



The AFC[®] Learning System

MODULE 1: Build Relationships and Make a Plan



COMPETENCY: **Set the Stage and Gather Client Information**

Establish Counseling Environment

Be an effective counselor and empower the client. Create an inclusive, welcoming, and private space.

Financial Counseling



Should counselors guide clients towards acceptable financial results?

What is the purpose of financial counseling?

- Who gets to define what is acceptable? Client defines, not counselor.
- Therefore, purpose is:
 - Support clients with education and tools necessary to identify and reach their financial goals.

Financial Counseling and Effective Counselors



What is an essential prerequisite of effective financial counseling?

Need good relationship with client.

- Ways to achieve
 - Client feels they will not be judged or shamed
 - Learn about client
 - Learn about background and culture



Effective Counselors

- Professional and approachable appearance
- Facial expressions, posture
- Appropriate distance from client
- Be on time
- Prepared but flexible
- Educate self

Empowering the Client



How can a counselor express that the client has the right and ability to direct their life and money choices?

- a) Highlight one's expertise and teach it to the client.
- b) Get them to trust since the best solutions are counselor-devised.
- c) Express that they are the experts in their own lives.
- d) Quiz them to see if they know their financial basics.

Answer: c.

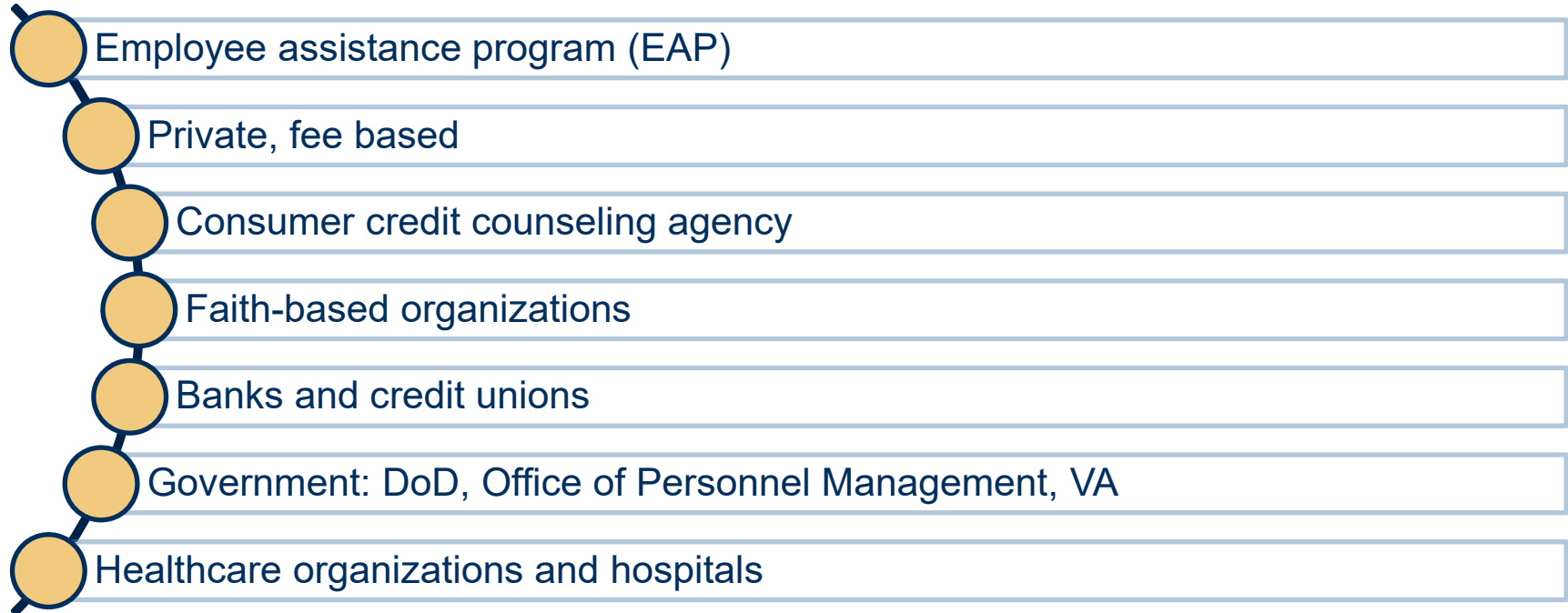
**Get them to be an active participant: Best solutions are client-devised.
Experts in their own lives: They bring expertise too.**



Empowering the Client

1. Learn client goals, even if not financially viable.
2. Discover client reaction to external restrictions.
3. Expand options.
4. Respect preferences.
5. Interfere as lightly and subtly as possible to meet one's professional responsibilities.

Counseling Practices



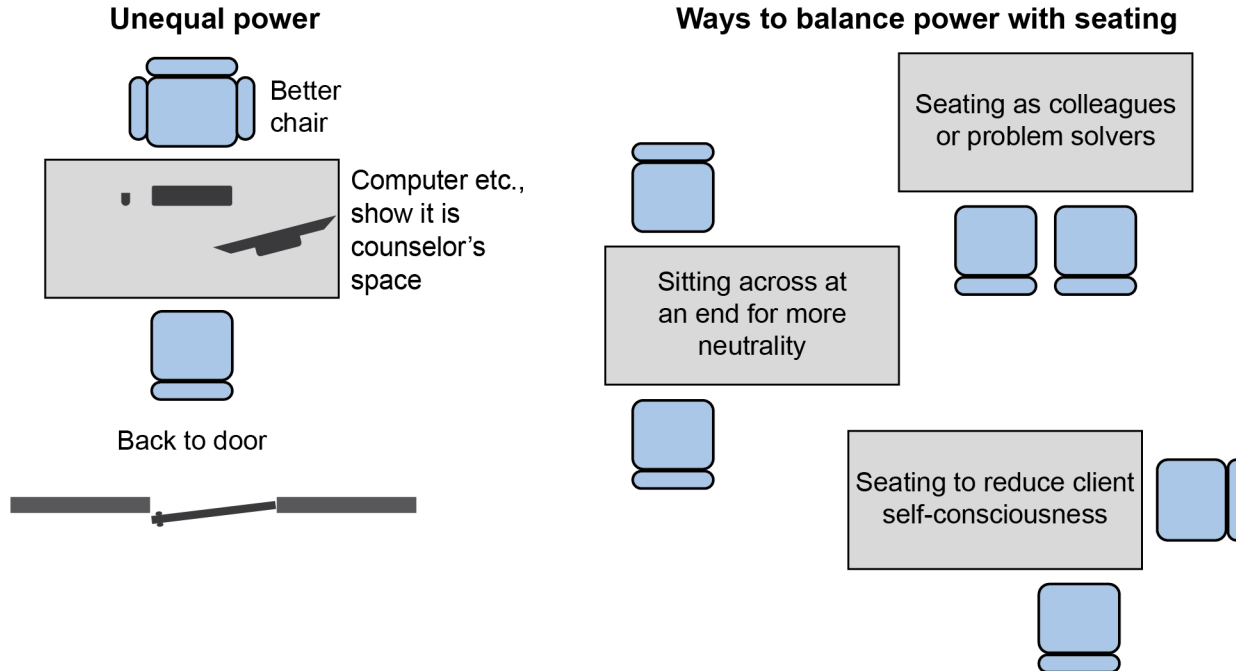
Inclusive and Welcoming Counseling Spaces

Space should reduce client stress, enable rapport building

- Neutral
- Maintained
- Safe
- Accessible
- Private
- Balanced power dynamic

Establish Counseling Environment

Inclusive and Welcoming Counseling Spaces



Establish Counseling Environment



Online Spaces: Video Chat

- Convenience
- Accessibility for differently abled
- Maintain counselor access after relocation (e.g., military)
- Still see facial expressions, etc.

Online Spaces

- Self-explanatory technologies
- Enough bandwidth and computer capabilities
- Sufficient privacy and security
- Start on time
- Determine office hours and set expectations



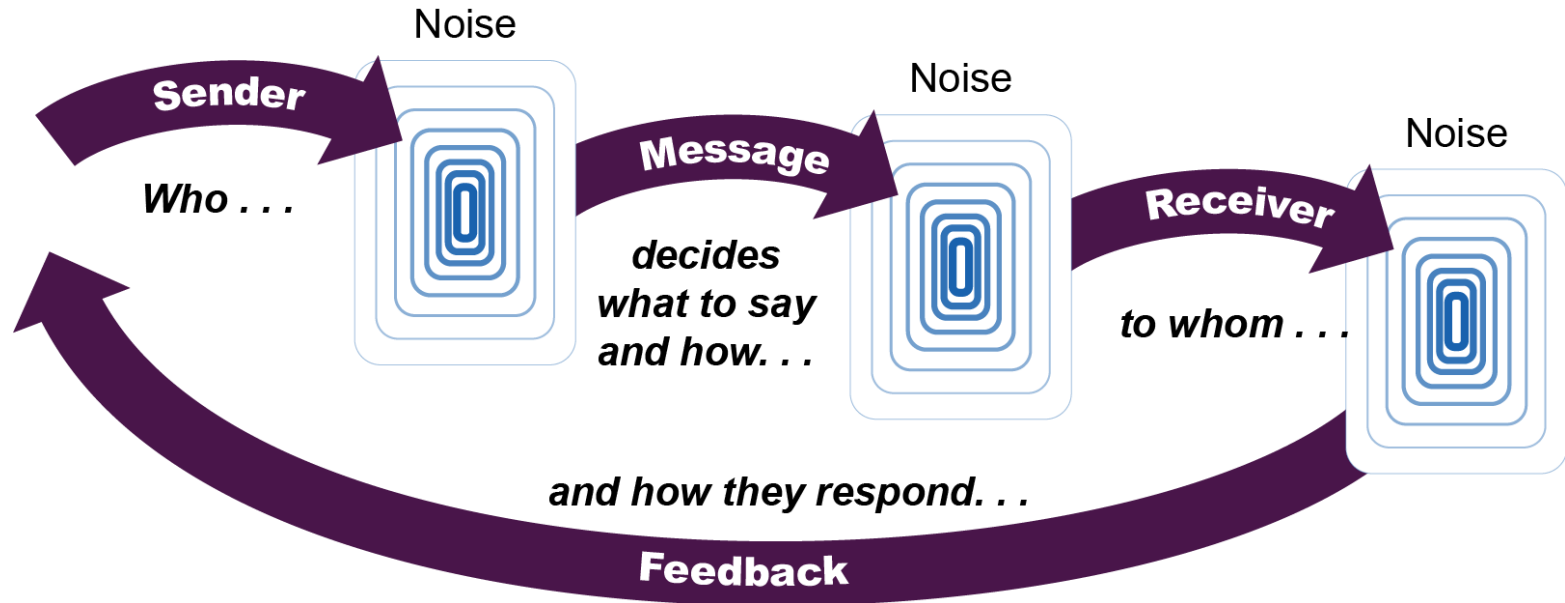
Model Effective Communication

Effective communication, interviewing, and listening techniques

How Interviews Differ from Conversations

- Clear roles (counselor, client)
- Positive relationship needed
- Formal (stay appropriate)
- Interviews have a purpose
- Counselor and client often come from different backgrounds
- Promise of confidentiality within legal limits
- Interviewer has more power
- Need to take notes
- Listen more than talk

Sender-Receiver Model of Communication



Sender-Receiver Model Example

Counselor as sender

- “An effective way to reach your savings goals is to automatically deposit part of your paycheck into a high-yield savings account so you won’t be tempted to spend it.”

