><i>Y</i></td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Source (Employer, Unemployment, Student Loans, SSI, SSDI, etc.)	How Much?	How Often? (once a year, every month, every two weeks, etc.)	Enrolled in Direct Deposit?	<i>Employer - HEB</i>	<i>\$800</i>	<i>every two weeks</i>	<i>N</i>	<i>SSDI</i>	<i>\$720</i>	<i>every month</i>	<i>Y</i>																
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## Letter of Agreement – Financial Coaching

Financial Coach \_\_\_\_\_ and Client \_\_\_\_\_, please initial next to each item below to indicate agreement.

\_\_\_\_ *Financial Coach* agrees not to solicit any client for any paid service or meet with a client at any location outside of Foundation Communities' approved locations.

*Both Parties* understand that Financial Coaching is a free service of Foundation Communities for anyone who qualifies. Financial Coaching is only offered at Foundation Communities and its partners' locations.

\_\_\_\_ *Financial Coach* agrees to provide information, guidance and support on personal finance issues. Financial Coach will not make any decisions for Client or take actions on Client's behalf.

*Client* agrees to maintain full responsibility for making decisions and taking actions that affect Client's financial well-being.

\_\_\_\_ *Financial Coach* agrees to represent Foundation Communities' Financial Coaching program while he/she is meeting with Client and agrees to provide guidance based solely on the best interest of Client.

*Client* agrees to exercise due diligence if following Financial Coach's advice.

\_\_\_\_ *Financial Coach* agrees to make the appropriate referral, including to Financial Coaching staff, when an issue is beyond the Financial Coaching program's boundaries and limitations.

*Client* understands that Financial Coaches cannot give advice on legal matters, bankruptcy, taxes, foreclosure, investments or any other matters requiring specialized training and licensing.

\_\_\_\_ *Financial Coach* agrees to keep all of Client's information confidential and not to discuss it or use it for any purpose outside of Financial Coaching.

*Client* agrees to share information about their finances honestly and completely in order to receive the best service.

\_\_\_\_ *Financial Coach* understands that financial decisions and way of life are determined by the Client, and agrees to remain free of judgment.

*Client* agrees to communicate with Financial Coach if Client disagrees or is not comfortable with a suggestion.

*Both parties* agree that if Client does not complete an action step or follow a suggestion made by Financial Coach, they will work together to find a better solution.

\_\_\_\_ *Both parties* agree to maintain responsibility for remembering scheduled appointments, cancel any scheduled appointment with at least 24 hour notice and otherwise be respectful of each other's time.

\_\_\_\_ *Both parties* agree that if a client misses two scheduled sessions without cancelling ahead of time, the client will not be allowed to continue participation in the Financial Coaching program for a period of time determined by the Financial Coaching staff.

\_\_\_\_ *Both parties* can contact Coaching staff with any issues or questions regarding the program. (512) 610-4026 or FinancialCoach@foundcom.org.

# Topic: Planning and Saving for Goals



## SMART Goal Worksheet

Today's Date: \_\_\_\_\_ Target Date: \_\_\_\_\_ Start Date: \_\_\_\_\_

Date Achieved: \_\_\_\_\_

Goal: \_\_\_\_\_

### Verify that your goal is SMART

**Specific:** *What exactly will you accomplish?*

---

---

---

**Measurable:** *How will you know when you have reached this goal?*

---

---

---

**Achievable:** *Is achieving this goal realistic with effort and commitment? Have you got the resources to achieve this goal? If not, how will you get them?*

---

---

---

**Relevant:** *Why is this goal significant to your life?*

---

---

---

**Timely:** *When will you achieve this goal?*

---

---

---

**This goal is important because:**

---

---

**The benefits of achieving this goal will be:**

---

---

---

**Take Action!**

**Potential Obstacles**

**Potential Solutions**

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<hr/>	<hr/>
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**Who are the people you will ask to help you?**

---

---

---

**Specific Action Steps: *What steps need to be taken to get you to your goal?***

**What?**

**Expected Completion Date**

**Completed**

<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
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## Planning and Saving for Goals

When getting your finances in order, it is important to think about unexpected expenses, retirement and other goals for your future. It is generally very difficult or maybe impossible to save for all of your goals at once. Prioritizing goals makes it easier to formulate a realistic plan for attaining your goals.

Consider including these goals in your plan:

1. **Emergency Savings:** Something always comes up, doesn't it? Having some money set aside allows you to deal with those things life throws at you without derailing your other plans.
2. **Getting out of Debt:** Getting out of interest-bearing debt allows you to divert that money toward things you want for your future rather than paying for your expenses of the past.

Goal	Time needed	Amount needed	Savings per month
Example: Down payment for home	3 years (36 months)	\$3,000	\$84 ( $\$3,000 \div 36$ months)
1.			
2.			
3.			
4.			
5.			
6.			



## Make it Happen Worksheet

My financial goal is to do what: \_\_\_\_\_ by when: \_\_\_\_\_

Amount Needed	Time Needed	Money Per Month (Amount/ number of months)

Fill in at least three squares below with behavior changes that will help you make it happen. Circle one to start today.

Behavior Duration	Behavior Type				
	New	Renewed	Increased	Decreased	Stopped
One time					
From _____ To _____					
From now on					

### EXAMPLE

My financial goal is to do what: save \$1500 for a family vacation by when: next July

Amount Needed	Time Needed	Money Per Month (Amount/ number of months)
\$1500	12 months	$\$1500/12 \text{ months} = \$125/\text{month}$

Fill in at least three squares below with behavior changes that will help you make it happen. Circle one to start today.

Behavior Duration	Behavior Type				
	New	Renewed	Increased	Decreased	Stopped
One time	Open new online savings account				Cancel monthly gym membership
From <u>now</u> To <u>next July</u>				Buying coffee at coffee shop only once a week	
From now on	Run on trail outside of house				

Source: NeighborWorks America



**Planning Tool**

*(Optional goal-setting tool to use with clients)*

What results do you want? What is your outcome?

---

---

---

What steps do you need to take?

---

---

---

---

This outcome is important to me because...

---

---

What is your deadline for achieving this result?

---

---

How will you let me know that you achieved it?

---

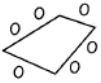
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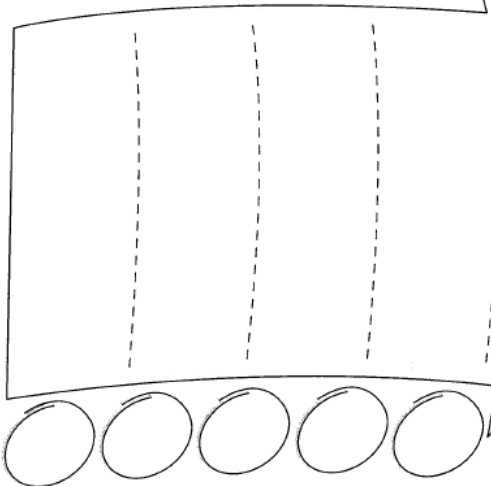


# GAMEPLAN

● TEAM/  
RESOURCES



● STAGES / TASKS



● SUCCESS  
FACTORS

● CHALLENGES

● TARGET

PRIMARY OBJECTIVES

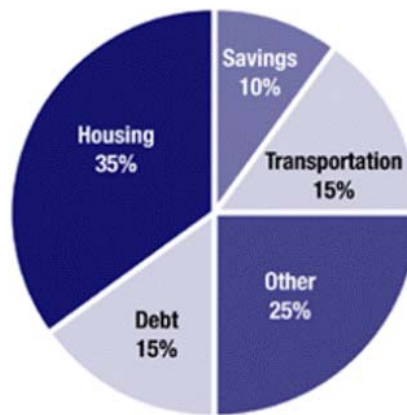
OTHER OBJECTIVES

## Topic: Creating a Budget

Creating a budget may not be a client's first priority. However, analyzing current earnings and spending is an important part of planning for any financial goal. Clients should create a basic budget as a step toward their larger goals. All clients are asked to bring in something that shows their household income to their first session.



### A Balanced Budget



Recommended guidelines for a balanced budget

Source: [www.vcu.com](http://www.vcu.com)

#### Do you have a balanced budget?

	According to the guidelines, how much should you be spending on?	How much do you really spend?
Rent/Mortgage (35%)	_____	_____
Savings (10%)	_____	_____
Transportation (15%)	_____	_____
Debt (15%)	_____	_____
Other (25%)	_____	_____



Tracking expenses can be very helpful in finding ways to make ends meet, save toward goals and pay down debt. Use this expense record to find out where you're letting money slip away.

**Daily flexible expense record**      Week of : \_\_\_\_\_

Category	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Category Totals
Food/Groceries								
Lunch/Dinner out								
Auto Repairs								
Gas/Transportation								
Medical (doctor visit, medicine)								
Snacks/coffee								
Video rental								
Laundry/dry cleaning								
Gifts (holidays, birthdays, etc.)								
Other holiday expenses								
Church/other donations								
Pet expenses								
Clothing								
Hair care								
Hobbies								
Entertainment								
Books/magazines								
Personal hygiene								
Other								
Other								
Other								
<b>Daily Totals</b>								<b>Grand Total</b>

Pocket-sized expense tracking tools are also available in the Financial Coaching office.

## The budgeting process

1. **Make sure the connection between creating a budget and their goal is clear.** There is no faster way to lose a client's interest in budgeting than to start talking about it in a way that feels totally unrelated to the goal they came in for. Make sure that in your conversations about budgeting, the client understands how having a budget will help them reach their goals.
2. **Take net income and monthly expenses. Now subtract.** Assessing monthly expenses may take a few sessions since many people don't know exactly how much they spend on things like entertainment, gifts and going out to eat. Once all expenses are accurately tallied, subtract the monthly expenses from net income.
3. **Have the client identify their wants and needs.** Have the client go back over each expense, and look for "wants" to reduce or cut out. It will be very tempting to tell the client what their needs are. It is completely up to the client to identify their needs and wants.
4. **Build in money for debt reduction and saving.** As you work with your clients on debt reduction and saving, make sure the plans are reflected in the budget.
5. **Don't let the client be afraid to change the budget.** A good budget is always evolving. Many of the clients you work with may experience fluctuations in income (and spending!), which call for fluctuations in the allocation of funds. A client should be comfortable with making changes to his or her own budget.
6. **Make sure the budget is in a format the client is comfortable with.** The budget should be in a format that the client is comfortable with and can revise and update him or herself after their Financial Coaching sessions have ended.
7. **Try experimenting with a budget that's based on the clients pay schedule.** Most of us work with a monthly budget. If the client is paid every week or every two weeks, try creating a budget to represent each pay check, or use a calendar to track paydays and bills.
8. **Encourage the client to be honest about their spending habits.** This is a hard one, not only for our clients, but for all of us! Where we spend our money says a lot about who we are. There may be some things the client would rather not share about themselves. *This is where it becomes very important that the client feel comfortable with their financial coach and that they will not be judged.*
9. **Don't forget to budget for fun.** Budgeting isn't about total deprivation. The "fun" line item doesn't have to be a lot of money, just enough for the client to feel like they have some freedom. You may even spend a session looking for free resources and activities for your client. Do a search online or in local newspapers. And don't forget about our libraries!
10. **Remember, it is the client who chooses what is included in a budget (and what is not).** The coach's role is to identify the income shortfall and help the client decide how it could be resolved. Ultimately the choices are the client's.

## Budgeting Tools



Try using an internet-based financial management system. If the client is comfortable with managing their personal finances online and putting their financial passwords onto a third party web site, try one of the following secure sites. They're free and have been used successfully by many Financial Coaching clients.

