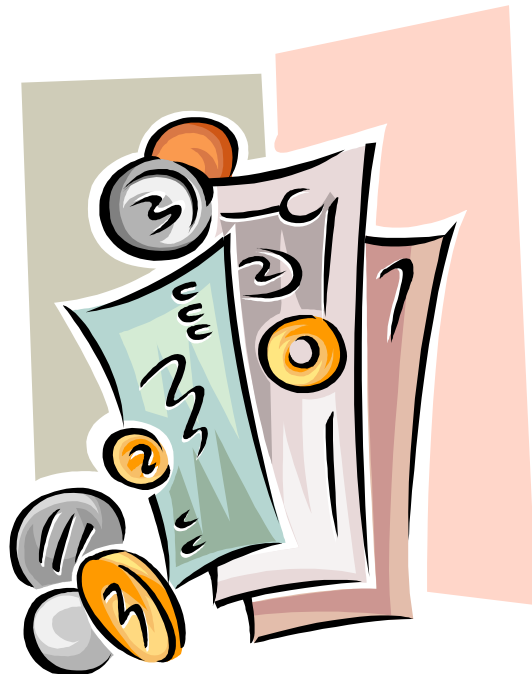


# Financial Mentoring



# Program Guide

F I N A N C I A L M E N T O R I N G P R O G R A M



## *Acknowledgements*



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The National Endowment for Financial Education® (NEFE®) is a nonprofit organization committed to educating Americans about personal finance and empowering them to make positive and sound decisions to reach financial goals. For more information, visit [www.nefe.org](http://www.nefe.org).

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# Financial Mentoring Program Guide

Financial literacy is everywhere these days. Do a quick Internet search, and you will find thousands of websites sharing articles and financial tips, offering credit counseling, or announcing workshops. It makes sense though – most of us don't learn how to manage money in school. We often learn our financial habits from our parents, by our own experiences, or the hard way – by making mistakes.

Those of us working with low-income populations want our clients to have an understanding of financial concepts, so they can make financial decisions that are best for their families. Financial literacy is intertwined with any family economic success strategy – from helping people find jobs to selling them cars to get to work. With everything else we're trying to do, how can we provide financial literacy services?

One way is through **Financial Mentoring**. In this context, you mentor clients to help them figure out where they want to go financially – from getting out of debt, buying a bed, to sending kids to college – and help them find ways to get there.

Along the way, you guide your clients toward a new understanding of financial concepts (such as credit reporting) and ways to apply that knowledge to make informed choices in their own lives. A key to financial mentoring is helping clients set specific, achievable goals and celebrating progress toward those goals.

## Purpose of this guide

This guide was designed for car ownership programs and other organizations working with low-income populations. The guide provides:

- An overview of the Financial Mentoring Program model and key components, using Port Jobs' experience piloting the program to share lessons learned.
- A set of tools and instructions, such as an intake interview and financial literacy quiz, for you to use with your clients. We also include a resource list of suggested publications and websites that covers a variety of financial topics, such as money management, debt, and credit use.
- Planning questions for managers who are thinking about how to incorporate financial mentoring into the services that their organization already provides.



# About the **Financial Mentoring Program**

The philosophy behind the **Financial Mentoring Program (FMP)** is that we cannot force people to make good financial decisions. However, as mentors we can give our clients information and resources to help them understand the consequences of their decisions.

Financial topics often have strong emotional and cultural ties for people, and we respect the individual's right to make decisions as she sees fit. The key to financial mentoring is that there is no right or wrong answer – it all depends on a person's situation. Our goal is to give clients a framework from which to make financial decisions, so that they are able to respond to changing circumstances and evaluate their options.

We designed the FMP to complement other financial services, classes, and materials already available online or in the community. Many great resources exist that cover topics ranging from credit reporting to balancing a checkbook. Often, however, financial literacy programs and curricula lack a good preliminary assessment tool to help us target training to meet an individual's needs. That's where the FMP comes in. The FMP offers tools to:

- Assess a client's financial situation, habits, and current level of financial knowledge;
- Help a client identify personal or family financial goals; and
- Design an individualized action plan to help a client learn more about financial topics and take steps toward her goals. Action steps may include reading a publication about credit, attending a budgeting workshop, or visiting a credit counselor to discuss debt issues.

## Developing the Financial Mentoring Program

In 2002, Port Jobs, and its partner Fremont Public Association, launched a car ownership program called **Working Wheels**. Working Wheels sells affordable used cars to low-income workers through a three-year loan from a local bank. Because of the financial aspects of car ownership (getting a loan, credit, budgeting) and the potential for car owners to get themselves into trouble (through loan default or driving without insurance), Working Wheels clients needed access to financial literacy services<sup>1</sup>.