Noise for receiver

- Cultural background: lending circles
- “Automatically” and “high-yield savings” foreign and impersonal.
- Client defensive that they need to “hide money.”

Client as sender

- “You don’t think my people know how to save? We have our ways. My brothers help me when I need money, and I help them. We value relationships, not automation.”

Sender-Receiver Model



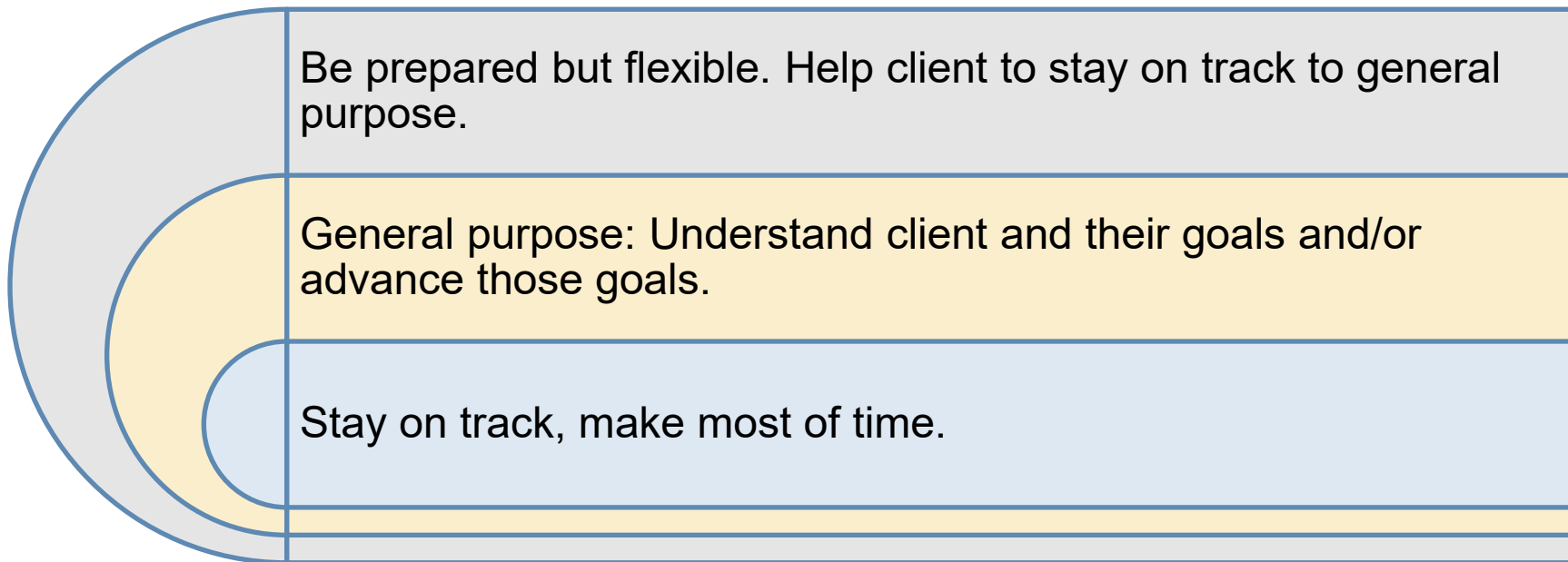
Noise of various kinds can make it less likely that what the sender says is what the receiver hears.

What is noise?

How can you verify if the intended message was received?

- Noise: Any distraction or interference that disrupts effective transmission and reception.
- Feedback: Only way to discover if intended message was received.

Interviews Have a Purpose



Attitude of Acceptance to Enable Receptivity

Acceptance necessary for productivity

Empowers client and recognizes client as primary focus

Accept client where they are at

Avoid blaming, judging, moralizing, disapproving

Be kind, empathetic, and respectful

Diffuse client self-shaming behavior

Focus on the behavior, not the person

Effective Listening Techniques

Active listening

- Prioritize listening
- Pay close attention
- Verbal and nonverbal cues
- Thoughtful responses

Empathic listening

- Active listening plus “see with” client rather than “feel for” client
- How would one think and feel in that situation
- Not same as sympathy

Engaging



What does the technique of engaging entail?

- a) Building rapport, fostering a connection, and maintaining a positive relationship.
- b) Onboarding a client in terms of the required forms and disclosures.
- c) Implementing the last step in the financial counseling process.
- d) Helping a client overcome ambivalence, change resistance, and biases.

Answer: a.

Verbally Demonstrating Listening

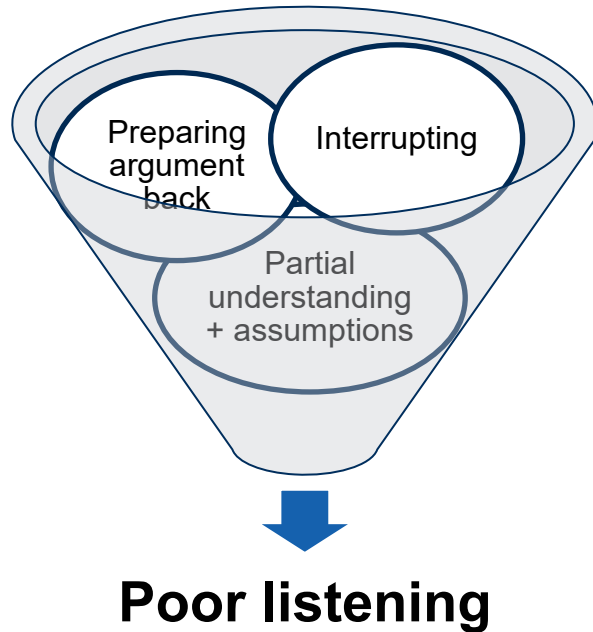
- Encouragers
 - “Mmhmm” or “I see”
- Affirmation: good intentions, actions, or inner strengths
 - “You chose to...” [positive act]
 - “I’m glad you decided to come back in again.”
- Avoid reassurance
 - “Don’t worry...”

Verbally Demonstrating Listening: Reflection

- Selective emphasis
 - “...the low APR card *first*...”
- Paraphrasing
 - Does not add new content
- Summarizing
 - E.g., test cultural awareness
- Clarifying
 - Client’s language to get intent



Reasons for Poor Listening



- Defensive mechanisms learned from casual conversations are natural
- Active listening is not just “trying harder”
- Be ready to hear things not in your world view

Nonverbal Communication Elements



- Anything other than spoken
- Intent and emotional content
- Instinctive (don't force it)
- Different cultures have different interpretations
- Avoid assumptions (e.g., shyness not insincerity)

Nonverbal Communication Elements

Engaging: Moderate, not excessive eye contact; leaning forward; animated face

Comfort: Normal eye contact for warmth, credibility

Calmness: Relaxed pace and tone

Disengaging: Looking away or down, slouching, bored face

Anxiety: Crossed arms; much gesturing

Anger: Fast pace, clipped tone

Demonstrating Listening Verbally and Nonverbally: Pacing

Nonverbal

- Intuitively matching client's
 - Tone
 - Speed
 - Intensity
 - Body language
- Often an automatic response
 - If artificial could be awkward

Verbal

- Restating, summarizing, and paraphrasing to help pacing
- Nuance in tone, speech, pitch, emphasis
- Compatible with client's tone...

Use of Silence



How can silence be used as a productive interviewing tool? When might it be counterproductive?

- Must listen in silence
- Silence aids pacing: collect thoughts, await response patiently
- Client could communicate nonverbally something hard to verbalize
- Counterproductive: awkward silence, silence as judging

Communicating in Video, Voice, or Writing

Body language

Video, voice, or writing limits body language

- Take more effort to be clear
- E.g., humor more easily misinterpreted

Texting

If allowed could be for just scheduling or more

- Some clients may prefer (e.g., younger clients), and emojis etc. may help with intent
- If not comfortable having it read out loud in courtroom don't type it

Standards

AFCPE Standards of Practice

- 13: Must maintain confidentiality of counseling records
- 14: Must get prior written permission to record

Support Behavior Change and Integrate Skills

Cultural responsiveness, change management, behavioral finance, and skill integration

Demonstrate Cultural Responsiveness

Standard of Practice 1, Nondiscrimination: Counselors respect diversity and must not discriminate against clients because of age, color, culture, disability, ethnic group, gender, race, religion, sexual orientation, marital status, or socio-economic status.



Demonstrate Cultural Responsiveness

- The “other” or “us” and “them”
- Microaggression
- Client trust may be impacted by experiences with discrimination or being marginalized