[www.mint.com](http://www.mint.com)

[www.mvelopes.com](http://www.mvelopes.com)



### Monthly Budget Plan: Bi-Weekly

Bi-Weekly #1			
Pay Date			
Income			
	Estimated	Actual	Difference
Paycheck #1			
Other income			
Total Income			

Bi-Weekly #2			
Pay Date			
Income			
	Estimated	Actual	Difference
Paycheck #2			
Other income			
Total Income			

Expenses			
Item	Estimated Cost	Actual Cost	Difference
<i>Subtotals</i>			

Expenses			
Item	Estimated Cost	Actual Cost	Difference
<i>Subtotals</i>			



For more help with personal finances, contact the Financial Coaching program at 512-610-4026



## Monthly Budget Plan #1

Monthly Take Home Income	
Salary or Wages (after taxes!)	
Salary or Wages (spouse)	
Social Security	
Retirement/Pension	
Child support/Alimony	
Public Benefits	
Other	
Other	
<b>Total income:</b>	

Monthly Debt Payments	
Auto Loan (1)	
Auto Loan (2)	
Credit Card (1)	
Credit Card (2)	
Personal Loan (1)	
Personal Loan (2)	
Other	
Other	
<b>Total monthly debt payments:</b>	

Monthly Living Expenses	
Rent or Mortgage	
Utilities - Electric	
Utilities - Gas	
Utilities - Water	
Food - Groceries	
Food- Out of home	
Phone (1)	
Phone (2)	
Internet	
Cable	
Transporation - Gas for car	
Transporation - Bus passes	
Insurance - Health	
Insurance - Dental	
Insurance - Renter's	
Insurance - Life and Disablity	
Insurance - Car	
Child Care	
Prescriptions	
Pet food	
Entertainment	
Charitable contributions/Tithe	
Other expense: _____	
Other expense: _____	
Other expense: _____	
<b>Total monthly living expenses:</b>	

Semi-Annual & Annual Expenses		
	Per Year	Per month*
Car insurance		
Car registration		
Car inspection		
Holiday gift giving		
Birthdays		
Back to school		
Car maintenance/repairs		
Other:		
Other:		
<b>Total monthly semi-annual &amp; annual expenses:</b>		

\*To get the monthly figure, take the per year amount and divide by 12

Summary	
Total income	
Total monthly living expenses (-)	
Total monthly debt payments (-)	
Total monthly semi-annual & annual expenses (-)	
Total monthly savings (-)	
<b>Over/Under:</b>	

Monthly Savings	
Savings goal #1	
Savings goal #2	
Savings goal #3	
<b>Total monthly savings:</b>	



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## Monthly Budget Plan #2

Name \_\_\_\_\_

Month \_\_\_\_\_

Total income for month \_\_\_\_\_

EXPENSES	BUDGET	ACTUAL	DIFF
<b>HOUSEHOLD EXPENSES</b>			
RENT OR MORTGAGE PMT			
ELECTRICITY			
GAS			
WATER/SEWER			
TELEPHONE			
CABLE			
INTERNET			
OTHER			
<b>SUBTOTAL</b>			
<b>HOME MAINTENANCE</b>			
CLEANING SUPPLIES			
LAWN CARE			
PEST CONTROL			
OTHER			
<b>SUBTOTAL</b>			
<b>FOOD</b>			
FOOD/GROCERIES			
FOOD AT WORK			
SCHOOL LUNCHES			
OTHER			
<b>SUBTOTAL</b>			
<b>SAVINGS</b>			
EMERGENCY FUND			
OTHER SAVINGS _____			
OTHER SAVINGS _____			
<b>SUBTOTAL</b>			
<b>CAR</b>			
GASOLINE			
CAR REPAIRS/MAINTENANCE			
REGISTRATION			
CAR INSPECTION			
OTHER			
<b>SUBTOTAL</b>			
<b>PERSONAL</b>			
PERSONAL ITEMS/TOILETRIES			
BARBER/BEAUTY SHOP			
ALLOWANCES FOR CHILDREN			
CHILD CARE			
CHILD SUPPORT/ALIMONY PAID			
OTHER			
<b>SUBTOTAL</b>			

EXPENSES	BUDGET	ACTUAL	DIFF
<b>INSURANCE</b>			
AUTO INSURANCE			
LIFE INSURANCE			
HOMEOWNERS/RENTERS			
HEALTH INSURANCE			
OTHER			
<b>SUBTOTAL</b>			
<b>MEDICAL</b>			
MEDICATION			
DOCTOR VISITS			
DENTIST			
OTHER			
<b>SUBTOTAL</b>			
<b>CLOTHING</b>			
CLOTHING			
LAUNDRY/DRY CLEANING			
OTHER			
<b>SUBTOTAL</b>			
<b>GIFTS &amp; DONATIONS</b>			
BIRTHDAY GIFTS			
CHRISTMAS			
OTHER GIFTS			
CHURCH DONATIONS			
OTHER DONATIONS			
<b>SUBTOTAL</b>			
<b>EDUCATION</b>			
SCHOOL FEES			
BOOKS AND SUPPLIES			
OTHER			
<b>SUBTOTAL</b>			
<b>ENTERTAINMENT</b>			
MOVIE RENTAL			
ATHLETIC EVENTS/HOBBIES			
VACATIONS			
EATING OUT			
OTHER			
<b>SUBTOTAL</b>			
<b>OTHER</b>			
"MAD" MONEY			
PET SUPPLIES/CARE			
POSTAGE			
CHECKING ACCOUNT FEES			
PICTURES/PHOTO PROCESSING			
OTHER			
<b>SUBTOTAL</b>			
<b>TOTAL MONTHLY EXPENSES</b>			



For more help with personal finances,  
contact the Financial Coaching program at 512-610-4026



## Reducing Expenses and Living Green

Cutting expenses isn't only good for your budget, but it's good for the earth too!

- The "Energy Audit" on the next page is a good tool to help you identify ways you can reduce energy use every day.
- Besides energy and water conservation, recycling and repurposing things are other good ways to good ways to reduce expenses while living green.
  - How can recycling help reduce your household expenses?
  - What are some ways you can repurpose things you already have, instead of buying something new?

Write down three things you will do to conserve energy and save money:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

What are three things you will do to conserve water and save on your water bill:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Want to learn more about living green while saving green? Here are a few resources that can help:

[www.earthshare.org](http://www.earthshare.org) - Click on "The Issues," then "Green Tips"  
[www.austinenergy.com](http://www.austinenergy.com) – Check out the "Save Money" section



<b>ENERGY AUDIT CHECKLIST</b>		
<b>Energy Users</b>	<b>Ways to Reduce Energy Use</b>	<b>Check</b> ✓
Television, lights, radio, computer	Turn off when you are not using.	
Stove/ Oven	Preheat ovens when necessary.	
	If you have two ovens, use the smaller one whenever possible.	
	Use microwave or toaster oven to reheat or cook small portions.	
	Clean your range top burners regularly.	
	Defrost frozen foods in the refrigerator before cooking to reduce cooking time.	
	Avoid excessive looking into the oven when cooking.	
Washer/Dryer	Do only full loads when using the washer and dryer.	
	Use less hot water.	
	Take a short shower instead of deep bath.	
	Wash clothes in either cold water or warm water, and rinse in cold water.	
	Check dryer vent for clogging.	
	Dry two or more loads in a row to use the dryer's retained heat.	

<b>Energy Users</b>	<b>Ways to Reduce Energy Use</b>	<b>Check</b> ✓
Refrigerator	Do not stand in front of the refrigerator with the door open.	
	Give the unit breathing room.	
	Clean the coils.	
	Keep fresh foods at 37 to 42°F, frozen foods at 0 to 5°F	
Dishwasher	Wash only full loads.	
	Instead of rinsing before loading in the dishwasher, save water by scraping dishes. Remove all foods to debris.	
Lighting and day lighting	Replace existing incandescent lamps with compact fluorescent lamps (CFL).	
	Use task lighting; instead of brightly lighting an entire room.	
	Use natural daylight in your home to reduce the need for artificial lighting.	
Heating	Close the shades and blinds at night to reduce the amount of heat lost through windows.	
	Keep exterior doors and windows closed.	
Cooling	Use white window shades or blinds to reflect heat away from the house.	
	Set your air conditioner thermostat to 78°F when you are at home.	
	Clean or change the air filters on air conditioning units in the summer.	
Water Heating	Set the water heater thermostat to 120°F.	
	Take short showers or take a bath using only the water that is needed.	
	Fill the sink to wash dishes rather than running the water and use the short wash cycle on the dishwasher.	

## Crisis Budgeting

When a client has lost a job, experienced a pay cut, or had some other kind of emergency that has created a financial crisis, it's often impossible for the household to pay all of their monthly obligations. The coach may have to help the client develop a crisis budget that:

1. prioritizes expenses, bills and debt payments
2. identifies opportunities to reduce expenses (see Topic: Budgeting)
3. identifies opportunities to receive assistance from public benefit programs (see Topic: Public Benefits)
4. identifies opportunities to receive assistance from charitable organizations or churches

**Prioritizing expenses, bills and debt payments:** By placing financial obligations in priority order, the client will be in a better position to make decisions as she is faced with expenses and demands from creditors.

High priority should be given to creditors who can take quick action against the home, utilities, car, and other essential family commodities. These usually include:

- Household necessities such as food & medicine (but reduce where possible)
- On time rent payments
- Utility services such as water, electricity and gas
- Car loans (if car is needed to get to work and/or school) *deferment is sometimes an option*
- Car insurance

Mid-priority should be given to critical debts. In most cases, these debts have some form of alternative repayment plan for clients in financial crisis. The client should be seeking this type of repayment plan in order to avoid garnishment and further legal action.

- Income taxes (The IRS can garnish wages, certain government benefits and future tax refunds). *Payment arrangements can often be made with the IRS.*
- Student loans (Not paying student loans can bar you from going back to school, and lenders can garnish wages and future tax refunds). *Deferment, forbearance or income-based repayment are often available.*
- Child support debts (can be prosecuted if not paid). *Payment amount can be adjusted based on income. May require appearance in court.*

Low priority should be given to unsecured creditors, even though these creditors may be the ones to put the most pressure on the client to pay.

- Credit cards
- Personal loans
- Medical bills

The crisis budget is a temporary budget meant to help someone weather a financial storm. A crisis budget includes hard choices and often not paying some creditors or service providers at all over the short term. Credit scores often decrease because all creditors cannot be paid. A crisis budget should include a plan to return to making most, if not all, payments in a timely manner in the future.

**Assistance from charitable organizations and churches:** Some organizations and churches in Austin offer financial assistance for people facing a financial crisis.



### Community Resources for Clients

(updated 7/31/2014)

Name of Organization/Church	Types of Assistance	How to Apply	Requirements/ What to Bring	Contact Info
Travis County	Rent and utilities	Call for Palm Square location (I-35 and Cesar Chavez)	<ul style="list-style-type: none"> <li>Apply in person with photo ID.</li> </ul> <p>Application remains active on waitlist 30 days—check back if don't hear anything within a week or two</p>	854-4120
Austin Energy Customer Assistance Programs	Utilities (primarily light bill)	<p><a href="http://www.austinenergy.com">www.austinenergy.com</a></p> <p>(click on "residential" tab, then the "learn more" button under Customer Assistance Programs)</p>	N/A	N/A
All Saints Episcopal Church (Also known as "Loaves & Fish")	Rent, utilities, medical needs, eye exams, eyeglasses, birth certificates, IDs, food vouchers, work boots, and/or bus passes	<p>On Tuesdays: sign up begins at 7am.</p> <p>The first 25 people are seen each Tuesday morning. Assistance of up to \$20-\$25 is provided. Persons may only receive this assistance once every 6 months.</p>	<ul style="list-style-type: none"> <li>Bring photo ID.</li> <li>Arrive early to get on the sign-in sheet!</li> </ul>	<p><b>476-3589</b></p> <p>209 W. 27<sup>th</sup> Street/Gregg House (Building behind church)</p>
Christian Service Center	Rent, utilities, prescriptions, eyeglasses, IDs, and birth certificates	Call 512-476-9584 on Mondays between 9:15am - 11am to schedule appointment	<ul style="list-style-type: none"> <li>Must have photo ID and Social Security card at appointment</li> </ul>	<b>476-9584</b>
David Chapel Missionary Baptist Church	Rent and utilities	<p>Call 512-472-9748 on Monday, Tuesday, or Wednesday from 2pm - 3pm to apply by phone.</p> <p>Lines may appear busy during this time, or callers may get a long hold - this is normal. Please stay on the line or continue to call</p>	<ul style="list-style-type: none"> <li>Must present a "late rent" letter in order to receive assistance for rent</li> <li>Bring a valid state ID or driver's license</li> </ul>	<b>472-9748</b>

The rest of this form is available on the Volunteer Resource page: [www.foundcom.org/get-involved/coachvolunteer](http://www.foundcom.org/get-involved/coachvolunteer).