In 2003, Port Jobs received a planning grant from the National Endowment for Financial Education® (NEFE®) to develop a Financial Mentoring Program model. Over the next year, Port Jobs developed an assessment process and tools. In partnership with Pacific Associates, we piloted the FMP with Working Wheels car owners who volunteered to participate. Port Jobs continues to refine the FMP, and we have started to identify issues (such as limited English, cultural challenges, etc.) that will need additional strategies.

## The Framework: Minimum Competencies

The FMP revolves around four key topic areas:

- Credit and Loans
- Money Management
- Financial Services
- Financial Goals and Planning

Our premise is that people need some level of knowledge in each of these areas to make informed financial decisions. We asked representatives from banks, social service providers, and a credit reporting agency to tell us what they thought people needed to know.

We used this expert advice, along with additional financial research, to establish a list of **minimum competencies**, which has served as the framework for the FMP. (*See Appendix for the full list of competencies.*)

We recognize there are many other financial topics that are important for our clients, such as homeownership, asset-building, and investing. While we did not develop minimum competencies in these areas, we do address these needs in our client sessions. For example, we connect people to first time homebuyer classes or Individual Development Account programs if they want to buy a home.



### Sample Minimum Competencies

#### Credit and Loans

- Identify factors that establish a positive credit history
- Evaluate credit/loan offers in terms of interest, payment conditions, and fees

#### Money Management

- Identify all sources of income and calculate net and gross income
- Track monthly expenses and calculate the difference between income and expenses

#### Financial & Other Services

- Identify common services associated with financial institutions
- Understand and evaluate car insurance coverage options

#### Financial Goals & Planning

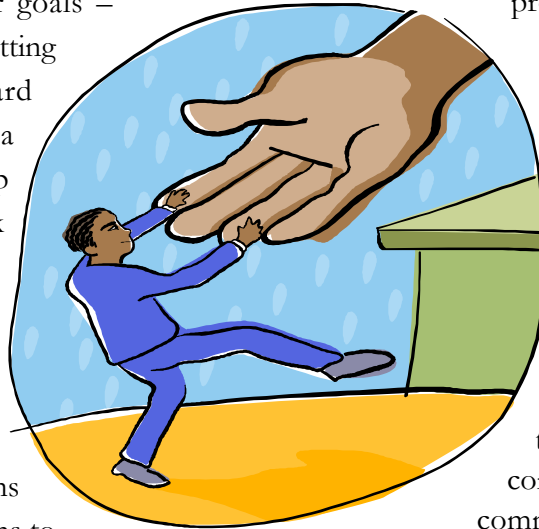
- Understand how to establish and prioritize goals
- Understand how to develop an action plan to meet financial goals

# The Financial Mentor

Almost anyone in an agency can be a Financial Mentor – from case managers to employment specialists to housing counselors. You are probably already aware of or dealing with money issues with your clients.

As a Financial Mentor, you do not need to be a financial expert. You do not solve your clients' financial problems for them. Instead, you are like a coach who has a general knowledge of various financial topics, including credit and loans, money management, financial services, and planning.

You know how to connect clients to learning opportunities and resources to help them meet their goals – whether that's getting out of credit card debt or buying a home. You help your clients look at their options. In the end, though, your clients drive the process. They make the decisions about what actions to take or not to take.



Key attitudes and characteristics make Financial Mentors effective<sup>2</sup>:

- **Be Supportive** – Don't tell clients what they have to do or pass judgment on what they choose to do. Rather, help clients learn how to judge for themselves whether their actions are moving them toward or away from their goals.
- **Listen and Ask Questions** – Listen to what is said directly, and also how it is said (including body language). Ask questions to help clarify a client's real problem and to build on her own strengths and resources.
- **Educate and Motivate** – Encourage clients to take responsibility in resolving their own problems. Help them identify options in order to make good choices now and in the future.
- **Stay Informed** – Continue to learn about financial literacy topics and resources in the community to better serve your clients.
- **Know Limits** – Don't fix clients' problems for them (like giving money to pay debt), give investment advice or try to push products. Do know how to connect clients to useful resources in the community.