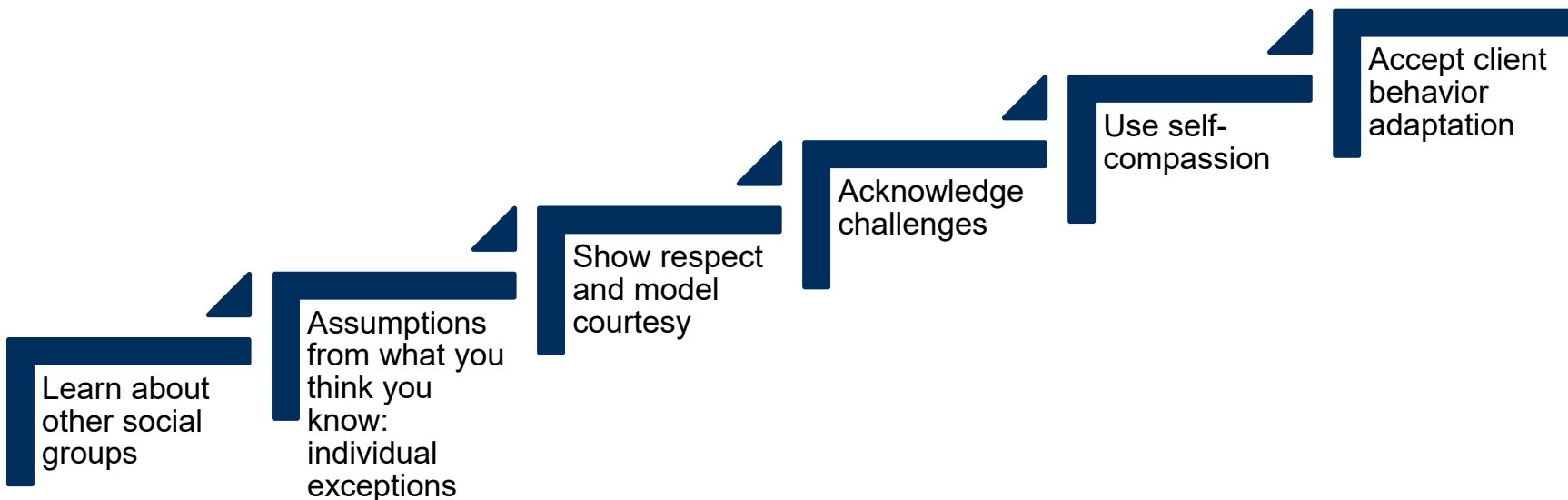
Demonstrate Cultural Responsiveness



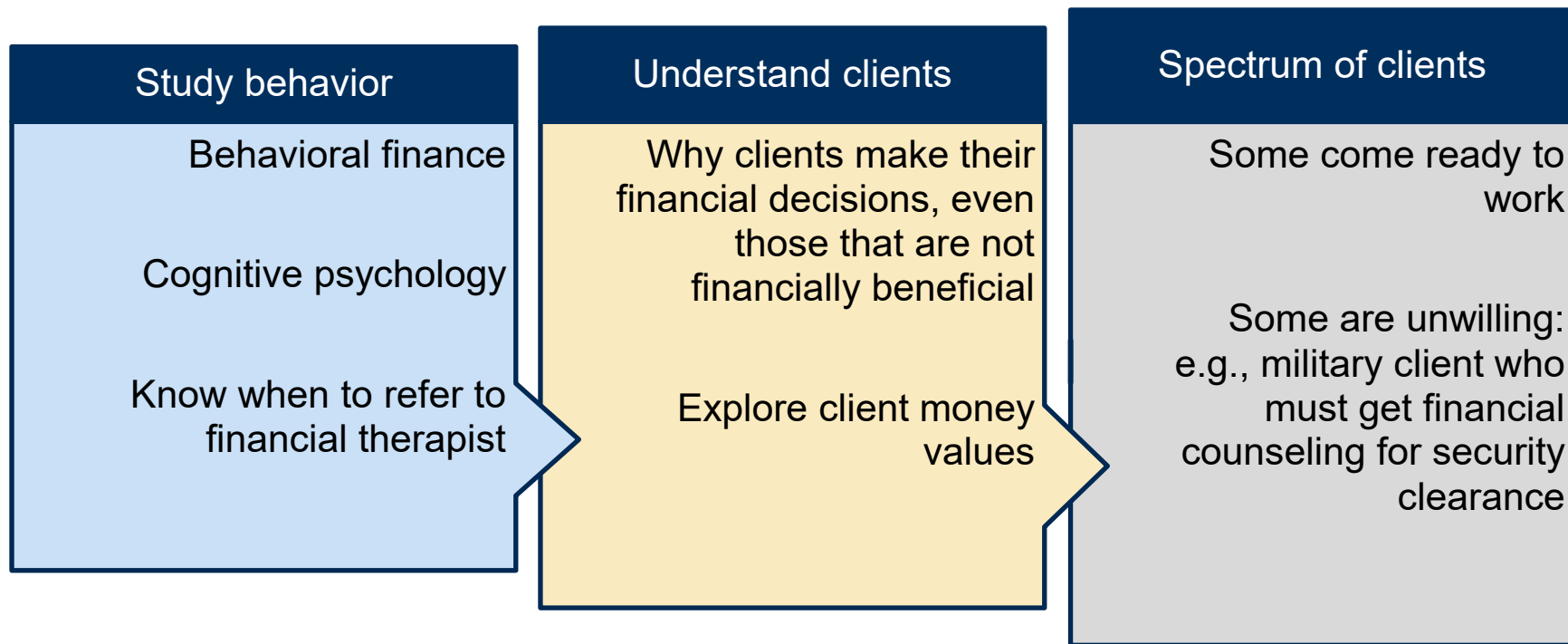
All people have biases. What can financial counselors do about their biases?

- Take inventory of biases and assumptions
- Training or therapy
- Also, see next slide

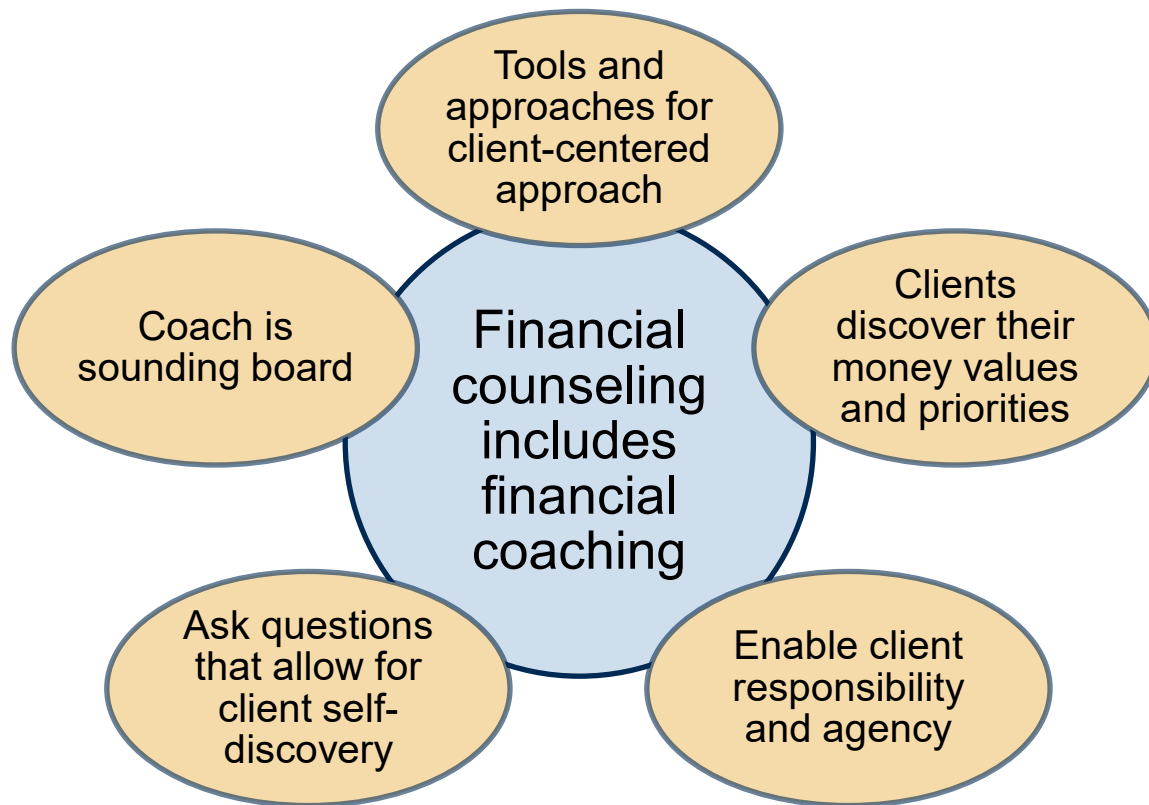
Demonstrate Cultural Responsiveness



Understand the Emotional and Behavioral Side of Finance



Financial Coaching



Why Change is Resisted and How to Facilitate Change

- Unsolicited advice → resistance
 - Counselor gives advice, client says they will do it, but does not
 - Behavior, goals, or action: only when client is ready for change
- Counselor cannot make client change. What can counselor do?
 - Earn trust
 - Self-disclose
 - Credible
 - Authentic
 - Persistent (not confrontational)

Negative Thinking From Clients

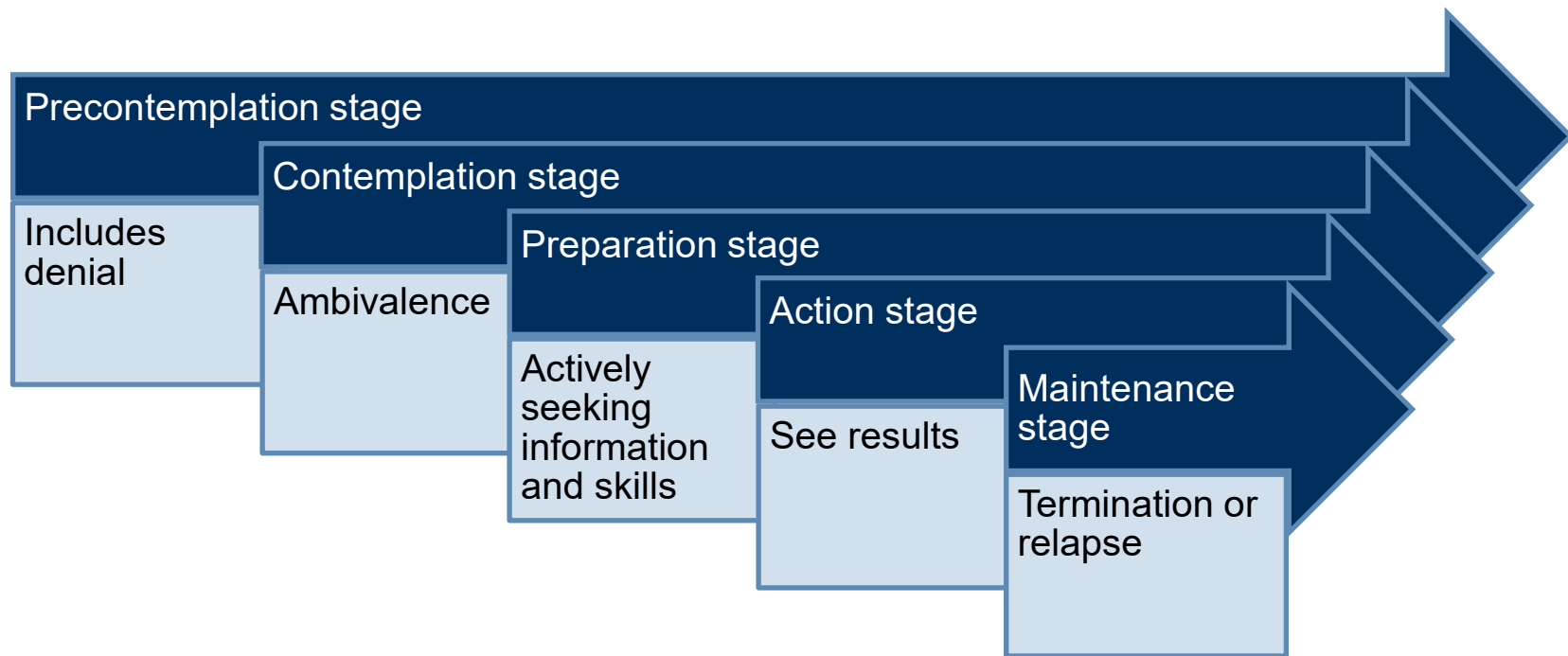


A client, Hal, generalizes when engaging in negative self-talk. He “always” gets late fees or “never” remembers to check his credit score. How can the counselor help Hal see he has had some success to build on?