## Topic: Public Benefits

### Help Clients find out if they are eligible for public benefits

The following resources help clients find out if they're eligible for public benefits and how to apply them.



**Your Texas Benefits** [www.yourtexasbenefits.com](http://www.yourtexasbenefits.com)

The screening tool on this site is in the box on the left that says "Should I Apply?" It will ask a few questions, then list the Texas public benefits that the client may be eligible for. This site also allows the client to create a login and fill out an online application for some of the benefits. For those that would rather fill out a paper application, you can print one up or request one be sent in the mail and help the client find the nearest benefits office.



**Aunt Bertha** [www.auntbertha.com](http://www.auntbertha.com)

Aunt Bertha is a new resource to connect clients with services offered by government agencies and charitable organizations. It's a very user-friendly way to see all the important information needed to determine eligibility for a program, as well as links for applying.

- **United Way's 2-1-1** <http://www.unitedwayaustin.org/navigation-center/>

2-1-1 is a free service of the United Way that connects clients with health and human services in their area. Knowledgeable staff will speak with the client and answer their questions. You can access the information by dialing 2-1-1 or on the web site seven days a week, 24 hours a day.

Note: There are some scenarios where a caller is not able to dial 2-1-1 directly. If they have technical difficulties when dialing from a non-local cell phone, voice-over-IP (services like magicJack or Vonage), or office location, they should dial the alternate local access number at 512-973-9203 option 2.

- **Central Health (for help applying for MAP, CHIP or Medicaid)** <http://www.traviscountyhd.org/>

Central Health provides application help for MAP, CHIP and Medicaid. The people at this agency are very skilled and can act as advocates and trouble shooters for the client if a problem arises. Clients can get information and set up an appointment at 512-978-8130.

- **Capital Area Food Bank (for help applying for SNAP)** [austinfoodbank.org](http://austinfoodbank.org), [snap@austinfoodbank.org](mailto:snap@austinfoodbank.org)

The Food Bank provides SNAP Application Help. If your client may be eligible for SNAP, the SNAP Outreach staff can help with:

- Questions about the application process, procedures and rules
- Filling out and turning in your applications

## Health Care Public Benefits

The following benefits provide low income families and individuals with free or affordable health insurance. Enrollment in any of the following programs satisfies the Affordable Care Act's Health Coverage Mandate.

### Children's Medicaid

A family with a parent or relative caring for a child under age 19 may receive health care coverage for the child through Children's Medicaid if certain income and resource requirements are met. Health and Human Services Commission looks at a family's income and compares it with the amount the family pays for basic needs such as rent, utilities, child care and work-related expenses. Resources such as cash on hand, money in the bank and value of vehicles are also considered.

For more information or to locate the nearest HHSC Office, call 2-1-1.  
[www.yourtexasbenefits.com](http://www.yourtexasbenefits.com)

### CHIP - Children's Health Insurance Program

The TexCare Children's Health Insurance Program (CHIP) is designed for families who earn too much money to qualify for Medicaid health care, yet cannot afford to buy private insurance. The parents in some of these families have jobs that do not offer health insurance for children. Other parents' jobs offer health insurance, but the insurance is so expensive that families cannot afford it.

For more information or to locate the nearest HHSC Office, call 2-1-1.  
[www.yourtexasbenefits.com](http://www.yourtexasbenefits.com)

## Income Guidelines for CHIP/Children's Medicaid


- 1 Find your family size on the left side of this chart. Follow that row to the right.
- 2 Is your family's income less than the monthly or yearly income shown in the orange Medicaid section?\* If so, your children might get Medicaid.
- 3 If your income is higher, follow the row to the green CHIP section. Your children might get CHIP if your income is less than the monthly or yearly income shown in the green section. Children of families that earn higher incomes may also qualify in some cases.

1 Family Members (Adults plus children)	2 May Qualify For Children's Medicaid		3 May Qualify For CHIP	
	Monthly Family Income	Yearly Family Income	Monthly Family Income	Yearly Family Income
1  **	\$1,343	\$16,113	\$2,004	\$24,053
2	\$1,809	\$21,710	\$2,701	\$32,408
3	\$2,277	\$27,324	\$3,399	\$40,788
4	\$2,743	\$32,921	\$4,095	\$49,143
5	\$3,210	\$38,519	\$4,792	\$57,499
6	\$3,678	\$44,132	\$5,490	\$65,879
7	\$4,144	\$49,730	\$6,186	\$74,234
8	\$4,611	\$55,327	\$6,882	\$82,590

\*Income is money you get paid before taxes are taken out.

\*\*A family of one might be a child who does not live with a parent or other relative.

## Medicaid (for adults)

Medicaid is health insurance that helps many people who can't afford medical care pay for some or all of their medical bills. Medicaid is available only to Travis County residents with incomes at or below *200 percent of the Federal Poverty Index Guidelines* . You must also meet certain other requirements in order to be eligible for Medicaid.

### Pregnant Women

Apply for Medicaid if you think you are pregnant. You may be eligible if you are married or single. If you are on Medicaid when your child is born, both you and your child will be covered.

### Person who is Aged, Blind, and/or Disabled

Apply if you are aged (65 years old or older), blind, or disabled and have limited income and resources. Apply if you are terminally ill and want to get hospice services. Apply if you are aged, blind, or disabled; live in a nursing home; and have limited income and resources. Apply if you are aged, blind, or disabled and need nursing home care, but can stay at home with special community care services. Apply if you are eligible for Medicare and have limited income and resources.



For more information call 2-1-1

[www.yourtexasbenefits.com](http://www.yourtexasbenefits.com)

## MAP - Medical Assistance Program (for adults)

The Medical Assistance Program (MAP) provides access to health care through networks of established providers for those Travis County residents who meet eligibility criteria.

### Who may qualify for MAP?

- Travis County residents with family incomes at or below *100 percent of the Federal Poverty Index Guidelines* , who meet asset guidelines, have no other health care coverage (such as Medicaid or Medicare), and who have not moved to Travis County solely to receive medical services from the Travis County Healthcare District.
- Travis County residents who are disabled or elderly with incomes at or below *200 percent of the Federal Poverty Index Guidelines* , who meet asset guidelines, and have no other health care coverage (such as Medicaid or Medicare).


For eligibility information, call 512-978-8130.

[www.cheligibility.net](http://www.cheligibility.net)

## Food Assistance Public Benefits

### SNAP - Supplemental Nutrition Assistance Program, formerly known as Food Stamps


Many Texans have trouble making ends meet each month. After paying for rent, utilities, transportation, and child care, there's often little left over to buy nutritious food. But it doesn't have to be that way. Each month,

hundreds of thousands of families across the state turn to the Texas Health and Human Services Commission (HHSC) to receive help in the SNAP program to help feed their families. The SNAP program is a Federally funded program that helps low-income families buy nutritious food from local food stores. Assistance is available to qualifying families, elderly people, and single adults whose income is less than *100 percent of the Federal Poverty Index Guideline* 

For more information, call 2-1-1

[www.yourtexasbenefits.com](http://www.yourtexasbenefits.com)

### **WIC - Special Supplemental Nutrition Program for Women Infants and Children**

WIC is a nutrition program that helps pregnant women, new mothers, and young children eat well, learn about nutrition, and stay healthy. Nutrition education and counseling, nutritious foods, and help accessing health care are provided to low-income women, infants, and children through the Special Supplemental Nutrition Program, popularly known as WIC. WIC helps pregnant, postpartum and breastfeeding women as well as children younger than 5. To qualify, household income must be less than *185 percent of the Federal Poverty Index Guideline* 

Phone: 512-341-4491 or toll free 1-800-942-3678

<http://www.texaswic.org/>


## **Housing Assistance Public Benefits**

### **Section 8 housing vouchers**

HACA will open the Waiting List for Section 8 for the first time since 2006. HACA will accept pre-applications **online only** from **12:00 am October 22, 2014 through 11:59 pm October 29, 2014**. Pre-applications can be submitted at:

<https://Austin.Apply4Housing.com>

Due to the anticipation of a large number of pre-applications, HACA will conduct a lottery to select 2,500 pre-applications for the Waiting List. Because of the lottery process, it does not matter whether you apply on the first day or the last day of the pre-application period. You will have an equal chance in the lottery regardless of the time or date you apply, as long as it falls within the Waiting List pre-application period from October 22-29, 2014.


The Section 8 Housing Choice Voucher Program provides rental assistance payments on behalf of low income individuals and families, including the elderly and persons with disabilities. The program provides financial assistance for decent, safe and sanitary housing to eligible households whose annual gross income does not exceed *50% of HUD's area median income guidelines* . Eligibility is based on several factors, including the household's income, size and composition, citizenship status, assets, medical and childcare expenses. Qualified households may select the best available housing through direct negotiations with landlords to ensure accommodations that meet their needs. The Housing Voucher program pays approved rent amounts directly to property owners.

For more information, call 2-1-1

<http://www.hacanet.org/>

## Cash Assistance Public Benefits

### TANF - Temporary Assistance for Needy Families

Temporary Assistance for Needy Families (TANF) provides financial help for children and their parents or relatives who are living with them. Monthly cash payments help pay for food, clothing, housing, utilities, furniture, transportation, telephone, laundry, household equipment, medical supplies not paid for by Medicaid and other basic needs. The amount of the TANF payment depends on family size and income. To be eligible, income must be less than *185 percent of the Federal Poverty Index Guideline* 



#### Federal Poverty Index Guidelines for 2014 (100%)

<http://aspe.hhs.gov/poverty/index.cfm>

Persons in family/household	Poverty guideline
For families/households with more than 8 persons, add \$4,060 for each additional person.	
1	\$11,670
2	15,730
3	19,790
4	23,850
5	27,910
6	31,970
7	36,030
8	40,090





**Area Median Income Guidelines for Travis County**

[http://www.co.travis.tx.us/health\\_human\\_services/cdbg/household\\_eligibility.asp](http://www.co.travis.tx.us/health_human_services/cdbg/household_eligibility.asp)

<b>Fiscal Year (FY) 2014 Median Family Income = \$75,400</b>			
<b>ADJUSTED INCOME LIMITS BY HOUSEHOLD SIZE</b>			
Household	Very Low (30% Limits)	Low (50% Limits)	Moderate (80% Limits)
1 person	\$15,850	\$26,400	\$42,250
2 persons	\$18,100	\$30,200	\$48,250
3 persons	\$20,350	\$33,950	\$54,300
<b>4 persons</b>	<b>\$22,600</b>	<b>\$37,700</b>	<b>\$60,300</b>
5 persons	\$24,450	\$40,750	\$65,150
6 persons	\$26,250	\$43,750	\$69,950
7 persons	\$28,050	\$46,750	\$74,800
8 persons	\$29,850	\$49,800	\$79,600
9 persons	\$31,650	\$52,800	\$84,450

## Public Benefits and Asset Limits

### What are Asset Limits?

- An asset test or limit is the total value of countable resources (savings and other assets) a family may have and still be eligible for public benefits.
- The asset test or limit is sometimes referred to as a resource test or limit.
- Each public benefit has a different asset limit and different “exemptions” (i.e., assets that are not counted).
- Asset rules are set by federal and/or state law and policy.
- This training covers the asset rules for SNAP, Temporary Assistance for Needy Families (TANF), Family Medicaid and the Children’s Health Insurance Program (CHIP).

### Why is this important?

- Many families don’t save their tax refunds for fear they will lose important benefits.
- All families should be saving for the future and need to learn how to protect these savings and their benefits.
- Financial Coaches can help families understand the rules and encourage them to save in a way that won’t harm them.

### Asset Limits – All Programs

#### Counted:

- Most liquid assets (i.e. checking, savings, cash on hand)
- Part of the value of vehicles

#### Not counted:

- A family’s primary home
- Texas Tuition Promise Fund
- Texas College Savings Plan
- 401Ks
- Individual Development Accounts (IDAs)

### Legislation regarding tax refunds

The American Taxpayer Relief Act of 2012 permanently exempts federal tax returns as income and resources (assets) for 12 months after receipt for all federal means-tested programs. Tax refunds can include benefits from the EIC, CTC, other tax credits, or refund of a filer's over withheld income tax.

- **Asset test.** The legislation provides that refunds that are saved by the filer do not count against the asset limits of any federally-funded public benefit program for 12 months after the refund is received.
- **Income.** The legislation excludes any federal tax refund from counting as income in determining eligibility, or the amount of benefit, for any federally-funded public benefit program. This includes state and local programs only partially funded by federal dollars.