## Port Jobs' Financial Mentoring Program

Port Jobs piloted the FMP as a special service for Working Wheels clients after they completed the application requirements and purchased a car. The FMP was voluntary. We contracted with Pacific Associates, an employment assistance agency, to provide a .6 FTE financial mentor. The mentor worked one-on-one with interested car owners and offered employment services for those who lost their jobs or wanted to find better jobs. The program worked like this:

- *Outreach:* The mentor mailed flyers to new car owners to invite them to be a part of the FMP. Participation in the program was voluntary, except for a handful of “at-risk” car owners who were approached individually because they had been late making car payments.
- *Intake Interview and Goal-Setting:* Interested car owners contacted the mentor, who conducted an intake interview to gather more information about their financial situation and to help them identify personal and financial goals. The Intake generally happened over the phone, though the Mentor did meet some clients in person.
- *Additional Assessment and Information-Gathering Tools:* After the Intake, the mentor mailed a packet of materials to the client to complete, which included: a financial topics quiz to help identify knowledge gaps, a goals exercise, and a questionnaire to identify life changes and learning styles.
- *My Action Plan (MAP):* Next, the mentor met with the client to review the quiz, the questionnaire, and the client’s goals. Together, they developed an action plan (called My Action Plan, or MAP) with learning materials and steps to help the client move toward her goals. It usually took two to three “MAP meetings” to develop the full action plan.
- *Post-MAP Follow-up:* The client followed-up with the mentor when she needed more assistance. The mentor also contacted clients occasionally to check-in and see how they were doing.

*See the FMP flowchart in the Appendix.*

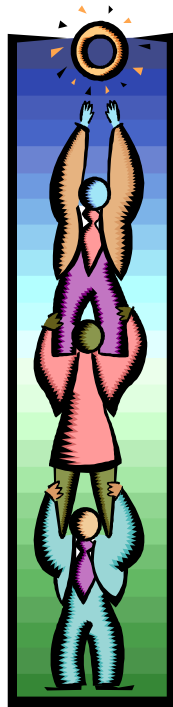
# Outreach and Assessment Tools

In this section we outline some of the FMP's main tools. First we talk a little about outreach. Next we cover the FMP assessment tools that can help you build a picture of your client's financial situation and identify areas for more learning. *All materials are available in the Appendix.*

As a frame of reference, we describe how we provided FMP services to clients of Working Wheels, a car ownership program that Port Jobs created (*see previous page*). Below we also share the lessons that we learned by piloting the FMP, and highlight the tools that we created for the program (*see Tools*).

## Outreach

If participation in the FMP is voluntary, you will need to do outreach to your client base. You can try mailing invitations, posting flyers, or making phone calls. We mailed outreach flyers that were designed to pique interest by using a series of phrases, such as “Would you like to have more money left over at the end of the month?” We also included an incentive for participating – a free car payment or 1 year basic AAA membership. Overall, we had a 20% response rate from the flyer.



## Lessons Learned

- Timing and motivation were very important. Many of our self-selected clients said that they were already thinking about their financial goals. The invitation hit them at the right moment, and they were motivated to invest time in the program. Some clients indicated that the incentive is what piqued their interest.
- In general, the “at-risk” car owners (a small group) did not complete the program. Each originally agreed to participate because the Working Wheels Program Manager encouraged them to do so. This alone did not seem to be enough to keep them going, however. Clients need to be motivated to do this work – we can't force it on them.
- Most of our clients were fairly stable (i.e. people who were employed and had purchased a car). Many already practiced good behaviors, so we affirmed what they were doing well and helped identify other resources. We found that the full FMP was not appropriate for people who were in a crisis. In these cases, we tried to help the client deal with the crisis first and then introduced financial mentoring.



## Intake Interview & Goal Setting

The intake interview is designed to build rapport with your client and to help you learn more about her financial situation. Questions uncover a client's feelings about money and money management, use of financial services, experience with credit, knowledge of credit reporting, and bill paying habits. The intake also helps you listen for a client's financial and personal goals.

As designed, the intake takes approximately 45 minutes to complete, but may last longer depending on language or comprehension. Interviews can be done over the phone or in-person. You may integrate questions into your other program forms or interviews, rather than complete the intake as a stand-alone piece.

Before doing the intake, review the **Intake Form** questions. Also, read through the **Intake Instructions** – this handy guide walks through each question and outlines its purpose, what to listen for, possible follow-up questions, and places to identify learning opportunities and goals. The Intake Form provides space to record notes from your conversation.

### Setting goals

Goals are the cornerstone of the FMP. The key part of the intake is actively listening to what your client is saying (and sometimes what she is NOT saying) and to help reframe her statements into learning opportunities and personal /

financial goals. You may need to ask a number of follow-up questions to get to the heart of an issue (*see below*).



