

**New Haven Financial Empowerment Commission
Cities for Financial Empowerment Fund (CFEF)
The Professionalizing Field of Financial Counseling and Financial Coaching Conference
May 5, 2015**

The City of New Haven is considering creating a Financial Empowerment Center with a professional financial coach or counselor at the Opportunity Center, 316 Dixwell Avenue. Annie Harper of Yale University, Cynthia Brown-McLaurin of the City of New Haven and Jim Horan of the CT Association for Human Services attended the conference at Bloomberg, LP in New York.

The conference focused on four “pillars” of financial coaching: Quality, Consistency, Accountability, and Community.

Here are some notes and thoughts as they relate to New Haven:

- **Quality** requires strong foundational knowledge and training of counselors/coaches, including continuing education. There is also a professional certification organization that certifies coaches, and New Haven should consider this.
 - Effective financial coaches need a solid understanding of the broader cultural/economic environment within which low-income people live – technical knowledge of finances is essential but not enough. People with a social work background do particularly well.
 - Empathy is crucial. Peers (people with their own lived experience of financial difficulties) are effective coaches. It can also help to have coaches go through coaching to address their own financial difficulties to appreciate the value of the support.
 - A comprehensive financial empowerment program should eventually combine integrating financial coaching/counseling into existing social services and providing specialized ‘stand-alone’ financial coaching/counseling. For example, workforce, re-entry or mental health staff should receive basic training to be able to discuss finances with their clients, and know when to refer the client to more specialized services. This will require different levels of training for the different staff.
- **Accountability** requires a strong set of metrics, and there are several available to consider. These include CFSI, which recently released [8 key indicators of financial health](#). CFEF also has metrics that it uses with its FECs, and I will obtain these.
 - To determine what indicators New Haven wants to use, it’s important to determine the outcome we ultimately want to achieve.
 - This requires a baseline, systems to track, follow-up with clients, scale.
 - Goals are important, but should not bias services. A desire for positive outcomes can lead to targeting clients who are more likely to succeed, and neglect of those who are more difficult to serve. We must not let this happen in New Haven.
- **Consistency** is based in part on providing the same services to all clients and across sites. CFEF has sent me the assessment tool it uses, although it is more extensive than what New Haven may want. The Financial Clinic, which provides highly-regarded financial coaching in NYC, also has an assessment tool that I will obtain.
 - This goes to a point Amos Smith has raised about determining what services will be offered by the FEC and partner agencies, to ensure Quality, Consistency, and Accountability.
 - The assessment tool must be integrated across service providers, such that partner organizations integrate financial empowerment into their work. For example, workforce staff should recognize when financial difficulties are affecting their goals (eg; workforce

client unable to afford childcare or transportation so loses new job, or re-entry client overwhelmed by child support arrears) and take next steps as necessary.

- **Community** includes understanding the critical role financial services now play in all our lives, and how low-income residents are excluded from the mainstream services wealthier people can take advantage of from banks, financial planners and others—even though they need them more.
 - The Commission needs a strong understanding of what New Haven residents want and need, and I will talk to Commissioners Stacy Downer and Kim Hart about this (perhaps with Annie?)
 - It also needs a solid understanding of what is already happening in New Haven that the Financial Empowerment Commission can build off. The FEC has discussed this, and Annie Harper has offered to get this started.
 - The Commission decided to focus on the Re-entry population. Lansing, MI is a CFEF grantee of long-standing, and has set up an FEC, with a focus on parolees. I will follow up with a contact I made yesterday to obtain more information.