### Example Asset Limits

Program	Asset Limit	Vehicle rule
TANF	\$1,000	\$4,650 of the value of each car exempted; excess value over these amounts counted toward \$1,000 limit
SNAP	\$5,000	\$15,000 of the value of the first car exempted; \$4,650 of each additional car exempted; excess value over these amounts counted toward \$5,000 limit

## Topic: Getting Your Paperwork Organized

While many people are now managing their finances online, somehow, we still end up with lots of paper. Many clients still prefer not to do anything financial over the internet. The following suggestions are for managing the paper that builds up all around us.

**FIRST, Find a place for unpaid bills.** There should be a place in your home specifically for bills that need to be paid *and nothing else*. Do not file them away until they are paid. A calendar specifically for bills is also helpful.

**SECOND, Set up a filing system** (Based on suggestions from Smart Couples Finish Rich by David Bach). Start with twelve hanging folders and some filing folders to put inside.

*The Financial Coaching office is stocked with some basic filing materials that clients are welcome to take home for free. Boxes, hanging folders, file folders and accordion files are often available.*

Label the hanging folders as follows:

- 1. Tax Returns.** In this file, put eight folders, one each for the last seven years plus one for this year. Mark the year on each folder's tab and put into it all of that year's important tax documents, such as W-2 forms, 1099s, and (most important) a copy of all the tax returns you filed for that year. As a rule, you should keep old tax records for at least seven years because that's how far the law allows the IRS to go when it wants to audit you (technically, it's three years, but if the IRS finds anything questionable in those three years, they are allowed, and likely, to audit up to seven years).
- 2. Retirement Accounts.** This is where you're going to keep all of your retirement account statements. You should create a file for each retirement account that you and your partner have, including IRAs and 401(k)s. The most important thing to keep in those folders are the quarterly statements. If you have a company retirement account, you should definitely keep the sign-up package because it tells you what investment options you have – something you should review annually.
- 3. Investment Accounts.** In this folder you put files for each investment account you have that is not a retirement account, including mutual funds, brokerage accounts or individual stocks. Each and every statement you receive that is related to these investments should go in a particular folder.
- 4. Savings and Checking Accounts.** Create a separate file folder for each checking and savings account you have. Keep your monthly bank statements and other important account information here.

## 5. Household Accounts.

- Part One: If you own your own home, this one should contain the following file folders: “House Title,” into which you’ll put all your title information; “Home Improvements,” where you’ll keep all your receipts for any home improvement work you do; and “Home Mortgage,” for all your mortgage statements (which you should check regularly, since mortgage companies often don’t credit you properly). If you’re a renter, this should contain your lease, the receipt for your security deposit and the receipts for your rental payments.
- Part Two: Create folders for your other household bills such as water, electric, gas, home telephone and cable. Keep your *paid* monthly bills in there.

**6. Credit Card DEBT.** Make sure you capitalize the word DEBT so it stands out and bothers you every time you see it. I’m not kidding. You should create a separate file for each credit card account you have. Keep all your monthly statements in them. And hang on to them. As with tax returns, keep all your credit card records for at least seven years in case the IRS decides to audit you.

**7. Other Liabilities.** In here go all of your records dealing with debts other than mortgage and credit cards. These would include college loans, car loans, personal loans, medical debt, etc. Each debt should have its own file, which should contain the loan note or payment agreement and your payment records.

**8. Insurance.** This folder will contain separate folders for each of your insurance policies, including health, life, car homeowners or renters, disability, long-term care, etc. In these folders put the appropriate policy and all the related payment records.

**9. Family Will or Trust.** This folder should have a copy of your most recent will or living trust, along with the business card of the attorney who set it up. For more information on writing your own will and other legal documents using software, visit Nolo Press’ web site at [www.nolo.com](http://www.nolo.com). Texas-specific information can be found at [www.texaslawhelp.org](http://www.texaslawhelp.org).

**10. Children’s Accounts.** This folder should hold all statements and other records pertaining to college savings account or other investments or savings that you have made for your kids.

As you begin the process of putting together your file folder system, you may find you’re missing some documents. Whatever the reason, don’t worry about it. Just put the files together as best you can. Make sure you hold on to those documents from now on.

## Topic: Banking

### Unbanked and Underbanked

The term “**unbanked**” refers to households in which no one has a checking or savings account.

“**Underbanked**” households are defined as those households that have a checking and/or a savings account and had used non-bank money orders, non-bank check cashing services, non-bank remittances, payday loans, rent-to-own services, pawn shops, or refund anticipation loans (RALs) in the past 12 months.

According to the 2011 FDIC National Survey of Unbanked and Underbanked Households, 124,000 families in the Austin/Round Rock area (20.4 % of the area’s population) are underbanked.

### Banking for Undocumented individuals

The following banks and credit unions will accept a Matricula or passport as a form of ID, as well as an ITIN in place of a Social Security number.

Wells Fargo

Velocity Credit Union

First Convenience Bank

BB&T

Comerica



**United Way’s Bank On Central Texas** [www.unitedwayaustin.org/banking](http://www.unitedwayaustin.org/banking)

Today, everyone can get a checking, savings or debit account. You can deposit your money for free or at a low-cost and pay your bills for no additional cost. Even if you’ve had problems with an account in the past, have never had an account before, or don’t have a Social Security number, you can open an account in Central Texas.

Bank On Central Texas has more than 40 partner branches in the Greater Austin area. Use the tools on the BOCT web page to learn more just how easy and affordable opening a bank can be.

Visit [www.unitedwayaustin.org/banking](http://www.unitedwayaustin.org/banking) or call 2-1-1 to get started

The Federal Reserve’s study, Consumers and Mobile Financial Services, found that 56% of the underbanked population in the United States has a smart phone, as compared to 45% of the general U.S. adult population. In addition, 29% of the underbanked use mobile financial services, compared to 21% of all consumers.

## Balancing Your Checking Account

### Consequences of Mishandling a Checking Account

It is important to be responsible with your checking account in order to maintain a good debit history. Your debit history contains facts about you and your deposit or checking account history, similar to a credit report. It is made available, as permitted by law, to your current and prospective financial institutions to assess your likelihood of managing your debit accounts responsibly. Your debit history can include such items as:

- Any checking account closures you have had.
- Any returned (bounced) check retailers have reported about you.
- How many financial institution inquiries have been made about you and in what timeframes?
- How many check orders you have placed and how often.

If you do not maintain a good debit history there are a number of unpleasant consequences.

- Your financial institution could charge you fees for each overdraft.
- The place you wrote the check could also charge you a fee or refuse to take any more checks from you.
- You could receive calls and letters asking you to repay the money.
- Your name and account information could be reported to a check verification service, which could cause your checks to be declined at point of sale.
- Your bank could close your checking account.
- Your bank could report your closed account to ChexSystems. As a result, other banks could refuse to open a checking account for you.

Source: [www.consumerdebit.com](http://www.consumerdebit.com)

### Expensive overdraft fees

After a two-year hiatus, banks are again raising the fees they charge consumers who overdraft their account, according to a recent survey by the Consumer Federation of America, or CFA, a nonprofit consumer advocacy group in Washington, D.C. The average overdraft fee was typically \$35 per transaction in 2012.





## Alternative to Banking: A Look at Pre-Paid Debit Cards

A Pre-Paid debit card is a debit card that does not require a credit check or bank account. You “load” the card with cash or through direct deposit and are able to use it to make purchases where debit cards are accepted. This includes ATM withdrawals.

### Benefits

- No more Over-drafting

Unlike a traditional debit card, you cannot spend more than you have on. This eliminates costly over-draft fees.

- Direct Deposit

All Pre-Paid debit cards offer Direct Deposit of your paycheck. You no longer have to use check cashing businesses.

- Manage and pay bills online

With many pre-paid debit cards, you can pay bills electronically and eliminate money orders. You can also view your transactions online and by phone.

- Zero liability for lost and stolen cards

In competing with the banks, most of the Pre-Paid debit cards do not hold you accountable for unauthorized purchases.

- Bad history with banks OK

There is no check into your banking history when you apply for a pre-paid debit card, making this an attractive alternative for those who have a spotty record with banks.

### Drawbacks

- Fees, fees and more fees

Fees will vary widely depending on which Pre-Paid debit company you are with, but virtually all have an activation fee, a purchasing fee, re-load fee, an ATM withdrawal fee and customer service fee (when you call with a question).

- Balance restrictions

All Pre-Paid debit cards have balance minimums and maximums in the user agreement. The minimums and maximums vary widely by company.

- Not FDIC insured

Pre-paid debit cards are not insured by the FDIC. If the issuer should fail and close, the funds on a pre-paid debit card could be lost.

## Topic: Debt



### Power Pay\*

Available online at [powerpay.org](http://powerpay.org)

**By using the Power Pay\* method of debt repayment, you will maximize the effect of your monthly payments on your debt. This method is easily incorporated into your budget and can help eliminate debt more quickly than other methods. Follow these steps:**

1. Make a commitment to stop borrowing or charging until all debts are paid.
2. Get to know your debts. The first step in tackling your debt is getting to know it. If you don't know the amount, interest rate and minimum monthly payment on *each one* of your accounts, find out!
3. Prioritize debts in this order:
  - First priority is the debt you can pay off the fastest – there's an emotional boost that will help you keep going, and you can free up some extra cash quickly to apply to other debts.
  - Next, to maximize savings, the rest of your accounts should be put in order of interest rate (highest to lowest).
  - Finally, collection accounts should be addressed after all current debt is paid – they are likely to have stopped accruing interest.
    - *PLEASE NOTE: If your only goal is to get out of debt as quickly as possible, collection accounts should be low priority. However, collection accounts have an extremely negative effect on credit scores. If you want to improve your credit scores, your plan should include paying collection accounts as a top priority.*
4. Dedicate a set amount of money to monthly debt repayment. This amount can be just the sum of all minimum payments. It is not necessary to pay more than your current minimum payments to be successful. If you can dedicate more toward debt repayment, the extra amount can help accelerate the debt repayment process.
5. Pay the same amount to each bill every month, even if the minimum payment drops.
6. When debt #1 is paid, the money that was being paid to that debt is now added to the money being paid to debt #2.

<u>Debt</u>	<u>Amount Owed</u>	<u>Interest Rate</u>	<u>Minimum Payment</u>	<b>Priority</b>

\* Power Pay is a program developed by the Utah State University Extension.



For more help with personal finances, call the Financial Coaching program at 512-610-4026.

## PowerPay Example: Jane Spender

Jane is looking for a way to get out of debt. She brought the most recent bills from all her debt accounts. The information from those bills is summarized in the list below. Help Jane prioritize her debts and come up with a plan to become debt free.

<i>Type of debt</i>	<i>current balance</i>	<i>monthly payment due</i>	<i>interest rate</i>
Credit Card	\$7,821.32	\$196.00	11.00%
Car Loan	\$3,653.01	\$211.00	5.00%
Student Loan	\$29,992.00	\$218.00	4.65%
Furniture	\$1,580.57	\$198.00	18.00%
<b>Total</b>	<b>\$43,046.90</b>	<b>\$823.00</b>	

Notes: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



PowerPay.org

PowerPay includes tools and calculators for debt repayment, budgeting and saving as well as educational materials on many financial topics. Set up an account and explore the site!

# Debts in Collections



## Dealing with Debts in Collections

### Part 1: The Facts

- Having a collection account on your credit report will have an extremely negative effect on your credit scores
- Paying off a collection account will temporarily hurt your credit score, as it is considered activity on a negative account.
- Having a collection with a \$0 balance is better for your credit score than a collection account with a balance
- In the long run, paying off a collection account will be better for your scores
- Paying off a collection account will not remove it from your credit report, it will remain on your report with a \$0 until the end of the 7 years from the date of collection
- Calling a collection agency or making a payment does not re-start the seven years that an account can be on your report

According to the Fair Credit Reporting Act, negative entries can remain on your credit reports for 7 years, starting 6 months after the "Date of First Delinquency" (DOFD). The DOFD is the date a consumer first becomes late, never brings the account current, and then a charge off or collection ensues. Companies have 6 months to charge off or send to collections an account that is delinquent, which means a negative entry shouldn't remain on your credit reports for longer than 7 years and six months from the DOFD, or 7 years from the charge-off date. The confusion arises when consumers try to find their DOFD on their credit report and they get it confused with the Date of Last Activity (DOLA). The DOLA can be any transaction on an account, such as the most recent payment, the date the account was updated after a consumer dispute, or the date the account was sold to a collection agency or charged off.