### Sample Intake Questions & Goals

Mentor: On a scale of 1 to 10 (with 1 being the lowest and 10 being the highest), how much control do you feel you have over your current money situation?

Client: Oh, I don't know...probably like a 3.

Mentor: What would it take to get to a 10?

Client: I don't know. I get a paycheck, pay my bills and have money left over, but at the end of the month I'm broke – I just don't know where it goes.

Mentor: So it sounds like it would be helpful to track your spending to see where all your money is going each month - is that right?

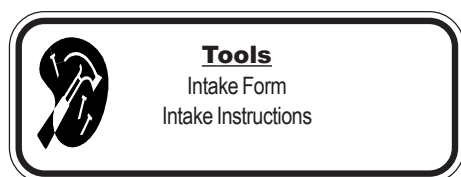
Client: Yeah, that could help. Then maybe I would have money left over to pay my credit card bill.

Mentor: So it sounds like a second part of your goal could be to use what you learned in tracking your expenses to set up a spending plan so that you can pay off your credit card debt. Is that right?

Goals can be short-term (like paying off a small debt) or long-term (buying a house). The entire action plan – including suggested reading materials, workshops, and so forth – will be built with an eye toward helping your client move toward her goals.

## Lessons Learned

- In our FMP, clients did not know the mentor when they received the outreach flyer. Therefore, the intake was an important first step in building rapport so that car owners continued through the process.
- The intake helped build the “what’s in it for me” so that clients felt like the program was really tailored to their needs and was worth their time.
- Most intakes were done over the phone; however, the mentor did several in-person intakes when she felt there were potential language or cultural issues that wouldn’t translate well by phone. That was well received by clients even though it was more time consuming and required a mutually convenient meeting place and time.
- The first step toward meeting most financial goals – from paying off debt to saving for a vacation – is knowing how much money comes in and goes out. Most people do not have an accurate picture of what they spend, so we always encouraged clients to track their expenses for at least a month. Clients then used this information to develop a spending plan. Other common goals included saving for a child’s education, learning about credit and credit reporting, and buying a home.



## Other Assessment and Information-Gathering Tools

The FMP has three other assessment and information-gathering tools – a financial quiz, a lifestyle questionnaire, and a goals exercise. Together with the intake interview, these tools help paint a picture of your client’s financial situation, so you can help her tailor an action plan that meets her individual needs.

These tools can be provided at various times in your work with your client, and can be completed separately or at the same time.

### Quick Quiz

The **Quick Quiz** is a 30-question test covering financial topics, including credit, loans, financial services and financial planning. It includes a combination of multiple choice, true/false, and fill in the blank questions. The Quiz is designed to start uncovering what your client knows (or doesn’t know) about financial topics and where there are opportunities for more learning.

The purpose of the Quiz is not to “grade” the knowledge of your client in terms of right or wrong. Instead, the Quiz serves as a vehicle for initiating a conversation about financial topics and for identifying their significance to your client. For example, one of your client’s goals is to buy a car. When she took the Quick Quiz, she did not answer the questions about credit reporting. This opens an opportunity to talk with her about

credit reporting because a car dealer will look at her credit history and will use that information to make a decision about her (whether to extend credit and how much to charge for credit, i.e. the interest rate).



### Quick Quiz Sample

- What are the first 2 questions you should ask yourself *before* taking out a loan or using credit to purchase something?
- What is a credit score?
- True or False: The more allowances you claim on your W-4 form, the more Federal Income tax will be withheld from your paycheck.

The **Quick Quiz Answer Key** provides an explanation of each question and its significance. You can use it to talk through the questions with your client, particularly those that were not answered, were “wrong”, or where there are other answers to consider. The Quiz can be reviewed one-on-one or in a group setting.

### Quick Review Exercise

The Quick Review is a summary of the goals identified during the intake. This exercise asks clients to rank their goals in order of importance and to add any that are missing. These goals will be used to develop the action plan (called My Action Plan, or MAP, covered later).

### Quick Questionnaire

The Quick Questionnaire gathers additional details about your client that were not covered in the intake, such as expected life changes and learning styles. This information can illuminate other areas for discussion. For example, if your client would like to get a better job, you can talk to her about training and job search options. If she prefers to learn in a classroom setting, you may recommend that she goes to a resume-writing workshop instead of reading a publication.