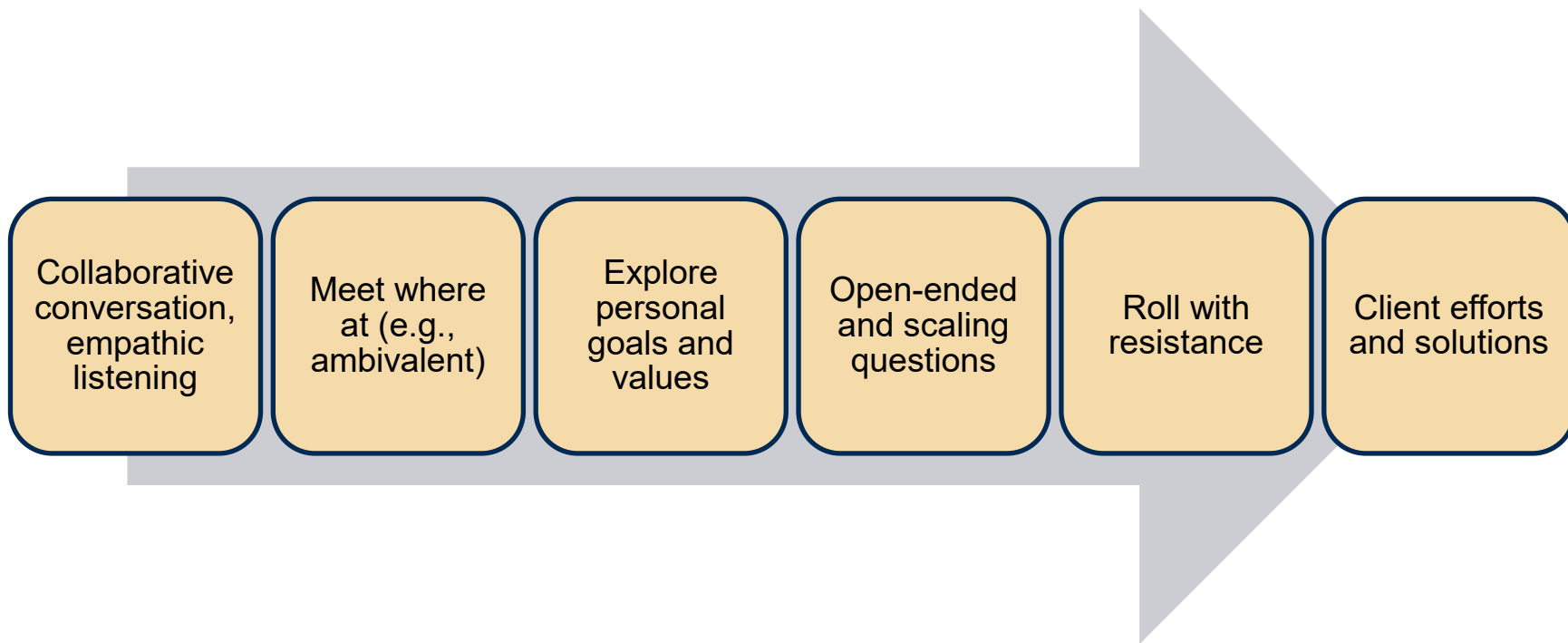
- a) Exploring money values
- b) Scaling questions
- c) Normalizing behavior
- d) Soliciting exceptions

Answer: d.

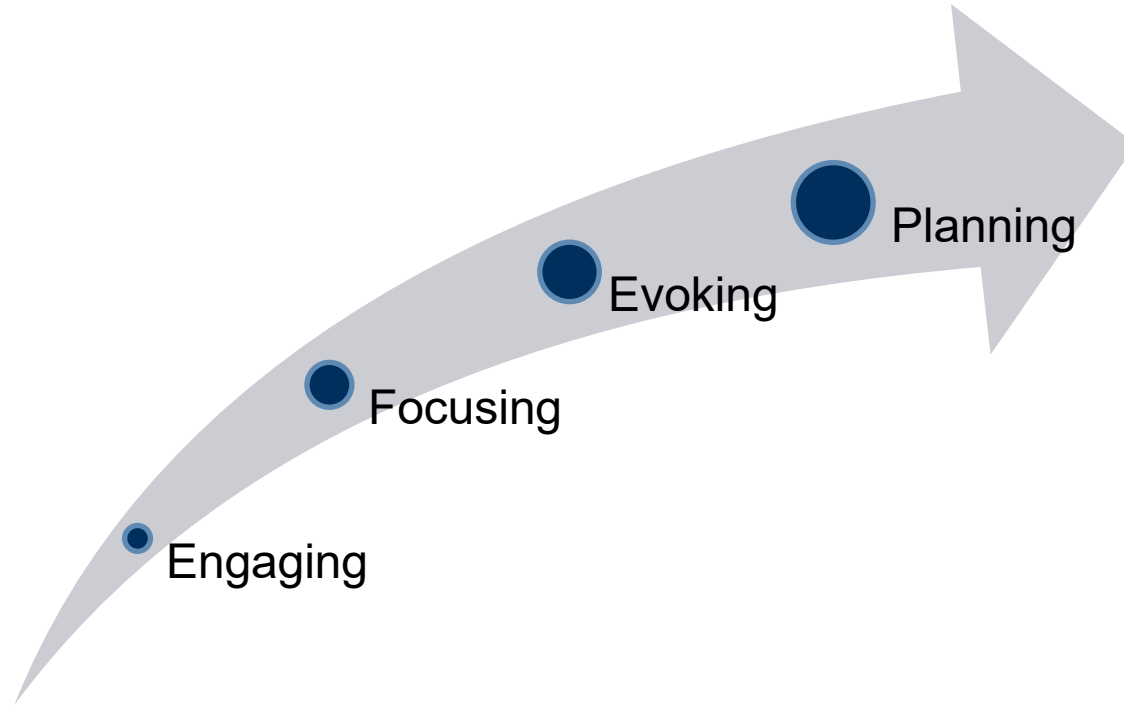
Client Change Management Journey: Stages



Motivational Interviewing



Motivational Interviewing Steps (or As Needed)



Select Interview Question Types for Situation

Question Type	Example
Open-ended question	“Can you give me an example of when you saved for something?”
Close-ended question	“Did you start building your emergency savings this month?”
Level I probe	“Do you want to save for emergencies, pay your debts, or both?”
Level II probe	“Which is more satisfying, saving faster or paying debt faster?”
Imperative statement	“Tell me about your emergency savings progress.”
Scaling question	“From 1 to 10 with 1 being not confident, how do you feel about your saving?”

Select Interview Question Types for Situation

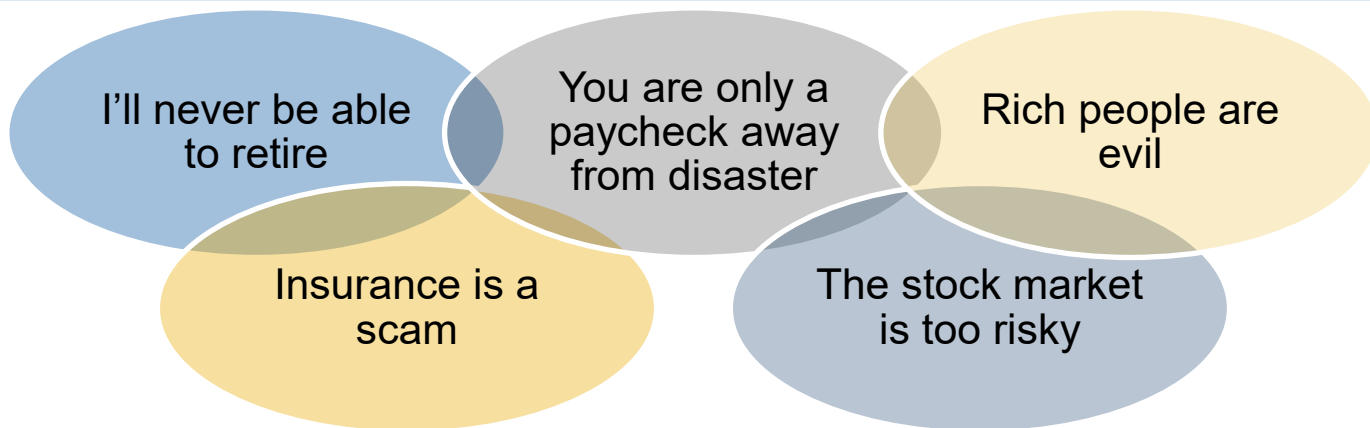


Give an example of a miracle question, a hypothetical question, and a dilemma question.

- Miracle: “If you were to wake up tomorrow and all of your problems disappeared, what would that look like?”
- Hypothetical: “How would you feel if you got laid off but had 6 months of income saved?”
- Dilemma: “If you had enough left for either health insurance or the mortgage...”

Understand Beliefs About Money

- Worldview from own experiences or influential person
- May be valid
- Can be limiting or detrimental



Understand Client Biases: Match the bias to its description.