To determine when an account will fall off your credit report, you need to identify either the DOFD (and add 7 ½ years) or the date submitted to collection by the original creditor (and add 7 years). You may be able to identify this on your credit report, or you may need to rely on your own records, as some collectors may report this information incorrectly, or not report it at all.

- When a collection account is no longer on your credit report, it does not mean you do not owe it. A collector can continue to try to collect until the debt is paid or negotiated.
- There are tax consequences to negotiating. Any debt or portion of a debt that is forgiven is considered taxable income in the eyes of the IRS. Creditors are required to report forgiven debts to the IRS if the amount forgiven is over \$600. Debtors are required to report forgiven debts on their federal tax return (the debtor will receive a 1099-C). The Exceptions: Bankruptcy and part of Mortgage Forgiveness.
- If you have no way of paying or even negotiating your debt, and you want them to stop contacting you, you must write a letter to the debt collector telling them to do so. A phone call is not enough. The debt collector can contact you one more time to tell you they are going to stop contacting you or that they could or will take other action (such as a lawsuit).

## Part 2: The Tips:

Dealing with collection accounts should only be done if cash flow is under control and all current obligations are being met. Follow the tips below to pay off as many collections as possible with the smallest amount of money out of your pocket and the most positive impact on your credit.

### 1. Create a list of all collections including the following information:

- Original Creditor
- Collection Agency
- Amount Outstanding
- Date the account was submitted to collections by the original creditor.

### 2. Rank the collections in terms of urgency. The order of priority will depend on the types of collection accounts you have. Some of the most effective ways to rank collection accounts are as follows:

- **By the age of the accounts:** Lower priority should be given to collection accounts older than five years. They will be dropping off the credit report within two years regardless of payment status.
- **By the amount owed:** With a set amount of money, you could pay down several small collection accounts or one large account. Having a smaller number of collection accounts with balances will result in a better credit score.
- **By the types of accounts:**
  - High priority should be given to public records, such as tax liens, child support judgments and other judgments to avoid further legal issues.
  - High priority should be given to student loan collections to avoid wage and tax refund garnishment.
  - High priority should also be given to collection accounts that may prevent you from obtaining housing in the future, such as debts owed to apartment complexes, landlords or utility companies.
- **By their collection status:** High priority should be given to accounts that are still with original creditor, but at risk of being sent to collections. Negotiating this before it is transferred to a collection agency would be beneficial in maintaining good credit.

### 3. Try to avoid setting up a payment plan with a collection agency.

A collection account is inherently negative. If you start to make ongoing payments, it may continue to get reported as recent activity on a negative account, prolonging the negative impact. **The Exception: Student Loans.** Many times a borrower's status can be returned to good standing by establishing a payment plan with the student loan collection agency and sticking to it.

### 4. Collect a lump sum to offer as a settlement for each outstanding debt.

If a collection debt balance is too large to pay off all at once consider the potential of:

- Using an upcoming tax refund to settle the balance
- Saving up for a few months and then offering a lump sum

### 5. Contact the collection agency to negotiate a lump sum payment.

Collection agencies will sometimes accept a reduced amount as payment in full. Making a first offer at about 33% of the actual outstanding debt can be a good place to start. (In the past, Foundation Communities clients have been able to settle for as little as 60% of the outstanding debt.)

- Never make or accept an offer that you cannot pay because you feel pressured to. You will only set yourself up for more problems by agreeing to pay an amount you can't really pay.
- Keep communications brief and to the point. Stay calm and professional.
- Keep record of all communications.
- ***Be sure they will accept that payment as "payment in full."***
- Things you should NOT do when negotiating with collection agencies
  - Do not let a collection agencies know how important or urgent it is to improve your credit.
  - Do not let Collection Agencies know if funds are available to pay the full amount.
  - Do not give them your bank information or pay by personal check. Mailing a money order or cashier's check is a good option.

**6. Ask the Collection Agency to remove the account from your credit report.**

The collection agency is *not* obligated to remove the account from the credit report until 7 years after the date of collection. Until then, this is another bargaining tool for them.

**7. Before sending any payment, get the agreement in writing.**

Ask the collection agency to send you written documentation, mailed, faxed, or e-mailed, of all actions and promises (i.e. accepting negotiated amount as payment in full, removing the account from the credit report) *before* sending a payment.

### **Part 3: Know your rights!**

Research the Fair and Accurate Credit Transaction Act, the Fair Debt Collection Practices Act ([www.ftc.gov](http://www.ftc.gov)) and the Texas Debt Collection Act ([www.oag.state.tx.us](http://www.oag.state.tx.us))

#### **Federal Laws – Collectors are prohibited from the following practices**

- Debt collectors may contact other people in an effort to locate you (where you live, your telephone number, your employer). The debt collector may *not* disclose that you owe a debt nor may they contact the other person more than once unless they believe previously provided information was incorrect and that such person now has the correct information.
- Debt collectors cannot communicate by postcard or use an envelope or communication that indicates the communication is from a debt collector or related to the collection of a debt.
- If you inform a debt collector that the debt resulted from identity theft, the debt collector must inform the original creditor. At this point the creditor cannot sell the debt.
- Debt collectors can only call after 8 a.m. and before 9 p.m. (your time).
- Debt collectors cannot communicate with you at your place of employment if creditor knows that your employer prohibits such contact.
- Debt collectors cannot use threat of violence or other criminal means to harm your person, reputation or property
- Debt collectors cannot use obscene or profane language
- Debt collectors cannot cause the phone to ring or engage in telephone conversations repeatedly or continuously with intent to annoy, abuse or harass any person at the called number
- Debt collectors cannot give representation or implication that nonpayment of any debt will result in arrest or imprisonment or the seizure, garnishment, attachment, sale or property or wages unless lawful and the creditor intends to take such action.

#### **Texas Law – In addition, collectors can not:**

- In Texas, debt collectors can continue to charge interest on a collection account, up to the amount of interest that the original creditor was charging. However, many do not continue to charge interest.
- In Texas, a collection agency has a limited amount of time to sue you. A creditor (collection agency or not) can sue you for the amount you owe up to four years after the last payment was made.
- In Texas, the statute of limitations is four years. A creditor cannot sue you for the amount you owe more than four years after your most recent payment (different from the amount of time a collection account can be on your credit report).

**If your rights are violated, file complaints with the Federal Trade Commission ([www.ftc.gov](http://www.ftc.gov)) and the Attorney General's office ([www.oag.state.tx.us](http://www.oag.state.tx.us)).**



For more help with personal finances, call the Financial Coaching program at 512-610-4026.



*[Date]*

*Creditor  
Address  
City, State, Zip*

**RE: PROPOSAL TO SETTLE ACCOUNT # \_\_\_\_\_**

To Whom It May Concern:

I recently got a copy of my credit report and saw a collection account with your company. I am not currently able to pay the full amount of this account.

I am committed to paying my debts and am willing to offer a settlement of \_\_\_\_\_cents on the dollar as payment in full.

According to my records, my balance is \$\_\_\_\_\_. Based on a settlement of \_\_\_\_\_%, I can make my payment in full of \$\_\_\_\_\_ by \_\_\_\_\_ (date).

If you accept this proposal, please notify me at the address below and please be prepared to report this account as "paid in full" to all three credit reporting agencies once I have made the payments we agree upon, and indicate such in writing to me as soon as possible.

Thank you.

Sincerely,

*Bruce Smith  
Address  
City, State, Zip  
Date of Birth*



## Validation of a debt in collections

According to the Fair Debt Collection Practices Act:

Within five days after the initial communication with a consumer in connection with the collection of any debt, the debt collector shall, unless the following information is contained in the initial communication, send a written notice containing:

- The amount of the debt
- The name of the creditor to whom the debt is owed
- A statement that the debt will be assumed to be valid unless the consumer disputes the debt or any portion thereof within 30 days after receipt of the notice
- A statement that if the consumer notifies the debt collector in writing within the 30 day period that the debt is disputed, the debt collector will obtain the name and address of the original creditor, verification of the debt or a copy of the judgment and it will be mailed to the consumer

If, within the 30 day period, the debtor disputes the debt or any portion of the debt or requests the name and address of the original creditor, the collector **MUST CEASE** collection of the debt or any disputed portion until action is taken to verify the debt and such verification is mailed to the debtor.

Failure to dispute the validity of a debt within 30 days may not be construed as admission of liability by the debtor.

Many clients do not have this letter of validation. At any time, the client can request validation from a debt collector that claims the client owes them money.



*Date:*

*ABC Collections  
123 NotOnYourLife Ave  
Chicago, IL*

**Re: Validation for Acct # XXXX-XXXX-XXXX-XXXX**

To Whom It May Concern:

This letter is being sent to you in response to a listing on my credit report. This is not a refusal to pay, but a notice to request validation.

Under the Fair Debt Collections Practices Act (FDCPA), I have the right to request validation of the debt you say I owe you. Be advised that I am not requesting a "verification"; I am requesting a "validation;" that is, competent evidence that I have some contractual obligation to pay you.

Please provide at least the following information within 30 days from the date of your receipt of this request for validation:

- Name and Address of Alleged Creditor:
- Name on File of Alleged Debtor:
- Alleged Account #:
- Address on File for Alleged Debtor:
- Amount of alleged debt:
- Date that this alleged debt became payable:
- Date of original charge off or delinquency:
- Was this debt assigned to debt collector or purchased?
- Amount paid if debt was purchased:
- Agreement that bears the signature of the alleged debtor wherein he or she agreed to pay the creditor.

If your offices fail to respond to this validation request within 30 days from the date of your receipt, all references to this account must be deleted and completely removed from my credit file and a copy of such deletion request shall be sent to me immediately.

Sincerely,

Your Name (PRINT OR TYPE DO NOT SIGN)  
123 Your Street Address  
Your City, ST 01234

## Payday Loans

Of the 5.5% of adults who have taken out a payday loan, those with household incomes under \$40,000 made up 72% of borrowers. With the income limit for the Financial Coaching Program capped at \$50,000, it is safe to say that our clientele is hit the hardest, and most often, by these loans.

You are encouraged to learn more about Payday Loans by reading the Pew Charitable Trust's study: [Payday Lending in America](#). Until then, here is a short example of how a client might get stuck in a payday loan cycle.

Let's take a look at the scenario of one lady; let's call her Betty Borrower. She is part of the demographic most likely to be a payday borrower: she's African American (African Americans are 105 times more likely to use payday lending than other races/ethnicities), she's 28 years old, divorced, making under \$25,000 a year, she never graduated college, and she rents an apartment. Betty didn't budget very well this month and she has come up short on funds just before her car payment is due. She remembered seeing that fast-quick-easy loan place on the corner, just down the street, so she headed there, passing a few other payday lending retailers along the way. In no time, she walks out of the fast-quick-easy with \$375 for her car payment – whew, just in time!

Two weeks rolls by before she knows it and it's time to repay her loan. Betty owes the \$375 plus \$56.25 in interest (In 28 states, including Texas, this is perfectly legal). The bind Betty has put herself into isn't difficult to deduce. Because of the payday loan, her car payment basically went from \$375 to \$431.25 in the course of a month. Now, she's coming up short for her rent, which is due in a couple of days, so she has to renew that loan – and the vicious cycle begins. The average borrower rides this cycle 8 times each year! If and when Betty Borrower is finally able to pay off the loan and interest without having to seek out an additional loan just to make ends meet, she will have paid \$520 in interest on a \$375 loan in the course of a year! For anyone curious, that's 391% APR and yes, this is entirely legal in 28 states, including Texas.

**Fresh Start Loan.** A limited number of loans are available to Financial Coaching clients with payday and/or auto title loans with balances between \$200 and \$1,000. The loan has an interest rate of 8% and is paid back over a period of 12 months. More information can be found on the Volunteer Resource Page, [www.foundcom.org/get-involved/coachvolunteer](http://www.foundcom.org/get-involved/coachvolunteer).

## Topic: Maximizing Income

### Ask Yourself

- Does your income cover all of your living expenses and savings goals?
- Or are you running out of money by the end of the month?