### Quick Questionnaire Sample

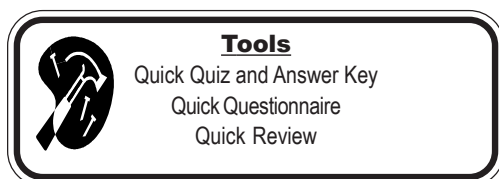
- Are you planning any major purchases in the next 12 months?
- How secure is your current job?
- How do you like to learn (i.e. printed materials, Internet websites)?

### Lessons Learned

- For many of our clients, the Quick Quiz was a powerful teaching tool. This subject can be difficult for people because they don’t really know what they don’t know. The Quiz seemed to make financial topics more concrete for people because it helped them learn in an informal setting and think about this subject in a way they had not considered before.

# Putting It All Together: My Action Plan

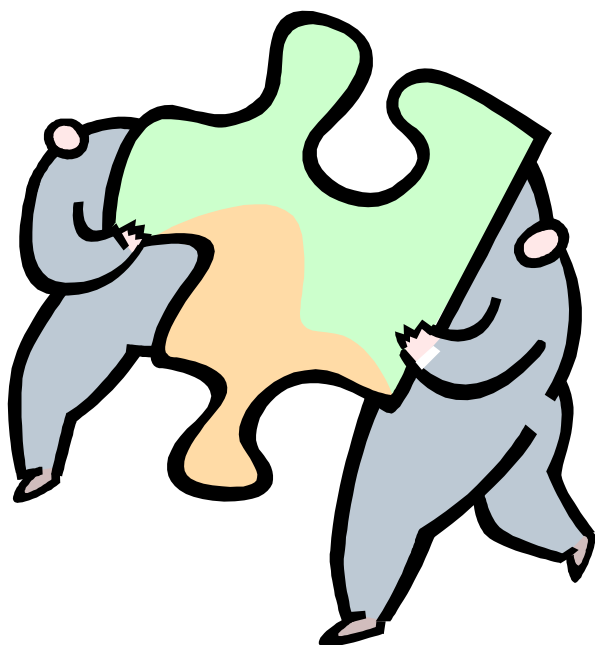
- We reviewed the answers to the Quiz one-on-one with clients, but it could also be used in a group setting. We found that it was important to set a fun and conversational tone when reviewing the Quiz. Clients were less engaged if they felt like we were “teachers” telling them what they did wrong.
- Our mentor mailed all three tools to clients after the intake was complete. She followed-up with them if they did not return the packet within two weeks. The longer it took to return, the less likely clients were to continue.



Creating the client’s action plan (called the **My Action Plan or MAP**) is like putting all the pieces of a puzzle on a table and looking at where they fit together. You take everything you’ve learned about your client – from the Intake, Quick Quiz, Quick Questionnaire, and Quick Review – to find areas for learning and action.

Here is where your client’s goals become key. As financial mentors, we don’t recommend training just because something is good to know, but because it has a direct impact on your client’s ability to achieve her goals. For example, learning about credit reporting may not be at the top of everyone’s list. But if your client plans to purchase a house someday, it is in her best interest to understand what credit reporting is and how she can start building a good credit history now.

The MAP lays out small, tangible steps that can help a client move toward her goals, track her progress, and celebrate success. Our hope is that clients not only learn more about financial topics, but they also come away with a process for setting goals and making a plan to get there.



## Preparing to Develop a MAP

Before you sit down with your client to develop a MAP, use the **MAP Preparation Form** and **MAP Instructions** to review everything you have learned about your client and to start sketching out ideas for an action plan. Steps include:

- **Review other program information**, such as the original application or a credit report. Look for anything that might open a discussion, i.e. if the client has children, is she interested in looking for ways to save for their college education?
- **Correct and review the Quick Quiz.** Identify the topics where there are opportunities for more learning and that overlap with your client's goals.
- **Review the Intake Interview.** The intake helps you look at how your client handles her finances and identify learning opportunities that tie into her goals. For example, a person who wants to start a business, but who has never had a checking account, could benefit from learning about checking accounts and financial services.
- **Review the Quick Questionnaire** to look for life changes that may affect the client's ability to reach her goals (i.e. expected layoff);

for additional goals (such as saving for emergencies); and learning styles (affects which resources to recommend).

- **Identify action steps and resources.** Use everything gathered above to consider what steps might help your client move toward her goals. This will include what your client can *learn* (use the **Resource List**, described below), what to *decide*, and what *actions* she can take.