- | | | |
|---------------------------|---|------------------------------------|
| 1. Hyperbolic discounting | → | a. Prefer known/comfortable |
| 2. Familiarity bias | → | b. Includes procrastination |
| 3. Loss aversion bias | → | c. Excessive risk taking |
| 4. Endowment effect | → | d. Confirm beliefs/ignore contrary |
| 5. Optimism bias | → | e. Downside weighted more |
| 6. Recency bias | → | f. Weight latest information most |
| 7. Confirmation bias | → | g. Current goods weighted more |

1: b, 2: a, 3: e, 4: g, 5: c, 6: f, 7: d

Understand Heuristics

- E.g., Save enough to get full match
- Buying heuristics
 - Anchoring heuristic
 - Availability heuristic
 - Representativeness heuristic
- Herd behavior
- Herding mentality



Why People are Prone to Persuasion

- By advertisers, scammers: feel manipulated
- Primacy and recency effect
- Authority and credibility
- Social cues from others
- Reciprocal behavior (e.g., self-disclosure to get disclosure)
- Saying why
- Comparisons
- Need for closure

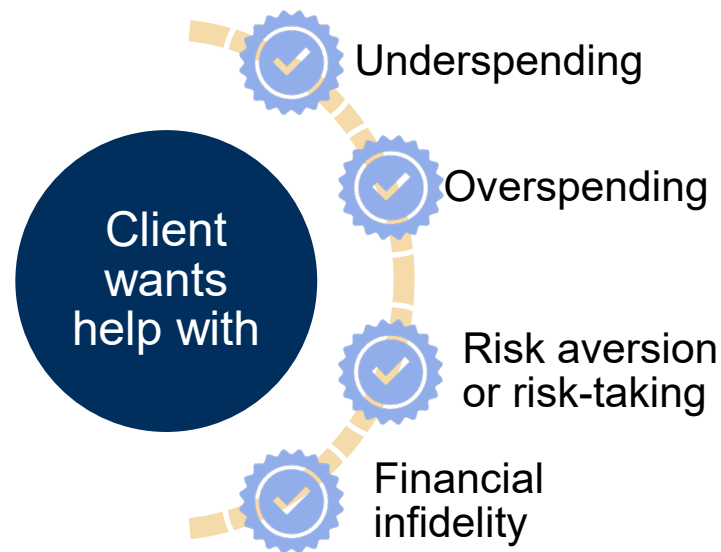


From Unhealthy to Healthy Financial Behavior

Unhealthy behavior?

- Does it conflict with client goals?
- Does client feel it is a problem?
- Causing immediate issues?
- Can counselor help with education or behavioral change?
- Financial therapy referral needed?

Examples



Stages of Counseling

1. **Building rapport.** Welcome client, icebreaker, build trust, go over counseling process, and set expectations.
2. **Gathering information.** Determine what client wants to accomplish and gather data on client and financial situation/history.
3. **Setting goals and creating an action plan.** Mutual understanding, explicit goals under client's control.
4. **Taking action and evaluating progress.** Review relative progress to improve chances of success.
5. **Ending.** Terminate session or series of sessions.

Rapport-Building Skills



What are some ways that a counselor can apply counseling skills during the rapport-building stage of counseling?

- Create a safe, empathetic, and nonjudgmental space
- Learn how client's name is pronounced
- Open-ended questions and clarifications
- Active listening
- Self-disclosure for credibility

Apply Skills in Each Stage of Counseling

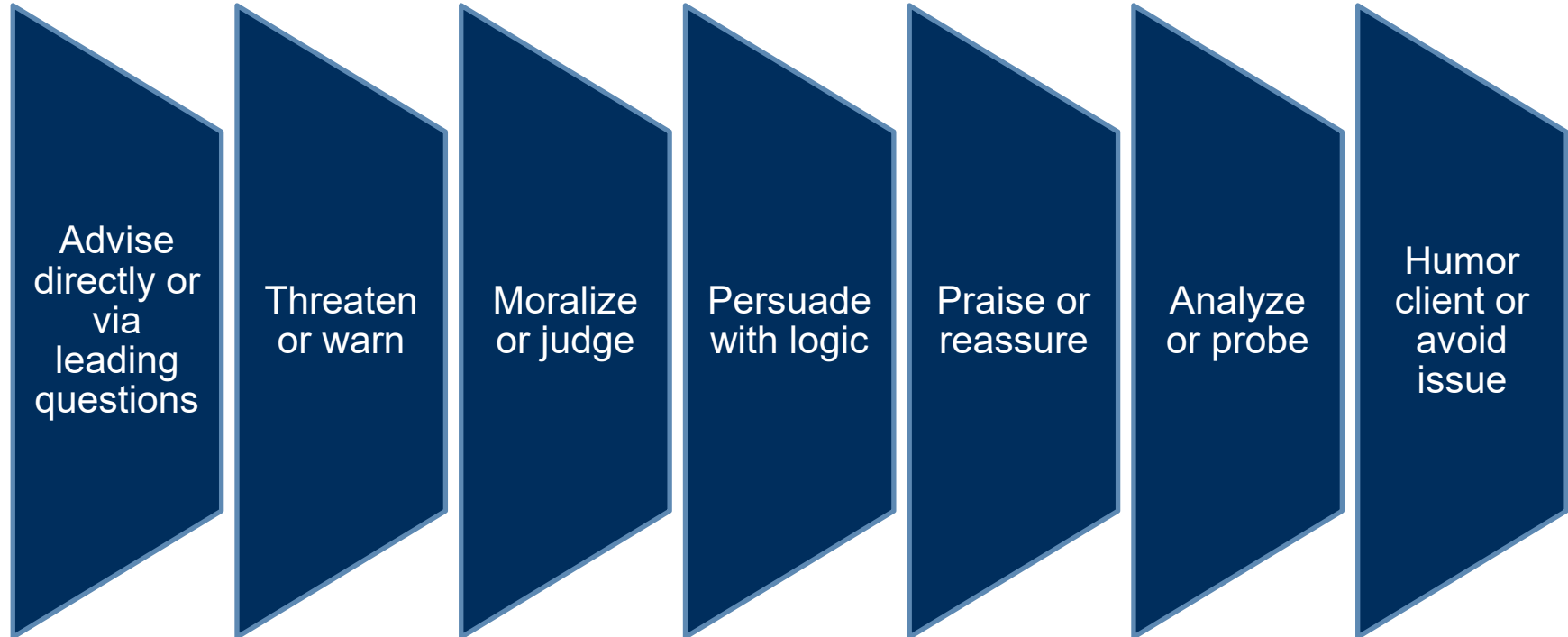


Match the stage of counseling to the common counseling skills used.

1. Gathering information.	a. Celebrate wins. Track progress. Adjust as needed. Explore gaps between plan/actual with acceptance.
2. Setting goals.	b. Summarizing. Resource sharing. Next steps.
3. Taking action.	c. Open-ended mixed with close-ended questions. Get clarification.
4. Ending.	d. Explore options. Clarify SMART goal(s). Educate skills. Referrals. Action plan tasks/steps and affirmations.

Answer: 1: c, 2: d, 3: a, 4: b.


Avoid Counterproductive Communication Methods



Welcome a Client

Welcome a new or ongoing client, review the financial counseling process, and inform the client of the relationship's terms

Welcoming a Client: First Part of Rapport-Building Step

- 
- Be present and genuine
 - Relax
 - Small acts of politeness matter
 - Have an agenda, but be flexible
 - Waiting area, wait time: first impressions

Beginner's Mind



A counselor learns a lot about a culture represented in their practice. How can a “beginner’s mind” help?

- a) Knowledge of subject a client is talking about helps listen selectively.
- b) Won’t assume client has all traits of the culture.
- c) Helps the counselor make useful assumptions about the client.
- d) Know client is not expected to know much about personal finance.

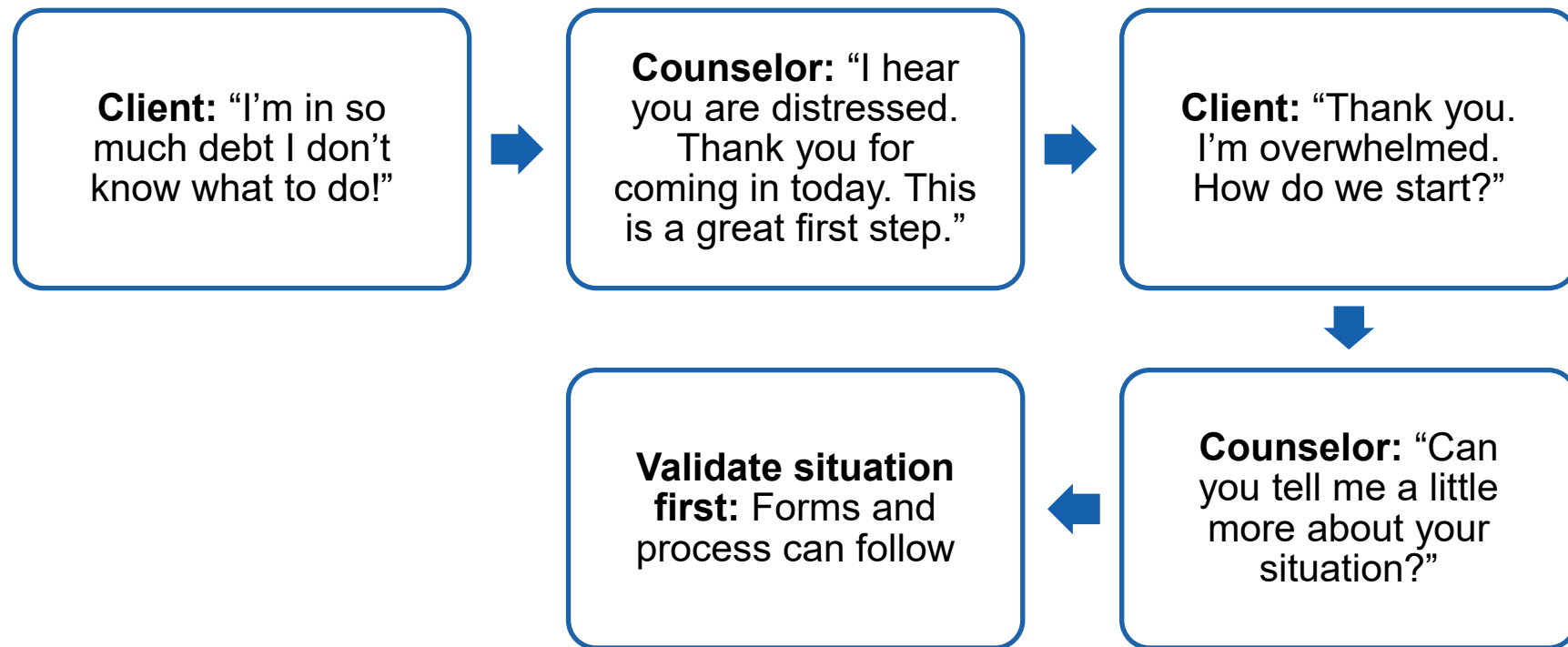
Answer: b. Use beginner’s mind to avoid making assumptions. Knowledgeable counselor could fill in blanks rather than listening well. Client may be an exception to elements common to their culture.



Welcoming Clients

- Introduce self
- How to address/pronunciation
- Small talk to settle in
 - Interesting subject to client
 - Not wasted time
- Neutral invitation: “What brings you in today?”
- Client self-determination
- If new: Process, terms, forms

Integrating Skills



Review the Financial Counseling Process

Disclose to clients, preferably in writing, the counseling process and relationship at or before first meeting.