If your monthly expenses are greater than your monthly income, there are **3 options:**

- Cut back on monthly spending
- Make more money
- Do both

Sometimes more money can come from turning a hobby into second job, getting a tax refund, reducing the amount of taxes withheld, or selling stuff you don't use anymore. And sometimes cutting spending can include signing up for services like free or reduced lunches at school.

What ideas can you look into? \_\_\_\_\_

### **Decrease Spending:**

- First things first = prioritize
- Get kind of organized
- Limit bulk purchases
- Find fun things to do that don't cost money
- Look out for credit – and debit
- Other Ideas:

### **Increase Income:**

- Claim tax credits
- Reduce or drop voluntary paycheck deductions
- Part-time job or self-employment
- Sell stuff
- Other Ideas:

**Goodwill Employment Specialists** are available at the Community Financial Center by appointment between 1:30 and 4:30 pm every Tuesday afternoon. Greeters can schedule an appointment for a client. Employment Specialists can help someone get enrolled in one of Goodwill's many employment support programs:

- Job search and job placement assistance
- One-on-one resume writing assistance
- Occupational skills training (free!) for careers in HVAC, apartment maintenance tech, CVN
- Help people with criminal backgrounds address that issue with potential employers
- Transportation assistance (gas cards, bus passes)
- Assistance purchasing work/interview clothes
- Interview skills
- Special programs for veterans, fathers, youth 14-21
- GED classes, high school diploma (<https://www.goodwillcentraltexas.org/education-job-training/the-excel-center>)
- More!

# Empowering Clients Using Coaching Concepts

## Coaching Fundamentals

### Coaching Approach

**Facilitation skills** are key in coaching; another critical component of the process is that the coach embraces the **philosophy and principles of coaching**. This means s/he should understand the **client-centered nature** of this work and be **able to differentiate his/her role** as coach from that of a traditional educator or counselor. In general, a good coach learns through the coaching process and **sees all client engagements as coaching opportunities**. This can be a significant cultural shift and is not something that can easily be self-taught. Too often novice coaches want to "help" clients by doing too much and being overly prescriptive. **Coaches need practice to learn to ask questions and allow the client to primarily drive the process.**

Content for this section was adapted from "Evaluation of the CFW Coaching Pilot" by Abt Associates; The Coaching Pocketbook by Ian Fleming and Allan J.D. Taylor; and "Financial Coaching Training Manual" by the Central New Mexico Community College and New Mexico Project for Financial Literacy.

Other elements of the coaching approach include:

- Establishing trust, often through a coaching agreement;
- Active listening;
- Objective, open-ended questioning;
- Ongoing communication; and
- Working with a client for long-term change.

### Coaching Principles

- Clients are naturally capable, resourceful and whole. The focus of coaching is often individual change and transformation, including dealing with fear, motivation, successful performance, relationships and a myriad of other behavioral and attitudinal issues. Coaching embraces a **philosophy that the client can achieve the change that s/he desires; the coach's role is to support that effort** by providing an external force to help him/her learn and improve important aspects of his/her life.
- A coach is not an expert on the client's life.
- Clients set their own agendas based on fulfillment (however they personally define it).
- Coaches facilitate decisions rather than make decisions for clients. The client has his/her own answers. No advice is given.
- There is mutual accountability between a coach and client. Coaching is a partnership. A coach's job is to design an alliance with the client.

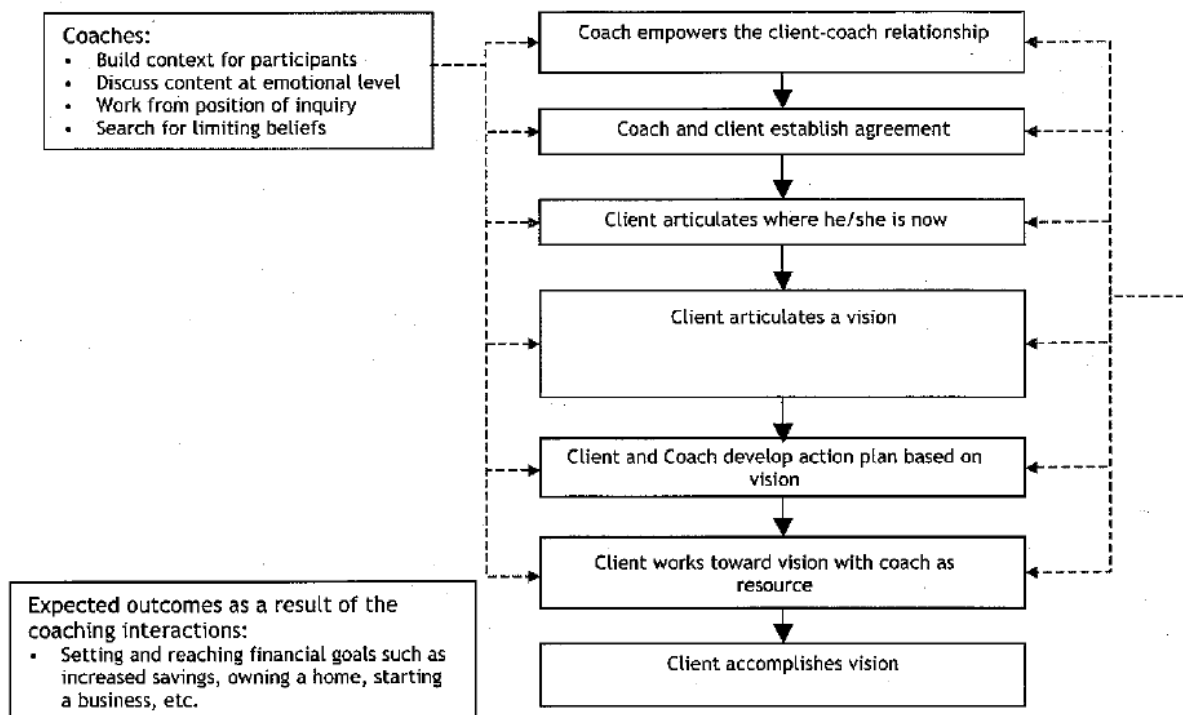
- In order to help clients address financial challenges, the underlying “story” that is causing the financial behavior will need to be uncovered.
- To get different results, clients will need to change certain behaviors, languages, attitudes and beliefs. The exact changes will depend on the difference between where the client is now and what his/her vision is. Coaching is future-focused. And, it’s a journey, not an event. As the process flows, coaches “notice” and “point out” opportunities and challenges to support clients in staying on track.

**The foundation for a successful coaching relationship is grounded in achieving action, accountability and goal focus.**

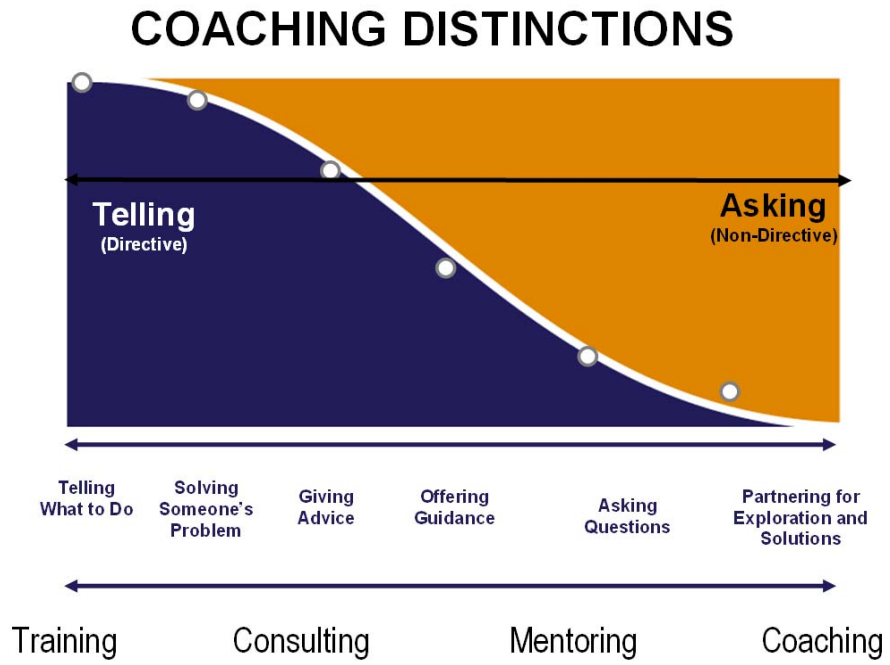
**Key Elements of the Coaching Process**

- Designing relationship
- Assessing current situation
- Goal setting
- Planning
- Creating awareness
- Exploring
- Connecting to resources
- Monitoring progress
- Providing accountability

**Sample Coaching Interactions**



How is coaching different from training, consulting or mentoring?



Adapted from Corporate Coach U Int'l model



# Strategy: Asking Powerful Questions

## Questioning Skills

- **Be genuinely curious.** Curiosity is a powerful mindset in coaching. When a coach is truly curious about another person, judgment is suspended. Plus, the energy of curiosity fuels and enlivens the dialogue.
- **Ask powerful, open questions.** Provocative queries widen the range of perspectives and options the client sees. Open questions can provide more insight, possibilities, perspectives and actions to a client, as well as a halt to evasion and confusion. By asking the powerful question, a coach invites someone to clarity, action and discovery at a whole new level.
- **Use closed questions strategically,** such as to confirm understanding when listening reflectively.

## Examples of Simple, Powerful and Open Questions

Tell me more about that?  
I'm curious?  
What is important about that?  
Where do you see yourself in five years?  
What barriers might be in your way?  
How do you feel about that?  
What has changed?  
How are things different?  
What are your top priorities?  
What advice would you give to someone in your situation?  
What gives your pleasure?  
Who would you have to be to get that done?  
Where do you feel successful in your life?  
Is there anything you are missing?  
What's next?  
How do you know that?  
What are proud of?  
What are you getting from that?  
What is the first step?  
What if that didn't matter?  
When can you do that?  
What is possible?  
What is this costing you?  
How would you feel about that when you are 95?  
What would your 95-year-old self tell you to do?

**More Powerful Questions****Anticipation**

What is possible?

What if it works out exactly as you want it to? What is the dream?

What is exciting to you about this?

What is the urge? What does your intuition tell you?

**Assessment**

What do you make of it?

What do you think is best?

How does it look to you?

How do you feel about it?

What resonates for you?

**Clarification**

What do you mean?

What does it feel like?

What is the part that is not yet clear? Can you say more?

What do you want?

**Elaboration**

Can you tell me more?

What else?

What other ideas/thoughts/feelings do you have about it?

**Evaluation**

What is the opportunity here?

What is the challenge?

How does this fit with your plans/way of life/values?

What do you think that means?

What is your assessment?

**Example**

What is an example?

For instance?

Like what?

Such as?

What would it look like?

**Exploration**

What is here that you want to explore?  
What part of the situation have you not yet explored?  
What other angles can you think of?  
What is just one more possibility?  
What are your other options?

**For Instance**

If you could do it over again, what would you do differently?  
If it had been you, what would you have done?  
How else could a person handle this?  
If you could do anything you wanted, what would you do?

**Fun as Perspective**

What does fun mean to you?  
What was humorous about the situation?  
How can you make this more fun?  
How do you want it to be?  
If you were to teach people how to have fun, what would you say?

**History**

What caused it?  
What led up to it?  
What have you tried so far?  
What do you make of it all?

**Implementation**

What is the action plan?  
What will you have to do to get the job done?  
What support do you need to accomplish it?  
What will you do?  
When will you do it?

**Integration**

What will you take away from this?  
How do you explain this to yourself?  
What was the lesson?  
How can you make sure you remember what you have learned?  
How would you pull all this together?

**Learning**

If your life depended on taking action, what would you do?  
If you had free choice in the matter, what would you do?  
If the same thing came up again, what would you do?  
If we could wipe the slate clean, what would you do?  
If you had it to do over again, what would you do?

**Options**

What are the possibilities?

If you had your choice, what would you do?

What are possible solutions?

What will happen if you do, and what will happen if you don't?

What options can you create?

**Outcomes**

What do you want?

What is your desired outcome?

If you got it, what would you have?

How will you know you have reached it? What would it look like?

**Perspective**

When you are ninety-five years old, what will you want to say about your life?

