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Bringing Financial Coaching to Scale - The Potential of Group Coaching Models

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Introduction

Financial coaching is a diverse and growing field. It is a goals-based, client-centered approach that is seen as distinct from more established interventions such as financial education and counseling. Rather than recommending that clients take prescribed actions, coaches assist clients in defining their own goals and establishing concrete action plans.

The one-on-one nature of traditional coaching can make coaching resource-intensive to deliver. Therefore, the concept of group coaching, defined as a coach working with a number of clients simultaneously, appears to be an attractive option to practitioners and funders.

Despite the attractiveness of group coaching, there is a lack of research on the effectiveness of group financial coaching. There also appears to be little research on group coaching in other settings. Nonetheless, existing research on group coaching and related models from other fields may shed light on the potential for group coaching around personal financial management.

The next section of this brief will define group coaching and differentiate it from individual coaching and team coaching. Next, the brief will discuss findings from a literature review conducted by Center for Financial Security (CFS) staff to ascertain what existing research suggests about the effectiveness of group coaching models. Then the brief will focus more specifically on what the literature review indicates about the advantages and drawbacks of group-based models.

What is Group Coaching?

Group coaching has grown in recent years as an intervention strategy not only with groups of independent individuals, but also with teams working towards common goals. Both of these settings have been called "group coaching," and the practice largely lacks a formal definition (Carner & Hawkins, 2013).

"Group coaching" refers to the practice of a coach working with multiple individuals simultaneously, regardless of whether the participants are working toward individual or common goals. Members of the group take turns being the focal client, while other participants serve as resources of support (Brown & Grant, 2010; Carter & Hawkins, 2013).

"Team coaching" is the subset of group coaching in which the coach works with an existing group toward a common goal (Hackman & Wageman, 2005). A common example of team coaching involves coaching work units within a corporation as they carry out projects. Much of the research on group coaching has focused on the team coaching subset.

Brown and Grant (2010) outlined a method to transform the one-on-one GROW model (goal, reality, options, way forward) to a multiple-client GROUP model (goal, reality, options, understanding others, perform). The latter model mirrors the former's process of establishing goals and creating a realistic plan to achieve those goals, but it does so in a group setting. The authors posit that the main difference between the two models is the "understanding others" phase, which is designed to generate group dialogue so clients can learn from one another.

There has been no evaluation of the GROUP model, but several of Brown and Grant's ideas were also evident in the studies discussed below.

Literature Review

CFS conducted a literature review to discover areas in which group coaching, or coaching-like practices such as group counseling or advising, had been studied or documented.

Few studies were located pertaining to group-coaching in financial settings. Financial counseling and education are often conducted in group settings, but we searched for models more in line with the definition of coaching described above (e.g., client-centered, focused on goals).

We searched for studies that documented the effectiveness of group interventions in health settings, employee trainings, and employment services. We conducted several searches in Google Scholar and University of Wisconsin-Madison Library databases of scholarly articles and book chapters using a combination of terms including "group," "coaching," "weight loss," "job clubs," and "group intervention." We utilized the reference lists from retrieved articles to add additional articles and chapters to our review.

This review included studies that examined practices that may not fit the formal definition of "coaching," but nonetheless depict coaching-like interventions delivered to groups rather than individuals. We did not include studies from clinical environments or self-help rehabilitation programs.

In conducting this review, we gave preference to studies that compared the group intervention to an individualized intervention. Studies that utilized random assignment were prioritized, but the majority of published reports did not use randomized designs.

Overall, the number of studies found was minimal. Nonetheless, some interesting findings emerged from group interventions in the areas of healthcare, employee trainings, job clubs, and savings initiatives. Across scenarios, the group intervention appears to be more effective than a one-on-one intervention in facilitating behavior changes and other desired results.