- Purpose of session
- Need for client input to guide
- Process: build rapport, gather information...
- Answer questions, get regular feedback (effective?)
- Ending: rescheduling plus natural end point (achieve goal)

Relationship's Terms: Counselor Roles

- Personal finance and education resource
- Integrity, acceptance
- Help with insight and action
- AFCPE Standards of Practice and Code of Ethics
- Professional relationship only
- Keep own values to oneself
- No legal, tax, or investing advice



Relationship's Terms: Client Role, Rights, and Responsibilities



What are some things clients need to know about their role, their rights, and their responsibilities?

- Expert in own life
- Agent of change: Client is responsible to share story, take action, and give feedback on what is and is not working
- Right to terminate, get agreed upon terms, promises made in advertising
- Must sign consent and release form
- Understand confidentiality legal exceptions

Confidentiality, Privacy, Ethics, and Fiduciary

Confidentiality

- Sensitive information not disclosed
- Legal: Harm self/others, illegal acts

Privacy

- Legal right (confidentiality is contract right) related to PII

Ethics

- Code: integrity, objectivity, confidentiality, and professionalism

Fiduciary

- Avoid conflicts of interest

Gather Client Information

Determine what the client wants to accomplish, help the client to identify personal resources and gaps, and clarify client's personal perspectives

Determine What Client Wants to Accomplish



Simone, an ongoing client, shares why she needed this counseling session. The counselor internally assesses from her story that this issue is avoiding a deeper concern. What should the counselor do?

- a) Since rapport building is completed by now, the counselor can leverage the positive relationship to pivot to the deeper concern immediately
- b) Use facts about the deeper concern to help the client not feel judged but still pivot to the deeper concern
- c) Address the client's presenting issue with grace to earn trust and then revisit the deeper concern later

Answer: c.

Rapport building is never done.

Determine Client's Financial, Socio-economic Situation

Client issues in context

Family history and resource limitations

Qualification for public assistance

What in client's situation is keeping them from developing a routine to enable reaching goals

Gather Client Information

Help Client to Identify Personal Resources and Gaps

Resources

- E.g., steady job, good work ethic, motivation...

Knowledge, skills, and abilities

- For some clients can be quite limiting, e.g., language skills, knowledge of U.S. financial systems/institutions

Support systems

- Friends/family for financial or emotional support, government programs...

Gaps and how to close them

- Doing best they can given resources, etc.
- What other factors play into client choices?

Clarify Client's Personal Perspectives

- Client or clients?
 - Does client have a partner not in counseling?
 - If client couple, ground rules for information sharing
- Experiences and interests
- Cultural norms
 - How strongly client identifies with that culture
 - Level of reliance
 - Influence on client and their influence on their support network

Money Personalities and Money Values



A client, Mary, says she has the money personality of a “big spender” and shares some underlying money values related to shopping as a status symbol. How can a counselor use these concepts in counseling?

- a) Help Mary set a big but still attainable shopping budget
- b) Avoid reinforcing this self-description
- c) Accept that Mary will be a big spender for life and work around it
- d) Tell Mary she is wrong to think like that

Answer: b.

Beware of money personalities as they can be self-limiting.

Money values and beliefs can be difficult to change but people can develop new skills and ways of thinking.

Choose Counseling Approach

Fit counseling approach to client needs and use multimodal counseling and education strategies

Choose Counseling Approach

Fit Counseling Approach to Client's Needs

Remedial

- Crisis intervention

Preventive

- Avoid future problem

Productive

- Optimize financial resources

Fit Counseling Approach to Client's Needs



What are some other ways to fit a counseling approach to a client's needs?
Hint: Consider why the client is there and their emotional needs.

- Voluntary versus court order, ultimatum, or required for job
- Read the room: e.g., match a serious tone

Use Multi-Modal Counseling and Education Strategies



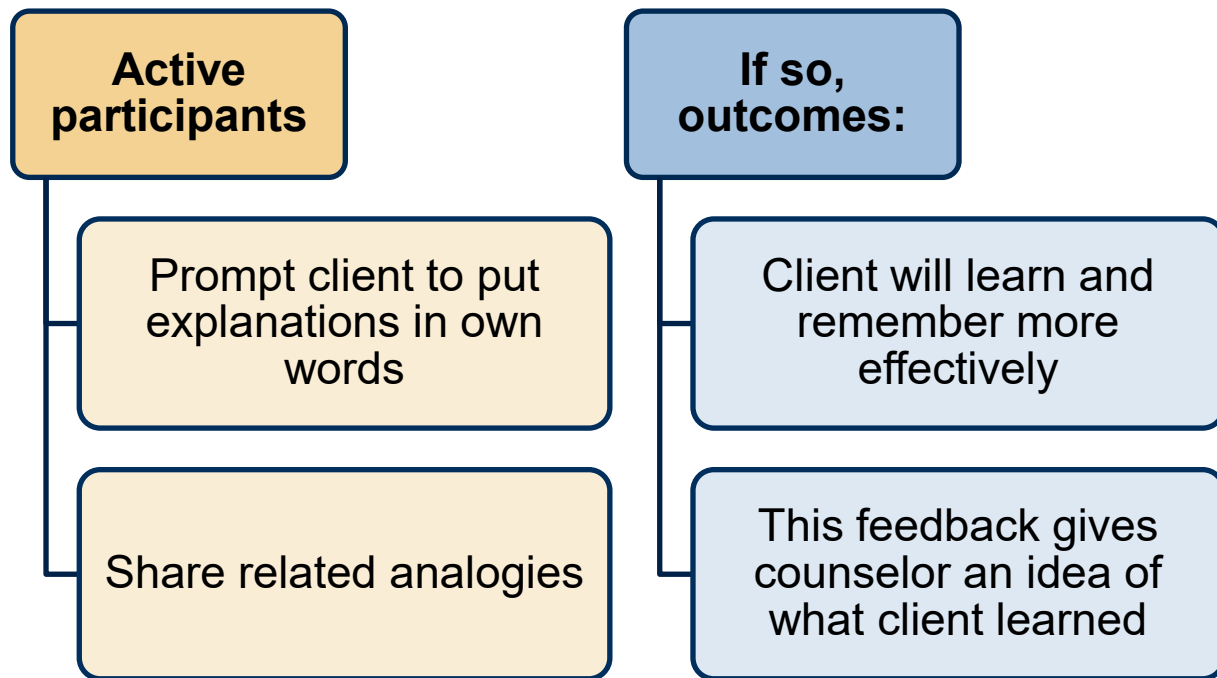
A counselor is using multi-modal counseling to keep clients engaged and break up long educational sessions. What sorts of information or experiences will best help with engagement?

Information or experience:

- Is relevant to client's needs
- Client sees relevance
- Client believes they are capable of learning or doing

Choose Counseling Approach

Use Multi-Modal Counseling and Education Strategies



Taught vs. Learned



How does a counselor know whether what they taught is what the client learned?

Telling is not teaching. Observe how they reiterate or engage with the ideas:

- Opportunities for clients to put ideas into their own words—use new information
- Active learning means engaging with the new information
- Relatable/approachable examples and explanation
- Repetition that is not repetitive

Growth Mindset

Henry Ford said, “Whether you think you can or think you can’t, you’re right.” The mindset matters.

- Concept: Everyone can grow and learn
- From: “I am not a saver” to “I haven’t had a lot of practice saving money **yet.**”
- Cognitive reframing
- Belief in ability to grow: direct toward attainable goals

Active Learning Strategies

Retrieval Practice

- Step away and return later: Forgetting is vital part of remembering better later

Spacing

- Space between learning and retrieval in different capacities allows forgetting and ready to get more in depth

Interleaving

- Switch between smaller chunks of content for variety, retrieval

Notice Cognitive Load

- Recognize when client reaches a limit and match demands to current limits
- Mental energy, focus, and attention level possible
- Know audience
 - Defining “credit” once for client who is familiar, but if new term, more effort needed
 - Avoid overloading many new terms
- Stressors: hungry, angry, lonely, tired, depressed, anxious...

Choose Counseling Approach

Visual, Auditory, and Kinesthetic Modes

- “Preferential ways of learning” no longer considered effective as it is self-limiting
- Use best mode for what taught—as many modes as possible.

Visual

- Example: Time value of money on a site that graphs two rates of return

Auditory

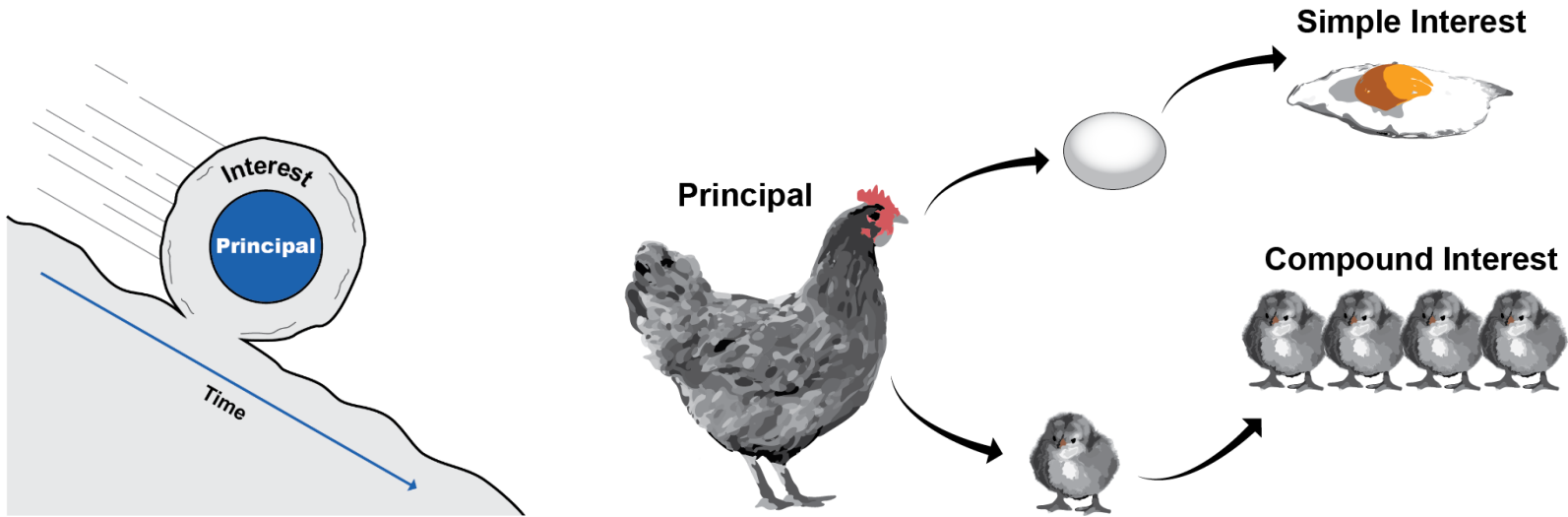
- Example: Using question and answer to discuss a new financial concept