What will you think about this five years from now?

How does this relate to your life purpose?

In the bigger scheme of things, how important is this?

So what?

**Planning**

What do you plan to do about it?

What is your game plan?

What kind of plan do you need to create?

How do you suppose you could improve the situation?

Now what?

**Predictions**

How do you suppose it will all work out?

What will that get you?

Where will this lead?

What are the chances of success?

What is your prediction?

**Resources**

What resources do you need to help you decide?

What do you know about it now?

How do you suppose you can find out more about it?

What kind of picture do you have right now?

What resources are available to you?

**Starting the Session**

What's occurred since we last spoke?  
What would you like to talk about?  
What's new/the latest/the update?  
How was your week?  
Where are you right now?

**Substance**

What seems to be the trouble?  
What seems to be the main obstacle?  
What is stopping you?  
What concerns you the most about . . . ?  
What do you want?

**Summary**

What is your conclusion?  
How is this working?  
How would you describe this?  
What do you think this all amounts to?  
How would you summarize the effort so far?

**Taking Action**

What action will you take?  
And after that?  
What will you do? When?  
Is this a time for action? What action?  
Where do you go from here? When will you do that?  
What are your next steps? By what date or time will you complete these steps?

<p>This list of questions is from <i>Co-Active Coaching</i> by Laura Whitworth, et al.</p>
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## Top five ways we intuitively ask questions...and how to change that!

1. **Closed questions.** Our number one offender is closed questions! You know a closed question because it can be answered with yes or no. Open questions have two key benefits. They let the coachee direct the conversation (because they can answer in many ways) and they make the coachee think by eliciting longer answers. While most people will answer the occasional closed question as if it were open, too many closed questions in a row shuts people down. **Solution:** Convert closed to open questions. Think of it like turning a multiple choice question into an essay question.

Can you realistically take that on too? → How would your life change if you take that on too?

2. **Solution oriented questions.** A special kind of closed question is the solution-oriented question. SOQs are pieces of advice with a question mark pasted on. We want to tell the client the answer, but we remember we are supposed to be coaching, so we give our solution in the form of a question. Most SOQs start with should you, could you, will you, don't you, can you or are you. If the second word in the question is "you," you're in trouble. **Solution:** follow your curiosity. Broaden the question (which focused on one potential solution) into an open question with many possible solutions.

Shouldn't you create a solid budget before making this decision? → How do you know this is the decision that is right for you?

3. **Not listening to the answer.** While it's important to ask powerful questions, it is equally important to listen to the answers. Don't assume you know what the answer is going to be and don't start formulating your next question before the client is finished answering. Base each question on what the client has said. **Solution:** Use their own words. Simply make a habit of incorporating the client's own words in your responses, so you have to listen!

4. **Rambling questions.** Some coaches do this because they are still figuring out what they want to ask while they are asking. That's a good way to lose the client's attention. **Solution:** Take a moment to think before you ask. Tell the client that you need a moment to think over what he or she just said. **Solution:** Ask clarifying questions. Sometimes we don't know what to say because we're not sure what we just heard.

5. **Why questions.** Why questions tend to make people clam up because they challenge motives. When you pose a question like, "Why did you do that?" you are asking the coachee to defend and justify his or her actions – so don't be surprised if he or she gets defensive! What and how questions are a much better way get information without alienating the coachee. Where and when questions are good for getting details. **Solution:** Use "what" instead.

Why did you do that? → What led you to do that?

Why didn't you follow through on your action items? → What do you need to complete your action items?

### Tips for asking powerful questions

- **Give the client a question to just think about between sessions.** This will bring the client’s mind back to the topic periodically, maybe at a time when the answer is clearer.
- **Keep in mind that it’s not a waste of time to ask questions and get to know the client.** The more you know about the client, the better you can help him or her.
- **Ask the client for more details.** Any question can become a better question when we follow up with statements like: “Tell me more” or “What else?”

### Question Asking – Practice

1. Write down a piece of advice that you have given a friend, family member or colleague. Preferably financial advice, but any advice will work.
2. Think about how, using the coaching concepts we reviewed, you would approach the conversation in a coaching context?
3. Write down at least two powerful questions that you would ask your friend, family member or colleague.

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# C O A C H M O D E L

**COACHING TOPIC:** \_\_\_\_\_

**Directions:** In your coaching conversation, you may find it helpful to refer to this form and take some notes to keep you focused as you learn to move through this model. Ask the client for permission to take notes during the conversation.

**C = Client-driven goal setting.** What is the client's goal?

- What is your vision?
- What do you want to achieve?
- Where do you want to be?

**O = Ongoing assessment of current situation.** What is the client's current 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 financial goal?
- What's important to you that will drive your decisions and actions?

**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 opportunities exist?
- What options do you see as open?
- Where might you get stuck?
- What's going to help you be successful?
- 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?

*Adapted from Financial Coaching Training Manual by a collaboration of Central New Mexico Community College and New Mexico Project for Financial Literacy, 2010.*



## C O A C H MODEL – Practice

**COACHING TOPIC:** \_\_\_\_\_

**Directions:** In your coaching conversation, you may find it helpful to refer to this form and take some notes to keep you focused as you learn to move through this model. Ask the client for permission to take notes during the conversation.

**C = Client-driven goal setting.** What is the client's goal?

**O = Ongoing assessment of current situation.** What is the client's current situation?

**A = Action planning.** What steps will the client take to get from here to there?

**CH = Checking.** What mechanisms will keep the client on track?

*Adapted from Financial Coaching Training Manual by a collaboration of Central New Mexico Community College and New Mexico Project for Financial Literacy, 2010.*

## Coaching Tips

**Coaching strategies and sharing resources.** It may seem that we are asking you to do two completely different things. We have given you lots of tools and resources to share with clients – and we recognize the knowledge and skills that you bring to the table – yet we tell you not to give advice. Here are some ways that you can do both.

- If a client is in a crisis situation, he or she does not have the luxury of thinking about and planning for their future. Go ahead and provide the resources you can in order to help the client overcome their crisis. Then, invite them back to follow up and do more long-term planning.
- Always start with questions. Get to know as much about the client and their current situation before suggesting resources.
- If you feel like a resource is appropriate for a client, tell them that you know of a resource that may be helpful to them and tell them about the resource without assuming that they want to participate.
- Have a brainstorming session. During a brainstorm, both coach and client can contribute to a list of possible solutions or steps. Then the client gets to choose the best solutions or steps from the list.
- When the client is choosing the best solutions or steps, ask them to tell you how those steps will help them reach their goals.
- Have the client plan out how they are going to pursue the solution or step they chose.

**Keep ‘em coming back.** The purpose of the Financial Coaching program is to help clients change behaviors over time. There is a limited amount of change that can happen as a result of one session. Here are some suggestions for retaining clients that you meet with.

- Create Momentum. Get at least one thing done during the session, or have the client plan the exact next steps for getting one thing done shortly after the session.
- Tell them what they can look forward to in future sessions.
- Express your own interest in continuing to meet with them.
- Schedule the next appointment before they leave. You can do it in the office with them, or you can ask the Greeter on duty to schedule it.

We can't force someone to come back, but Financial Coaching is like any other self-improvement routine – we know we should do it, but we don't always, and we appreciate it when someone finally gets us to do it.

**Remember:**

- No judgment
- No telling
- No solving
- No doing it for them
- No assuming

**Keep it Client Focused**

- You should have no agenda besides the client’s goals
- Coaching is not the time to show your brilliance – a client should leave knowing how smart they are, not how smart you are
- Ask questions and really listen to the answers
- If you are doing most of the talking, you are not coaching

**Tricky Situations**

- If a client gets off topic, ask questions that bring the topic back to their financial goal
- If a client is in crisis, use more directive questioning and referrals. Full, client-directed coaching can occur after the crisis has been diffused.
- If a client is not doing what they said they would, ask them, without being judgmental, how that behavior will help them reach their goal (which they set). “You said you want to reach this goal, but I see this behavior. How will this behavior help you reach your goal?”
- If you ask a question and the client says, “I don’t know,” some responses can be:

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**In a great Coaching session...**

- Coach should use words that move the client forward – and not use words that diminish the client or break their spirit
- Client should come up with at least one specific action item before leaving the session

## More Resources for Clients

### Resources available at Foundation Communities

- **Housing:** Clients can find information about Foundation Communities' housing communities by calling 512-447-2026 option 8 or visiting [www.foundcom.org](http://www.foundcom.org) and clicking on "Get Housing."
- **Financial Stability Programs:** Clients can find information about all our Financial Stability programs by visiting [www.foundcom.org](http://www.foundcom.org) and clicking on "Get Financially Stable."
  - **Community Tax Centers**
    - Free tax preparation available to families and individuals earning less than \$50,000 a year.
    - Self-Employed Tax Assistance available
    - Available during tax season, plus May-October
  - **Insure Central Texas**
    - Assistance with enrolling in health insurance through the Marketplace during open enrollment and special enrollment periods.
  - **Cash for College**
    - FAFSA preparation
    - Scholarship Mentoring
  - **Financial Coaching**
    - Credit Counseling
    - Small Business coaching by volunteers with small business experience
  - **Money Management Classes**
    - Offered at various locations around Austin
    - Topics include budgeting, saving, credit and debt
    - Free credit report and individual credit counseling included
  - **Safety Net Savings Program**
    - Only available to Financial Coaching clients and Money Management students
    - Participants can receive incentives for saving their own money for emergencies
  - **Fresh Start Loan**
    - Only available to Financial Coaching clients
    - Loan issued by Foundation Communities to help clients get out of the payday and title loan trap
  - **Utility and Emergency Assistance**
    - Only available to residents of Foundation Communities' properties who meet with a Financial Coach
    - Financial assistance is provided to families and individuals experiencing a financial crisis that puts their housing, employment or health at risk
  - **Matched Savings Program**
    - Only available to residents of Foundation Communities' properties
    - Savings match for home purchase, post-secondary education or small business startup or expansion
- **Personal Finances Toolbox:** Resources can be found on [www.foundcom.org](http://www.foundcom.org) click on "Get Financially Stable" and choose Financial Coaching.

## Matched Savings for Foundation Communities Residents

Participants accepted into the Matched Savings program will receive \$2 for every \$1 deposited into their savings account to be used for a small business, college education or home-purchase. Foundation Communities will match up to \$600 of participant savings (\$50/month for 12 months).

Year 1 \$600 (participant savings) + \$1,200 (match) = \$1,800 total potential funds available.

Year 2 \$600 (participant savings) + \$1,200 (match) = \$1,800 total potential funds available

Year 3 \$600 (participant savings) + \$1,200 (match) = \$1,800 total potential funds available

Participants can either save for the full 3 years before using the funds, or begin using the funds after 6 months if all program requirements have been met.

### Eligibility for Matched Savings Program

- 1) Be a resident of Foundation Communities Property
- 2) Have earned income in the household (ie: someone in the household must have income from a job or self-employment, it doesn't have to be the Matched Savings participant)
- 3) Have assets that do not exceed \$10,000
- 4) Have a household income at or below the following guidelines:

Individual	\$23,340	Income can be determined by checking Adjusted Gross Income (AGI) on most recent tax return —or— by totaling a year's worth of your current monthly gross income.
Household of 2	\$31,460	
Household of 3	\$39,580	
Household of 4	\$47,700	
Household of 5	\$55,820	

- 5) Must have a goal of attending college, running a small business or purchasing a home in the next 3 years
- 6) Applicants under 24 who do not have dependents and are not married must show that their parents' income also meets the income limits above.

### How to Apply

For more information or an application, visit [www.foundcom.org](http://www.foundcom.org) and click on 'Get Financially Stable' then 'Matched Savings' or call Alice Grauly 512-610-7381 or email [alice.grauly@foundcom.org](mailto:alice.grauly@foundcom.org).

### Matched Savings Program Requirements Once Your Account is Open

- Make consistent monthly deposits
- Complete 6 hours of free Money Management classes offered by Foundation Communities
- Save at least \$300 each year
- Complete Asset-specific requirements:
  - Homebuyers- complete an 8-hour homebuyer class
  - College Savers - Complete an Education Plan
  - Business Savers - Complete a Business Plan & 8 hours of small business classes

## Matched Savings for Other Austin Residents

The City of Austin was awarded a federal grant to provide financial education and matched savings accounts to low-income residents.