Healthcare

- Rigsby, Gropper, and Gropper (2009) examined the effects of a worksite weight loss program in which participants could enroll as individuals or as part of a group. Those who participated as members of a group lost more weight than individual participants.
- A study of a commercial weight loss program in Australia found participants randomly assigned to a group-based program were more likely to sustain their weight loss than those who met individually with a nutritionist (Ash et al., 2006).
- A randomized experiment found diabetes patients experienced a greater glycemic reduction when they received information in a group setting rather than individually (Rickheim et al., 2002).
- A pair of randomized control trials of neo-natal care for low-income expectant mothers found those who participated in a group intervention gave birth to children with greater birth weights, had fewer preterm births, and were less stressed than those who attended individual sessions (Ickovics et al., 2003, 2007).
- A study about patients who underwent bariatric surgery found those assigned to support groups maintained their weight loss more successfully than those who did not attend small group sessions (Orth, et al., 2008).

Employee Training

- The University of Texas implemented a small-group coaching effort for employees who had recently been promoted to managerial positions. These sessions, which adapted the SMARTER framework (specific, measurable, attainable, realistic, timelines, evaluate, and redo), helped participants set goals to adjust to their new responsibilities (Scamardo & Harnden, 2007)
- Ward (2008) documented an effort to apply Psychodynamic Group Leadership Coaching to groups of corporate executives. This model assigned clients to groups of five, and each participant had an equal amount of time to speak over the eight-hour session.
- Group coaching implemented for executives within a firm resulted in greater levels of trust and commitment (Kets de Vries, 2005).

Job Clubs

- Azrin, Flores, and Kaplan (1975) first described the "job club." Half of unemployed individuals were assigned to a group career coaching program, and the other half had to look for a job individually. Participants in the job club were more successful in finding employment and were able to secure higher salaries than those who searched individually.
- A follow up study examined the effect of an experiment in which welfare participants in five major urban areas were assigned to a job club or typical employment counseling. Participants in

the former group were more successful in finding employment and full-time employment (Azrin, et al., 1980).

Saving

- A study of low-income entrepreneurs in Chile found participants who were randomly assigned to a peer group were more likely to save than those offered only a high-interest account (Kast, Meier, & Pomeranz, 2012).

Summary of findings

Generally, the studies described above credited group-based programs' success to two common factors. First, each client received more emotional and social support in the group setting. Rather than simply receiving help from a single coach or leader, clients benefitted from a network of peers who were experiencing the same circumstances. Second, the increased frequency of meetings in the group format enhanced accountability and led to longer-lasting behavior change. Both of these factors are discussed in greater detail below.

Advantages of the Group Setting

From the literature review, we derived the most salient mechanisms and reasons why the group format was believed to produce more advantageous results than a one-on-one approach. The advantages discussed below are the ones that appear to be most applicable to group coaching around financial topics.

As previously mentioned, group coaching can potentially help coaches or organizations serve greater numbers of clients. It may be economically impractical or infeasible for some organizations to offer coaching services to all clients in a one-on-one setting (Proehl, 1995). Nonetheless, more research is needed on the costs of group versus individual coaching. Beyond scalability, the literature offers several reasons why group coaching may enhance behavior change.

Brown and Grant's (2010) article, which outlines how the GROW model (goal, reality, options, way forward) can be applied to group settings, listed 17 potential benefits of group coaching. Included in this list are:

- More long-lasting changes in behavior
- Improved energy levels
- Knowledge transfer
- Increased emotional intelligence
- Greater accountability and commitment
- Increased alignment of individual goals, strengths, and values

Overall, the group setting appears to provide a greater level of support to clients. This increased support then translates into greater and longer-lasting behavior change. This was documented by Kast, Meier, and Pomeranz (2012) in their experiments with low-income entrepreneurs in Chile. They found that participants who were in a peer self-help group saved at a greater rate than those who were not members of such a group. Furthermore, participants in the peer groups saved more money than individuals offered a significantly higher interest rate. The authors attributed these differences not to peer pressure, but to the regularity of the group meetings and the feedback participants received during the group sessions.

A group coaching program for new managers at the University of Texas detailed the experiences of participants. Not only did participants receive feedback from the coach, but they also received feedback from their peers about how well they were doing. Fellow group members were able to help participants set realistic and successful expectations, timeframes, and communication strategies (Scamardo & Harnden, 2007).