Kinesthetic

- Example: Client fills out a retirement budget prior to retiring

Choose Counseling Approach

Visuals of Interest on Debt and for Investment



Assist Client Through the Counseling Process

Types of assistance counselor can provide, maintain a referral network and offer referrals, and assess ongoing effectiveness of counseling for the client

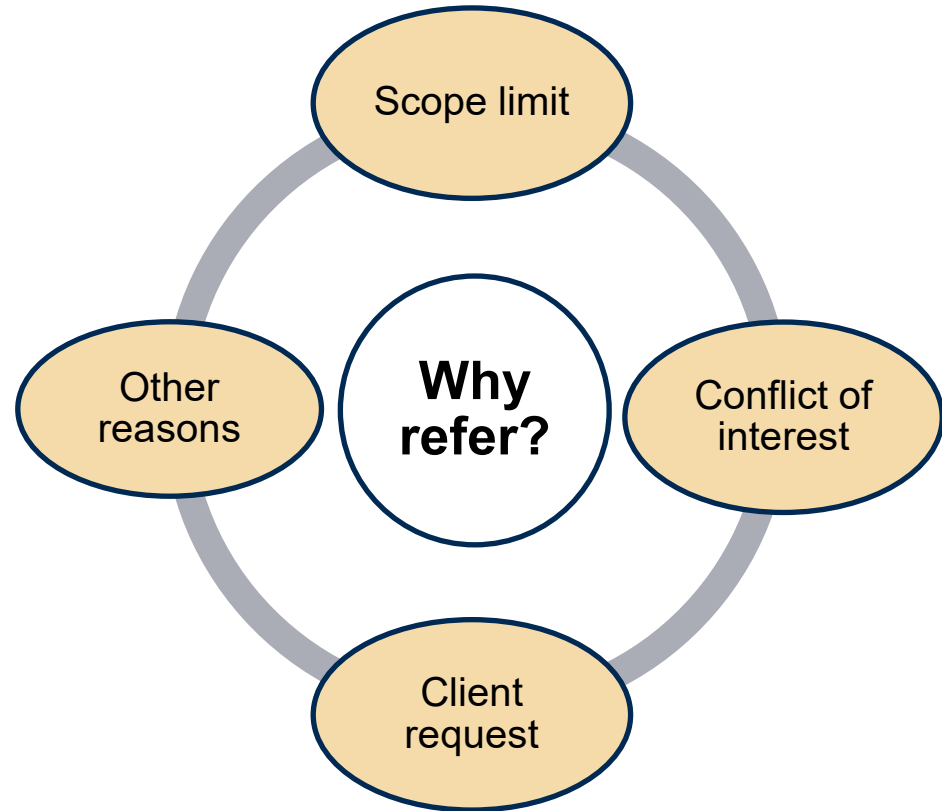
Types of Assistance Counselor Can Provide

- Interviewing, education, identifying SMART goals, and action plans
- Exposure to resources (e.g., Federal Student Aid)
- Behavioral or emotional exploration unless referral needed
- Preparation for working with other professionals (e.g., financial advisors)
- Referrals for out-of-scope services



Maintain a Referral Network and Offer Referrals

- Refrain from counseling outside of expertise
- AFCs must terminate counseling if they determine they are unable to provide assistance
- If so, work to find referral



Create/Join Referral Network and Manage It

- Internal referrals
- External referrals
- Client comfort with referrals (e.g., financial therapy)
- Take time to set expectations



Create/Join Referral Network and Manage It



External referrals need due diligence in what areas?

- Their mission, vision, and values consistent with client needs
- Services and programs available vs. client requirements
- Practice/agency and individual credentials/licensing in order
- Contact person, intake process, and care follow-up process
- Periodically validate

Assess Ongoing Effectiveness of Counseling for Client

Formative evaluations

- Ongoing feedback to correct course with client
- Client volunteers or is asked
- Or supervisor feedback

Summative evaluations

- “Summary” to see if overall process has achieved intended results
- Effectiveness with specific client, with clients in general, or of overall program
- Process effectiveness
 - Validity
 - Reliability

Formative Evaluation Subjects



What are some things one can learn about counselor-client interactions using a formative evaluation?

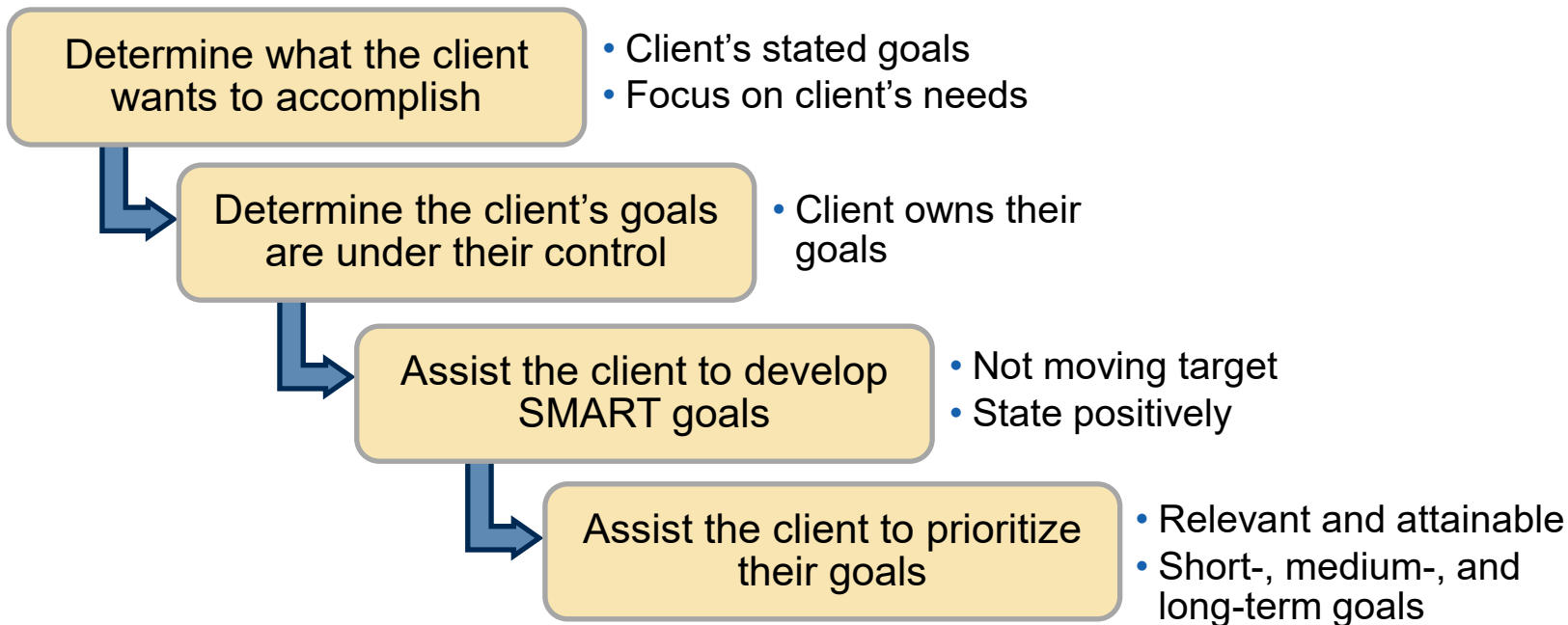
Focus should be on how to get feedback and what to do with it. Examples:

- Positive relationship
- Self-directedness
- Interview approach, tools, level of complexity
- Effective goal setting and progress monitoring

Assist the Client in Establishing Goals

Educate the client about financial goals, confirm the client's goals are under their control, assist the client to develop SMART goals and prioritize their goals

Educate the Client About Financial Goals



Assist the Client in Establishing Goals



Confirm the Client's Goals are Under their Control

- Establish rapport before clarifying goals
- Goal refinement
 - Take time to do this step properly
 - Direction and focus of all later counseling steps
- Ambivalence: Not clear on goals or regularly fail to meet

Confirm the Client's Goals are Under their Control



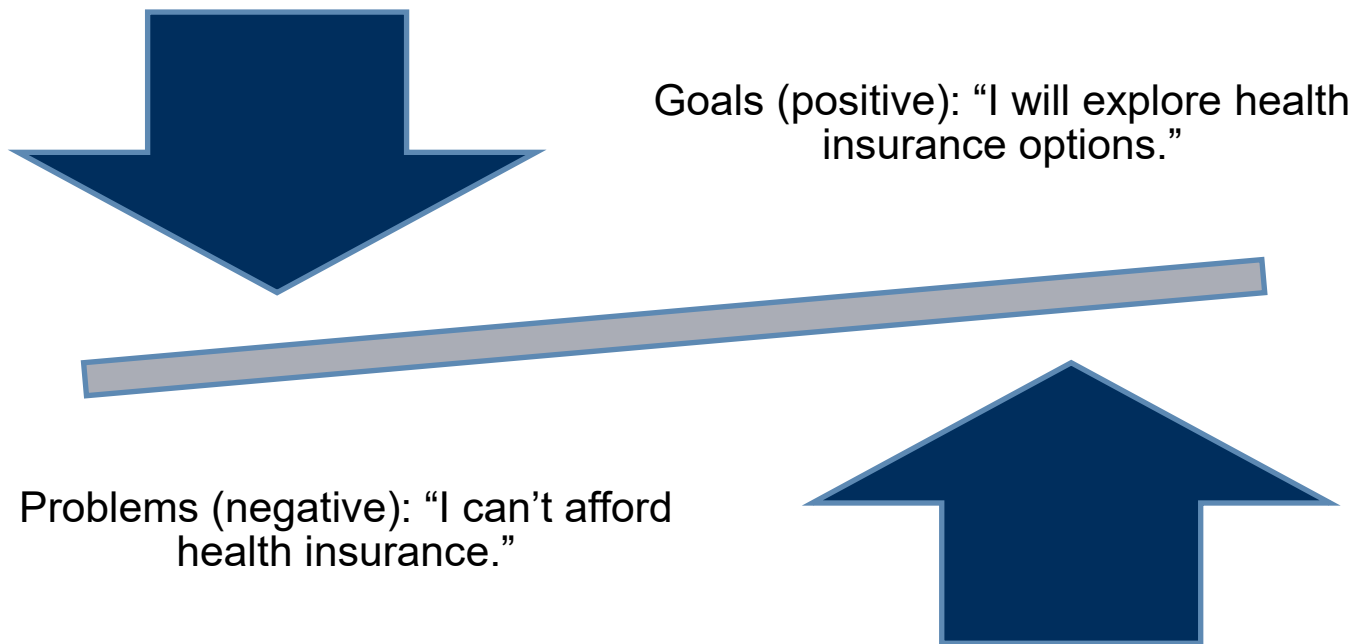
Principle: Effective goals are ones under the client's control. What helps show this?