The goal is to help you with personal financial sustainability. Called **Individual Development Accounts**, or IDAs, your savings account can eventually be spent in one of three ways—higher education, purchasing a home, or investing in a small-business endeavor.

### How does it work?

For every \$1 you save, the City of Austin will provide a match of \$4. For example, if you save \$60, this program will contribute \$240, for a total of \$300 in your savings account!

### ***HousingSmarts*** Housing Counseling Program

How can I learn the ins and outs of buying a home? How can I avoid losing my home to foreclosure? Attend free "Realizing the American Dream" classes. Find the class schedule and registration form on the Housing Smarts webpage, <http://www.austintexas.gov/housingsmarts>.

Have a question about the IDA program? Visit <http://www.austintexas.gov/department/match-my-savings> or call the Neighborhood Housing and Community Development Office at 512-974-3100.

## Programs that Financial Coaches help clients access

As a Financial Coach, you will be the one guiding clients through the application process for three of our programs:

- **Safety Net Savings Program**
- **Fresh Start Loan**
- **Utility and Emergency Assistance**

All applications and Coach guides are available on the Volunteer Resource Page: [www.foundcom.org/get-involved/coachvolunteer](http://www.foundcom.org/get-involved/coachvolunteer).

### Safety Net Savings Program

#### Program Details

The Safety Net Savings Program was designed to encourage clients to establish and contribute to a savings account specifically intended to be used towards emergencies. In the 12-month program, participants receive a variety of cash and gift-card incentives for meeting certain benchmarks.

#### Gift Card Incentives

- \$25 HEB gift card  
To earn this incentive, you must open your Greater TEXAS Federal Credit Union (GTFCU) account with a minimum of \$25. Your account must be opened by Foundation Communities' staff on-site during a Financial Coaching session (accounts opened in-person at GTFCU will not be honored in this program). You may redeem this incentive at the time you complete your application.
- \$25 HEB gift card  
To earn this incentive, you must complete a direct deposit form (provided by your employer) with your coach and provide a copy to Foundation Communities' staff. The direct deposit form must be completely filled out (including the GTFCU account number).

#### Cash Incentives (deposited directly into participant's account)

Cash incentives are awarded based on the average daily balance in a participant's account. Account statements cover one calendar month (the first of the month through the last day of the month).

Incentives are directly deposited into a participant's account.

- \$5/month for maintaining a balance between \$125 - \$249
- \$10/month for maintaining a balance between \$250-\$374
- \$15/month for maintaining a balance of \$375 – \$499
- \$20/month for maintaining a balance of \$500 or higher
- \$100 if you allocate a minimum of \$100 of your tax refund to savings, by direct deposit and form 8888

## **Fresh Start Loan**

### **What is the Fresh Start Loan?**

The Fresh Start Loan helps individuals with existing payday or auto title loans to escape the “debt trap” that those high interest/fee loans often create. The Fresh Start loan:

- May only be used to pay off existing payday or auto title loans
- Will be repaid to Foundation Communities in \$100 or less monthly payments
- Has an annual interest rate of 8%

### **To qualify for the loan, you must:**

- 1) Have current payday or auto title loans with a total balance between \$200 and \$1,000. Applicants with more than \$1,000 in payday or title loans are not eligible for the program.
- 2) Be actively working with a financial coach through Foundation Communities’ Financial Coaching Program OR live on a Foundation Communities’ property and be actively enrolled in case management through FC.
- 3) Have proof of income for the last 90 days
- 4) Have monthly debt obligations that do not exceed 30% of your net monthly income. A review of your income and monthly debt obligations will be done with your financial coach to ensure us that you’re able to pay off the loan
- 5) Meet with your financial coach regularly throughout the loan term to work on budgeting and other financial matters. Participants are eligible for a \$25 credit toward the loan balance for each financial coaching session attended after receiving a loan, up to 4 sessions/\$100.



## **Austin Energy Utility Assistance (for Foundation Communities residents only)**

The staff members at Foundation Communities' housing properties schedule appointments with Financial Coaches for the residents at their property in order to access emergency assistance, including utility assistance. The client notes section in Appointment Plus should include information about the nature of the request.

### **Process during appointment where utility assistance is being requested:**

1. Resident fills out Financial Coaching intake form.
2. Resident and Coach fill out Application for Utility Assistance, including "Release of Customer Information Authorization Form." Please check that all fields are completed.
3. Resident and Coach fill out budget (any budget from volunteer resource page)
4. Resident provides all pages of City of Austin Utility bill
5. If eligible and not enrolled, Resident fills out Customer Assistance Discount Program (CADP) application
6. Coach provides Application for Utility Assistance, budget, copy of utility bill, and if applicable, CADP application, to greeter on duty
7. Foundation Communities staff will accept or deny the application (client will be notified within 2 business days of acceptance or rejection)
8. Accepted applications are submitted to Austin Energy
9. Requests are processed by Austin Energy every Friday. Assistance funds are credited to customer's account on Friday or Monday.

## **Emergency Assistance (for Foundation Communities residents only)**

The staff members at Foundation Communities' housing properties schedule appointments with Financial Coaches for the residents at their property in order to access emergency assistance. The client notes section in Appointment Plus should include information about the nature of the request.

### **Process during appointment where utility assistance is being requested:**

1. Resident fills out Financial Coaching intake form.
2. Resident and Coach fill out Application for Emergency Assistance.
3. Resident and Coach fill out budget (any budget from volunteer resource page)
4. Resident provides documentation of the expense for which they are requesting assistance.
5. Coach provides Application for Emergency Assistance, budget and documentation of expense to greeter on duty
6. Foundation Communities staff will accept or deny the application (client will be notified within 2 business days of acceptance or rejection)
  - a. Checks for accepted applications are processed within a week of application
  - b. Checks are mailed directly to the vendor, not the resident

### **Reference information:**

- Emergency Assistance may be granted to Foundation Communities residents displaying financial hardship that may compromise their housing, employment or health. Residents in circumstances such as job loss, reduction in work hours, medical crisis, loss of cash benefits and increased short-term financial obligations on fixed incomes will be considered for Emergency Assistance.
- Emergency Assistance may be used to pay rent, utilities (gas or water), or other critical bills that, if not paid, would compromise their housing, employment or health.
- The limit of Emergency Assistance is the amount of the resident's rent. This limit does not include Austin Energy Utility Assistance they may have applied for or received from Foundation Communities.

## Resources for Coaches



### **Volunteer Resource Web page**

Here, you will find all the client forms as well as links to the resources discussed in training (plus many more). The site has been set as the home page in the Financial Coaching office. The volunteer resource page can be found at:

**[www.foundcom.org/get-involved/coachvolunteer](http://www.foundcom.org/get-involved/coachvolunteer)**



### **Financial Coaching Blog**

Here, you will find updates on program changes and happenings as well as more in-depth information about how financial topics affect our clients.

**[coachvolunteer.blogspot.com](http://coachvolunteer.blogspot.com)**

## **Credit Counseling**

At some point within the coaching process, you and your client can schedule a meeting with a credit counselor. Credit counseling will include a free copy of the client's credit report and scores from all three credit bureau as well as a line-by-line review and suggestions for improving scores.

The credit counselor may be someone from Foundation Communities staff or a specially trained volunteer. The credit counselor will give you and your client a list of things the client can do in order to improve their credit. The credit counselor will not know much about the client so then it is up to the client and coach to prioritize that list in relation to the other things they are working on.

To schedule a credit counseling session,

- use the "Book Now" button on our web site, [www.foundcom.org/get-financially-stable/financial-coaching](http://www.foundcom.org/get-financially-stable/financial-coaching) and choose Credit Counseling as the service
- ask the greeter on duty or
- contact the Financial Coaching office at 512-610-4026 or [financialcoach@foundcom.org](mailto:financialcoach@foundcom.org).

## **Brochures and other publications**

We also have several brochures and pamphlets about credit and many other financial topics in the Financial Coaching office. These are great resources for learning and sharing the basic principles of credit and money management.

## Appointment Checklist

### COACH Strategy:

#### Competencies

- Have the client complete all intake forms (make sure they don't skip any information).
- Discuss the client's main concerns or goals.
- Review the client's strategy for addressing those goals or concerns so far.
- Have the client create a budget to start strategizing to reach their goal (using their own, or one of our budget forms).

#### Outcomes

- Use a goal setting form to help the client set and develop goals for current and future coaching sessions as well as long-term goals.

#### Action

- Have the client identify at least one thing that they can do in the appointment or shortly after that will help them reach their goal.
- Have the client identify their next steps toward reaching their goal.

#### CHecking

- Schedule your next appointment
- Have the client commit to having at least one of their next steps completed by the date of that session.

### Logistics:

#### Before the session

- Pick up the client folder from the Greeter on duty.
- In the coaching office, open the volunteer resource page ([www.foundcom.org/get-involved/coachvolunteer](http://www.foundcom.org/get-involved/coachvolunteer)) to have resources ready.

#### During the session

- If you have any questions, don't hesitate to ask the Greeter on duty.

#### After the session

- Complete the client log in the client's folder
- Add your next session(s) to Appointment-Plus (see Appointment-Plus user guide, if necessary)
- Return client folder to Greeter on duty (all client information stays in their folder or is returned to the client)

## The systems you will use to manage your volunteer activities:



### **Volunteer Page**

This is the site where you will sign up to attend training sessions related to Financial Coaching.

[www.myvolunteerpage.com](http://www.myvolunteerpage.com)



### **Appointment Plus**

On this site, you will list your availability to meet with Financial Coaching clients. Clients and our staff will schedule appointments for you based on the availability you list on Appointment Plus. You will schedule appointments with your existing clients here as well.

[www.appointment-plus.com](http://www.appointment-plus.com)

## FAQ

If you need help with anything in the program, please contact Volunteer Coordinator Nick Banach at [nick.banach@foundcom.org](mailto:nick.banach@foundcom.org), or at 512-610-7396. But before you send that email, he would appreciate it if you took a look at these frequently asked questions.

*I remember hearing about a resource during training, but I can't remember what it was.*

First of all, that's not a question. This is an **FAQ**. Secondly, have you checked the volunteer resource page? All of the resources that you saw in training will be on the resource page, including the sites devoted to debt, credit, budgeting, and public benefits. It will be the homepage of any internet browser that you use at the Community Financial Center, or at [www.foundcom.org/get-involved/coachvolunteer](http://www.foundcom.org/get-involved/coachvolunteer)

*My client has problems that are beyond my abilities. What should I do?*

While some clients' finances may seem overwhelmingly dire, you can still provide them the support, encouragement, and accountability necessary to make progress. They've come to us because they know they need help, and we will provide it to the best of our ability. That's what we do.

*Oh no, I can't make it to my appointment! What do I do?!*

While our clients are afforded a little room for error, we expect our coaches to be here. Be diligent about marking your days off on the calendar, and if you have any doubt about a certain day, mark it off for safety's sake. If you've already been scheduled for an appointment that you won't be able to attend, let us know more than 24 hours in advance, so that all parties can make the proper adjustments.

*How does scheduling appointments work?*

Coaches will only be scheduled at their own availability. If a coach knows that they have time to give on Thursday evenings from 5:00—7:00pm, then the coach will only be matched with clients who also share that time-slot. Appointments will be schedule no less than three days in advance without that individual coach's consent.

*I'm ready to see a client. What should I do?*

Contact Nick, letting him know what your availability looks like (Ex: Mondays from 1:00—3:00pm; weekdays from 9:00—11:00am; etc). He will set you up with an account on our scheduling system, and provide directions on how to set your available hours and days off in the future. **He cannot create an account for you until he knows what time you're capable of giving.**

*I have hours available, but I haven't seen a client yet. What's the deal?*

Measuring volunteer involvement in tandem with client need is always a concern of ours in trying to make the volunteer experience meaningful. Our engagement with new clients is typically steady, but it is also at inconsistent hours. So while there might be a need, it may not always be during the time-slots that you've scheduled. We keep a close eye on our coaches' schedules, and make adjustments to give them the best opportunity to see clients. With that being said, if the problem persists for more than a month, please let us know.

*I don't think this program is the right fit for me, and I want to quit. Are you going to be disappointed in me?*

Not at all, but we could definitely use you in one of our other volunteer roles. Let us know what we could have done to improve your coaching experience, and ask about our other opportunities to help out.