A similar dynamic was observed in a series of experiments involving prenatal care for expectant mothers from low-income populations. The authors of these studies credited the success of the group setting to the fact that the soon-to-be mothers received support from one another and were therefore more likely to change their behaviors in positive ways. The participants were less stressed than those in the control group because they felt less alone (Ickovics et al., 2003, 2007). This benefit could likely translate to coaching interventions in other environments for vulnerable populations.

Many of the studies surveyed suggest that group coaching clients gain a sense of gratification from helping others in similar situations to their own (Kondo, 2009; Scamardo & Harnden, 2007). The group coaching process then has the potential to transform the coaching experience to one in which participants coach each another.

Moving from a one-on-one setting to a group environment may raise concerns about clients' willingness to speak truthfully about their experiences. Research has suggested that clients may be reluctant to reveal private or potentially embarrassing information in the company of their peers. On the other hand, the group format also reveals to clients that their situations are not unique since others share their troubles and travails. Learning about others' challenges may help participants realize that others' circumstances are similar to their own, and that realization may in turn help open the door for positive change. In fact, clients may be more comfortable sharing some information to an audience of their peers than they would be one-on-one with a coach (Ickovics, et al., 2007; Kets de Vries, 2006; Scamardo & Harden, 2007; Ward, 2008). The information participants reveal can be used to set action plans towards their goals.

The peer pressure generated by being surrounded by fellow participants may also act as a commitment device that helps clients hold true to their stated goals and action plans. This dynamic has been particularly evident in the weight loss literature, where group meetings appear to have a greater effect than individual meetings with dieticians. Part of this effect is attributed to being around others who are independently working toward similar goals (Ash et al., 2006; Heshka et al., 2003). Clients may be more inclined to make progress on their own goals if others in the group demonstrate progress toward similar ends.

Potential Downsides to Group Coaching

The literature review also revealed a few cautions around group coaching.

For one, there is likely a limit to the number of clients who can be coached simultaneously. The size of the group affects coaching sessions' dynamics. Larger groups may be too complex and may be prone to splitting into sub-groups (Carter & Hawkins, 2013). In addition, clients may be hesitant to share personal details if a group is too large (Ward, 2008). Many of the studies described in the literature review section dealt with groups of fewer than 12 individuals. The ideal size for a coaching group did not emerge from the literature review.

Coaches who work in group settings also need to be aware of the various backgrounds each client brings to the program. In individualized coaching, coaches may find it easier to ensure their language resonates with clients. In group settings, the effectiveness of communication may depend on subtler uses of language, correct cue signals, cultural intelligence, and nonverbal behaviors (Silberstang & London, 2009). In group settings, coaches may need to work harder to ensure that they are communicating effectively with each client, and that clients are able to communicate with one another.

Confidentiality is also an issue the coach must be aware of when initiating a group coaching program. Although some clients may be willing to reveal personal details in a group environment, establishing standards and expectations around confidentiality is crucial. The coach must ensure clients know what kinds of information, such as sensitive financial information, would be more appropriately discussed or reviewed in a one-on-one setting (Brown & Grant, 2010).

Finally, groups learn differently than individuals. Participants may be able to combine their individual knowledge and talents to produce better short-term results. Nonetheless, because individuals are responsible for less material, they may retain less information than they would have in a one-on-one setting (Kirschner, Paas, & Kirschner, 2009). Thus, coaching exercises that require a client to learn significant amounts of new information may be best suited for individual or small group environments.

Conclusion

As explored in this brief, previous research on group coaching is minimal, and research on group financial coaching is essentially nonexistent. Nevertheless, experiences from group programs in other fields underscore the potential benefits of group-based coaching models. In particular, the increased support provided by fellow participants who are in similar situations has proven to be a powerful mechanism in supporting real, long-lasting behavior change.

In another effort to learn more about group financial coaching, CFS is presently exploring the implementation of a group financial coaching pilot program funded by the Annie E. Casey Foundation. The Center will issue a brief covering interviews and survey data from this program in fall 2013.

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