- a) Goals are stated in the first person: "I will..." or "my goal is..."
- b) Goals include both what the client and others must do (e.g., employer)
- c) The counselor developed these goals for the client using SMART goals.
- d) The client says they have this goal under control.

Answer: a.

Goals should not state what another person or entity would need to do.

Problems versus Goals



Assist the Client in Establishing Goals

Assist the Client to Develop SMART Goals

S for Specific

- Who, what, where, how
- First person
- Explicit: no room to say it was met if not

M for Measurable

- No moving targets
- Specific \$, %, degree, or number
- New behavior can be seen

A for Attainable

- Realistic
- Too hard: fail before starting
- Cost and effort feasible, willing
- Timeline attainable?

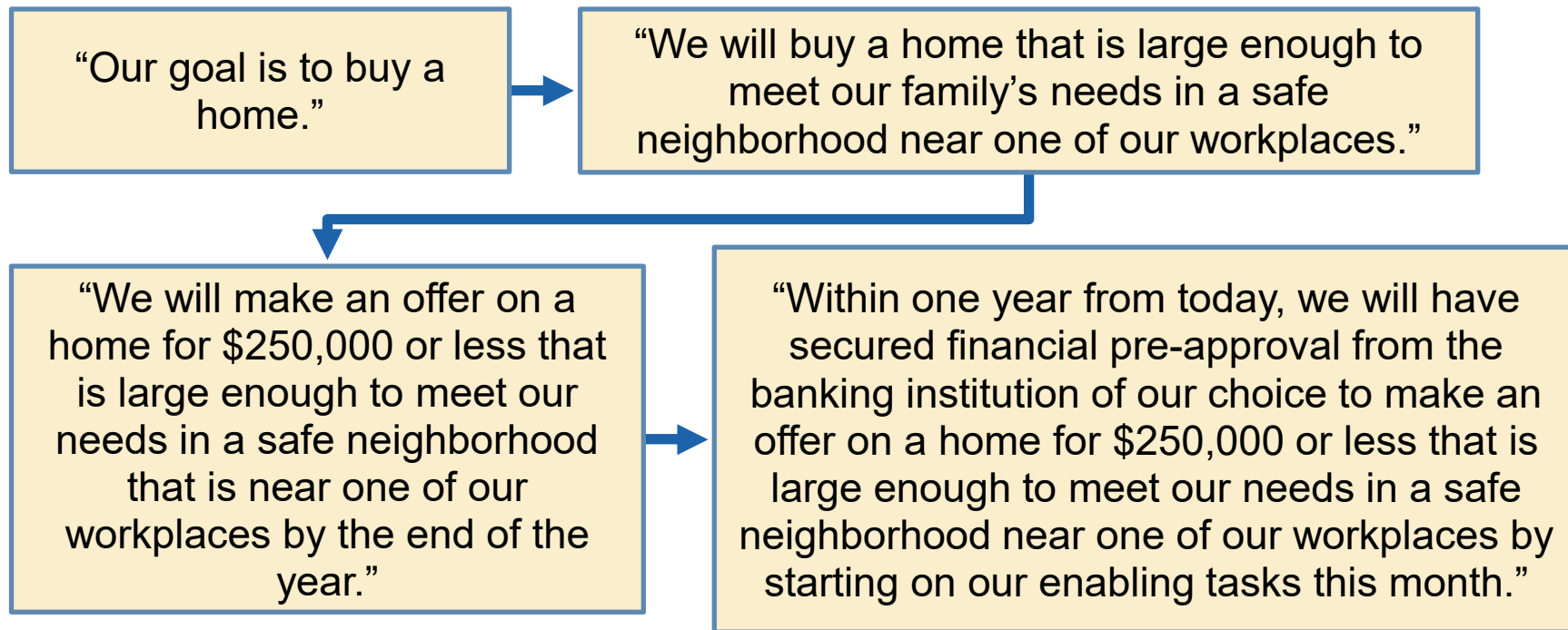
R for Relevant

- Why it matters
- What do you really want?
- Plain language
- If not relevant, may struggle to meet

T for Timely

- When will start?
- When will end?

Transforming Goals into SMART Goals



Assist the Client in Establishing Goals

Confirm Goal Relevance: Get More Context

Why a goal may lack relevance	How the counselor can assist client
Goals set but no action taken	Explore ambivalence to these goals
Not there voluntarily: coerced, court ordered, need for job	Show focus of session is on their needs, not those of other party
Aspiration as goal: Dream that never gets any closer (e.g., healthy)	Make relevant: SMART goals to make dream a reality (e.g., budget for gym)
Goal not relevant to client but to parents, society, etc. For example: "I want to own a home" [but like renting flexibility].	Interview on aspirations: "I want the respect of my parents and community and think owning would give me this." Are there other ways to get this?



Confirm Goal Attainability:

- Unattainable goals are demotivating
- Personal financial statements, credit scores, current savings help attainability context
- Willing to do difficult work? E.g., second job
- Where at in change journey for this goal?
- If unattainable
 - Smaller goals, more manageable steps
 - More attainable time horizon

Assist the Client to Prioritize Their Goals

- What goals excite and inspire client most?
- What goals align with values and long-term vision?
- Are some goals prerequisites of others?



Assist the Client to Prioritize Their Goals



What are some methods counselors can use with clients to help them prioritize their goals?

- Scaling question for most relevant to aspirations
- Attainability tests
- Determine which goals are quick wins to build/sustain motivation

Assist the Client to Identify Action Plan Strategies

Brainstorm action plan strategies and evaluate them with the client, identify action steps to implement the chosen strategy, and assist the client to develop a system to monitor strategies

Action Plan Strategies and Options



An action plan outlines the steps, resources, timelines to reach a goal.

How can brainstorming be used to find action plan strategies that avoid counselor bias towards preferred solutions?

What are some alternatives to brainstorming?

- Brainstorming keeps options wide
- Explore many options for achieving goal
- One alternative to brainstorming is data-driven analysis (e.g., financial costs and benefits of each potential action plan)

Brainstorming Process

1. Generate lots of ideas.
2. Avoid judging/evaluating (yet).
3. Ideas generate more ideas.
4. Allow clarifying questions.
5. Categorize/remove duplicates.
6. Eliminate nonstarters (judging occurs here).
7. Analyze what is left.

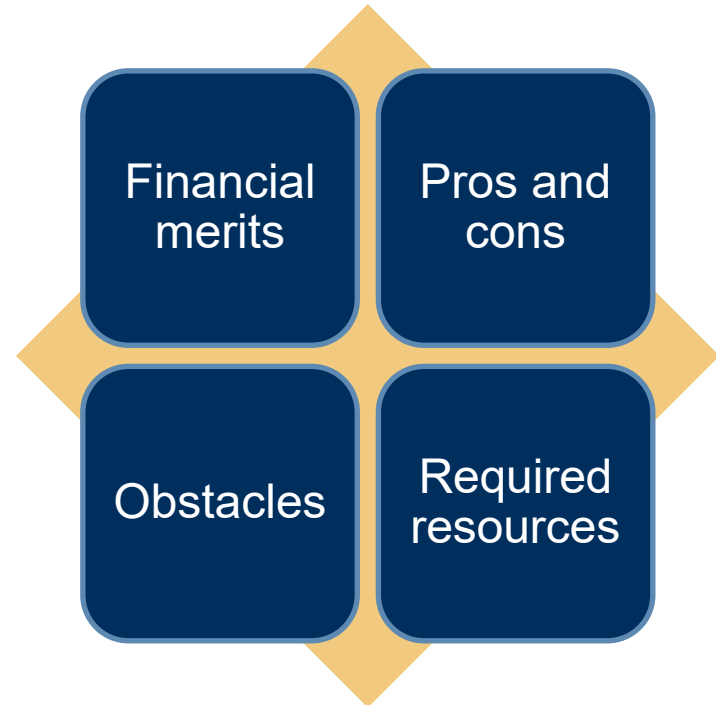


Evaluate Action Plan Strategies with Client

- Need positive relationship, defined SMART goals
- External factors: e.g., recession on job search
- Counselor uses
 - Personal finance skills: e.g., financial benefits of option
 - Counseling skills: Empathetic view of client perspective
- Imperfect/incomplete action plan better than ideal plan never done

Evaluating Action Plan Strategies

- Strategy directly related to identified goal?
- Strategy directly related to what client will do or how they will behave?
- What role does the counselor have?



A Strategy that Works for the Client

- Client is change ready
- Minimize complexity, explain clearly
- Financial solution must work for client's specifics
- Clients have good reasons for actions given current knowledge
- Be accepting, learn motivations



Assist Client to Select a Strategy that Works for Them



What are some things that can help a client to select a strategy that works for them?

- Client knows what they must do, how to start, and who is involved
- Focus on client strengths and resources
- Solution focused (not problem focused)
- Stated in client's language and not too complex

What about Strategies that are Less than Optimal Financially?



A client decides to get a big screen TV with her tax return. Should the financial counselor help the client to see that this is not sensible?

- Not necessarily: People have reasons for their actions. Develop financial empathy and avoid making assumptions.
- Example: “I live in a really rough neighborhood,” she said. “If I buy this TV, I’ll be able to keep my kids and their friends safe in our home, instead of them running around in the streets.”
—*Black Financial Culture*, Michael G. Thomas

Identify Action Steps to Implement the Chosen Strategy

- Educate: what action steps are, how to set, and how to verify they work for the client
- Action steps
 - How to do it (goals are about what to do)
 - Small SMART steps: “Get my credit report from all three agencies.”
 - Clarify: planning steps, not starting all immediately
 - Order, priority
- Action step options: One task per session to do versus a multiple-step action plan

Identifying Action Steps that Work for the Client

Consider backwards

- From last step to first step
- Enable retirement saving ← higher income or lower rent; explore lower rent

Worsen problem

- Experiment with worse problem to explore limit
- Pay more than minimum: hide money from self at start of month; if unspent, pay extra

Proven solution

- Exception-finding questions to find solution
- Avalanche method worked for debt, so try it for savings



Implement Action Plans

- Only effective if client acts
- Acknowledge hard to get started
- Counselor and client review action plan and steps together
- Client acknowledgement of what they committed to can motivate
- Behavior work and affirmations

Monitor Action Plans



What are some ways a counselor can show acceptance, trust, and collaboration when monitoring action plans?

- a) Use a mix of constructive and destructive feedback
- b) Go over difference between plan and actual, but don't judge
- c) Explore only significant progress: "Tell me about your progress..."
- d) Don't spend a lot of time on strategy monitoring

Answer: b.

Use constructive feedback (avoid destructive feedback).

Explore any positive progress.

Don't rush strategy monitoring.