## Resource List

The Resource List is a set of publications and websites that we have found useful in our work. All materials are available for free or can be downloaded from the Internet (phone numbers and/or websites are included). We also designed four training modules for the FMP, which are part of the Resource List. These include **Developing a Spending Plan, Taking Control of Your Debt, Saving for Your Future, and Car Insurance.**

The Resource List is meant to be a starting point to add other publications and resources that you find. There is also a section called “Services in the Community” for you to keep track of other local services and programs, such as financial literacy classes that are offered in your area.

Now you're set to meet with your client and to start building the action plan together.

## My Action Plan (MAP) Meetings

You can work with your client to develop her **My Action Plan (MAP)** in a number of ways. You may weave it into your other services, addressing higher priority goals first and then moving on to others as the first goals are accomplished. Or, you can set aside time to devote specifically to creating the MAP, what we call MAP meetings.

There is no one formula for a successful MAP meeting, as it is a process of following your client's lead and putting together a plan that works for her. It *is* important to try to tie everything into *why* it is significant and *how* it might affect your client's ability to meet her goals. Completing the full MAP/action plan may occur over a few meetings, especially if you want to review other FMP materials as well, such as the Quick Quiz. *See Sample MAP meeting flow.*

To develop the MAP, take each goal individually and talk through a few action steps with your client (things to learn, decide or do). You may not get to all of the steps that you identified during your planning – your client may decide to combine, add or split out goals, other issues might arise, or you may decide that some of the resources aren't appropriate.



### Sample Flow of a MAP Meeting

- Provide an overview of MAP meeting and process
- Review the Quick Quiz
- Review the Quick Questionnaire
- Go over Quick Review, identify or change goals
- Talk through each goal and complete a MAP form for each (this may take place over 1-2 sessions)
- Introduce follow-up options

Your client may want to set a due date for meeting the goal. She may also want to think about any barriers that might keep her from meeting the goal. Finally, your client may want to consider whether there are any costs involved. For example, she may need to pay a small fee to get a copy of her credit report. *See the next page for a sample MAP for one goal.*

## SAMPLE MY ACTION PLAN (MAP)

**Goal:** Develop a spending plan to find ways to pay off debt

<b>Barriers:</b> Getting everyone in my family to track their expenses	<b>By:</b> June 30th
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Action Steps	Status	Costs
Track everything my family spends for one month (bills, cash spent, etc).	Done	
Read "Developing a Spending Plan" handout		
Fill out the Tracking Worksheet after I have tracked my expenses. Look at where I spend my money. Are there any areas to cut, spend less or find cheaper options?		
Decide how much extra I can put toward debt. Start paying extra in July until the debt is paid off.		

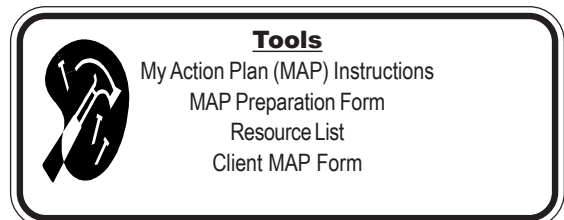
Financial Mentor Notes
<p>Try different ways to track your expenses to find something that works for you. For example you can use a spiral notebook or a check register to write down everything you spend. Or you can carry an envelope to save all your receipts (include anything you pay for with cash).</p>

## Lessons Learned

- We tried to set a light tone at MAP meetings and stress that this was the client’s process. We emphasized that our goal was not to tell clients what they *should* do – our goal was to help them identify what they already knew, what they didn’t know, and to help them create a plan.
- The most effective strategy seemed to be tying financial topics back to the client’s situation, her goals, and *why* it was important or significant for her. We tried to be non-judgmental – choices aren’t necessarily good or bad, but they depend on the client’s situation.
- We didn’t want people to just memorize a bunch of facts. We wanted them to be able to ask questions about financial situations, to understand what they might be getting into, and to make decisions that were best for their circumstances at that time.
- People didn’t often identify “developing a spending plan” as a first goal, but we always encouraged them to do this first because most of their other goals depended it. We spent a lot of time talking about tracking expenses (we asked people to track every penny they spent for at least 1 month) and spending plans.



- Clients usually became saturated after about 1.5 hours, so we broke up the MAP meeting into two to three smaller sessions. Clients seemed more receptive when we approached a few goals at a time and offered specific, tangible action steps for each.
- Our mentor connected clients to employment services if they needed the help. These services were extremely valuable to car owners who lost their jobs or who needed to find ways to earn more money. Services ranged from reworking resumes to helping people find second jobs to paying for occupational exams that led to state-recognized certifications.
- We often met clients at fast food restaurants (at their request), which could be loud and distracting. We found that it was better to schedule MAP meetings in a quiet, private place where the client felt comfortable. It helped to have a computer available, so that we could fill in the MAP form together and could access other Internet tools, such as debt reduction calculators.



## Post-MAP Follow-Up

After you develop a MAP with your client, introduce options for follow-up services. During follow-up, you can help track and celebrate your client's progress on her action plan, help her work through any obstacles that arise, and help her identify new goals.

How you structure follow-up will depend on how the program works in your organization, how long of a relationship you have with your client, and your existing schedule for follow-up. You may leave it up to your client to contact you when she wants more assistance, or you might plan regular follow-up meetings. Regardless, you may also want to check in periodically to let your clients know you are still available (i.e. a phone call or letter).

Consider planning for an evaluation of the FMP to determine whether the program is meeting its goals, to get client feedback, and to identify ways to improve the program.

### Lessons Learned

- After developing the MAP, we let the client decide when and if they wanted to reconnect with the mentor. About half of our clients followed up to meet with the mentor again. The mentor also made periodic check-in calls. It was often the check-in call that prompted the follow-up meeting.
- Clients needed some time to digest all of the information from the MAP meeting, and it often took time for the client to make progress on the action plan. While we wanted to see *some* movement right away, people's busy schedules, other family issues or other factors could keep a client from moving forward quickly.



# Learning about **Financial** **Mentoring**

Financial literacy is a huge topic area. If you're just beginning, tackling this subject can feel overwhelming. To get a handle on various financial topics, we recommend that you read as much as you can. While you don't have to be an expert, you will need a baseline of knowledge about credit, credit reporting, handling debt, etc. Through your research, you can also start building your own toolkit of valuable resources to use with your clients. Here are a few ideas:

- Read the publications and visit the websites on the Resource List. You may also want to review the National Endowment for Financial Education's *Financial Education Clearinghouse* ([www.nefe.org](http://www.nefe.org)).
- Attend financial literacy workshops. You will not only learn about financial topics, you will get a first hand look at classes to which you might refer your clients.
- Meet with a financial expert to learn about a specific topic. For example, we met with a local representative from Equifax, a credit reporting agency, who gave us an introduction to credit reporting and reading credit reports. These experts might also be able to connect you to services in the community that can help your clients with issues that are beyond the scope of your work.
- Look at your own financial situation. You are your own best testing ground – complete activities that you may ask clients to do, like tracking your spending for a month and developing a spending plan.

- One excellent resource to learn more about financial counseling is *Solution Focused Financial Counseling in the New Millennium* by Fred Waddell (*about \$50; [www.financialcounseling.net](http://www.financialcounseling.net)*).

## Counseling Techniques

We have been told that a key part of financial mentoring is counseling. There are many techniques out there. We found two questioning techniques that were particularly useful in drawing out meaningful responses from clients and helping them start to identify their own solutions to financial issues.

Probing questions help you dig a little deeper to better understand a client's situation and help clarify a vague or general response. Examples of probing questions include:

- Can you tell me more about that?
- Can you give me an example of when that happens?
- What do you mean by that?

Solution-focused questions help clients start thinking of their own options or potential solutions to a financial situation. For example:

- What are you doing now?
- How is that working for you?
- What else could you try?



### Example of Probing Questions

Client – I'm happy I got that nursing assistant job. I just found out that I only get paid once a month, though. That's ok, I guess, but I'm not so sure about it.

Mentor – Tell me more about what you're not sure about.

Client – I'm kind of worried about running out of money before the end of the month. I used to get pay-checks each week, and I just spent them knowing I'd have more money next week.

Mentor – That's understandable, it will definitely take some planning to make sure you keep up with your bills and other monthly expenses. I have some ideas to help you develop a plan to help you manage your money each month. Is that something you would like to do?



### Example of Solution-Focused Questions

Client – I also owe \$300 for an unpaid medical bill. I just got a letter saying that it's going to a bill collector if I don't pay by the end of next month. What can you do to help me pay it?

Mentor – What have you done so far to pay this bill?

Client – I paid a little of it at first, but I wasn't working so I just stopped.

Mentor – Well now that you are working, you can try to work out a plan with the hospital and perhaps pay a little each month. What else might you do to help pay this bill off quickly?

Client – Well, I could borrow the money from a friend. I don't really want to do that.

Mentor – Yes, you could borrow from a friend...what else?

Client – My church has some money to help with emergencies, I might be able to get \$100 from them. Or maybe I can ask my boss if I can work a few extra shifts.

Mentor – You have some good ideas! I would like to include them in the action plan we develop.

*The box above shows how probing questions and solution-focused questions can be integrated into financial mentoring work.*

# Starting a **Financial Mentoring Program**

The Financial Mentoring Program is designed to be flexible, so that it can be adapted to fit your organization. The way in which you incorporate financial mentoring into your agency's services will depend on any number of factors, such as funding, staffing and their workload, your current service delivery system, and the type of relationship you have with clients.

Before you start a Financial Mentoring Program, here are a few considerations:



## **Staffing**

Who will provide financial mentoring services? Organizations may choose to have a single staff person who works exclusively as the financial mentor and who helps clients with their financial goals and action plans. The mentor would act as the central hub of financial-related information for the entire organization and would coordinate with case managers, employment specialists, etc. On the plus side, by being able to focus on financial topics, the mentor can develop expertise in this arena and can provide more in-depth financial mentoring services to clients. This approach may require more funding if the agency must hire an additional full- or part-time staff person to deliver financial mentoring services.

One alternative is to integrate financial mentoring as another “hat” for existing direct service staff. Staff would provide their core services, but would also weave financial mentoring into that

work. That way, all staff can provide some level of financial mentoring assistance. One issue is that direct service staff, who may already be overburdened, may not have time to do financial mentoring. Additionally, it can be a challenge to ensure that all staff members have a working understanding of various financial subjects.

## **Clients**

Who will participate in the FMP? Your program may be voluntary for clients who choose to participate because they see the value in it, or “what’s in it for me”. You can also identify clients who are at-risk and might benefit from additional financial-related assistance. Finally, you may require all clients to participate. Again, this will depend on the types of services your organization provides, your current service delivery system, the length of the relationship with clients, and the goals of the FMP.

## How the Program Will Work

Financial mentoring can be woven into your existing service delivery system or offered as a stand-alone program. Either way, consider where it makes the most sense to introduce financial mentoring to clients. For example, when a person gets a job through an employment and training agency, it is an opportune time to start working with her on financial planning and goals.

You may want to experiment with the order of the program (i.e. when to do the Intake, give the Quiz), especially if you're integrating financial mentoring into your other services.

Finally, you may need to adapt the FMP tools to fit your organization's needs. Some of the questions from the Intake, for example, could be incorporated into an employment program's entrance interview. The Quick Quiz could be reviewed in a classroom setting, providing opportunities for group sharing.

## Conclusion

We want our clients to make smart financial decisions for themselves and their families. Financial mentoring offers a way for us to help clients learn about key financial topics, while exploring ways to meet their goals. Change can be as simple as helping someone look at money and finances in a new way.



### Planning Questions

Here are some questions to consider before starting your Financial Mentoring Program:

- Who will provide financial mentoring services (i.e. a single staff person or multiple staff people)?
- Who is our target audience?
- Will the program be voluntary or required for clients (or a mix)?
- What methods of outreach will we use?
- Will we offer financial mentoring as a separate service or integrate it into our existing service delivery system?
- When will services be offered during our program? How will the program flow?
- Will all services be provided one-on-one, or can some parts be provided in groups?
- What financial literacy services, workshops, etc. are already being offered in our community? Can we refer our clients to these services (do we want to)?
- What kinds of follow-up options will we offer? How long will we provide follow-up services?
- How will we fund the program?

*"This program has got me thinking. I'm an impulse buyer, especially at grocery stores. Now I think, 'do I need this?' before I buy. It's helped me save money".*

*-A Financial Mentoring Client*

## Appendices

- 1 Port Jobs FMP Flowchart
- 2 Minimum Competencies
- 3 Outreach Flyer
- 4 FMP Intake Form
- 5 Intake Instructions
- 6 Quick Quiz
- 7 Quick Quiz Answer Key
- 8 Quick Questionnaire
- 9 Quick Review
- 10 My Action Plan (MAP) Preparation Form
- 11 MAP Preparation Instructions and Meeting Overview
- 12 Client MAP Form (for use with clients)
- 13 Resource List
- 14 Learning Modules
  - A Developing a Spending Plan
  - B Saving For Your Future
  - C Taking Control of Your Debt
  - D Car Insurance: Are You Protected
- 15 Miscellaneous Samples
  - A Next Steps Letter
  - B Participant Agreement

### Endnotes

<sup>1</sup> All Working Wheels applicants also attend a free two-part Financial Education workshop hosted by Fremont Public Association.

<sup>2</sup> Adapted from *Solution Focused Financial Counseling in the New Millenium*, by Fred Waddell, Ph.D. ([www.financialcounseling.net](http://www.financialcounseling.net))